SENATE—*Thursday, July 9, 1987*

(Legislative day of Tuesday, June 23, 1987)

The Senate met at 8:45 a.m., on the expiration of the recess, and was called to order by the Honorable PATRICK J. LEAHY, a Senator from the State of Vermont.

PRAYER

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

Let us pray.

Righteousness exalteth a nation. Sin is a reproach to any people.—Proverbs 14: 34

Eternal Father, help us to understand that faith in You is not a peripheral matter—a religious alternative which we may take or leave—irrelevant to life and duty. Thank You, mighty God, that our Founding Fathers took you seriously, they believed in You, depended on You, looked to You for wisdom and guidance. In these hours of critical decisions, help us to hear the words of Thomas Jefferson, "God who gave us life gave us liberty. Can the liberties of a nation be secure when we have removed the conviction that God is the author of those liberties?" Deliver us, Lord, from the sin of indifference—awaken in us the awareness that denial of human rights, alienation, social decay, and disorder are the consequences of indifference to God. Guide us to righteous decisions which are just and true. To the glory of God and the peace of the world. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 9, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PATRICK J. LEAHY, a Senator from the State of Vermont, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

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

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the acting majority leader, the Senator from Wisconsin, is recognized for not to exceed 7½ minutes.

RADICAL SOVIET ECONOMIC CHANGES COULD SHIFT WORLD POWER

Mr. PROXMIRE. Mr. President, the Soviet Union has announced that they intend to put into effect over the next 4 or 5 years a radical change in the way they run their economy. If they persist—if they follow through with this intention—they might dramatically increase their economic production. That could mean that over the next 20 or 30 years the Soviets could change the comparative military power of the Communist and the free world. What the Communist Party in Russia has started is more than rhetoric. It is not just a consolidation of Gorbachev's power. It is a plan to try to bring Soviet economic production up to a more competitive level with economic production in the United States.

The Soviets have a very long way to go. Today their economic production is only 55 percent of the U.S. production. Here is a precisely the weakness that prevents the Soviets from fulfilling Khrushchev's arrogant boast—25 years ago—when he told President Kennedy: "We will bury you." In these last 25 years, the United States has been building up its strategic and conventional military force devoting a large 6 to 7 percent of its GNP to its defense buildup. Meanwhile the Soviets have poured a huge 15 percent of their economic production—GNP—into their military buildup. The result has been a standoff. The Soviets certainly lead in conventional forces. The two superpowers are about the same in strategic military forces. The United States has a decisive lead in military technology.

Obviously Khrushchev was wrong. The Soviets didn't bury us. They didn't come close. Why did they fail? The answer is obvious to Gorbachev. His country failed because it lacked the prime basis for military strength in a modern state: a competitive economy. Now Gorbachev is making changes designed to increase, perhaps to sharply increase, the Soviet economic production. Gorbachev has not repeated Khrushchev's boast. But could the Soviet's economic transformation bring a Communist military juggernaut that could "bury us"?

Consider how dramatic an economic change the Soviet Politburo plans:

First, by 1991—4 years from now—only 25 percent of Soviet manufacturing would be under Government control. The rest would be free to compete, to innovate, to operate—at least in part on a profit-driven basis and under the lash of competition.

Second, the present system of centrally determined prices of 200,000 different commodities and products would be ended. Factory and store managers could set prices in competition with other factories and stores based on holding down costs and offering better quality.

Third, mandatory central 5-year plans would end. Instead the central government will issue noncompulsory general guidelines.

Fourth, the rights and powers of Soviet farms, factories, and other firms would be expanded.

None of this is to say the Soviet Union is in the process of becoming a capitalist democracy. It isn't. The Communist Party will have just as firm control in the foreseeable future as it has now. There will be contested elections for limited local office, like mosquito abatement districts. But the power of popularly elected officials in the Soviet Union will not approach the force of a butterfly's hiccough. What Gorbachev and his Politburo pals have in mind is a Soviet economy that can begin to produce on a par with the capitalist countries. They can see in Europe the dramatic difference between Communist and capitalist economic efficiency. East Germany versus West Germany. Poland versus France. The capitalist countries win on economic production every time. It is not close. But Gorbachev must see something else. He sees that the U.S.S.R. can and does put 15 percent of its GNP into military power. The United States 6 to 7 percent. Other NATO democracies less, in fact, much less. Why? Because the U.S.S.R. is a dictatorship. It allocates its resources as the dictating, unelected Politburo wishes. The United States and other NATO countries are democracies. The people have a voice. So the Congress or Parliament only gives the military what is necessary for defense. Gorbachev is moving his Soviet Union to use capitalist decentralization, capitalist competition, capitalist profit incentives to increase economic production. But he wants the Communist politburo to continue to dictate the allocations of the production. That way the military can continue to get its 15 per-

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

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cent. But it will be 15 percent of a much higher base.

Mr. President, isn't it clear why what is going on in the radical econmic changes in the Soviet Union is of great importance to Americans and to this Congress? It can have a profound effect on what this country and our NATO allies need for defense in the future.

RESERVATION OF LEADERSHIP TIME

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the remainder of the time of the leader be reserved for his use later in the day.

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

Mr. PROXMIRE. Mr. President, I also ask unanimous consent that the time of the minority leader be reserved for his use later in the day.

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin has reserved the time of the majority leader and the time of the Republican leader. Under the previous order, there will be a period for the transaction of morning business not to exceed beyond the hour of 9 a.m., with Senators permitted to speak therein for not to exceed 1 minute.

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

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

The legislative clerk proceeded to call the roll.

ECONOMIC DISLOCATION AND WORKER ADJUSTMENT ACT

Mr. LEAHY. Mr. President. I rise today to discuss the Economic Dislocation and Worker Adjustment Act. The bill provides adjustment services and demonstration programs for dislocated workers. One provision requires employers to notify workers and communities before they close plants or layoff large numbers of workers. The ultimate goal of this legislation is to cushion the transition for workers and their communities when faced with the often harsh realities of industrial change.

I have heard from many Vermont business men and women who are concerned about the Federal Government's encroachment on private business decisions. I want to tell them that the substitute legislation that was introduced is not an encroachment.

I was very skeptical about S. 538 in its original form. I thought its requirements would have placed undue burdens on employers. I would not have voted for the original bill or the bill reported by the Labor Committee. The bill as originally introduced, required that employers consult with unions over a proposed shutdown. The bill reported by the Labor Committee dropped that intrusion but still required 180 days notice for the layoff or termination of employment of 500 or more workers. There was no distinction between a permanent closing and a temporary layoff in the reported bill. Businesses actively seeking business or capital in order to remain open were treated the same as those that were closing permanently. Senator METZENBAUM has made further changes in the bill resulting in the substitute we consider today.

The current legislation defines employers as having 100 or more workers and requires 60-day notice for a plant closing affecting 50 of them. A distinction is made between a closing and a temporary layoff. For a layoff the notice is required only when the employment loss affects one-third of the workers at a job site. Seasonal and part-time employees are not included in the determination of when advance notice is required. This change is important to Vermont's vital retail industry.

The compromise embodied in the substitute balances the needs of workers and State and local governments with the concerns of the business community. The exemptions in the substitute say that a firm would not be required to give advance notice of a closing if it is caused by the sale of a business, relocation within the community, completion of temporary projects, and strikes or lockouts. There is also an exemption for employers actively seeking capital or business in order to avoid or postpone a closing and who believe that notice would hurt their prospects. This will permit firms to seek new capital to refinance their troubled operations and keep Americans working.

This measure is not perfect. I would have preferred that the bill include a definition for the term "business circumstances that were not reasonably foreseeable." I hope the conferees on the trade bill will work to better define these terms. The process by which we arrived at the substitute demonstrates the need for the conferees to address the concerns of business while showing sufficient sensitivity to the needs of dislocated workers—for notice, training, education, and relocation.

No State is immune to worker dislocation. Vermont has had its share of plant closings. The changes in the substitute bill go a long way in providing a successful worker adjustment program. Hopefully this legislation will help workers and local communities cope with the realities of changing economies. That is why I have decided to support the substitute bill.

IN PRAISE OF M. DANNY WALL

Mr. HATCH. Mr. President, it is a pleasure to add my name to those who applaud the nomination of Mr. M. Danny Wall to chair the Federal Home Loan Bank Board. Dan Wall has served as staff director of the Senate Committee on Banking, Housing, and Urban Affairs in both a minority and a majority position since 1979, and played a significant role in the regulatory reforms accomplished by this administration. In my judgment, he is superbly qualified to lead the thrift industry through the challenges it faces today.

Today's Bank Board Chairman needs a broad understanding of the legislative, regulatory, and market environment within which the banking industry must operate. He or she must also have the ability to attract a strong and capable staff. Again, Dan Wall meets these qualifications. His service with the Senate has already demonstrated his capacity for mastering new and highly technical information. Furthermore, his understanding of the role of the market is a clear one and one which will allow him to play a key part in the future developments of the financial services industry.

Mr. President, I congratulate President Reagan for this excellent nomination. We in the Senate will miss Dan's advice and counsel, but at the same time we understand the need to place our best people in positions of leadership in the administration. Our best wishes go with Dan and his family.

THE BORK NOMINATION

Mr. BURDICK. Mr. President, the U.S. Senate will soon be called on to make one of the most important decisions in the last 50 years, a decision that will shape the Supreme Court well into the next century. In the week since the President submitted the nomination of Judge Bork for appointment to the U.S. Supreme Court, I have studied in depth the record of the nominee. I have come to the conclusion that Judge Bork must not be confirmed.

There is no lack of evidence on this nominee's record. He has published, he has spoken out, and he has made his voice heard for the last 25 years. And the evidence is compelling. This nominee is completely out of step with the needs and desires of the American people, as reflected in a long line of cases decided by the Supreme Court. He has been insensitive to the rights of women, to civil rights, and to freedom of speech.

For 200 years, Americans have enjoyed the protection of the first amendment. Judge Bork would introduce severe new restrictions. He has said it very plainly:

There is no basis for judicial intervention to protect scientific or literary expression.

One of the proudest moments in our history was the Supreme Court's endorsement of the principle of one person, one vote. Judge Bork disagrees. Gerrymanders and special districts that allow small groups to dominate Congress, unfairness that was thought to have been banished forever, could now rise again.

Key portions of the Civil Rights Act of 1964 came under Bork's attack at that time, and today he draws the line at affirmative action. It was not so long ago that the curse of segregation and discrimination rules this Nation. Must we win those battles again today?

This man is no conservative, who would respect precedent and practice judicial restraint, as the President has advertised. Judge Bork has never claimed that mantle for himself. Respect for the past? In one short article in 1971, this nominee found no fewer than 18 Supreme Court decisions that he felt were decided wrongly or for the wrong reasons. We can be sure that he will have no hesitancy to overturn our judicial tradition.

My colleagues know that I am not one to speak out of turn. I am normally very hesitant to criticize a nominee, especially when hearings have not yet been held. But the extremism in the record makes it essential that we stand up now, when our need to do so is urgent.

I would like to close with a brief comment for our friends who tell us that ideology is off limits in the confirmation procedures. I would like to remind the American people that even George Washington had a Supreme Court nominee rejected on the grounds of political views. And, I would like to recall for this body the words of the honorable Senator from South Carolina in a similar situation, just two decades ago, and I quote:

Therefore, it is my contention that the power of the Senate to advise and consent to this appointment should be exercised fully. To contend that we must merely satisfy ourselves that Justice Fortas is a good lawyer and a man of good character is to hold to a very narrow view of the role of the Senate, a view which neither the Constitution itself nor history and precedent have prescribed.

Mr. President, we know that we are entering into a historic fight. The stakes are enormous for all of us. This nominee must not be confirmed.

IS CABINET-LEVEL STATUS THE ANSWER?

Mr. THURMOND. Mr. President, the July 1987 issue of the Disabled American Veterans' magazine featured an incisive editorial by Mr. Charles E. Joeckel, Jr., executive director of the DAV, entitled "Is Cabinet-Level Status the Answer?", this article sets forth several reasons why the Veterans' Administration should be elevated to Cabinet-level status. Chief among these reasons is the need for the VA Administrator to be integrally involved in budget decisions with other Cabinet officers. In addition, the size and importance of the Veterans' Administration justifies establishing the Veterans' Administration as a Cabinet-level department.

As a veteran and life member of the DAV, I commend this insightful article to my colleagues.

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

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

IS CABINET-LEVEL STATUS THE ANSWER?

Caspar Weinberger, Elizabeth Dole, James Baker, and Edwin Meese. They're familiar names to most of us.

They're all members of the President's Cabinet, of course. But we're familiar with these folks, particularly, for more reasons than the status they enjoy at the White House.

Each is an outspoken advocate for the programs their departments implement, and the policies they adopt. Each, too, enjoys frequent and easy access to the President. And each of them—although clearly members of the President's inner team—have been prompted to publicly oppose White House policy when their departments were adversely affected in the past.

There's long been a question of loyalties among heads of the major federal departments and agencies. Can an agency head be true to the President who put him in the job, while demonstrating equal loyalties to his party and the constituents he serves?

The four Cabinet officers I've cited have publicly resolved that conflict. The White House may send word to Congress that they're prepared to compromise on the Defense Department budget, for example. But you can bet Secretary of Defense Weinberger will still be up on Capitol Hill, scrapping for full funding for defense programs—without compromise or retreat.

Indeed, in Washington—where the careful orchestration of legislation among the White House and Congress is a daily occurrence—such criticism of Administration desires from within the President's Cabinet can help rather than hinder a bill's progress.

Congress is extremely sensitive to a lack of candor on the part of White House officials. If they don't think they're getting both sides of an issue, they'll hold things up until they can dig out that other side on their own.

Simply put, that's how the federal government takes care of business. There are only so many federal dollars to go around. Only so much time to consider only so many issues. And only so many people who have the clout to get the President's ear, while selling their department's programs to both the White House and the Congress.

That's why the VA so often finds itself taking a backseat to other issues before the Congress and the Administration. And that's why the current VA Administrator, Thomas K. Turnage, is boxed out of the decision making process.

In one direction he faces the Office of Management and Budget (OMB) stone wall. OMB is a shop where only money talks, and the less money involved the easier it is for them to hear.

In another direction, Turnage faces a lack of accessibility to the President. He is an agency head and not a member of the President's Cabinet. As such, he is expected to weave his way through a maze of Presidential protectors if he is to gain access.

And finally, and at every turn, he is reminded that the Republican party helped put him in the job he now has, and the party demands fierce loyalties in return.

Last year at our National Convention in Reno, Nev., I described the DAV's expectations of the man who fills the top VA job. And I outlined what America's disabled veterans have the right to expect from the agency. Those comments bear repeating:

"You must realize," I told the Administrator, "the absolute concrete commitment we all share for disabled veterans, and it's a commitment we do not believe is subject to modification by reason of political loyalties or interpretation by reason of fiscal priorities. We expect the VA administrator to be a veterans' advocate. Indeed, our expectations are that the administrator's advocacy exceed even the veterans' organizations.

"He is the veterans, and particularly the service-connected combat disabled veterans, last best hope for a fair chance at a full life. If we find that advocacy wavering, we will respond. If we find that advocacy held hostage by political considerations, we will respond. And if we find that advocacy is anything but unparalleled in its strength of spirit and commitment, we will respond with all the might of a million-member organization."

I mention this, in context of discussing Cabinet-level status for the Administrator of Veterans' Affairs, because of recent troubling events on Capitol Hill.

Earlier in the year, the Administration proposed a VA budget that sought to make deep cuts in VA health care and regional office personnel, reduce the scope of entitlement to burial plot allowances, increase user fees for VA-guaranteed home loans, and remove Congress from its oversight responsibility of the VA through the automatic indexing of benefits—among other provisions.

We anticipated vigorous opposition to these proposals from the VA. After all, each White House notion placed important VA programs in serious jeopardy. Yet, that opposition was not forthcoming.

Instead, disabled veterans had to turn to Congress for the voice of advocacy the programs demanded. And, as the VA budget winds its way to completion in Congress, that advocacy has been strong in both the House and the Senate.

Then we have the issue of improved hearing-loss regulations. As you'll recall, the VA developed improved hearing-loss criteria after some prodding by Congress and the DAV.

The criteria addressed the fact that current hearing-loss criteria did not reflect the full extent of disability by veterans in question.

The VA then sent the criteria to OMB, who first stalled the routine review, then rejected it out of hand because of its $33-40 million price tag. It was returned to OMB, where that agency then sat on the measure

for almost a year before finally releasing it in May.

The result of all this was one agency of the federal government—OMB—overriding the decisions made by another—the VA—solely on the grounds of cost. The VA had, in effect, relinquished its policy setting authority to OMB.

It took repeated efforts by members of Congress—and DAV's direct request to White House Chief of Staff Howard Baker—before the regulations were finally released by OMB and printed in the Federal Register.

Would these scenarios have been different if the VA Administrator was a member of the President's cabinet? The evidence strongly supports that conclusion.

And many members in Congress agree. More than one has noted that the VA employs more people than any department except the Pentagon, that the VA runs the largest health care system in the free world, and that the VA, with a budget exceeding $27 billion, is higher than most other federal departments.

We know, too, that the VA potentially serves 85 million Americans—a constituency that far exceeds many other departments of government.

It's a question of the veterans' voice being heard—and heard well—through all the other voices that clamor for attention in Washington. Even though it operated the largest health care system in the world—the VA has had little involvement in the ongoing public policy debate over the changing state of health care in America.

Even though the VA has led the way in such areas as AIDS research, prosthetic development, and rehabilitation research, many seek to cut these areas in the VA budget. No one else is doing the scope of research into such things as gunshot wounds and spinal cost disabilities, yet these VA programs are constant targets of budget cutters.

For these and other reasons, more than 130 members of the House have joined in cosponsoring legislation, H.R. 1707, that would designate the head of the VA a member of the President's Cabinet. Similar legislation in the Senate, S. 533, is also under consideration in that body.

I urge each of you to write or call your elected representatives and add their support to these two measures.

Neither measure guarantees that veterans can stop fighting tooth and nail for what they've already earned. But they do offer veterans a fair chance at being heard—and heard at the highest level of government.

Is cabinet-level status the solution? Yes, so long as the individual who represents veterans on the President's Cabinet can demonstrate that loyalties to constituents, to party politics, and the President are not mutually exclusive.

CAMPAIGN FINANCE LEGISLATION

Mr. DOLE. Mr. President, a great deal has been said and written in recent weeks about the problems brought about by our current election financing laws.

Some have suggested that as a result of our current laws we, first, spend too much and second, we rely on the contributions of narrow, special interests and, they argue, if only the taxpayers of this country would fund the treasuries of Senate candidates, special interests, in the guise of political action committees, would all but vanish.

A recent article has come to my attention which I believe fairly argues the case against both public financing and expenditure limitations. The article was written by Robert Samuelson and can be found in the July 13, 1987 issue of Newsweek.

Mr. President, I ask that the text of the article be printed in the RECORD immediately following my remarks. I urge all Senators to read the article which is entitled "The Campaign Reform Fraud".

The PRESIDING OFFICER. Without objection, the article will be printed in the RECORD.

(See exhibit 1.)

Mr. DOLE. Many of the points Mr. Samuelson makes are ones that have been raised time and time again, but perhaps the most compelling is his belief that money doesn't determine who wins elections. In fact, as the 1986 races have shown, winning candidates are often outspent. The real truth is that spending limits and other arbitrary constraints violate the first amendment both in principle and in practice.

However, while I disagree with those aspects of the Byrd/Boren bill that place limits on campaign expenditures and provide for the use of taxpayers money, I do believe real reform is still possible. There is clearly a value in improving disclosure requirements and in increasing the contribution limits for individuals and perhaps decreasing the limits for PACS. I continue to look forward to working with my colleagues to this end.

(EXHIBIT 1)

THE CAMPAIGN REFORM FRAUD

(By Robert J. Samuelson)

The Founding Fathers are growling in their graves. The Senate is now debating campaign-finance "reform": a respectable-sounding idea that's a fraud. Campaign reform would cure problems that don't exist with solutions that would restrict free speech, smother elections in bureaucratic rules and hurt candidates' chances of beating incumbents. It's an odd way to celebrate the Constitution's 200th birthday.

Blame that on Fred Wertheimer of Common Cause. His crusade for reform—campaign-spending restrictions and public financing—is built on half-truths. He says that campaign contributions of "special interests" have corrupted politics. They haven't. The Founding Fathers knew that special interests were inevitable. Their government of checks and balances requires compromise; competing groups check each other. The system isn't perfect, but it curbs the undue influence of campaign contributors.

Wertheimer is a genius at obscuring this. He harps on the huge rise in congressional campaign spending—up from $195 million in 1978 to $450 million in 1986—and its simplest implication: because congressmen need more money, they're more beholden to donors. The obvious answer is to limit dependence on the donors. The logic fits popular prejudices about special interests, and most editorialists and journalists accept Common Cause's claims uncritically. They shouldn't.

For starters, money doesn't determine who wins elections. Winning candidates are often outspent. In last year's Senate election, says political scientist Michael Malbin, six of the seven Democrats who ousted incumbent Republicans were outspent by an average of about 75 percent. There are too many other influences to make money decisive: the economy, party loyalties, personalities, issues, national mood. The 1986 election results, Brooks Jackson of The Wall Street Journal wrote later, suggested "that much . . . money was spent with little practical effect."

Paradoxically, campaign reform could make it tougher for challengers to unseat incumbents. If money doesn't settle elections, serious challengers need adequate minimums to gain name recognition and project campaign themes. It's these threshold amounts that campaign reform threatens. The spending limits in the bill before the Senate are below what five of the winning Senate Democratic challengers spent. In North Carolina, Terry Sanford spent $4.17 million to beat former senator James T. Broyhill. The bill would have allowed Sanford $2.95 million.

No one is smart enough to set "correct" spending limits based on population or anything else. States and congressional districts differ radically in political characteristics. California races require lots of media spending. That's less true in Chicago. Spending in hotly contested races is typically higher than average. Because Congress—that is, incumbents—would control spending limits, the bias would be against challengers.

Likewise, Wertheimer's assertion that campaign contributions corrupt the legislative process is similarly weak. You hear lots of talk about the dangers of political-action committees (PAC's). What you don't hear is:

- PAC's remain a minority of all contributions. In 1986 they were 21 percent for the Senate (up from 17 percent in 1984) and 34 percent for the House (level with 1984).
- The diversity of the 4,157 PAC's dilutes their power. There are business PAC's, labor PAC's, pro-abortion PAC's, anti-abortion PAC's, importer PAC's and protectionist PAC's. Contributions are fairly evenly split between Democrats ($74.6 million in 1986) and Republicans ($57.5 million).
- PAC's give heavily to senior, powerful congressmen, who are politically secure and not easily intimidated. According to Common Cause, Democratic Rep. Augustus Hawkins of California is the most dependent on PAC contributions (92 percent). First elected in 1962, he won last year with 85 percent of the vote.

Of course special interests mob Congress. That's democracy. One person's special interest is another's crusade or livehood. To be influential, people organize. As government's powers have grown, so has lobbying by affected groups: old people, farmers, doctors, teachers. The list runs on. But PAC's are only a minor influence on voting. Political, scientist Frank Sorauf of the University of Minnesota reports that in 1984 the average PAC contribution to House incumbents was less than one-third of 1 percent of the average congressman's total receipts. Congressmen vote according to their political views, constituents' interests, party wishes and—yes—their consciences. Special interests were supposed to block tax reform. They didn't.

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Free Speech: About half the rise in campaign spending since 1978 reflects inflation. Much of the rest stems from the emergence of younger politicans who use expensive campaign consultants, television and direct mail. In 1984 Democratic House Speaker Thomas P. O'Neill Jr. of Massachusetts spent $213,000 winning re-election. In 1986 Democrat Joseph P. Kennedy II spent $1.8 million to win the same seat. But the expense of modern communications makes it no less vital for free speech.

That's why the Supreme Court held in 1976 that mandatory campaign-spending limits on candidates violate the First Amendment. Public financing of election spending aims to make "voluntary" limits more acceptable. But even if voluntary limits on candidates were enacted, the problem of "independent spending" remains: if I want to buy TV time to support Joe Blow, the Supreme Court says that's my right. Candidate spending limits would prompt special interests to raise independent spending. The Senate bill tries to deter this by subsidizing responses: my $10,000 praising Joe Blow would entitle his opponent to $10,000 of public money to answer me.

Suppose this were judged constitutional (unlikely), what's the point? In our diverse society, one role of politics is to allow the venting of different opinions and pent-up frustrations. Groups need to feel they can express themselves and participate without colliding with obtuse rules intended to shut them out. Our politics is open and free-wheeling. Its occasional excesses are preferable to arbitrary restraints. Wertheimer's brand of reform is misconceived. The Senate would dignify the Founding Fathers by rejecting it.

Mr. QUAYLE. 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.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 9 a.m. having arrived, the Senate will now resume consideration of the pending business, S. 1420, which the clerk will state.

The legislative clerk read as follows:

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

The Senate resumed consideration of the bill.

Pending:

(1) Quayle Amendment No. 442, to strike Part B of Title XXII, Advance Notification of Plant Closings and Mass Layoffs.

A unanimous-consent agreement was reached providing for further consideration of Amendment No. 442 on Thursday, July 9, with a vote to occur thereon at 9:30 a.m.

(2) DeConcini Amendment No. 448, to prohibit trade with Angola.

A unanimous-consent agreement was reached providing for further consideration of Amendment No. 448 on Thursday, July 9, with 30 minutes of debate thereon.

The ACTING PRESIDENT pro tempore. Under the previous order, the question is on the Quayle amendment No. 442, on which there shall be 30 minutes of debate, with 25 minutes under the control of Mr. QUAYLE and 5 minutes under the control of Mr. METZENBAUM, with the vote thereon to occur at 9:30 a.m.

The Chair recognizes the Senator from Indiana.

Mr. QUAYLE. Mr. President, I yield myself 8 minutes.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from Indiana is recognized.

AMENDMENT NO. 442

Mr. QUAYLE. Mr. President, I will begin this debate with a story in Greek mythology that many are familiar with, the story of Procrustes.

Procrustes was a highwayman that would, in fact, capture his people and take them back to a stone bed. On that stone bed, which was called the procrustean bed, he would either chop them off, if they were too long for the bed, or stretch them out, if they were too short for the bed, but, by golly, he was going to make sure that his victims fit that stone bed.

What we have before us today is really the procrustean law of 1987, because what this bill is going to do, like Procrustes did in ancient Greece in sort of terrorizing his victims on the highway, this bill and this legislation, if enacted, and I do not believe it will be enacted no matter what happens with the vote today—if it would be enacted, it would be the beginning of terrorizing the private sector, that we are going to make all fit that procrustean bed, big business, middle-size business. You name it. One procrustean bed is going to apply to all of this.

I think that goes to the heart of the problem we have here. Over the last day I have heard time and time again Senators get up and say, "Gee, what is the matter with the 60-day notice? Should we not do that?"

Of course we should do that. As a matter of fact, businesses do that, businesses ought to be encouraged to do that. Good businesses, if they can, in fact, do that. Some do not. Some should. We try to encourage it. There are a lot of people, task forces and so forth, who have looked into it and made recommendations. They have not come back with a mandatory notice. They have come back with the voluntary notice.

I would point out to those Senators still making up their minds that this is not just a plant closing bill. This bill also goes to layoffs. This bill applies to layoffs.

You take an employer who has 150 employees and if he lays off 50 employees over a 90-day period of time, he has to give notice. Fifty employees laid off over a 90-day period of time and you have to give notice, 60-day notice.

Obviously, this is not going to harm big business. The Fortune 500 have enough lawyers who will be able to say, "Here is how you do it. Make sure this is how you come into compliance with this law." Believe me, this law will have a lot of interpretations in the court, and particularly when you get into what is a foreseeable or unforseeable business circumstance that you ought to know that your plant is going to close.

I think the Senator from Rhode Island, Senator CHAFEE, yesterday made a very eloquent speech showing the uncertainty that small business would have in trying to make a determination on whether they are really threatened by business closing or whether they are going to have a layoff as small as 50 employees for an employer who had 150 employees.

How is that businessman or woman going to be able to make that determination?

In big business they have a battery of lawyers. They can figure out what is going to happen.

The Senator from Rhode Island said, "What if the interest rates go up and he is not able to make the payments down the road? Should he have foreseen that those interest rates would go up and start to give notice? Should that small businessman do that?"

Or if a small businessman wants to lay off 50 people because he did not get a contract. Should he have foreseen that he was not going to get that contract so he lays off 50 people, should he have to give 60 days' notice?

No. It is not unreasonable of big business to expect that 50 people are laid off. But what about the small businessman and woman?

I have heard a definition of what is big business. Big business, Mr. President, is probably what a small business will become someday if the Government will just allow it to grow. What we are doing here, I think, is placing a lot of uncertainty on the small business sector. We are starting to intercede with the Federal Government and mandate certain things that I think we are going to regret if we should pass it.

If you look at this issue of what are foreseeable circumstances before you give notice, let me go back to the example I used yesterday with my dear friend from Illinois of the independence grocery store, operating in Huntington, IN. All of a sudden, a chain grocery store wants to come in and set up shop down the street and, in fact, wants to compete with that grocer.

Should this independent grocery store know that this chain has a lot more capital behind them, is a lot bigger, perhaps even a bit more competitive? Should that independent grocery store at that time say, "I can see that I am going to be put out of busi-

ness and, therefore, I better give notice."

If he does not comply with the notice provision—this independent grocer on an average is probably doing about $2 million of gross sales—do you know what the fine and penalty under this provision would be for that independent grocery? $500,000. A $500,000 fine and penalty would be charged that independent grocer who could not foresee that that chain grocer coming in would, in fact, be more competitive and would eventually put him out of business.

Is that not a bit harsh? Is that not a bit heavy-handed? Are we not saying that the procrustean bed that we are trying to establish for our private sector is something that we should not enter into, the procrustean bed where we are going to make small business, middle-size business and big business all the same? If they are too big we will cut off their legs to make them fit, and stretch them out if they are too small to make them bigger.

But is that not what we are beginning to do? I certainly think that is precisely what we are beginning to do if in fact this amendment would be agreed to and the motion to strike would not be accepted.

Mr. President, let me talk about what other things this amendment does. This amendment is basically allowing the Federal Government to insert itself in the collective bargaining process on an issue that in fact has been bargained back and forth between employers and employees. One of the issues that is negotiated sometimes in lieu of notification—my 8 minutes have expired. I yield myself 4 additional minutes.

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

Mr. QUAYLE. I might say to those who want to speak on behalf of the motion to strike that we are going to be voting at 9:30. The Senator from Ohio has 5 minutes. At about 9:20 I am going to probably yield the floor, let him speak for a while, and then we will balance the time up there. So I would encourage those who want to speak to come over.

I wish to talk about what this is going to do to this bill in the 4 minutes I have allocated. Then I will yield such time as the ranking member of the Labor Committee desires.

There is no doubt that if this motion to strike does not prevail and the mandatory plant closing notification and mandatory notice for layoffs, as small as 50 employees, is in this bill, it is no doubt that it is dead on passage. It is deader than a doornail. There is no doubt that the administration will veto this.

Now, I suppose some can say, "Boy, this is an easy vote for me. I can give labor a vote and then I know in my heart of hearts that this is really pretty bad legislation. I know that it is not really going to become law but I will be able to deal with that down the road."

Well, we will deal with this issue again. There is no doubt about it. It is not going to become law. It will go through the Labor Committee. Maybe the Labor Committee will recommend what is before the Senate today. I do not know what the Labor Committee will do. We will find out. We will be there. But there is no doubt that a lot of people say, "Boy, this is an easy vote for me. Give them a vote"—knowing full well it is going to be vetoed. Others—I have some on my side—say, "I don't like the way this bill is going. I do not particularly like this bill. I am a free trader at heart and I am going to vote against this bill. I don't want this trade bill to become law. Maybe I ought to be sure that things I know are going to get the President's attention and he will veto them, maybe I ought to put those things in here."

And so from our side some of the people who are free traders are, saying, "I can give some of my special interest groups a free vote here because I don't really like this provision. I think it's bad. I know it is not going to become law. I really don't like the way this trade bill is going. I can have the best of both worlds." So we have all sorts of dynamics shifting on the floor here of how they may or may not vote on the motion to strike.

Mr. President, let me show some of the loss of support of this bill. This bill is going right down the tubes, if this motion to strike or at some time during the debate of this trade bill this provision is not excised somehow because some of the groups that have been supporting the bill would not support it: Business Round Table, the Emergency Committee for American Trade, National Association of Manufacturers, the National Foreign Trade Council, the U.S. Chamber of Commerce, the U.S. Council for International Business. "We could not support the bill if plant closing notification and notification for layoffs is incorporated in it." So I would say bye-bye trade bill. Some on my side, maybe some on the other side, might say, "Hooray, this trade bill isn't any good the way it is going. It is in shambles."

Well, we can add a few more shambles to this trade bill by denying this motion to strike and without excising this provision.

Mr. President, I yield as much time as the Senator from Utah would like.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Indiana has 10 minutes remaining.

Mr. QUAYLE. I have used 15 minutes?

The PRESIDING OFFICER. The Senator is correct.

Mr. QUAYLE. Let me just ask, I yielded myself 8 minutes and 4 minutes, and that adds up to 12, and 12 from 25 is 13. I am not terribly good in mathematics, but I am not that poor.

The PRESIDING OFFICER. Since the quorum call was called off at 9:02, those 2 minutes were deducted from both sides proportionally.

Mr. QUAYLE. It was 9:02?

The PRESIDING OFFICER. It was done proportionally.

Mr. QUAYLE. So I lost 1 minute?

The PRESIDING OFFICER. Something over that because it was done proportionally.

Mr. QUAYLE. Let me yield 8 minutes to the Senator from Utah.

Mr. HATCH. I thank my distinguished colleague from Indiana. I think he has done a terrific job of explaining to the American people what this bill is going to mean. I compliment him for the leadership he has provided to all of us on the floor in this particular debate. It is not very often you get an issue that comes to the floor that has so many bad aspects to it. I think that is pretty apparent. I think we are in the seventh or eighth draft of this particular bill since we have had the floor because the other side has been giving up and giving up and giving up on many burdensome provisions because they know how terrible this is in order to get enough votes to pass this particular aspect.

Mr. President, as we approach a vote on the motion by the Senator from Indiana, I hope we will keep in mind a few political, legal, and practical considerations.

First, inclusion of company closing and layoff legislation in the trade bill will do nothing to enhance the competitive capabilities of corporate America in either domestic or international markets. Instead, this proposal will impede the ability of companies to make fundamental business decisions necessary to stay competitive. It is amazing to me it is even offered to this bill. This ability and flexibility has been a trademark of our Nation's economy, a trademark that is envied in Europe where plant closing requirements are a well recognized impediment to economic growth and job creation.

I do not see any reason to bring Europe to America at this particular point. We are the envy of the whole world because of our economic system and now we are going to bring all of these closed approaches to our country to stifle job creation.

It is ironic that we are considering company closing and layoff legislation as part of the trade bill which is reported to make America more competitive. This amendment will not make us more competitive. It will ask us to adopt a failed labor policy of Europe; a policy that repeated experience has

shown to be a failure. If the European experience has been so effective, why are European countries trying so hard to eliminate or dramatically cut back their plant-closing laws?

We create more jobs in America than in Europe. We start more new businesses than in Europe. We have lower unemployment rates than in Europe.

And, by the way, the unemployment rate is down to 6.1 percent, lowest in a decade. And then we do something like this to America.

Why? Because we protect the flexibility of American business to remain efficient. Why in the name of a more competitive America should we impose a policy that Europe is trying to back away from? Why not learn from their mistakes instead of doing our best to match them.

I hope my colleagues also realize that this proposal represents only the first of several gargantuan impediments some of our colleagues on the Labor Committee want to foist on American business. They believe the private sector can absorb any number of federally mandated policies and benefits. They believe the private sector can absorb any amount of Federal regulation and intervention. And yet, they expect that business will continue to function and compete effectively. They are wrong. They are dead wrong. This country's economy cannot afford a lesson where we will learn just how wrong they are.

During the 100th Congress, this body will vote on company closing and layoff legislation. This body will also vote on raising and indexing the minimum wage, on mandating health insurance plans, on mandating disability plans, and on mandating a wide variety of other labor policies and programs. And the reason is because they cannot tax the American people any more directly, so they are going to do it indirectly by mandated programs and benefits.

Efforts to have the Labor and Human Resources Committee view these issues in the aggregate have been blocked. They have been blocked because no one really believes our economy could survive such a heavy handed raid on the private sector.

The agenda of the current leadership of the Labor Committee will impose at least an additional, annual $100 billion costs on the private sector. This agenda is estimated to eliminate at least 500,000 jobs. And, it will have a negative annual deficit impact of billions of dollars. I wonder what this body would do if we choose to vote on these items in the context of this trade bill?

Then again, I am not sure how seriously the leadership of the Labor Committee takes the proposals reported out of that committee. Look what has happened on the issue of plant closing, the legislation before us.

The bill introduced by the sponsors was completely unrealistic. It would have forced companies to get permission from political figures and employees. It would have required exessive information disclosure. And, given the numerous possible points of litigation, it would have required a court to ultimately decide whether a company could close, move, or shift employees and exercise some of what heretofore had been considered basic rights of entrepreneurship.

The bill was reported out of the Labor Committee, but the proponents began to back away from it as soon as the trade bill came to the floor. One of the more visible legislative fire sales began. Today, I believe we are on version 7. It might be 8 or 9. I do not know. I suspect that if they need one more vote, it will be 10—whatever it takes. Portions and provisions have been tossed aside in exchange for what I assume was a vote here, a vote there. All in all, this is a rather startling indication of the weight given to the Labor Committee's work. I have been told that the fire sale is now over. But it ended too quickly. The latest version of the bill is still unfortunate, misguided policy. I urge my colleagues to join me and oppose it.

But there is one final problem with addressing closing and layoff legislation in conjunction with the trade bill. It has been made clear by the administration that the inclusion of business closing and layoff legislation will probably force a veto regardless of the other relative merits of the bill.

So, when this bill is vetoed, go to those people who are leading this fight for plant closing, because they know it does not belong on this bill. They know this is going to cause a veto of the bill, and I can tell you that we will sustain that veto.

How serious and realistic is the threat of a veto? Ask Bill Brock, the Secretary of Labor. He knows how serious this is, the type of legislation it is. He knows what garbage it is.

It is serious enough that the House of Representatives specifically chose not to include plant closing language in its version of the trade bill. Again, the proponents of this issue are demanding that we ignore this political reality.

Mr. President, the closely held, ever-changing closing and layoff proposal now before us is anticompetitive. It is economically unsound. It has not been subject to committee review or report. We are being asked to endorse a dramatic change in current labor law without any understanding of the consequences of the proposed language.

I hope my colleagues will join me and eliminate company closing and layoff legislation from the trade bill. The solution to reemploying dislocated workers does not lie in postponing economic reality through artificial requirements or litigation. It lies in effective retraining, as provided in other portions in this trade bill, and in an economy capable of economic growth free of unwarranted Federal regulation.

Even the House, which is dominated by this philosophy, did not put this in their bill, because they know it would cause the end of the trade bill. That is what is happening, and that is what this exercise is all about. Frankly, more power to the President, if that is the case, if this legislation is in it.

I complement the Senator from Indiana for his fight.

Mr. METZENBAUM. Mr. President, I yield 2½ minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we are concluding the debate on what I think is extremely important legislation affecting millions of families in America, who hardly understand what this legislation is all about, listening to the opponents of the legislation.

The days of the feudal baron are over in the United States of America. The question is whether we are going to treat people like people or people like cattle and chattel in America. The question is whether we are going to give notice to American families, American families that in many instances have worked their lifetime in some business, in some plant, in some factory, when their children are growing up, so that they might be able to pull their lives together, get some additional kind of training, make some plans for their children, make some plans in terms of the future allocation of their scant resources; and whether they are going to be treated with some degree of respect and dignity in this country in 1987 and 1988.

That is what this legislation is all about—60 days to let them know that they are going to be laid off or that those factory doors are going to be closed.

The employers and all the white-collar workers are going to know. They are going to be able to take care of their families. They will know how to find other employment.

How many businessmen are going to have less than 60 days' notice? They are going to know.

All we are asking is that those people who have made our businesses successful—over a lifetime, in many instances—are going to have 60 days' notice so that they can live in the future with some degree of respect and dignity. When you draw the bottom line, that is what this legislation is all about. It is not what Europe is doing or what Japan is doing. It is what we are doing to people who have made this country the great country it is.

I yield back the remainder of my time.

Mr. METZENBAUM. Mr. President, I want to conclude with respect to this matter. But, after all is said and done, the Washington Post editorial the other day was on target when it said that advance notice is like a shock absorber. It gives the employee an opportunity to make some arrangements which other provisions of this bill provide for, so that he or she may not be totally destroyed when the plant closes.

At a company in Ohio recently, a new owner came in, got $800,000 from the State, assured the employees that everything would be fine in the future, reached an understanding with the union, and then, the minute after he took over the plant, took the employees, a group of women, out to the yard, surrounded them with security guards, and said to them, "You're fired. There is no more work."

What kind of humane consideration can possibly motivate people who are opposed to this provision? How can anybody say that this is so terrible that somebody is going to oppose its inclusion in the bill?

How can anybody claim that a worker who has given 20 or 30 or 35 years of his or her life to that employer, making the company viable, making the company strong, making the company rich, and then the company decides to move to Mexico or to some other country and closes the whole plant down—how can you possibly say that that employee, who has given so much of himself or herself, is not entitled to 60 days' notice?

This bill is just a matter of simple humanity, simple decency. If you are for decency in the treatment of your employees, then you have to vote against striking the language in the bill. But if you think employees are just chattel, if you believe that you can fire anybody at will, close down the plant, and not care at all about those employees, then go ahead and vote to strike out this provision.

The Office of Technology Assessment, the Secretary of Labor, and all the other groups that have considered this have said advance notice is reasonable.

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

Mr. QUAYLE. Mr. President, I yield my 2½ minutes to the cosponsor of this proposal.

Mr. BOREN. I thank the Senator from Indiana.

Mr. President, I am absolutely convinced that my two colleagues who have just spoken are sincere in their feelings. None of us wants to see workers mistreated. If I felt that this particular provision would help the workers of this country, would protect the workers of this country, I would vote for it.

Mr. President, I think it is far more important for us to take actions that will truly help the workers of this country as opposed to taking actions that on the face of them might have the appearance of helping the workers of this country.

What we can do to best help the workers of this country and future generations of workers in this country is to make sure that our actions will maximize their economic opportunity, will give them more opportunities to have jobs, and the best way we can do that is create a climate in this country that will promote our productivity and will promote our ability to compete.

Part of that climate is the very healthy competition that has grown up between the communities and States and regions as they seek to create a climate in which business is welcome, in which productivity can be increased as they try to enhance the productive ability of our workers, as they emphasize the dedication of workers in their regions and their communities to the work ethic to putting in a full day's work for a full day of pay.

These are healthy developments that will restore strength to the economy of this country. This is a healthy climate to create.

By imposing unnecessary bureaucratic burdens which make it more difficult, setting up circumstances in which pressures can be brought to bear on companies that have an economic need to restructure or a legitimate economic reason for moving from one section of the country to another, will only diminish our ability to compete, diminish the intensity of that climate of competition between communities, which is enhancing economic opportunity in this country.

I strongly support the provisions of this bill for the retraining of workers. I strongly support the provisions of this bill for helping those who have been displaced. But let us not pass something, well-meaning as it might be, that will in the long run force more workers in this country to have to opt to take advantage of those programs for displaced workers and retraining because they have lost jobs, because we have taken another unnecessary bureaucratic step to sap the competitive vitality of this economy.

Let us do something to really help workers—vote for the motion to strike—instead of something that simply has the appearance of helping workers.

The PRESIDING OFFICER. All time having expired, the question is on the amendment of the Senator from Indiana.

Mr. QUAYLE. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. No, they have not.

Mr. METZENBAUM. Mr. President, I wish to make the following observations to clarify the meaning of the changes that have been made regarding advance notice since the provision was reported by the Labor and Human Resources Committee.

First. In order to distinguish "plant closings" from "mass layoffs" separate definitions of these terms have been developed. The intent of these definitions is to distinguish structural changes in a business which dislocate workers from layoffs that are part of the expansions and contractions that tend to occur in businesses as part of the overall business cycle. The distinction between closings and layoffs is not intended to turn on the formalities of whether employees are technically placed on a furloughed status or are terminated; if an employer reorganizes his business so as to permanently or temporarily close a place of employment or facilities or units therein, the employer's action constitutes a "plant closing," regardless of whether the employees are placed on laidoff status, provided that in the aggregate the requisite number of employees is affected.

Second. Two changes have been made regarding the number of workers who must suffer an employment loss in order for an employer's action to constitute a "plant closing" or "mass layoff" within the meaning of the bill. First, for both closings and layoffs, part-time workers—as defined in 331(8)—and seasonal workers—as defined in 331(9)—are not to be taken into account in determining whether the requisite number of employees have been affected. If enough employees have been affected to trigger the provisions of this bill, however, all affected employees are entitled to the advance notice provided for herein, including part-time or seasonal employees. Second, for mass layoffs, not only must 50 employees be affected, but, in addition, the layoff must be of at least one-third of the employees who are actively working for the employer at the place of employment as of the time of the layoff.

Third. The length of advance notice required under the bill has been reduced from 90 to 180 days, depending upon the number of employees affected, to 60 days.

Fourth. A new provision has been added which would exonerate an employer who has shut a workplace without providing the full notice required by the bill in specifically defined circumstances. This defense is intended as a narrow one applicable only where it was unclear 60 days before the closing whether the closing would occur; the employer was actively pursuing measures that would avoid or indefinitely postpone the closing; and the employer reasonably believed that giving notice would prevent the em-

ployer's actions from succeeding. The key phrases are first that the employer was "actively seeking capital or business" and second, that the employer "reasonably and in good faith believed that giving the notice required would have precluded the employer from obtaining the needed capital or business." Thus, to avail himself of this defense the employer must prove the specific steps the employers had taken, at the time notice would have been required, to obtain a loan, to issue bonds or stock, or to secure new business, and the employer must show the objectively reasonable basis for his good-faith belief that giving the required notice would have prevented the employer from obtaining the capital or business that the employer had a realistic opportunity to obtain. The employer also must prove that once be learned that the workplace would be closed, he promptly notified the employees and explained why earlier notice had not been given. This same obligation is imposed on employers who seek to take advantage of the second defense which permits reduced notice.

Fifth. A new provision has been added to address a situation as to which the bill as reported by the committee was unclear: A layoff of fixed duration which is extended beyond its terms. Under this provision, such a layoff is to be treated as an indefinite layoff as of the time the employee was laidoff—and thus to constitute an "employment loss" as of that time—unless the employer proves that the extension of the layoff was caused by business circumstances that the employer did not and could not reasonably have foreseen at the time the employer fixed the time limit for the layoff, and that the employer gave notice to the employees once the employer knew, or should have known, that the layoff will be extended./-

Sixth. The exemption for small employers has been raised from 50 to 100 full-time employees. An employer with fewer than 100 full-time employees will not be required to provide advance notice for either a closing or a layoff, regardless of the number of employees effected.

Seventh. Finally, two changes have been made to accommodate the intersection of this bill with Federal labor laws. First, the bill provides that if the employer locks out his employees in a labor dispute with them, or if the employees go on strike against the employer, the strike or lockout is not to be deemed a "plant closing" or "mass layoff." Second, the bill is amended to make clear that the fact that an employer is required to and gives notice of a closing or mass layoff in good faith compliance with this bill cannot be deemed to constitute a failure to bargain collectively, as required by the National Labor Relations Act or Railway Labor Act, without regard to whether the notice is given at a time when collective bargaining is ongoing.

Mr. CHILES. Mr. President, the plant-closing legislation calls for businesses with more than 100 full-time employees to give 60 days notice to their employees prior to closing down operations or laying off more than 50 employees comprising one-third or more of their work force at a particular location.

I would like to take a moment to seek clarification from the Senator from Massachusetts of a number of exemptions that I understand are now included in the proposed amendment. The distinguished junior Senator from Florida joins me in requesting this clarification.

Mr. KENNEDY. I would be happy to provide the requested clarification.

Mr. CHILES. First, if the business believes that the notice will accelerate the shutdown of its operations, and that business is actively seeking capital or business in order to avoid or indefinitely postpone a shutdown and it reasonably believes that giving notice will preclude it from obtaining the needed capital or business then it need not provide advance notice?

Mr. KENNEDY. Yes, that is correct.

Mr. CHILES. Second, employers are exempt from the notice requirement of the amendment if the closings or layoffs are the result of the sale of the business, relocation within a community, or closing of temporary facilities or completion of a particular project? Thus, for example, if a grocery store is closing down one site and reopening at a new site within 6 months and that new site is within 30 miles of the old site, or reasonable commuting distance, and they plan to employ at the new site substantially all of the same employees from the old site, they are exempt from giving notice?

Mr. KENNEDY. Yes, it is our intention to provide exemptions for closings or layoffs that are the result of the sale of a business or relocation within a community if the workers are reemployed in a nearby location or the new owners retain the old workers, and also for a closing of temporary facilities or completion of a particular project when the employees were hired knowing of its temporary nature.

Mr. CHILES. Additionally, I note that the amendment refers to closings or layoffs resulting from the "completion of a particular project where their employment was limited to the duration of the facility or the project." I also note that the committee report explains that a typical "project" within the meaning of this exemption would be a "construction project." Thus, is it correct that ship building and overhaul projects would fall within the meaning of this exemption, provided of course that the employees were hired with the requisite understanding?

Mr. KENNEDY. Yes, where employees of shipyards are hired for such projects with the necessary understanding, the language of the third exemption would apply.

Mr. CHILES. As the amendment relates to seasonal employees, if they work for less than 3 months per year for a particular employer, that employer will not be required to include those seasonal employees in the total number of employees when determining whether or not advance notification of a closing or layoff is required?

Mr. KENNEDY. Yes, the advance notice requirement would apply only where 50 or more full-time, nonseasonal employees are affected by a closing, or in the case of a layoff, more than one-third and 50 of the full-time, nonseasonal employees at one specific site, are subject to a layoff that is indefinite or exceeds 6 months.

Mr. CHILES. Finally, is there remaining any requirement that businesses disclose any financial information?

Mr. KENNEDY. No. All references to disclosure of financial information have been eliminated.

Mr. FORD. Mr. President, like many of my colleagues, I have some concerns about the potential effects of the plant closing notification provisions that have been added to the trade reform bill before us. Notification is a responsible thing to do, and most businesses recognize that. Notification is essential to making the expanded job training provisions of this bill work, and the compromise that has been developed goes a long way to addressing my concerns and the concerns raised by some of the business community in my State.

The original provision that came out of the Labor and Human Resources Committee went too far. Had business come forward in committee and participated in the legislative process, we might have been able to reach a true compromise. I would have preferred that this provision come to the floor on its own and not as an amendment to the trade bill. If that had been the case, we would have had an opportunity to amend this bill and debate it fully. But because all parties did not fully participate in deliberations in committee, this procedure has been forced upon us. I firmly believe that business recognizes the need for notification and if they had come forward and negotiated this bill could have amended it to satisfy all concerns.

There are still a lot of unknowns about this bill, as is the case with any comprehensive legislation, and I am hopeful that the business community will continue to come forward and fine tune it in conference. With cooperation and full participation from all in-

terested parties, I believe that we can address whatever remaining concerns exist and can produce a notification provision that all concerned consider to be both reasonable and responsible.

Mr. MURKOWSKI. Mr. President, plant closing legislation may very well be needed to protect workers and communities. Yet, the legislation before this body is seriously flawed.

Under the legislation, a "plant closing" is the permanent or temporary shutdown of a place of employment, or facilities, operating units, or functions within a place of employment, if the shutdown results in an employment loss during any 30-day period for 50 or more employees.

Thus, an employer with 100 or more full-time employees must give up to 60 days' advance notice and consult with local governments if 50 or more employees are laid off.

I seriously question whether this is truly a "plant closing" bill. Advance notice and consultation are required irrespective of whether the "closing" would disrupt the economic life of a community or affect wholesale numbers of employees.

If nothing else, this would create excessive government and business entanglement. Should government leaders in major metropolitan areas be involved in business decisions where 50 employees are laid off? I think not.

The "plant closing" language at best is ambiguous and invites litigation. For example, a good argument can be made that the language would require a business employer with five separate facilities nationwide who lays off 10 employees in each of its facilities to be subject to the mandatory advance notice and consultation provisions.

I might add that under the language of this bill it is entirely possible that the local government officials involved in consultation will not be the local representatives of those employees who are laid off.

Mr. President, these are only some examples of some of the many questions this bill raises. I urge that this bill be brought back to committee for review for another day. A bill of such importance deserves better scrutiny. The bill as presented will very likely unduly hamstring economic business vitality, and discourage new businesses, American innovations, job creation, and American competitiveness.

In summation Mr. President, I am opposed to this bill because it is too broad—it goes beyond the purpose and need for true plant closing legislation. What's more, in spite of all the debate today, we must admit that we do not know how it will effect our economy. Further study is needed, especially when we are now in the process of trying to regain our competitive edge. More committee work is needed to help refine its scope, and remove its ambiguities.

We need a better bill. One that is balanced. Workers and communities do need advance notice in depressed economies and from businesses that are vital to the community's well-being. But, Mr. President, this bill doesn't do the job.

Mr. LEVIN. Mr. President, I have watched with great interest the debate over mandatory advance notification for plant closings. Even though I became a cosponsor of this legislation early on, I congratulate Senator METZENBAUM on his willingness to listen to the legitimate concerns of the business community and to seek to address them.

The notification period has been shortened, the minimum number of employees has been increased, the information disclosure requirements have been eliminated, allowances have been made for part-time and seasonal workers. These revisions have all been designed to make the measure more attractive to employers and at the same time enhance the chances that this legislation will be approved by the Senate.

It is unfortunate that, in spite of this effort to balance the concerns of employers and employees, there is still opposition to this amendment. However, the hardships on employees that can result from plant closings for which inadequate notice has been given require that Congress take reasonable remedial action, even if some points of controversy remain.

It has even been suggested that this proposal has no place in this trade bill. It does for the simple reason that far too many of America's dislocated workers have become dislocated due to unfair competition with our trading partners.

A prime example of this occurred recently in Michigan, Ohio, Illinois, and Missouri. In November of last year, General Motors announced that they would be closing a total of 11 plants in these four States between 1987 and 1990, a move which will result in the loss of 29,000 jobs. There is little doubt in my mind that these 29,000 employees would not be losing their jobs if it were not for the disparity between America's open markets and the restricted markets of our trading partners.

Although I agree that it would be easier if all employers gave advance notice voluntarily, I don't think it will happen anytime soon. The General Accounting Office's report on plant closings showed that about one-third of all establishments with at least 100 employees gave absolutely no advance notice to their employees. For the firms that did provide advance notice, the median was only seven days for blue-collar workers. This is an amazingly short period of time. Most employers expect at least 2 weeks' notice when their employees are leaving. How is 1 week's notice by employers acceptable?

The purpose of this measure is not to prevent plant closings, but to give workers adequate notice of an impending shutdown. With that important information, an employee would have 2 months with which to plan for his or her future. I do not believe that 2 months is an unreasonable amount of time to ask, in the situations covered by the amendment and I support this legislation.

Mr. COHEN. Would the Senator yield for a point of clarification regarding the scope of the third exemption from the required advance notification provisions?

Mr. METZENBAUM. I would be happy to do so.

Mr. COHEN. The language refers to closings or layoffs resulting from the "completion of a particular project" where "the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project." The committee report explains that a typical "project" within the meaning of this exemption would be a "construction" project. Is it the understanding of the Senator from Ohio that fish packing operations which operate on a short-term, particularized basis would fall within the meaning of this exemption, provided of course that the employees were hired with the express understanding that they are being hired only for this short-term project?

Mr. METZENBAUM. Yes, where employees of fish packing companies are hired for such short-term operations with the necessary understanding to which you refer, it is my understanding the language of the third exemption would apply.

Mr. DOLE. Mr. President, the concept behind the plant closing proposals, giving employees advance notice when an employer intends to close a plant, sounds pretty fair when you first hear it. Unfortunately, when you analyze it, you realize that it is self-defeating if your hope is that you can save those jobs.

The basic goal—saving jobs—is not going to be furthered by taking away flexibility of a company to do all it can to keep that plant operating. Let me give a few examples:

If a company already has given notice that a plant is going to be closed within 60 days, what do you think the chances are that it will be able to solicit new orders that could make the plant more profitable and the closing unnecessary?

What do you think the chances are that potential customers would be willing to increase down payments to help a company overcome cash flow problems?

What do you think are the chances that a company will be able to get additional financing to buy more efficient equipment to be able to make the plant more competitive?

Essentially, Mr. President, what this legislation would do is force an employer to give up on a plant up to 2 months earlier than it otherwise would.

Rather than encourage companies to try to work out their problems, we would be telling them, "we don't want you to take risks. If you think you may need to close the plant some months down the road, make that decision now and force your employees to look for another job."

I understand that this revised amendment attempts to address some of these problems by including a limited exception for certain companies if they are actively seeking additional capital to keep a plant open, but it seems to me that the exception creates more potential for disputes over whether it should apply in a particular case than relief from a basically flawed proposal.

Mr. President, this proposal is not good economic policy and it is not fair to the workers who would lose jobs as a result of this proposal.

I know that some would argue that requiring advance notice would give workers a chance to make concessions, for example. However, when employers have given notice, this has rarely resulted in serious discussions about how to make the plant viable. It just does not seem to result in a more cooperative atmosphere.

Furthermore, we should keep in mind that, under the National Labor Relations Act, an employer cannot now use the threat of a plant closing to obtain concessions from workers. This legislation would put employers in the untenable situation of being required to give notice of a plant closing, but, if it then negotiated with the union representing the plant workers to work out a way to keep the plant open, it might be accused of violating our labor laws.

The amendment addresses this issue by creating an exception to the labor laws for this situation. It can create an exception, but it does not make the policy behind the amendment any more rational.

There may be a number of more technical problems with this proposal—some of the definitions may make the measure very difficult to administer, for example—but the basic policy flaws should be sufficient to give us great concern. This is simply a misguided proposal which is likely to have just the opposite effect from that desired by its proponents.

Mr. GORE. Mr. President, I rise in support of the advance notification requirements contained in the plant closing provisions of title XXII of the trade bill. This section requires employers to give advance notification of plant closings and mass layoffs. It will permit workers to receive dislocation services before the loss of a job actually occurs.

Between 1981 and 1986, companies laid off almost 11 million Americans. Production workers all across this Nation—people with bills to pay and dependent families—were suddenly without work in a market woefully lacking in manufacturing jobs. About one-fourth of all workers, blue collar and white collar, receive no notice of a workplace closing. And only 26 percent get more than 30 days' notice. The United States of America is the only major industrialized country without a law requiring employers to notify their employees before closing down a workplace.

A major study published last December by the Department of Labor recommended a number of procedures for successful reemployment and retraining programs. It is important to note that all successful programs cited by DOL included advance notice of layoffs. DOL found almost no evidence of disruptions, theft, loss of customers, or declining productivity after notification.

Mr. President, it is unfortunate that many of the benefits available to American workers are not realized because they do not receive adequate advance notice when a workplace is planning to close. There seems to be a general consensus on the need for more investment in programs for job search services, vocational training, basic education, relocation assistance, adequate unemployment benefits, income support during retraining, and similar efforts. But the resources reserved for such benefits will often go for nought because of the lack of an advance notice requirement.

Clearly, advance notice would contribute to increased participation in worker adjustment programs, significant declines in unemployment and underemployment for dislocated workers, easier adjustment to what might otherwise be a wrenching change in affected communities, and substantial savings in unemployment insurance costs.

There have been several objections to the advance notification provision in this legislation from the business community, and the primary sponsors have been more than accommodating to those who have requested changes in the original bill. For instance, the length of notice has been reduced to only 60 days, regardless of the number of employees affected. Originally, as much as 180 days would have been required when 500 or more employees were affected. Incidentally, the DOL study which I cited earlier suggested that 6 months was the optimum amount of notice for a successful adjustment program.

Other changes exempt seasonal industries, remove part-time employees from the requirements for notification, and distinguish between a plant closing and a mass layoff. The newest version also provides an escape clause for employers who anticipate a shutdown, but are actively seeking a way to avoid it and fear that notification would dry up credit or new business. Finally, any reference to the disclosure of information has been deleted.

Despite all of these changes to address the legitimate concerns of business and industry, we are now facing an attempt to strike any requirement for advance notification altogether. I can only conclude that the real reason that many companies oppose a notice requirement—and the reason those same companies do not give advance notice now—is that they do not want to face the pressure from workers and communities. I have witnessed the tragedy of sudden plant closings in my State; I know the hardships faced by workers; and I know the impact of closings and layoffs on cities and counties where these closings take place.

Mr. President, the time has long passed when an employer should be allowed to withhold information simply because the corporation wants to avoid public scrutiny of its decision or public pressure to cushion the impact.

Opponents of advance notification have been active. They even claim that this legislation would prevent them from closing their plants and laying off workers. Of course, that is not true. If business circumstances not reasonably foreseeable occur, a company does not have to comply with the provisions of this bill. No company is compelled to change any business decision. The free-market system is not assaulted. The South is not unfairly penalized, as some have maintained. All that is required is that companies let their employees know what is going to happen to their jobs. I fail to see what is unreasonable about that.

The best employers step up to their responsibilities to employees and communities. Far too many do not. Mr. President, this legislation is long overdue. I urge my colleagues to support advance notification and oppose any amendment which would strike the requirement from the bill.

Mr. SPECTER. Mr. President, I think it appropriate to summarize my reasons for supporting legislation to require 60 days' notice to workers who will lose their jobs or suffer long-term layoffs. First, as the experience in my home State of Pennsylvania dramatically demonstrates, the problem is widespread, serious, and continuing; and it has not been solved by State or local legislation. In Pennsylvania, we have had numerous major plant clos-

ings over the past 15 years. The impact on the affected workers has been devastating. Reasonable notice can and will soften the blows somewhat.

Although this amendment is highly controversial, in my judgment the provision for 60 days' notice is reasonable. Certainly, forseeable job losses and long-term layoffs should not catch workers off guard. On the other hand, the requirement of 6 months' notice in the original legislation was too burdensome on business. The reduction in the required notice from 6 months to 2 months was a major factor in my ultimately deciding to support this legislation.

I also had great concern that such legislation should not apply to small business. In this regard, the increase in the "trigger number" of job losses or layoffs from 50 to 100 was another significant improvement, in my judgment, from the original bill.

Another significant improvement in the legislation was the elimination of the requirement for disclosure by companies of information, some of which could be sensitive. It should also be noted that the provision requiring 60 days' notice of layoffs as opposed to job terminations is limited to situations where one-third or more of the work force is affected.

Mr. President, a proposal similar to this bill was endorsed by a very distinguished joint panel of the National Academy of Sciences, the National Academy of Engineers, and the Institute of Medicine. This panel was chaired by a very distinguished Pennsylvanian, Mr. Richard Cyert, president of Carnegie-Mellon University in Pittsburgh, a man I have known well for some years. Its view was based on the realistic notion that plant closings in obsolescent industries cannot be avoided but their harmful impact can be ameliorated by advance notification and effective retraining for new jobs in emerging industries. I believe the panel correctly points the way to a better future—not only for workers but also for companies and communities.

While in its final form the legislation still has problems, on balance, I believe that it sought a reasonable balance between competing management and worker considerations and comes close enough to achieving that balance to deserve support.

In its final form, after repeated modifications over recent days and weeks, the bill also took account of the commonsense need to limit it to permanent employees at permanent plants and to foreseeable changes in business circumstances. Thus, it excludes: Temporary and seasonal workers; temporary facilities and projects; and failing companies that might lose new orders actively being sought if the notice were given.

This bill, however, still has very substantial problems that need extensive consideration in conference and revision before being finally enacted into law. They include: Further ways to specify the exemption for small business; clearer definitions to avoid costly and unnecessary lawsuits; and consideration of exemptions or greater flexibility to businesses such as supermarkets where weather and other such unpredictable causes result in sudden surges and drops in employment levels that are endemic.

I hope that Senators will focus the attention in conference that should have been brought to bear in hearings on resolving such matters. On the vote cast today, I concluded that on balance the bill merited my support. It is a generally reasonable bill that addresses a problem too big for Congress to ignore.

Mr. HEINZ. Mr. President, on Thursday, July 9, I made a statement on plant closing legislation. Unfortunately, when that statement was printed in the RECORD a number of errors were made. I ask unanimous consent that my corrected statement be printed in today's RECORD.

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

The corrected statement follows:

Mr. HEINZ. Mr. President, in just a few minutes we will be voting on the Quayle amendment to strike the plant closing provisions which are now part of the trade bill. All of my colleagues know that this is an extremely important vote.

In recent years, communities all across America have been hurt by plant closings. The General Accounting Office has taken a careful look at what happens when a plant closes. They found that between 1979 and 1984 approximately 2.3 million workers were dislocated annually. During 1983-84, over 16,000 establishments with 50 or more employees experienced a plant closing or permanent layoff.

My hometown of Pittsburgh has had a particularly bitter experience. In the Pittsburgh area alone, there have been over 400 plant closings in the last 6 years. As my colleagues are well aware, these closings create grave difficulties for employees who, through no fault of their own, suddenly find themselves looking for a totally new job. Often these workers are without skills or education necessary to gain reemployment.

What happens when a plant closes? We have learned the tragic lesson that when workers lose their jobs due to a plant closing, that 2 years after the job loss, only about 50 percent of them find another job. On average, those that do find another job, earn 30 percent less than their pre-layoff earnings. I am sure my colleagues are well aware of the devastating impact that these changes have on families with medical bills and mortgages to pay.

This same GAO study found that when plant closings occurred, the average length of notification for blue-collar workers is 7 days. The Secretary of Labor's recent report on economic adjustment and worker dislocation, and the OTA study on technology and structural unemployment—which I requested—both found that advance notice is critical to helping workers adjust rapidly. Advance notification helps workers to enter training and job search services, and thus provides the most effective means of returning workers to the workplace. When only 7 days' notice of plant closing is allowed, job training agencies cannot respond. Let me elaborate on this with some specifics.

When only one or a few weeks' notice is provided, JTPA service-delivery systems cannot respond. In order to provide each worker with services which meet his or her needs, a service-delivery area must take several steps, each lasting from a few days to 8 weeks. In a well-run job training program these steps include: Interviewing workers onsite, determining the mix of services required by each individual, and assessing the marketability of their skills, those who have marketable skills are given job search help. This includes assistance both in terms of interviewing and résumé preparation. These workers are also provided with phone numbers and addresses of employers with job opportunities.

Those workers without easily marketable skills are placed in training. Training is either on-the-job training or classroom training. If a worker is eligible for on-the-job training, an employer must be found who is willing to take workers on and train them. Placing workers in jobs is a time-consuming process, particularly when large numbers of workers are involved. Before a worker is placed in either type of training, a job must be found or a classroom program must be designed. In most cases, classroom training must also be approved by the appropriate State agency. You can see by my description that finding jobs or training opportunities for a displaced worker is an extremely difficult process. In well-run programs, this process takes just under 60 days. There is no way that this process can be completed in 7 days.

If we want to put about-to-be displaced workers back to work, some form of advance notice has to be provided. A recent study by the Philadelphia Area Labor-Management Committee found that when workers are given advance notice, 70 to 80 percent participate in worker retraining programs, whereas without advance notice this participation drops below 20 percent.

A just-released National Academy of Science study entitled "Technology and Employment" provides another powerful reason to support advance notification. This study concludes that advance notice reduced the average spell of unemployment by roughly 27 percent or 4 weeks. This means an average savings of some $115 million per year in reduced unemployment compensation costs.

Despite this link between advance notice and reemployment, and the savings through lower unemployment, many people have expressed serious concerns that any form of plant notification is inherently unworkable. They suggest that advance notice will lead to a reduction in U.S. competitiveness.

Experience has shown that plant closing notification is not only workable but also does not impair companys' competitiveness. The State of Maine has had advance notification legislation since 1971. Since 1981, Maine's unemployment rate has been consistently below the national average; it currently stands at 5.3 percent during this period, the number of employed Maine residents increased by 17 percent.

Specific industries have also had successful experiences with advance notice. In 1980, the United Autoworkers and Ford Motor Co., entered into an advance notification agreement at their Milpitas plant. This plant provided advance notice on November 18, 1982, and closed slightly more than 6 months later on May 20, 1983. More than 60 percent of these employees found new jobs, which is considerably above the national average. Furthermore, Ford auditors discovered that once notification was given, productivity actually increased.

The plant closing legislation reported by the Senate Labor and Human Resources Committee and incorporated into the trade bill we are now debating is aimed at addressing the problems faced by workers by attempting to secure early notification of plant closings. While the intent is well meaning, the legislation itself is deeply flawed and goes well beyond addressing situations involving permanent plant closure. In fact, it is totally unacceptable.

I would like to take a moment to review and analyze the main provisions of the committee bill, S. 538.

FIRMS COVERED

The legislation requires all firms with 50 or more employees to provide notification of plant closing on layoffs involving 50 or more people. The sponsors of this provision argue that it will not unduly affect small business. However, since 95 percent of all closings involve firms with more than 50 but fewer than 500 employees, this provision will have a significant impact on smaller businesses.

The sponsors of this measure claim that by providing workers, even at relatively small firms, with notification, will enable those workers to adjust. These provisions however, make no distinction between a final plant closing and a layoff. In a layoff situation, if the actual job is not eliminated, there is no need for adjustment, and thus no need for advance notice.

By covering temporary layoffs, this bill will have the effect of disrupting operations, reducing employee morale, harming productivity and inflicting unnecessary costs that result in no benefit to the temporarily laid-off employee.

LENGTH OF NOTICE

Depending on the number of employees affected, firms must provide advance notice of between 90 and 180 days. Under this provision, 46 percent of all affected firms will have to give at least 120 days notice. Of these, 5 percent must give 180 days notice. I believe such lengthy prenotification, especially those cases involving a 4- or even 6-month lead time, poses an unreasonable forecasting burden on firms. Further, any length of time greater than 60 days is unnecessary and, therefore, imposes a burden, however difficult to qualify, that is unjustifiable. As testified to repeatedly by State training and employment experts in hearings I held in Harrisburg and Pittsburgh, 60 days provides ample opportunity for job search and training to be properly initiated.

DISCLOSURE REQUIREMENTS

Employers are required to disclose financial information and feasibility studies of the plant's operation. In my view, this provision could lead to the disclosure of proprietary information and could provide competitors with an unfair advantage. Although the bill contains sanctions against unauthorized disclosure, this would be of little help to a company whose competitive position has been compromised. Furthermore, it is possible to imagine that the implied threat to release such information by an unethical party might have broad and powerful implications well beyond the issue of the specific plant due for closure. The committee bill's provisions do not provide adequate protection for the employer without a lengthy petition process and ruling on the proprietary nature of the information. This provision is such a serious problem that, by itself its inclusion is good reason to reject the committee approach.

LIABILITIES

Under S. 538, as reported, employers are liable for violation of notification for back pay and benefits for each employee less whatever the employee received from the employer during the period of violation. The employer is also subject to a fine of $500 per day for each day of violation. Further, failure to disclose information would result in a civil penalty of $10,000. These liabilities, while exclusive, when coupled with other provisions become burdensome and punitive.

EXEMPTIONS

Employers are exempt from notice requirements if: First, the closing or layoff is caused by sales of the business and written agreement to hire substantially all of the employees is obtained; second, the closing or layoff is due to relocation within a community within reasonable commuting distance; or third, the closing or layoff is a result of closing of temporary facilities or completion of particular projects and the employee understood at the time of employment that the work was temporary. These exceptions are generally helpful but limited.

Of more significance is the exemption from notification if the closing or layoff was not reasonably forseeable. This addresses the inherent uncertainty of being business in a changing and competitive economy, as well as the unforseeable consequences of the business cycle.

Similarly, the bill exempts any layoff expected to be of less than 6 months duration from notification, and permits a "good faith" exception if the employer "reasonably believed" the layoff would be of less than 6 months even if it turned out to be of longer duration.

However welcome these exceptions, I believe the bill poses the potential for significant legal challenges because of the ambiguity or uncertainty of legal intrepretation involved in their application. We do not know enough about how to determine whether a closing or layoff was "reasonably foreseeable," or if a failure to notify workers of a layoff which went over 6 months done "in good faith," or how, when employees were laid off, the employer "reasonably believed" that the layoff would be of less than 6 months, duration.

In sum, while the sponsors of these provisions provide seemingly reasonable and sensible exemptions, there may be problems in their interpretation. Without considerable legislative history which makes clear congressional intent, these provisions could certainly involve litigation.

Mr. President, these provisions that I have just discussed were contained in the committee-reported bill. However, during the course of Senate debate over the past week or so, the need for substantial change has become evident to the Senate, and this body has since adopted a fairly comprehensive—if not fully satisfactory—package of changes to the original committee provisions. I consider the changes we have made here on the Senate floor significant and essential improvements that go a long way toward addressing the prob-

lems with the notification provisions I have earlier discussed.

I would like to discuss each of the major modifications in turn:

FIRMS COVERED

Only firms with at least 100 employees must provide advance notice. By increasing the threshold from 50 to 100 employees, this exempts 54 percent of the small businesses which had previously been covered, and signficantly reduces the reporting burden on those least able to afford it or cope with it.

NOTIFICATION PERIOD

The notification period is now 60 days across the board. This is the most important change made in the bill. The previous lengthy notification periods were unnecessary, unworkable, and punitive requirements. By doing little or nothing to improve the placement of soon-to-be displaced workers in job training, such unnecessary notification conferred no benefit on the workers but a great potential burden on the employer.

DISCLOSURE REQUIREMENTS

As revised by the Senate floor amendment, disclosure requirements have been dropped and deleted entirely. Thus, management is not required to consult or share information with employees during a closing or mass layoff. Had they been left in the bill, these provisions could have unfairly penalized companies for failure to disclose information, including proprietary information.

This is an exceptionally important modification and I welcome it.

EXEMPTIONS

The modifications now made in the bill also contain several important exemptions: First, employers actively seeking capital or business to avoid plant closing are exempt from notice if this would be damaging to their efforts. Thus, failing businesses or businesses coping with difficult problems or special challenges are removed from the provisions of the bill. This is an essential modification. This exemption, for example, would take into account the extraordinary risks that businesses coping with problems or special challenges face in retaining skilled employees, lines of credit and capital investment. In my judgment, this provision provides a valuable safe harbor for business facing unusual or threatening circumstances that will enable them to keep their gates open and their employees on the jobs.

Second, seasonal and part-time employees are also exempt, and do not count toward the 100 employees required in order to be covered under the bill.

Third, the proposed change requires advance notice for layoffs of at least 50 employees and one-third of the employer's work force. The purpose of this threshold is to assure that notice will be given only for serious layoffs that could lead to structural dislocation.

Despite these improvements, there are still serious problems with the legislation before the Senate.

The most serious is the continued inclusion of layoffs—as opposed to plant closings—even in the legislation as modified. The justification for its retention, as I understand it, is that indefinite layoffs amount to plant closings. Certainly this is true. But I believe this is a practice common to relatively few industries, usually those with high capital investment costs and/or relatively generous early retirement or separation pay benefits. Since this legislation applies across the board to many other types of industries where indefinite layoffs are rare or nonexistent, I believe the legislation casts far too wide a net and, therefore, imposes a burden on many employers that is unwarranted and without benefit to their employees.

In sum it is extremely difficult to legislate advance notice for layoffs—there are permanent layoffs, which should be covered, and temporary layoffs which should not. In my judgment the legislation's requirements will limit the private sector's ability to respond to the dynamics of an increasingly fast-paced international marketplace, and are, therefore, not acceptable to this Senator.

Thus, I am very disappointed that the Senate has failed to modify the layoff provisions. Triggering notice for layoffs at 50 employees and one-third of the work force virtually guarantees that businesses including many relatively small ones, will have to provide notice constantly, disrupting employment and damaging productivity. While I recognize that there are those who use indefinite layoffs as a means of avoiding a final separation, and the requirements that collective bargaining imposes upon a final shutdown, I believe that as written this is a punitive and unworkable provision.

This legislation could be substantially improved by raising the threshold for notice from 50 to 100 laidoff employees, and covering only layoffs of a year or more duration. Perhaps a better alternative is to admit that it is difficult, if not impossible, to legislate on layoffs and strike this provision all together. I am sorry that these changes have not so far been made.

Mr. President, a second major problem is uncertainty. I am concerned that this plant closing legislation contains far too much ambiguity. If this legislation is enacted in its present form, it could become law without clear standards and definitions such as "reasonably foreseeable," "reasonable commuting distance," et cetera, unless there is extensive legislative history clarifying these terms. Unless clear definitions are provided, we necessarily invite unwelcome and unnecessary litigation. While I think that recent debate has narrowed some of this ambiguity, and thereby reduced the potential for frivolous or abusive lawsuits, I am still not satisfied. If this section of the trade bill emerges from conference, it must have clearer explanations of the meanings ascribed to these terms in the statement of managers and the bill language to prevent costly and burdensome legal tangles that will benefit no one except lawyers and undermine the adjustment to change that any dynamic economy must undergo if it wishes to move forward.

Mr. President, I have made these comments because I think there is still the opportunity to address the problems in this legislation, and because we are faced with a difficult choice on the votes we are about to cast. In a few moments, we will have the opportunity to vote on the motion to strike the advance notice provisions proposed by the Senator from Indiana. This is a difficult choice because we must choose between including flawed plant closing requirements in the bill or dropping any and all advance notification provisions whatsoever.

I am concerned, on the basis of three independent studies—the last results completed by the U.S. Department of Labor—that advance notice improves the prospects that our skilled workers will be reemployed. Furthermore, I believe that the United States cannot be competitive in the dynamic international marketplace if more than 1.7 million experienced, skilled workers are sidelined. There is strong and repeated evidence that advance notice will keep our skilled workers in the work force. Recognizing this, I could not support entirely removing the advance notice provisions from this bill.

Although I will not vote to strike these provisions in their entirety from the bill, I strongly support further amendments or modification. Furthermore, failing such efforts, I will urge such changes in House-Senate conference on the Trade bill. Since the House version contains no plant closing legislation, the conference committee will have the opportunity and scope to make this a viable proposal which helps keep our workers in the work force and does not inhibit our competitiveness. For this reason, I am prepared to send these provisions to conference.

However, I must state now—and I will work for improvements in the conference committee—that the conference report's final plant closing provisions will weigh heavily in my decision to support or oppose the overall legislation.

Mr. QUAYLE. 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 amendment of the Senator from Indiana.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 40, nays 60, as follows:

[Rollcall Vote No. 180 Leg.]

YEAS—40

Armstrong	Hatch	Pressler
Bond	Hecht	Pryor
Boren	Helms	Quayle
Boschwitz	Hollings	Roth
Bumpers	Humphrey	Rudman
Chafee	Karnes	Simpson
Cochran	Kassebaum	Symms
Danforth	Kasten	Thurmond
Dole	Lugar	Trible
Domenici	McCain	Wallop
Evans	McClure	Warner
Garn	McConnell	Wilson
Gramm	Murkowski	
Grassley	Nickles	

NAYS—60

Adams	Ford	Mitchell
Baucus	Fowler	Moynihan
Bentsen	Glenn	Nunn
Biden	Gore	Packwood
Bingaman	Graham	Pell
Bradley	Harkin	Proxmire
Breaux	Hatfield	Reid
Burdick	Heflin	Riegle
Byrd	Heinz	Rockefeller
Chiles	Inouye	Sanford
Cohen	Johnston	Sarbanes
Conrad	Kennedy	Sasser
Cranston	Kerry	Shelby
D'Amato	Lautenberg	Simon
Daschle	Leahy	Specter
DeConcini	Levin	Stafford
Dixon	Matsunaga	Stennis
Dodd	Melcher	Stevens
Durenberger	Metzenbaum	Weicker
Exon	Mikulski	Wirth

So the amendment (No. 442) was rejected.

The PRESIDING OFFICER. Under the previous order, a motion to reconsider is laid on the table.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order and pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senator, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the Moynihan amendment, No. 367, relating to the Persian Gulf, to S. 1420, a bill to authorize negotiations of reciprocal trade agreements, to strengthen United States Trade Laws, and for other purposes.

Senators Jim Sasser, John Glenn, Claiborne Pell, Edward M. Kennedy, John F. Kerry, Dale Bumpers, Don Riegle, Robert C. Byrd, Lloyd Bentsen, J. Bennett Johnston, Quentin Burdick, Daniel P. Moynihan, Tim Daschle, Carl Levin, Kent Conrad, Lawton Chiles.

Mr. LEAHY. Mr. President, I will vote for cloture on this sense of the Congress resolution expressing concern about the President's plan to protect Kuwaiti oil tankers in the Persian Gulf. But, I support this resolution without enthusiasm, and only because it at least calls on the President to delay the reflagging until some basic questions can be answered about our purposes in taking this action.

The resolution being filibustered by the minority party is not a bad resolution, it's just completely inadequate. As the distinguished Senator from Oregon [Mr. HATFIELD] said last week, it is Congress at its worst, putting itself in a position to criticize if things go wrong in the Persian Gulf, but not taking any real responsibility for policy now. Surely, after the last 6½ years, we know how much attention President Reagan pays to sense of the Congress resolutions—none. He has already made clear he will pay no notice to this one.

What Congress should be doing today is voting on whether to invoke the war powers resolution and to have a real debate on and a real voice in Persian Gulf policy. Is the Senate prepared to approve the President's action in committing American military forces where fighting and deaths of Americans is highly likely, or not? If we are prepared to approve, under what circumstances are we willing to go along? Are we willing to vote where we stand?

Yet, instead of voting on that, which we could do by bringing up the Hatfield-Bumpers war powers resolution bill, which I cosponsor, the Senate is trying to get to a vote on yet another toothless "sense of the Congress" resolution. We will wring our hands about the President leading the country into a situation that could turn into a shooting war, but we will not take a full share of the responsibility by bringing the war powers resolution into play. That would require us to have a debate on policy in the Persian Gulf with something at stake. We would have to take a serious position on whether the President can commit American forces in that conflict.

The American people deserve better than another round of shadowboxing in the U.S. Senate. I wish we were giving them something better today.

Mr. BOREN. Mr. President, I will vote against cloture on the Persian Gulf resolution. My vote will not reflect any fundamental disagreement with the substance of the resolution. I too have concern about the wisdom of the method that has been chosen to protect what all of us recognize as our vital national interests in the Persian Gulf. Other alternatives to reflagging and convoying should have been considered and should still be weighed by the President. Efforts should be made to involve our allies in our actions because they also have interests in the region. We should not have to bear the burdens alone.

My negative vote on cloture will be cast because I believe that the timing of this resolution is ill advised. The President has made a public commitment to a course of action. I do not believe that Congress should take a public and official position at this time which demonstrates disunity within our own Government. If our adversaries detect that we are divided, it will only increase the chances that they will attempt to inflict injury on us either through terrorist attacks or otherwise.

Our Nation is being severely damaged by the failure to hammer out a consensus on important foreign policy decisions between the President and the Congress. Both branches of government must share the responsibility for past failure.

In this case, the administration did not adequately consult with Congress before making public international commitments. A united front should have been determined before taking public positions. At the same time the error of the administration should not be compounded by an error by the Congress in taking a public position demonstrating American division and disarray at this time.

In recent days, the administration, including the President, has expounded private dialogs with Congress about future actions. It is this process that should go forward. We must remember that all of us work for the same Government, the same cause, and the same people and conduct ourselves accordingly.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the Moynihan amendment No. 367 relating to the Persian Gulf, S. 1420, a bill to authorize negotiations of reciprocal trade agreements, to strengthen U.S. trade laws, and for other purposes, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE], is necessarily absent.

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

The yeas and nays resulted—yeas 57, nays 42, as follows:

[Rollcall Vote No. 181 Leg.]

YEAS—57

Adams	Bingaman	Burdick
Baucus	Bradley	Byrd
Bentsen	Breaux	Chiles
Biden	Bumpers	Conrad

Cranston	Inouye	Proxmire
Daschle	Johnston	Pryor
DeConcini	Kennedy	Reid
Dixon	Kerry	Riegle
Dodd	Lautenberg	Rockefeller
Exon	Leahy	Roth
Ford	Levin	Sanford
Fowler	Matsunaga	Sarbanes
Glenn	Melcher	Sasser
Graham	Metzenbaum	Shelby
Harkin	Mikulski	Simon
Hatfield	Mitchell	Specter
Heflin	Moynihan	Stennis
Hollings	Nunn	Weicker
Humphrey	Pell	Wirth

NAYS—42

Armstrong	Gramm	Nickles
Bond	Grassley	Packwood
Boren	Hatch	Pressler
Boschwitz	Hecht	Quayle
Chafee	Heinz	Rudman
Cochran	Helms	Simpson
Cohen	Karnes	Stafford
D'Amato	Kassebaum	Stevens
Danforth	Kasten	Symms
Dole	Lugar	Thurmond
Domenici	McCain	Trible
Durenberger	McClure	Wallop
Evans	McConnell	Warner
Garn	Murkowski	Wilson

NOT VOTING—1

Gore

The PRESIDING OFFICER. On this vote the years are 57, the nays 42. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

ORDER OF PROCEDURE

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, I believe my time was reserved under the standing order?

The PRESIDING OFFICER. A portion of it was reserved.

Mr. BYRD. And the time of the distinguished Republican leader?

The PRESIDING OFFICER. Was reserved.

Mr. BYRD. I ask unanimous consent that that time may be used now without its prejudicing in any way the order that follows:

The PRESIDING OFFICER. Is there objection to the request of the majority leader? The Chair hears none and it is so ordered.

Mr. BYRD. Mr. President, how much time do I have?

The PRESIDING OFFICER. Four minutes and sixteen seconds.

Mr. BYRD. I will use the 16 seconds.

Mr. President, we had a good vote on cloture. I will offer another cloture motion today, which will ripen on Tuesday.

Mr. President, I promised the remaining 4 minutes to Mr. SASSER.

The Republican leader has 7½ minutes?

The PRESIDING OFFICER. Seven and a half minutes.

Mr. MOYNIHAN. Would it be possible to have 2 minutes?

Mr. BYRD. Mr. President, I ask unanimous consent that I may have 2 additional minutes.

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

Mr. BYRD. I yield 4 minutes to Mr. SASSER, and 2 minutes to Mr. MOYNIHAN.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. I thank the majority leader.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

PERSIAN GULF POLICY

Mr. SASSER. Mr. President, I should like to take a few moments of the Senate's time to discuss what has just happened here. We failed to get cloture by a very narrow margin because Members from the other side of the aisle voted substantially as a block to support the administration.

The White House knows that if the Byrd resolution were ever voted on up or down, it would pass overwhelmingly, and with the support of many Members from the Republican side of the aisle. That is why we have a filibuster on this matter. That is why the administration is preventing a vote directly on the resolution.

Over the past several weeks, this issue has been thoroughly debated on the floor of the Senate. I do not want to go over that debate again this morning, for the facts are well known. But an event occurred last night which needs to be reflected upon.

Iranian speed boats, operated by revolutionary guards, attacked a United States-owned oil supertanker flying the flag of the country of Liberia, in the Persian Gulf, near a Kuwaiti harbor. The vessel was attacked with 18 rocket-propelled grenades. The supertanker that was attacked is U.S.-owned, but it did not have the protection or escort of the U.S. Navy. It was flying a flag of convenience, the flag of Liberia.

When the White House begins naval escort of 11 Kuwaiti tankers next week, that United States-owned tanker that was attacked last night still will not have the protection of the United States Navy. Think about how ridiculous that is. U.S.-owned ships will not be protected if they are flying the flag of another country for convenience or for business reasons. However, ships owned by a foreign government—in this case, Kuwait, with its own navy and with the financial capability to provide for its own protection—will be protected by the American Navy. In short, Kuwaiti vessels will be protected, but American-owned vessels will not. What is the logic of that, I ask? Where is the equity in that policy?

How can we explain to the United States seamen whom we are putting in harm's way in the Persian Gulf that they are not there to protect American-owned ships but are there to protect the vessels of the sheikdom of Kuwait? What sort of logic is that? Mr. President, that is part of the illogic of the administration's policy.

Mr. PELL. Mr. President, will the Senator yield for a question?

Mr. SASSER. I yield.

Mr. PELL. Can the Senator recall any other instance when Old Glory, the Stars and Stripes, the American flag, was used as a flag of convenience? We have heard of Panama and Liberia used as flags of convenience, but never before the American flag.

Mr. SASSER. I can recall no other instance, save perhaps once in 1939, when the American Navy escorted British vessels as they crossed the Atlantic to supply the British Isles in their valiant fight against Nazi Germany.

Mr. President, the fact is that United States shipping companies would not be flying the flag of Liberia, would not be flying the flag of Panama, or some other country, if they had been granted the concessions that the United States Government granted the Government of Kuwait.

Flying the flag of the United States is very expensive, because tankers that fly that flag have to conform to very rigid safety and environmental standards, standards that will not have to be met by Kuwaiti tankers because the Defense Department has granted Kuwait a waiver.

So that is the charade of the whole matter, Mr. President. The administration says we have no option but to reflag Kuwaiti tankers because we would reflag the tankers of any country that asked. But would we grant the same waivers to any country that asked? Why do we not grant the same waiver to U.S.-owned vessels?

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

Mr. MOYNIHAN. Mr. President, if I might add to the observation of the distinguished chairman of the Committee on Foreign Relations, it is the case that certain British vessels had American flags at a time when the Second World War engulfed the world, when the President of the United States and Congress were involved in the maintenance of a neutrality zone, a zone in which American ships escorted allied convoys. It was a national policy; it was an American policy.

Mr. President, the U.S. Navy is not for rent, and the American flag is not for sale.

I repeat the proposition made earlier in this regard, that we want to support the administration, and American policy, but reflagging is a Kuwaiti policy.

We learned just yesterday from our friends in the other body—Mr. ASPIN and his delegation that visited the

region—that the Kuwaitis plan to shuttle their tankers to just outside the gulf, unload them, and shuttle them back, exposing those tankers to a much larger risk than we had any reason to anticipate.

I call attention to the serious and thoughtful proposal made in the New York Times yesterday by Elliot Richardson, a former Secretary of Defense in a Republican administration, and Cyrus Vance, a former Secretary of State in a Democratic administration, suggesting that the Kuwaiti tankers might be placed under the United Nations flag and escorted by unarmed U.N. patrol boats. It is a very thoughtful article.

The United Nations has not carried out a collective security action since the Korean war. However, the United Nations has devised an alternative—that of deploying peacekeeping forces under the U.N. flag, interposed between belligerents to discourage further clashes and to identify whichever side dared violate a U.N.-sponsored cease-fire.

It is time such peacekeeping forces were taken to sea. I would hope that we could explore this matter further.

Mr. President, I ask unanimous consent that the article by the two former Secretaries be printed in the RECORD.

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

[From the New York Times, July 8, 1987]

LET THE U.N. REFLAG GULF VESSELS

(By Cyrus R. Vance and Elliot L. Richardson)

The specter of a widened conflict in the Persian Gulf raised by prospective United States reflagging of Kuwaiti ships and provision of safe transit for Kuwaiti cargoes on Soviet vessels leased to Kuwait has created consternation in Congress, queasiness among our allies and concern even in the Administration.

Despite the risks, America feels compelled grimly to press on for fear that retreat, in Senate majority leader Robert C. Byrd's words, "Would further injure the already severely damaged credibility of the United States."

Without retreat or loss of credibility, however, America can attain its goal with substantially lower risk. It can meet its commitment to Kuwait and achieve its policy goals under the mantle of international sanction by supporting United Nations reflagging of nonmilitary vessels in the gulf.

This would not involve creation of a United Nations naval flotilla patrolling the gulf, as some have proposed. The United Nations is not an appropriate instrument of gunboat diplomacy. Rather, it is a unique instrument for peacemaking diplomacy: Its peacekeeping forces are widely respected and rarely attacked, even in zones of bitter conflict.

United Nations reflagging would not wave a red flag before Iran, but American reflagging would fuel tensions in the Gulf. Iran would see the United States, which it considers an enemy, as inserting itself into the gulf on behalf of an ally of Iraq, the other belligerent in the seven-year war.

By contrast, United Nations reflagging would cool tensions by assuring commercial shipping of peaceful passage. In other words, this approach provides the best guarantee for America's goal of securing peaceful passage.

A United Nations peace-building mission would begin after passage of a Security Council resolution that endorsed freedom of navigation for peaceful shipping in the gulf, noted the perils to it from the ongoing conflict and called on all member states to safeguard innocent traffic from attack while efforts at ending the Iran-Iraq war continued.

A Council resolution should authorize seafaring United Nations peacekeepers to place a United Nations flag on vessels entering the gulf that asked a United Nations guarantee of safe passage and that submitted to United Nations inspection to insure that no war materiel was on board.

Once under a United Nations flag, oil tankers and other peaceful vessels desiring an escort could request an unarmed United Nations patrol boat to accompany it, or a naval vessel from member states authorized by the Council to carry out this function.

The guiding principle of the United Nations reflagging plan is diplomatic deterrence, which is likely to be more effective than military deterrence furnished by a nervous superpower.0Z85195—Smitty—7-9-87—J. 091-060—Folio 44S/C2—File A09JY6.030—

Most important, such United Nations peace-building is in the interest of all parties involved. (We recognize, of course, that our proposal would die stillborn if any permanent member of the Council vetoed it. We believe that this would not happen because to do so would be to vote against the self-interest of every permanent member.)

For Kuwait, which initiated the American reflagging imbroglio, United Nations reflagging would provide international guarantees for its vessels yet avoid overt dependence on America or the Soviet Union.

For America, it would achieve the aim of protecting innocent passage while substantially reducing the risk of stumbling into an unwanted war. It would allow America to return to a more even-handed and flexible position, permitting it to play a more active role in ending the bitter and bloody conflict.

For the Soviet Union, the plan would provide similar advantages. Further, it would reduce American pressure on gulf states for bases to support an enlarged American presence.

What about the belligerents themselves? Why should they respect the United Nations flag?

There is, of course, the general desire of third world countries to bolster the credibility of the United Nations. Moreover, Iran and Iraq would have to think twice before attacking vessels under the protection of the international community, including the major powers.

For Iran, the plan would make it more likely that international tankers going to Iranian oil ports would safely transit the gulf, thus removing an obstacle to Iran's oil exports. If Iran's oil traffic were safeguarded, Iran's incentive to deliver retaliatory strikes against the shipping of its Arab neighbors would diminish.

For Iraq, which initiated the attacks on tankers and remains the source of most of them; the United Nations offers the main hope of bringing the unwinnable war to an end. Nor can Iraq afford to ignore the wishes of the Arab gulf states that have been bankrolling Iraq and that want their shipping protected. Moreover, Iraq has shown its willingness to step back from other face-offs with the United Nations.

Above and beyond all this, given the animosity between Iran and Iraq the United Nations must look to step-by-step peace-building. Thus, shielding shipping from attack could be a stepping stone toward a general ceasefire that halted the land war.

This month, an international panel of the United Nations Association of the USA will make recommendations on the conditions necessary for the United Nations to be successful in all security matters, as well as in economic and social development.

The recommendation presented here for a United Nations reflagging role in the Persian Gulf meets the panel's key criteria for likely success. It serves the common security interests of all concerned, it can be rapidly implemented (at modest cost) and it draws on what the United Nations does best—mediate impartially from above the fray.

Mr. DOLE. Mr. President, before I start reading in all the papers that a filibuster is going on, let me remind my colleagues that we spent about an hour debating this resolution and then a cloture motion was filed. So, we have not had any debate on the resolution. I will probably read in tomorrow's papers that the Republicans are filibustering, but the RECORD will indicate that that is not the case.

Second, if the Senator from Tennessee wants to expand the resolution and micromanage everything in the Persian Gulf, get into whether or not we should protect American tankers that fly a different flag, I assume we could address that in the resolution too.

It is my understanding that we were very close to getting an agreement on something that probably 70 or 85 Members might support. It would be a bipartisan effort to at least serve notice on the administration that we are concerned about this policy.

I would hope that that is still possible. I thought we might have that vote this morning rather than the cloture vote. Maybe we will have that vote yet today, tomorrow, or sometime. But if that is not the case, then at least there may be efforts to modify the resolution to reflect the views that some hold on this side.

So, before yielding the remainder of my time to the Senator from Virginia, Senator WARNER, let me make clear that the so-called Byrd-Moynihan resolution does not address the issue of last night's attack. It does not talk about it. It does not address it in that resolution. No effort is made to address it in that resolution. Maybe it should be addressed. I do not think so, but maybe it should be.

And there is a risk in this policy. I do not think anybody ever said there is not a risk. I think those who condemned what is happening should have a policy. We could say: we are not for this. We want to serve notice on the administration we are opposed to this. But we do not have a policy.

Our policy is not to vacate the Persian Gulf. We do not want to take any risk. We do not want any blood on our hands if something goes wrong.

That is not a policy. That is a copout.

If that is something we want, I assume we can pass a resolution that points the finger of blame at the administration before anything happens. If it does happen, we can sit back and say we passed this resolution. And say, if you had listened to this resolution it would not have happened. Who knows what would have happened?

In any event, if the effort is to serve notice on the administration, you will find a lot of support on this side of the aisle. If the effort is to continue consultation, you will find a lot of support on this side of the aisle. If the effort is to have a conference, if everything else fails, with exporters and importers, there will be a lot of support on this side of the aisle.

I think we are arguing about two or three words in the resolution. I hope we can resolve that.

I yield the remainder of my time to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. I thank the distinguished minority leader.

Mr. President, I pick up where he addressed the facts. Under the guidance of the two leaders, the majority and minority leaders, there is a group of us working, and I think we are very, very close on a draft of a resolution which I think will form the basis of a broad consensus in the Senate.

It is interesting to note, as we work through this, that there is a great parallelism between the believers here in the U.S. Senate and those of the administration with respect to strategic interest in the gulf, with respect to our need to stand firm with our friends in the Gulf States. The question is narrowly defined on the issue of the reflagging and the manner in which the protection regime will be handled in terms of ships flying the U.S. flag.

Mr. President, I believe that the consultation process with the administration is continuing. Yesterday the Central Intelligence Agency came up to give us another briefing on the situation and I am confident that the President and his principal officers on this situation will continue to work with the Congress, even after what I predict will be the quick adoption of a resolution here within the next 48 hours.

I thank the Chair.

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

Mr. EXON. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Nebraska will state his inquiry.

Mr. EXON. Mr. President, I would like to make some few brief remarks on this subject. Who controls time on this side of the aisle?

The PRESIDING OFFICER. Under the previous order, at the conclusion of the vote on the cloture motion, there was to be 30 minutes of debate on the DeConcini amendment, amendment No. 448. The majority leader asked to utilize his remaining time as did the minority leader which they have now done.

So, under the previous order we are now prepared to commence the debate on the DeConcini amendment.

Mr. EXON. Mr. President, I ask unanimous consent that I be allowed to proceed for no longer than 2 minutes on this subject.

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

Mr. EXON. Mr. President, I think the record should be very clear that those of us in the U.S. Senate are very much concerned about what we think is a bad policy move by the administration. It is not unlike, Mr. President, the unfortunate move, as it turned out, when the President of the United States sent the Marines into Beirut on a fruitless mission.

There are those of us, I think, who are unanimous on both sides that we do not want to cut and run in the Persian Gulf.

What we are trying to do is send a responsible message to the administration that we think once again they have not thought through a policy that could have far-reaching effects not only on the international posture and policy of the United States of America, but what we are going to be doing into the future to discharge that responsibility.

What we are saying is, "Whoa, now, Mr. President, come and consult with us and do not make brash decisions on your own without consultation with at least the leadership of the Congress of the United States."

That is the message that we are trying to send, and if we can get a word or two changed in a resolution, I am sure that we would agree.

It is not a partisan measure. It is a measure for the safety of the United States of America, its international policy and its military forces.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Nebraska has yielded the floor.

The Senator from Washington.

Mr. ADAMS. Mr. President, I ask unanimous consent that I might proceed for 1 minute to reply to what the minority leader is saying. This is terribly important. I will just take a second here.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, I will not object if we can have 1 minute on this side.

Mr. JOHNSTON. Mr. President, reserving the right to object, and I do not want to and will not, except to say I came to debate this other matter and I hope we will not let it go on for too long.

Mr. DOLE. Me, too.

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

Mr. ADAMS. Mr. President, I want to state to the minority leader and majority leader that many of us have suggested the invocation of the War Powers Act if there is reflagging for precisely the reasons stated. It is to unite the country and to have consultations and to be certain that we are not trying to micromanage the efforts in the Persian Gulf.

We are hopeful that we could pass a delay of the reflagging to give everyone a chance for this consultation. I hope it is understood by the Senator from Kansas and others that we do feel there is a vital interest in the gulf as stated by the Senator from Nebraska.

We are not trying to divide the country. We are trying to unite it, and there is a process for doing so and that is why we have suggested this.

I thank the President for giving me the moment, but I wanted to make it very clear that we do agree with what he is trying to do. We just think that a resolution that does not have some action in it will not receive enough attention. We hope that the consultation will take place and we hope everyone will support a reasonable policy. We are just worried about the policy that is going on.

I thank the Senator for granting me the time.

The PRESIDING OFFICER. The Senator from Washington yields the floor.

Mr. DOLE. Mr. President, before we shed too many crocodile tears over the United States tanker flying the Liberian flag, we better take a look at the tax consequences, or what they are avoiding in taxes, by doing that and what is happening to labor protection by doing that. They do not fly the Liberian flag for any reason, except I think they profit from the tax standpoint.

Before we all come up here and rush to their defense, and I am certainly willing and I want to protect American lives, we ought to know the full story about the particular American tanker flying the Liberian flag. I bet you will find it is because they make a lot of profit that way.

The PRESIDING OFFICER. The Senator from Kansas has yielded the floor.

AMENDMENT NO. 448—ANGOLA

The PRESIDING OFFICER. Under the previous order we will have 30 minutes of debate on the DeConcini amendment, No. 448.

Who yields time?

Mr. PELL. Mr. President, I yield 3 minutes to the Senator from Illinois [Mr. SIMON].

The PRESIDING OFFICER. Three minutes to the Senator from Illinois. The Senator is recognized.

Mr. SIMON. Mr. President, I thank my colleague, the chairman of the committee, for yielding.

Mr. President, I strongly oppose the DeConcini amendment imposing a trade ban against Angola. Politically and economically it does not make sense. It would have little political impact on the Angolan Government and would not—as the proponents believe—weaken the Angolan Government by forcing a withdrawal of Cuban troops or by forcing the Government to negotiate a settlement with UNITA.

On the economic side we can expect that European and Japanese companies will replace United States firms. When Mobil Oil withdrew from Angola, its oil fields were taken over by Mitsubishi, a Japanese company. Moreover, foreign exchange generated from these oil concessions will continue to go to the Angolan Government.

On the one hand, the opportunity the Angolan Government will have to negotiate new deals could lead to an increase in Angola's hard currency earnings. On the other hand, a decline in earnings will not result in the withdrawal of Cuban troops or Soviet support for the Angolan Government. In the past 18 months, Angola has already suffered declining oil prices and yet not one Cuban soldier has left.

On the oil issue, we need to be sure that we hold on to every available oil source in light of the high-risk policy of reflagging Kuwaiti ships traveling in the Persian Gulf. This amendment will make us more dependent on a smaller group of oil producers. That does not make good economic or energy security sense.

Angolan oil now accounts for 2 to 3 percent of United States imports, and the capacity exists for a 6- to 8-percent share. This trade ban would be irreversible and would not promote U.S. interests.

The sea lanes in the South Atlantic between the United States and Angola are not threatened and are easily defensible. Along this South Atlantic coast lies the equivalent of total U.S. domestic oil reserves, that is 11 percent of U.S. imports.

Diversified oil resources minimize the risk to the U.S. economy. We should not forget the Arab embargo of 1973-74. In 5 months, a less than 10-percent cut in oil imports fueled a 6-point burst in the Consumer Price Index and resulted in the loss of 500,000 jobs.

On the political front, the Angolans have shown positive signs and a willingness to negotiate on and work with the United States for Namibian independence and for the withdrawal of Cuban troops.

A high-level delegation recently met with administration officials in Washington and is scheduled to do so again in August.

In a gesture of good faith, the Angolan Government last week released an American pilot who was held after violating Angolan air space.

Passage of this amendment would only reinforce the South African agenda in the region by putting added economic and political pressures on the economically struggling independent black-ruled states in southern Africa.

In addition, the South African Government would certainly welcome any perceived United States pressure against a government that sees as a goal of the highest priority the independence of Namibia.

Conversely, our relationship with black-ruled states in southern Africa will be undermined by a United States move perceived to be in the interest of South Africa and against their economic interests. These countries need to know that the United States Senate is against South Africa's exportation of apartheid and its hegemony over the region. And our friends in the region need to be assured that our country's interests in this respect are the same.

During the debate yesterday, passage of another DeConcini amendment on Angola was characterized as the "first step" toward what we are considering today. I oppose the assertions of that amendment as I do with the one before us today. The previous amendment called for a Presidential review which, in part, requires the President to report to Congress his "determination as to whether it is in the United States interest to continue under the current trade and business policy with respect to Angola."

Let us at the very least give the President a chance to make this determination.

Let us have the chance to debate his findings.

When we voted sanctions against South Africa, it was after much debate and fine tuning, and we developed a strong, bipartisan policy.

This amendment does not make sense economically, does not promote United States interests, and works against our goals in the region for Namibian independence and an end to the military conflict in Angola.

The bottom line is:

Will we be a party to South African hegemony in southern Africa?

Will the United States weaken the ability of black-ruled states to resist South African aggression in the region?

This amendment would seek to do what the South Africans failed to do in 1985 when Major du Toit led a group of South African commandos to Cabinda with the intention of destroying U.S. oil facilities and injuring American lives.

I am unequivocally opposed to the amendment.

I urge my colleagues to oppose it.

One of the finest Members of this body is our colleague from Arizona, Senator DECONCINI. But it is a little like the old poem: When he is right, he is very, very right; but when he is wrong, he is very, very wrong. And on this one my good friend is very, very wrong.

What this amendment would do would be, No. 1, to put us squarely with South Africa in the situation there, and if this body wants to inconsistently impose sanctions on South Africa and then come along a little later and support South Africa, we could do it, but it is inconsistent and it puts us on the wrong side.

Second, we alienate all the black nations of Africa. There is no question about it. That is not where we ought to be going.

It hurts U.S. jobs. We export $137 million worth of products to Angola. We have American corporations involved. To take this step to hurt an American corporation, to hurt American jobs, to hurt our posture in Africa, just does not make sense.

What does it accomplish?

Well, if my good friend's amendment were to be adopted and I hope we will have the wisdom not to adopt this amendment, at the very most we would have an American corporation selling that oil to some other country and the oil would continue to be produced. It would be an inconvenience there, but that is about it.

And it does one other thing. It is very interesting, we have just been discussing the Persian Gulf on this floor. We have talked about our dependence on Middle Eastern oil and here we come along 5 minutes later and say, "Let us adopt a resolution that will make us more dependent on Middle Eastern oil." It just does not make sense.

My friends, what we ought to be doing is to pull the Government of Angola more in our direction—and there are all kinds of signals of that happening. We ought to do that rather than side with the Government of South Africa. This amendment is nobly intended but it is not in the best interests of this country. Period. Exclamation point.

I yield back my time.

The PRESIDING OFFICER. The Senator has yielded back his time.

Mr. PELL. I yield 6 minutes to the Senator from Louisiana, Mr. JOHNSTON.

Mr. JOHNSTON. I thank the distinguished chairman.

Mr. President, a few years ago the iron fist of communism came down on the country of Afghanistan, directed and orchestrated out of Moscow, and this Congress, this Senate, rose up, as did the President of the United States, in righteous indignation because the Soviet Union was squeezing Afghanistan of its freedom and of its vitality. And in our frustration and in the frustration of the administration, they came out with an embargo against the Soviet Union for grain grown in America. The idea was that we were going to punish the Soviet Union for what they had done in Afghanistan, we were going to take food from their mouths grown in America which was, as some people said at the time, our OPEC oil. Because somebody somewhere had the idea that nobody else in the world grew grain. And so we were, therefore, going to punish the Soviet Union.

Well, we all know what happened, Mr. President. We embargoed grain to the Soviet Union and in place of American grain and American jobs, we had Argentinean grain and we had grain from Western Europe. We created whole new markets for Argentina and for Western Europe and for other countries, markets that had traditionally been American, putting Americans out of work.

And, Mr. President, when we repealed that here on the floor of the Senate, it was done so overwhelmingly. If I recall correctly, there was not a dissenting vote to defend a grain embargo against the Soviet Union.

So what are we going to do today? This is the grain embargo, chapter 2. Only this time it is not against the Soviet Union. It is somebody about three steps removed from the Soviet Union. It is the MPLA-run country of Angola. And in order to get at Angola, what are we going to do? We are going to say, "Chevron, you have got to leave Angola. With all those American jobs, you have got to leave Angola." And that is what is going to happen, Chevron is going to have to leave Angola.

We take this rather personally in Louisiana, Mr. President. We have contracts now outstanding. Brown Root has five contracts in the works for offshore platforms, with a dollar value of about $13 million. Those are Louisiana jobs, about 200 of them. We also have a barge down in Plaquemines Parish which would be used to transport the platform to Angola. We also have Seco Industries of New Orleans currently negotiating a contract worth $3 million a year, 25 to 30 people; not a lot, maybe, to this grandiose U.S. Senate, but it is a lot down in a State that has got the top unemployment in the Nation. It is a contract for technicians.

Altogether, nationwide, Mr. President, we are talking about a possible American trade impact of $2 billion a year. And so in Soviet grain embargo, chapter 2, we are going to say, as we draw our pistol and shoot ourselves in the foot, "Those $2 billion in American jobs we are going to ship them to Korea and to Japan and to Western Europe. And, therefore, we are going to somehow punish the MPLA and somehow help Jonas Savimbi and the UNITA group down in Angola."

Mr. President, it does not make any more sense now than it did with the Soviet grain embargo. It makes less sense, because may be there were some grounds for thinking that nobody else grew grain when we put the Soviet grain embargo on. Most any idiot should have been able to see that down there in the pampas they had the ability to grow it, even though they were not growing that much at that time. But at least there was not that world capacity.

But, Mr. President, in the case of oil drilling equipment, there is capacity existing today. We are in competition right now, the offshore Louisiana industry, with Korea, with what we call subpar payment labor that is, paid a lot less than we do. We are already losing a lot of those contracts as it is. Surely we do not have to have the U.S. Senate come in and say that you cannot compete for a market that is going to be filed somewhere in the world. You cannot fill that market with American jobs. Somehow we have got to export those jobs. It just does not make sense, Mr. President. I do not understand what is behind this.

I mean, if we want to take a choice between the MPLA and UNITA, fine. Let us get a sense of the Senate resolution up here and let us all get on the bandwagon of Jonas Savimbi and UNITA. But surely we do not have to lose $2 billion worth of American jobs in order to make that statement of support. Surely we do not have to have a Russian grain embargo, chapter 2 in order to send that message. Surely there is some other more appropriate way.

Is it sending aid? Is it sending the Marines? How can we do it? I am not suggesting how we can do it, but I can tell you this is not the way. This will not work any more than the Russian grain embargo worked and it makes less sense. I hope we will defeat this amendment.

The PRESIDING OFFICER. The Senator from Louisiana has yielded.

The Senator from Arizona.

Mr. DECONCINI. Mr. President, I want to assure the Senator from Louisiana that this is not personal at all toward his great State and his fine people there. I appreciate the situation he finds himself in.

I do want the RECORD to show and remind the Senator from Louisiana that he did vote for the sense-of-the-Senate resolution that urged the President to use his authority to prohibit American companies from operating in Angola. It was a unanimous vote here under the Export Administration Act. So this Senate is already on record asking the President of the United States to use the authority he has. Now he has elected not to do that, but I think that is significant.

Mr. President, we are not talking about a grain embargo here. We are talking about a principle. We are talking about a war. We are talking about 35,000 Cuban troops, armed, well armed, by Russians with 2,500 advisors along side them, with the most sophisticated tanks that the Russians have. We are talking about a fleet of Aeroflot airplanes coming into the international airports in Luanda on a daily basis. We are talking about a new deep sea port that is operated by the Soviets and the Cubans for the Angolans. We are talking about the capture of a nation, and that capture has happened through the Soviet-Cuban influence in the MPLA.

What are we doing as a nation, and rightfully so? It was once considered as a covert activity, but it has been in the press now. We are supporting substantially the UNITA forces to attempt to overthrow the MPLA government. That is what this is all about. And, rightfully so, this Government has said we are going to do this. And there has been, I believe, unanimous support in an effort to give financial and military assistance to the UNITA forces.

So that we might explain and have an example of ourselves supporting a change in that government, what are we asking for? We are asking for what we stand for and that is free elections, which the MPLA promised to do 12 years ago and has not done. We are asking them to stop the human rights abuses, which they are one of the worst, as set out in the U.N. Report on Human Rights Abuses that I mentioned last evening.

Mr. President, this is an example of a Marxist government that is depending almost solely on its military equipment from the Soviet Union, its military force, its own people that are drafted into that force, and 35,000 Cubans. And where do they get the money to buy these goods? They get it from American companies that are right there, producing that oil for them, and they sell it and they sell it to us, and I realize 3 percent of our oil comes from there and that would be of some concern obviously. But do we not need to stand up and say to a nation

like Angola, a Marxist country that has the worst voting record in the United Nations in support of the United States, the worst, not the second or the third, the worst—in the 10 key votes in 1985, rated by the United States, U.N. votes that is, never has Angola voted with the United States.

Angola votes against the withdrawal of foreign forces from Afghanistan. Now there is a puppet, obviously, supporting the Soviet's position in Afghanistan. They voted against a resolution urging the Soviet Union to withdraw. Angola voted against the human rights resolution in both Afghanistan and Iran.

Here is a nation that wants our economic support so they can fight a war to conquer their people and they openly say that Afghanistan: That is not human rights abuse, or, Iran, the Ayatollah Khomeini commit human rights abuse? No, not at all. That is nonsense. Angola voted to criticize the trade embargo against Nicaragua. They voted to deny the State of Israel delegation credentials to the 40th General Assembly.

Now you may not, some may not like Israel, but we do not go around not supporting granting credentials for a country to sit as a member in the United Nations. Angola did because they have no understanding of what a fair democratic government is. Angola has the lowest overall confidence with the United States voters. There is no support in this country, except from big business that wants to make money and is willing to compromise all principles on the purpose of making a profit.

It is time we tell these companies, as we did a few weeks ago with the sense of the Senate asking the President to do what he can do under the Export Administrative Act, that enough is enough.

It is enough for me, and I hope it is enough for my colleagues to vote against the anticipated motion by the Senator from Alaska to table this.

The PRESIDING OFFICER. Who yields time?

Mr DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. I yield 1 minute to the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I rise in support of the prospective motion to table. This is a total trade embargo, including total U.S. disinvestment against a country toward which U.S. policy is not yet clear. We do not even have total disinvestment in South Africa.

It seems to me, Mr. President, this is a classic case of 100 Senators attempting to be Secretaries of State. What we are planning to do under the resolution that I hope is going to be tabled, is to give up an extraordinary oil field to the Japanese or to the French or somebody else. We have a lot to lose if this amendment were adopted and nothing to gain, and it will not affect Angola one teeny-weeny bit.

I want to thank the Chair and thank my distinguished senior colleague.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Would the Senator yield to me?

Mr. DECONCINI. I yield the Senator 3 minutes.

The PRESIDING OFFICER. The Senator from Arizona yields 3 minutes to the Senator from Florida.

Mr. CHILES. Mr. President, I just want to stand in second of the statement of the Senator from Arizona. I think he covered the points very well.

For the life of me, Mr. President, I cannot understand a policy that says on the one hand: This country gives aid—it is not covert any more, it has been in every paper, everybody knows exactly what we are doing, it is sort of an announced policy that we are supporting the UNITA forces. We treat their head like a visting head of state when he comes to this country. We talk loud and strong about how we feel about freedom fighters and the kind of support that we give. And then we turn around and, in effect, help to finance the other side. We are financing both sides of this operation. I just think that it is a totally inconsistent policy and one way or the other we ought to make that policy consistent.

I think that is what the amendment does. I think it clearly puts the United States on record and at some stage if we say that we are really in support of freedom fighters I think we have to be willing to prove and to stand by that and to show that we are. I think, again, that amendment does that and I think it makes us have a much more consistent policy. I hope we will adopt the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. I want to thank the Senator from Florida, Senator CHILES. He was a leader of this, and, frankly, was an original cosponsor in this amendment, and I think he introduced it in previous years. Also, the Senator from South Carolina, Senator HOLLINGS, has been a leader in this as has Senator DOLE, Senator SYMMS of Idaho, and the distinguished Senator in the chair, Senator GRAHAM.

Senator GRAMM of Texas, Senator GRASSLEY of Iowa, Senator KASTEN, Senator D'AMATO, Senator HELMS, Senator KARNES, Senator THURMOND, Senator PROXMIRE. All of these Senators and many others have led this fight even before this Senator got the floor last night to have this amendment brought up, and I yield 1 minute to my colleague from Idaho.

The PRESIDING OFFICER. The Senator has yielded 1 minute to the Senator from Idaho.

Mr. SYMMS. Mr. President, due to the time constraints, there is no way to make this a real debate, but I want to compliment the Senator from Arizona for proposing this amendment and make it clear that the Soviet client states in Africa have shown an appalling and cynical lack of regard for the welfare of their people, and the Marxist-Leninist government of Angola is a classic example of this. I wish we could do more. I wish we did not have a State Department that had a détente-at-any-cost mentality. It seems to be the biggest enemy of the Reagan administration.

There is no reason, as the Senator points out, in fact or in principle, for American oil companies to not be in concert with what U.S. foreign policy is.

If I can have my way about it, this administration would break the Kennedy-Khrushchev agreements and stop giving sanctuary to Castro and Cuba and he would have to bring his troops home to Cuba to keep civil order there and we would not have an Angola. We would give full support to UNITA, break diplomatic relations with the Luanda government, recognize UNITA as the legitimate government of free Angola and see that freedom prevails in Angola. But that is not the case.

This is a small effort based on principle, and I think this should be supported. I do not like to see problems with respect to Chevron. It is a fine company, and they have many fine people, but the matter of fact is that the United States of America—one of our major oil companies should not be engaged in financing Soviet and Cuban troops, and that is the way it works out. It is most unfortunate.

Angola's abundant oil resources have been used primarily to buy more arms from the Soviet Union, to pay for more Cuban troops to subjugate the Angolan citizenry, and to keep at bay the popular UNITA forces. A UNITA victory was denied in 1975 following the deployment of thousands of Cuban proxy troops and Soviet armaments, and America's retreat from confrontation in Angola in the tragic aftermath of Vietnam.

In dealing with totalitarian regimes, the U.S. Government has found over the years, that only firmness and pressure work in negotiations. The United States has always preferred diplomacy above force, but diplomacy has limitations. When dealing with agressor nations, diplomacy is useless without ample military leverage. The United

States in recent history has never been a country to employ force readily, in fact, force is only grudgingly applied by most democratic governments, in response to provacations, in self-defense. The U.S. economic power is still its greatest national asset, but it can only continue to be an asset if used to protect the very freedoms which created the climate that fostered the wealth and tremendous economic growth our society enjoys.

How can America help put a stop to this grisly war? In my opinion, we have two options, and together, I believe they will ultimately bring peace to Angola and an end to the hated Cuban occupation. We must continue to supply UNITA with U.S. assistance, in the quantity and quality necessary to force the MPLA to the bargaining table; and second, we must use every possible economic measure we have in our power to make the MPLA realize their quest for a military victory is futile, and that their further aggression against their own people will be met with harsher measures designed to curtail their capability for military acquisitions, and to exhaust the resources which they wastefully expend for weapons.

This last option is the subject of the amendment offered today. A quick examination of Angola's economy shows it is extremely vulnerable to a trade embargo, because of heavy import dependence, and reliance on hard currency earnings to finance the Cuban occupation force and to pay for Soviet hardware, particulary the costly Hind helicopter gunships and Mig's being brutally deployed against the UNITA guerrilla force with no air capability of its own.

Given Angola's vulnerability to an embargo, the prospects for its success are greatly heightened. An excellent book entitled "Economic Sanctions Reconsidered" states that sanctions are effective, if they impact a certain percentage of gross national product, or GNP. The embargo in question is directed against the Government of Angola and those assets it holds in the highest regard—the protection of its elite ruling class, the Communist Party apparatchik, and the mainstay of that rule—the Cuban praetorian guard and massive amounts of Soviet weaponry. This embargo will work, because it will undercut the ability of the MPLA to sustain its accumulation of offensive weaponry, heightening UNITA's leverage with the MPLA, and thus helping to promote longstanding United States policy objectives in Angola of internal dialog and national reconciliation.

For those unfamiliar with the history of the Angolan conflict, let me add that the United States has tried and exhausted other tactics. We have tried being "nice" to the MPLA, with all that nicety implies—prior concessions have been the order of the day, and no quid pro quos were ever exacted. Jean Francois Revel describes a behavior pattern typical to governments like the United States in his book, "How Democracies Perish":

> Naturally, in foreign policy, one must take the rival country's viewpoint so as to try and understand its policy and anticipate its future moves. But this is exactly what the West does not do. Instead, we think what the U.S.S.R. wants us to think—for example, that economic sanctions would increase Soviet intransigence and would turn out badly for us. What we do is accept the principle of nonreciprocity of concessions as a legitimate rule.

This describes perfectly United States policy toward Angola, until Congress redirected it in 1985.

The Reagan administration extended humanitarian assistance and economic aid to the tune of hundreds of millions of dollars, Eximbank loans, and even endorsed World Bank and African Development Bank loans for Communist Angola as well. Behind this economic aid was the notion that if the United States was "nice" to the MPLA, they would be reassured about our neutrality and would be more willing to forego Soviet and Cuban military advisors and strong ties to Moscow, Havana, and the East bloc. This myth that U.S. goodwill and benevolence will somehow transcend fundamental underlying philosophical differences between two systems of government, seem to pervade the U.S. State Department, despite any singular successes in its application. Such policies have never worked toward any Marxist government, but the track record of failure seems to make no difference to those dedicated to the idle pursuit of "weaning" Marxist regimes from Moscow.

What happened, in response to this policy of benevolence? The MPLA gladly took our millions, and with the bonus of American economic aid, proceeded to escalate the number of Cuban troops, and Soviet weapons of war in order to annihilate UNITA. Entangled in this complex policy of ecomonic enticements in exchange for MPLA concessions on Cuban troop withdrawal is the issue of Chevron/Gulf Oil Co. Did United States policy really intend to serve the interests of the people of Angola, or was the State Department simply heeding the wishes of Chevron Oil and its investors, to maintain the status quo in Luanda to the benefit of American financial interests, ignoring strategic and moral considerations?

Obviously, whatever the motivation, blind-eyed benevolence did nothing to advance stated United Sates objectives in Angola. The clod truth is that the MPLA, like any other Communist government, will not willingly share power, hold elections, or respect human rights, in the absence of military and diplomatic coercion sufficient to threaten their control.

I will not make the overstated claim that sanctions will bring immediate peace to Angola, or force the MPLA overnight to abandon its commitment to Marxism-Leninism. Let me quote from the book I referred to earlier:

> Success may depend, to some extent, on whether the sanctions hit a sensitive sector in the target country's economy. A $100 million cost may have quite different effects—at home and abroad—depending on whether it is imposed by way of export sanctions, import sanctions, or financial sanctions . . . in some instances—particularly situations involving small target countries and modest policy goals—sanctions have helped alter foreign behavior.

Countries regarded as small and not stable were easier targets for achievement of policy goals—either destabilization or military impairment. Angola clearly fits this description.

The MPLA regime is already battered by the severe drop in oil prices, which has also thwarted the military adventurism in Africa of another anti-American belligerent, Col. Muammar Qadhafi. And, Angola has been severely weakened by the 12-year-long war, which has drained manpower and economic resources. Through attrition, and a political program with a broad-based appeal to the Angolan people, UNITA seems to be winning the war slowly, but steadily. A trade embargo would be more than just one more blow to the MPLS, lending strength to the younger officers in the military and the more programmatic elements of the ruling cadre that believe military victory is no longer a possibility, and negotiations with the majority opposition are an inevitability.

The Cuban general Rafael Del Pino Diaz, who recently defected from his mother country, has given some fascinating insight into what has become Cuba's debacle in Angola. The Cubans have lost 10,000 troops in this African war. Given the small size of the Cuban population, this loss is staggering, dwarfing United States losses in Vietnam. The AIDS panic is also raising the ante for Fidel in Angola. His mercenary army, already demoralized and war weary, now risks contracing a disease for which there is no cure. This will greatly exacerbate resistance to the war, and heighten existing tensions between the MPLA and the Cubans.

The American public and many of America's black leaders have increasingly become aware of the plight of the Angolan people, and of the need for the United States to take a stronger role to help bring a resolution to this seemingly interminable war. I am grateful that America's black leadership is taking note of the anguish and suffering of Angolan patriots, fighting for their liberation just as American blacks fought for theirs. Such promi-

nent black civil rights activists as the Reverend Hosea Williams and comedian Dick Gregory, as well as Rev. Maurice Dawkins, and Rev. Ralph Abernathy have appealed to the MPLA to begin peace talks with UNITA. To this date, the MPLS refuses to respond to repeated calls from UNITA for dialog. Given this arrogant intransigence and obstinance, the Congress has no choice but to intensify pressure on the Angolan population by supporting this amendment. I am convinced it will give real sustenance and hope for peace and freedom to the Angolan people.

The PRESIDING OFFICER. The Senator from Idaho has used his time.

Mr. DECONCINI. I want to thank the Senator. I ask unanimous consent that a series of articles appearing in the New York Times, Washington Post, et cetera, be included in the RECORD.

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

[From the New York Times, Nov. 1986]

CUBANS GUARD U.S. OILMEN IN ANGOLA

(By James Brooke)

CABINDA, ANGOLA, November 22.—Oily orange flames burned from Chevron's offshore wells here and a Cuban officer watching from a distance allowed a trace of a smile to cross his face.

"We never thought we would be protecting American interests," the officer, Maj. Alberto García Mestre, said of his first "internationalist duty."

As commander of a crack unit of "tropical troops," Major García arrived here in March to bolster the defenses of Chevron's $1.3 billion investment in Cabinda, a 2,800-square-mile enclave cut off from the Angolan mainland by Zaire.

The complex, which Major García scans every day with his field glasses but has never visited, includes 200 offshore wells that pump 190,000 barrels a day, providing about 60 percent of Marxist Angola's foreign exchange.

Major García's unit, part of a 30,000-man Cuban expeditionary force in Angola, patrols the perimeter of the complex day and night, seeking to intercept commandos sent by any of three enemies: South Africa; a separatist movement seeking independence for Cabinda, and the Union for the Total Independence of Angola, or Unita, an anti-Government force that is armed by South Africa and the United States.

180 AMERICAN WORKERS

All three groups have vowed to sabotage the oil complex, which is called Malongo and which is run by Chevron's local subsidiary, Cabinda Gulf. The Cubans, interviewed at one of several bases they maintain here, said they came in March in response to stepped-up threats against the complex, where about 180 Americans work.

Bivouacked within sight of the oil wells and tank farm, the Cubans cut trees from the surrounding hills and use the timber to reinforce underground bunkers for jeeps, dormitories, cafeterias, classrooms and gun emplacements.

"Together with our Angolan comrades we are confident that we can assure the safety of Malongo," said Capt. Pedro Valdez Alfonso, a ramrod-straight graduate of Cuban, Polish and Soviet military academies. "There is no working link with the Americans."

Despite this confidence, there is a new edginess about security in Angola's oil-rich north.

Three weeks ago a bomb that Unita says it planted caused widespread destruction at Cabinda's air terminal. When American journalists took photographs Friday of the shredded concrete, twisted steel and blown-out windows, they were detained for three hours and given a military escort for the duration of their stay.

Independent interveiws with Cabindans were impossible during a trip, but according to diplomats and businessmen in Luanda, Angola's capital, other attacks have taken place in Cabinda this year.

In March, Angolan troops exchanged shots with unknown intruders near Malongo's perimeter. In April, electric and water services were sabotaged.

In June, a daylong shoot-out took place in the city of Cabinda after guerrillas, reportedly from Unita, launched a rocket and rifle attack against the offices of the provincial commissionar.

"We had a delegation visiting Malongo that day," a Western diplomat recalled. "They had to go there from the airport by helicopter."

The most serious attack was attempted in May 1985 by a South African commando unit. According to the unit's commander, Capt. Wynand du Toit, who was captured, the aim was "to destroy the oil tanks" of Chevron.

Shuttled at night to Malongo's coast in inflatable rubber boats from a South African Navy vessel anchored offshore, Captain du Toit's nine-man team carried overalls with the Cabinda Gulf logo and mines, two for each oil tank and more to destroy water pipes supplying Malongo's fire hydrants.

[From the Washington Times, June 17, 1987]

TWO CIVIL RIGHTS LEADERS URGE ANGOLA TO SEEK PEACE

(By James Morrison)

Two black American civil rights leaders yesterday challenged the Marxist government of Angola to negotiate a cease-fire with Angola's anti-communist rebels.

The Rev. Maurice Dawkins delivered one letter from himself and one from the Rev. Ralph David Abernathy to the No. 2 man in the ruling Popular Movement for the Liberation of Angola (MPLA), who was briefing Senate staff members on Capitol Hill.

Two other black civil rights leaders, the Rev. Hosea Williams and comedian Dick Gregory, earlier had called for peace talks and appealed to the MPLA to allow them to bring their Prayers for Peace campaign to the Angolan capital of Luanda.

All four have been leaders of the civil rights movement since the 1960s.

In a letter addressed to Angolan President Jose dos Santos, Mr. Abernathy wrote, "I am writing to urge you to make every effort possible to reach a peaceful solution and join in peace talks as soon as possible.

"More war, more tragedy and death can be avoided. Black fratricide can cease. Rebuilding the nation can begin."

The MPLA has refused to respond to cease-fire proposals from the rebels of the National Union for the Total Independence of Angola (UNITA), who have been fighting the Soviet- and Cuban-backed government since 1975.

Pedro de Castro Van Dunem, minister of State for production, said he would deliver the letter to Mr. dos Santos. But he said the "solution is not to talk to" UNITA leader Jonas Savimbi. "He is not defending the people of Angola," he said.

Mr. Van Dunem and Angola's ambassador to Cuba, Manuel Pacavira, are leading an Angolan delegation to Washington to press for diplomatic relations with the United States and to lobby against a bill that would impose a trade embargo against Angola. The bill's chief sponsor is Senate Minority Leader Robert Dole of Kansas.

A UNITA representative also attended the meeting the Angola government representatives held for Senate staff members and called for peace talks.

"When the MPLA talks about peace, they bring more planes. They bring more tanks. How long can we continue to bleed?" asked Marcus Sammondo of the rebel's Washington office.

He said he believed the meeting was the first occasion that a UNITA representative has publicly talked to an MPLA delegation.

[From the Washington Post, July 9, 1987]

CUBAN, SOVIET ADVISERS KEY TO ANGOLAN REGIME

(By William Claiborne)

CAHAMA, ANGOLA.—Capt. Carlos dos Santos, a self-assured young officer who walks with a swagger, had just completed a monologue in which he vowed that troops in his command would drive the South African Army out of Angola whenever it dared enter.

The world would hear the explosions, dos Santos assured his visitors, and the Angolan Army would not need help from Cubans or Russians.

"Do you see any foreign faces around here?" he asked.

As he stepped outside an officers' mess in this bomb-scarred southern Angolan town, a car skidded to a halt in the dust and a Soviet officer, his face red with anger, barked an order to dos Santos to feed his troops at once. Then, warily eyeing several American journalists, the Russian roared away in a cloud of dust with a chastened dos Santos at his side.

The brief episode underscored the sensitive relationship between the struggling Angolan Army and the estimated 950 Soviet advisers and 37,000 Cuban troops stationed in this country as the 12-year-old civil war with U.S. and South African-backed anti-communist rebels grinds on with no end in sight.

It also illustrated the Marxist Angolan government's dependence on the management skills of its Soviet and Cuban patrons. But there are increasing signs that President Jose Eduardo dos Santos may be prepared to negotiate with the United States over a phased withdrawal of Cuban troops in exchange for formal diplomatic recognition from Washington.

The withdrawal of Cuban troops from at least the southern provinces of Angola is expected to be high on the agenda when leaders of the ruling Popular Liberation Movement of Angola (MPLA) meet later this month in the capital, Luanda, with U.S. Assistant Secretary of State Chester A. Crocker.

Its economy paralyzed by the debilitating war with Jonas Savimbi's National Union for the Total Independence of Angola (UNITA), the Angolan government hopes that it can persuade Washington to cut off its covert aid to the rebels and influence

South Africa to cease its constant cross-border incursions in support of Savimbi.

In an election year in the United States—and with Angola enmeshed in the East-West ideological conflict—the hopes may be unrealistic. But it is a measure of the Luanda government's despair over the course of the war that it is willing to strain its relations with its communist benefactors by seeking ties to the United States.

Senior Angolan political and military leaders repeatedly said in interviews that they realize the guerrilla war against Savimbi's forces cannot be won military as long as the powerful South African Army is poised just across the border in the territory of Namibia, ready to intervene whenever the Angolans get the upper hand.

They also said that Angola cannot go on indefinitely spending half its budget on the war while its economy is being bled dry by falling oil revenues, massive food shortages and the damage done by Savimbi's guerrillas to rural transport and services.

Despite wildly exaggerated claims by the rebels and the ruling party of major engagements in which hundreds of enemy dead are counted, there has been no major offensive by either side since the winter of 1985, when the Angolan Army attacked Mavinga, the gateway to UNITA's headquarters in Jamba in southeastern Angola. It was repelled at the last moment when South African forces intervened, according to senior Angolan officials and informed western diplomats.

President dos Santos said in Luanda last week that he has no plans for an imminent offensive. He added that claims by the rebels that a new major Angolan Army push toward Jamba already is under way were merely attempts to get more U.S. military aid.

Lt. Col. Luis Faceira, commander of Angolan forces in the southern provinces of Huila, Cunene and Namibe, said in an interview in his headquarters in Lubango that his last big attack against UNITA was in December near Chingongo, where 120 rebels were killed.

The last big engagement with South African forces, Faceira said, was on Jan. 26 when an Angolan force of 60 men attacking near Mongua was hit by 34 Caspir armored vehicles, four ground support aircraft and 12 helicopters. Faciera said he lost 23 men and that the South Africans said they had one dead.

"We found it to be absurd that there wasn't even a minimum coordination of power. Against 60 men they used 34 Caspirs and 12 helicopters! South Africa obviously is not gong into combat with as much confidence as it did years ago," said Faceira.

The commander characterized his conduct of the war in the south as two-pronged, with about 90 percent of his troops in defensive positions to respond to South African incursions. The remainder, he said, are engaged in countersurgency operations designed to prevent UNITA guerrillas from mounting attacks farther north.

He said these include organizing People's Defense militias in rural villages and arming them so that the estimated 1,200 UNITA guerrillas operating in the three south-western provinces will be forced to mount larger, and more easily traceable, guerrilla patrols as they seek new economic targets to attack. Most of these targets, officials said, are rural transport systems, power plants, water wells, schools and health clinics.

UNITA is said to have 28,000 regular troops and 35,000 guerrillas, most of them in the far southeast corner of Angola. The government's strategy has been to try to push the rebels into the sparsely populated enclave, where they are less of a threat.

Angolan officials and foreign diplomats said the army is unwilling to launch a major offensive against Jamba because it knows that to do so would invite massive South African retaliation.

Moreover, they said, the Army learned from its 1985 experience that to mount such an attack would stretch its supply lines too thin. Support bases would be hundreds of miles to the north, while the South African ground and air support bases are only a short distance across the Namibian border.

Angolan officials and western relief workers who travel extensively in the war zone said the UNITA guerrillas' primary strategy is to cripple rural transport by planting thousands of road mines supplied by South Africa and raiding rural villages, in search of food and in an attempt to intimidate local residents.

The strategy has had a large measure of success. The southern provinces are virtually tied in knots and unable even to move sorely needed food northward to Luanda because of the hazard of road mines.

But it has taken an enormous human toll, leaving 15,000 war-inflicted civilian casualties, most from land mines, and an estimated 690,000 displaced persons, according to western relief workers.

Gerd Merrem, who travels extensively in the rural areas for the U.N. Development Program, said he increasingly has encountered cases in which UNITA guerrillas have planted antipersonnel mines in farm fields to discourage people from harvesting their crops.

"What type of war objective is it that willfully mutilates women and children? The indiscriminate use of antipersonnel mines has but one objective—to make life miserable for the population and create economic chaos," Merrem said.

While independent military analysts discounted as propaganda many of the claims of military victories issued almost daily by the rebels' exile office in Lisbon, they said they regarded the guerrilla group as a highly motivated ground force and one that has vexed for 12 years the combined strategies of the Soviet and Cuban advisers.

Armed with U.S.-supplied Stinger missiles, Savimbi's forces have shot down a number of Soviet-made aircraft and have made Angolan air-space so precarious that Aeroflot planes taking off from as far north as Lubango climb in a tight orbit around the airport's air defense system until they reach a safe altitude.

UNITA's success in paralyzing Angola's economy and, with South Africa's help, immobilizing the Angolan Army has heightened the role of the Cuban troops and Soviet advisers here.

Anagolan officials insisted—and informed western diplomats confirmed—that the Cubans generally have not been involved in direct combat roles for at leat five years. Instead, they appear to be engaged mostly in backup and logistics activities, in air defense systems, in the protection of major military bases and the capital of Luanda and in the development of education and health services.

Angolan officials scoffed at the claim made in the United States by a Cuban Air Force general who recently defected, Rafael del Pino Diaz, that the Cubans had suffered 10,000 casualties in Angola in the past 12 years. A senior western diplomat in Luanda also said that the figure appeared to be unrealistic, given the Cubans' noncombatant role for so many years.

But the Cuban and Soviet presence here sometimes seems pervasive to a visitor.

During one four-hour period last week at Lubango's airport, a constant stream of Soviet Aeroflot transport planes landed, and their cargos, including air-to-air missiles, were quickly unloaded by Cuban and Angolan troops. U.S. intelligence sources estimated that Moscow has sent $1 billion worth of arms to Angola in the past year, bringing total Soviet military aid to $4 billion in the last decade.

Cuban and Angolan pilots chatted with one another before climbing into MiG23 fighters and taking off in pairs for what appeared to be training flights, some of them buzzing the control tower at rooftop level.

The scene at Luanda's airport was similar, with long lines of Aeroflot transport planes waiting on the taxiway for their turn to take off at intervals of only a few minutes.

A Cuban construction engineer who gave a visitor a lift in Luanda said he had served in seven countries, inlcuding Vietnam, Libya, Grenada, Nicaragua and Ethopia, fulfilling his country's "international duty," but said he looked forward to leaving Angola.

Western diplomats said they had heard reports of tensions between the Cubans and their Angolan hosts, mostly over the Cubans' better living conditions and cultural differences. But they said conflict between the governments, to the extent that it exists, stems primarily from Angolan arrears in payments for the services of Cuban civilian and military personnel and from the sporadic negotiations with the United States for a phased Cuban withdrawal.

The Cuban presence reportedly is costing Angola more than $700 million a year, although Angolan officials denied they were being charged for the expeditionary force.

Angola's stance on a phased Cuban withdrawal has alternated between a hard-line insistence that apartheid in South Africa first be ended and a more flexible position linking withdrawal to independence for the South African-administered Namibian territory and an end to South African and U.S. support for UNITA.

Vice Foreign Minister Venancio de Moura, in an interview, reiterated a 1984 Angolan offer to implement a Cuban withdrawal from the southern part of the country if Washington agreed to stop supporting UNITA and press South Africa to withdraw its troops from the border region. In exchange, Angola would pull the Cubans north of the Benguela Railway, 375 miles north of the Namibian frontier.

Criticizing what he termed U.S. "psychosis over Cubans," de Moura said, "If the problem is the Cubans, this raises the question: Doesn't the United States have diplomatic relations with countries that have Cubans in them?" He cited Ethiopia and Nicaragua as examples.

But de Moura and other Angolan officials conceded that winning U.S. diplomatic recognition is a long shot, at best, because of Savimbi's support in the United States and because the Cuban exile community in Florida, a key primary election state, has seized on Angola as an issue.

Western diplomatic analysts noted also that if President Reagan makes concessions that lead to an arms control agreement with the Soviet Union before the election, he hardly would be in a position to make concessions to another communist government in the same year.

[From the Christian Science Monitor, July 9, 1987]

SOVIET AND CUBAN TIES SUPPORT—AND BIND—WAR-WEARY ANGOLA

(By Ned Temko)

LUANDA, ANGOLA.—How does an African country with Soviet advisers and Cuban troops make friends with Washington?

This is the challenge Angola's government has tackled with renewed energy in the past two months. While thankful for East-bloc military and economic help—and not yet able to do without it—Luanda officials are also uneasy over their heavy dependence on Moscow and Havana. They sense, too, that only by ending a 12-year war with US- and South African-backed insurgents, and by enlisting Western aid, can they resolve the country's deepening economic crisis.

"We Angolans," says Deputy Foreign Minister Venancio de Moura, "did not throw off Portuguese colonialism in order to fall under another form of colonialism." The Cubans and Soviets "are indeed our friends. . . . But we do not want to be part of the so-called East-West conflict."

Still, neither East nor West seems ready to back Angola's avowed push for what one offical terms "African nonalignment." The Soviets and Cubans, having poured money and blood into Angola, are not about to smile forebearingly as Luanda courts the United States. Holding Angolan debt papers worth an estimated $2 billion dollars—and aware of Luanda's continuing need for East-bloc assistance, at least for the near future—Moscow and Havana have considerable leverage to press their case.

When the Angolans, in a declared gesture of "goodwill" toward Washington, released a captured US pilot last week at a special session of parliament, Western countries were represented by ambassadors. The Soviets sent only an embassy counselor.

The White House, for its part, is continuing to insist on a formal, explicit pledge that all Cuban troops will be sent home before reciprocating Angola's overture. Luanda officals are trying to convince Washington—and visiting US reporters—that a general, yet genuine, assurance of an eventual Cuban pullout should suffice.

Whether the Americans will find common ground with this position may become clearer when Chester Crocker, assistant secretary of state of African affairs, goes to Luanda later this month to resume bilateral talks.

But, says a US official privately, "The Angolans have got to choose. We know that American companies are developing Angolan oil, and that much of this oil goes to the U.S. But in terms of overall US requirements; this is a drop in the bucket."

Since Angola gained independence in 1975, the US alone among Western powers has refused to recognize its government, and there have been no diplomatic relations between the two countries. But Angola is one of the US's largest trading partners on the African continent.

If Angola is ready to take up a longstanding US proposal to link a total Cuban pullout to an end to South Africa's dominance—and military presence—in neighboring Namibia (South-West Africa), the US official says, then the road will be open for improved Luanda-Washington ties. Otherwise, it will not. "Angola," he says, "needs the United States much more than the United States needs Angola."

Angola, meanwhile, seems to need the Soviet bloc considerably more than it wants it. The Soviets and Cubans help run schools, train factory managers, and oversee rural health clinics and public facilities and services.

A lanky, tanned man—who offers a trio of hitch-hiking US journalists a ride back to their hotel—provides a hint of the complexity of Angola's controversial ties with the East bloc. It turns out that he is Cuba's chief engineer in Angola. "The thing is," he says, "it is very difficult for an engineer to get anything done here. If you have American dollars, anything is possible! Otherwise, nothing!"

For the Cubans, Angola has become the most important and durable of its periodic exercises in Marxist "internationalism." (The chief engineer genially reels off his own previous postings: Vietnam, Libya, Grenada.)

During their 12 years here, Castro's envoys have repaired roads, built barracks, set up schools, run health clinics. They have also fought and died. But Angolan officials and Luanda-based Western diplomats reject as "very high" a recent estimate by a defecting Havana officer that the Cubans have lost 10,000 men in Angola's civil war. But says one Luanda official, "Of course Cubans have died. When there is fighting, people die."

Generally, the troops and advisers shun social contacts with the Angolans—a rule applied with new rigidity because of their fears about the spread of acquired immune deficiency syndrome (AIDS). "I was struck, on going to a beach outside Luanda, by the sad sight of Cubans standing disciplined and aloof as the young Angolan women splashed around on the beach," comments a diplomat.

The Soviets seem equally aloof, though very present, chattering in Russian in Luanda's prime tourist hotel. The Soviets lack the Spanish-speaking Cubans' linguistic affinity with the Portuguese-speaking Angolans, and sometimes seem resented.

Mr. DECONCINI. I yield to the Senator from North Carolina.

Mr. HELMS. I thank the distinguished Senator from Arizona and I just want to ask him two or three questions.

Is it accurate to say that Angola's foreign exchange earnings are derived primarily from United States oil production in Angola?

Mr. DECONCINI. The Senator is absolutely correct. I understand it is 90 percent.

Mr. HELMS. Is is also accurate to say that these earnings are the primary source for funding the Cuban troops and the purchase of Soviet hardware in Angola?

Mr. DECONCINI. The Senator is absolutely correct, and I thank him for asking that question because I did not perhaps articulate it as well as his question did. That is what this money is going for, just what the Senator has suggested.

Mr. HELMS. I thank the Senator. I have one more.

Would it be your expectation that one of the benefits of your amendment would be to put intense financial pressure on the Marxist-Leninist Government of Angola—for the purpose of forcing a withdrawal of the Cuban troops and a beginning of negotiations with Savimbi and his UNITA troops?

Mr. DECONCINI. The Senator is absolutely correct.

EMBARGO WITH ANGOLA

Mr. HELMS. Mr. President, I am pleased to join my colleagues in supporting this trade embargo with the self-proclaimed Marxist-Leninist regime of Angola.

There is not a more clear-cut case today, Mr. President, where we see the folly of carrying on "business as usual" with a repressive pro-Communists regime. In essence, the United States is helping to finance the destruction of the fledgling democratic forces of Dr. Jonas Savimbi's National Union for the Total Independence of Angola [UNITA].

The continued operation of the Cabinda oil fields by a United States company provides a several fold advantage to the Communist Angolan Government.

First, the revenues derived from the oil exports are a major factor in the overall financial stability of the Angolan Government. If it were not for these revenues in the last several years, we might not have the Communists regime in power today. However, that regime has survived despite the increasingly effective opposition of UNITA.

Second, the American presence in Angola serves as a "shield," preventing UNITA from striking an obvious economic target—the oil field. UNITA knows that any such strike would inevitabley involve U.S. casualties, and they have opted to preseve good will with the Untied States. However, the present situation makes U.S. business an unwitting ally of the MPLA.

Meanwhile the Congress is supporting, however timidly, the efforts of UNITA. We're working against ourselves. In essence, the present situation has us playing both sides. The side we should choose is clear. We should stand with the freedom fighters of Angola—just as we should stand with anti-Communist freedom fighters around the world.

Mr. President, it has been said the U.S. business loves a stable government, and that there is no more stable government than a Communist one. Yet that situation is an intolerable one. A government that is stable because of its oppression is not one with whom U.S. policy should encourage trade.

The pending amendment sets forth reasonable criteria to resume United States trade with Angola—criteria that are a longstanding part of the United States policy toward the Communist Government of Angola—

First, has begun a concerted and significant effort to comply with internationally recognized human rights;

Second, has begun discussions with its non-Communist opposition;

Third, has established a body a laws that assures the full national participation of all the people of Angola in the social, political, and economic life in that country;

Fourth, has held free and fair elections under international supervision not later than November 11, 1988; and

Fifth, all troops from Cuba, the Soviet Union, and any other Communist country have withdrawn from Angola.

Mr. President, the tenuous stranglehold that the MPLA holds on Angola is evidenced from the military assessment made by the Defense Department in its annual publication "Soviet Military Power (1987)."

I ask unanimous consent that the assessment be printed at the conclusion of my remarks.

We need to help Jonas Savimbi accomplish his democratic objectives. He is so close to that success. Affirmative action on this amendment could help him significantly.

ANGOLA

Direct Soviet support, as well as that of 36,000 Cuban military surrogates, continues to impede progress toward a negotiated settlement between the Luanda government and Jonas Savimbi's National Union for the Total Independence of Angola (UNITA). UNITA now has extended its operations into all provinces. The regime's counterinsurgency strategy is marked by the same ad hoc adjustments characteristic of the Soviets' war against the Mujahideen.

Angola has taken some political and social measures to enhance its legitimacy. Locally organized militias and a network of neighborhood informants have been enlisted to expand government control and to impede UNITA expansion. Some forced resettlement is used both to control the population and to deny support to the insurgents.

As in Afghanistan, Soviet propaganda portrays the insurgents as puppets of another power—in this case, South Africa—and as perpetrators of massacres and other abuses against innocent civilians. Guerrillas who defect from ineffective insurgent fringe groups receive extensive publicity and are used with government troops in the pacification of particular areas of the country. Political education in military units has also received a high priority. On the other hand, UNITA has proved to be a fairly cohesive organization, unlike the Afghan insurgent groups. Thus far, it has been quite immune to government efforts to foster rivalries between factions or coopt local leaders.

The Soviets have developed no specific military doctrine to deal with the insurgency in Angola. Government forces have enjoyed little success against UNITA. They have focused on securing the few cities, towns, and economically productive extraction industries such as oil and diamonds. Their campaigns have mostly been large, slow-moving sweeps during the dry season aimed at destroying UNITA bases. As in Afghanistan, a major effort is being made to interdict external support to the guerrillas. This procedure requires dedicating a disproportionate amount of resources to air defense in an effort to cut off South African supplies believed to be coming in by air.

In 1986, Soviet arms support continued with the delivery of additional FLOGGER aircraft; HIP H helicopters; SA-3 and SA-8 surface-to-air missiles; and numerous tanks, artillery pieces, and BMP armored vehicles. Soviet advisers also participated in the continued dry-season operations against UNITA—albeit somewhat reduced in scope from that in 1985 but supported by enhanced Soviet logistics assistance. At the same time, Soviet and Cuban advisers have not been able to develop the Angolan Armed Forces into a military organization dependable and effective enough to permit withdrawal of the Cuban forces now propping up the unpopular regime.

Mr. DECONCINI. I yield to the Senator from Kansas.

The PRESIDING OFFICER. The Senator has yielded to the Senator from Kansas. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I have indicated to the distinguished manager on the Democratic side, Senator PELL, that we need about 5 additional minutes on this side. Would there be any objection to adding 5 minutes for each side?

The PRESIDING OFFICER. Is there objection? Without objection, 5 minutes is added to each side.

Mr. DOLE. I know the Presiding Officer wishes to speak on this. How much time is remaining?

The PRESIDING OFFICER. The Senator from Arizona has 8 minutes, 3 seconds; and 9 minutes and 48 seconds to the Senator from Rhode Island.

Mr. DOLE. If the Chair would notify me when 4 minutes had expired, the remainder of the time could be yielded to the Presiding Officer.

Mr. President, first let me hold up today's paper if there is any doubt about what is going on. The headline in this section of the paper reads: "Cuban, Soviet Advisers Key to Angolan Regime." That is what it is all about. This article appears in today's Washington Post.

Mr. President, I am pleased to join with a group of distinguished Senators from both parties—Senators DECONCINI, SYMMS, CHILES, GRAMM, GRAHAM, HELMS, HOLLINGS, KASTEN, GRASSLEY, D'AMATO, and PROXMIRE—in offering this amendment. Its passage will be another major milestone in getting our policy toward Angola on the right track, to achieve our basic goals: The withdrawal of all Cuban troops, and a negotiated settlement to the civil war.

The opponents of our amendment have raised some beguiling arguments. But none of them—under close scrutiny—hold any water.

"OIL SECURITY" ARGUMENT ILLOGICAL

Let me start with the so-called oil security issue.

Within the past 48 hours, Secretary of State Shultz has said: "The worst thing in the world that could happen" would be for the Soviet Union to dominate the oil supplies of the free world through the Persian Gulf. So in the gulf, we are risking American naval vessels, and the lives of American sailors and pilots—to keep the Soviets out; to make sure our oil supplies do not end up at the mercy of the Soviets.

Now let me stress: In the case of the Persian Gulf, Secretary Shultz is right. We cannot tolerate Communist control of our oil supplies.

But in Angola, the opponents of this amendment say 180 degrees the opposite. What we have to do in Angola, they argue, is perpetuate a situation where our oil supplies are directly under the protection, and at the whim, of Communist, Cuban troops—as they are at Chevron's Cabinda fields. It is Cuban troops who keep the oil flowing; and who, in a crunch, can turn off that spigot.

DOES ANYBODY TRUST THE CUBANS OR THE MPLA?

Is that "oil security?" In the Gulf? We call it "the worst thing in the world" that could happen to the United States. Why do we fear the Soviets—in a crunch—might turn off the spigot in the Persian Gulf, but believe they would never do it in Angola?

If there is any Senator tempted to make that argument—to say, in effect, let us trust the Cubans and the MPLA—I suggest a rereading of the Alvor accord—the agreement, signed by the Marxist MPLA, which ended Portugal's rule in Angola. Under that agreement, the MPLA promised to hold elections; promised democracy; promised respect for human rights. And promptly trashed every provision of the agreement, even before the ink was dry. Maybe there is someone here who sees security in knowing that a Marxist regime like that, and a bunch of their Cuban cronies, have their hands on the spigot controlling the flow of oil to America. But I do not. And I do not think the Senate does, either.

WAR MAIN THREAT TO FLOW OF OIL

And let us not forget the main issue here. There is a war going on in Angola. A war that is the real threat to Angolan oil production and export—no matter whether Chevron is there or not. As long as the war continues, no one really knows whether there will be oil flowing next week—let alone next year.

And the main reason—overwhelmingly the main reason—the war continues, is because the MPLA regime refuses to negotiate with its democratic opposition; flat out refuses. And because that regime has brought in 40,000 Cuban troops. Without those troops, the MPLA, and the war, would not last 6 months.

No doubt Castro feels some fraternal ties for his MPLA buddies. But not enough to send 40,000 troops over there for free. Every one of those troops is bought and paid for—literally on a per capita formula—by the Amer-

ican dollars generated by American oil companies for the MPLA.

And so the opponents of our amendment are left with these incredible propositions. First, we should rely on Cuban troops and an avowedly pro-Soviet, Marxist government to keep our oil flowing. And, second, we should allow an American oil company to keep pumping out the oil—that generates the dollars—that pays for the 40,000 Cuban troops—that keeps the war going. The war that—as long as it continues—means there will never be a secure supply of oil from Angola—for us or for anybody else. That does not make any sense to me.

Does that make any sense at all? Is there anybody here that is really going to stand up and make that argument? I hope not.

It all boils down to this. We have no security in our oil supplies from Angola now. And we will never have it—until the Cubans go home, the war ends, and a new government is set up in Angola.

WILL IT WORK?

Another allegation is that our amendment just will not work—that the American company will just pull out, to be replaced quickly and easily by another firm.

That argument is, at the most, very simplistic. Are there really all that many firms out there anxious to pour a billion or more dollars of investment into a country torn by civil war; whose political future is up in the air; and where the U.S. market would be totally closed? I am not so sure.

Even if such a company could be found, the cost to the MPLA would be enormous. The American company has the field know-how, that means so much to oil exploration and production. No other company can do as good a job for the Marxist MPLA and Cubans as the American company there now.

Replacing the American company would take at least several months—at a time when Angola has less than a month's revenues worth of foreign exchange. The actual dollar cost of that transition would be at least $200 to $300 million.

Probably most important of all, reliable independent experts have reported that the American company there now intends a billion dollars in new investment over the next few years. Surely no new company in Angola, just after making its initial billion dollar outlay, is going to contemplate that kind of additional investment. In short, if the American company there now does not expand the MPLA's oil production and revenues, it will not be expanded.

So this argument, too, does not hold water.

NOT "BUSINESS BASHING"

What about argument No. 2—that we are "bashing" an American company, gratuitously?

Hogwash!

Every one of us sponsoring this amendment believes strongly in the value-the economic value, the political value—of a growing U.S. business presence overseas. Just as long as that business presence does not undermine America's security.

That is precisely official U.S. policy. Let me quote from a State Department policy paper, signed by Secretary Shultz:

> * * * the Department of State * * * [has] a clear responsibility to support American business activities that * * * advance the public interest.

Let me repeat, and stress, that last part: "That advance the public interest."

The fact is, the public interest of the American people or, for that matter, the Angolan people just does not reside in propping up a regime in Angola that seized power illegally; holds it solely by force; opens the door wide to thousands of Communist Cuban troops. A regime that is waging a vicious war against a democratic resistance force—one that we are aiding. A regime that has one of the worst human rights records in Africa; and one of the worst anti-United States records in the United Nations.

It is just not our public interest to do "business as usual" with that kind of regime. And I hope that no Senator is going to stand up here, and try to make the case that it is.

"WEANING AWAY THE MPLA" IS A SHAM

And, finally, we hear the "weaning away" argument. It goes like this: The MPLA is bad; but should we not try to entice it away from Moscow and from Havana? Should we not let American companies operate there, in the hope their presence will—somehow—make the MPLA more democratic; more likely to send the Cuban troops home; more likely to negotiate?

Well, those are good goals. The problem is: We are not ever going to achieve them—if American companies are providing the MPLA the wherewithal, to do all the things we want it to stop doing.

We have already tried bribing, cajoling, and weaning the MPLA away from Moscow and Havana, for years and years. And it ain't weaned yet.

Not a single Cuban soldier has gone home.

Not a single negotiating session has taken place between the MPLA and the democratic resistance forces.

Not a single pro-United States vote was cast by Angola on a key issue during the last, or any other recent, U.N. session.

And the human rights situation inside Angola has just gotten worse and worse.

I cannot help but believe that this whole episode has given Castro and Gorbachev a whole new appreciation of the value of American capitalism.

So, Mr. President, the arguments against this amendment just don't stand up.

TIME TO REPEAT STRONG VOTE OF MAY 21

We need a strong policy on Angola—a consistent policy. Including aid to the democratic resistance. Including a firm diplomacy, targeted directly on getting the Cubans out, and peace talks started. And including economic pressure on—or, at an absolute minimum, the end to economic support and subsidy of—the Marxist MPLA regime.

Mr. President, on May 21, 40 days ago, the Senate of the United States voted on a resolution offered by Senator DECONCINI, myself, and several of those who are sponsoring this amendment. The resolution passed by a vote of 94 to 0—every Senator present voted for it.

What did that resolution say? It said:

> The Senate hereby requests the President to use his special authorities under the Export Administration Act to block United States business transactions which conflict with United States security interests in Angola.

Every Senator voted for that proposition on May 21. Every Senator—including those who are speaking against our amendment today.

LET US GET OUR ACT TOGETHER

What has happened in the past 40 days to make Senators change their minds?

Has there been any change on the ground in Angola? No.

Any change in MPLA policies? No.

Any change at all, relevant to what U.S. policy ought to be? The answer is: No.

If it made sense on May 21 to advocate an end to American business activity in Angola—it makes no sense to criticize today as too much, an amendment that does even less.

So let us be consistent. Let us get our act together. Let us have an effective policy. Let us pass this amendment.

Mr. President, I know there are a lot of pressures and a lot of people who are concerned about a lot of things, but I know the choice here is fairly clear cut.

I want to thank my distinguished colleague from Arizona for taking the lead in what I consider to be a very important issue. We cannot have it both ways on this one.

Mr. DeCONCINI. Mr. President, I thank the distinguished Senator.

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

The PRESIDING OFFICER (Mr. SANFORD). The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, we have talked about the economics and foreign policy in this issue as it relates to Angola. There is a secondary, very central issue for the United States not in Angola but in our backyard, in the Caribbean. There is no question that Cuba is under the most severe economic pressure of the now almost 30 years of Castro's regime. The Soviets have contributed to that pressure by restricting the purchase of sugar and by limiting their sale of petroleum.

We have an opportunity today to make a further contribution to that economic pressure by restricting what has become one of the major sources of foreign currency to the Cuban Government, and that is the sale of Cuban military personnel and equipment to other countries, particularly to Angola.

We are in the ironic situation, Mr. President, of, through an American corporation and through American enterprise, not only propping up a Communist state in Africa, but indirectly providing a primary source of financial support for a Communist state in our own backyard, which is committed to exporting its regime to other countries in this hemisphere.

I believe that the standards that are prescribed in this resolution as to what would be required to withdraw a sanction that we do not lightly impose on exports and imports from Angola are very much in this Nation's interest. Is it not consistent with American policy to say that we want to see a concerted effort to establish international standards of human rights in Angola; to see that there are open political processes leading to a democratically elected government, and that foreign troops from Cuba and the Soviet Union and other Communist-dominated countries are removed?

I believe those are reasonable steps to expect our President to certify have been met before we continue to support a Communist regime in Africa and a Communist regime in the Caribbean.

Mr. HOLLINGS. Mr. President, today the Senate has another one of those votes that are so often avoided by this body. We have a vote to move from rhetoric to action. We have a vote to put up or shut up.

What I am referring to, of course, is the pending amendment to place an economic embargo on the Marxist government of Angola. This is a test of our will to move from rhetoric to reality because on May 21, the Senate passed by a vote of 94 to 0 the Deconcini resolution.

That resolution condemned, among other things, Soviet and Cuban imperialism in Angola, the lack of human rights in Angola, and the role of United States oil companies in propping up the marxist regime. It called on the administration to convey our vexation with this situation to the Soviets, block United States business with Angola, and press for a negotiated settlement to the 11-year-old civil war.

That is all fine and good. The resolution makes sense, and it requests the administration to get off the dime with regard to its on-again-off-again Angola policy. But the key word here is that the resolution "requests." That is all a resolution can do. It has no statutory backing or power.

So it is easy to talk tough with a resolution. It is simply a mirage—it looks good but disappears in a flash. And that is what has happened here.

The DeConcini resolution has already disappeared. The administration opposed it originally and has ignored it since enactment. The Angolans have gone one better. They not only have ignored the expressed desires of the Senate, but have launched even more offensives in the field. So much for resolutions.

Mr. President, it is time the Senate moved on and simply enact what I said it desired just a month and a half ago—an end to United States business transactions which conflict with United States security interests in Angola.

Make no mistake—United States support of the Angolan freedom fighters is a matter of renewed urgency. The Soviet Union has invested over $2 billion in new military aid to shore up a faltering, unpopular Marxist regime. From Mig's to attack helicopters to personnel carriers, the aid has poured in at a staggering rate. Propped up by 1,500 Soviet military personnel and 35,000 Cuban troops, Angola has become little more than a staging ground for Soviet adventures throughout southern Africa.

Yet in the face of this Soviet neocolonialism, the administration stands paralyzed. The State Department continues to play footsie with negotiations and dangles the prospect of diplomatic recognition in front of the Communist Angolan Government. With official United States blessing, the Chevron Oil Co. pumps oil for Angola—generating nearly all of the hard currency used to pay for Soviet military hardware.

Mr. President, we have an administration policy that talks loudly but carries a small stick. Rambo rhetoric comes cheap. It is easy to expound a Reagan doctrine. But is more difficult to put it into action. Yet that is precisely the challenge presented in Angola today.

If ever there was a case in point, it is the activities of Chevron in Angola. Oil accounts for 90 percent of Angola's GNP and almost all of its hard currency. That currency—over $1 billion per year—is used almost exclusively to pay for Soviet hardware and Cuban troops. And who is pumping all that oil for the Marxists? Chevron.

Mr. President, let us also make clear that the issue is not that the Europeans or Brazilians will move in if Chevron leaves. The issue is the principle that U.S. firms, benefiting from the U.S. Tax Code, should not be working in opposition to U.S. interests.

But, if ever there is a case where an administration loves business interests more than it loathes Marxism, this is it. In an exchange of letters last October and November, the State Department asserted that it is not administration policy to ask American oil companies to leave Angola; while the administration is sympathetic to UNITA it is not United States policy to conduct economic warfare; and the State Department is "satisfied" that United States firms have taken into consideration United States national interests.

Well, it may not be administration policy to put principle above profit, but it is this Senator's. And that is why our embargo is crucial.

It is too easy to forget that ideas have consequences. If we are going to proclaim support for people fighting for freedom and democracy, then we must back up our rhetoric with action and material support. But we cannot have it both ways. The administration and Senate cannot proclaim support for freedom fighters, yet abandon them in favor of powerless resolutions or the umpteenth useless round of so-called negotiations. The administration cannot invite Joseph Savimbi to the White House, yet refuse to order Chevron out of Angola.

At this late hour, talk is not enough in Angola. Savimbi and UNITA need assistance and they need it now. The dry season offensive spearheaded by Soviet and Cuban shocktroops is imminent.

Mr. President, the cause of those fighting for democracy and freedom is not always popular. Our annual struggle to fund the Contras in Nicaragua is just one manifestation of America's long post-Vietnam hangover. But as a great nation we must live up to our responsibilities. We cannot remain passive in the face of an aggressive Soviet foreign policy.

A little over a month ago the Senate took the first step in backing freedom in Angola. Today we must take the next step by enacting this embargo because the DeConcini resolution has been ignored. The administration wants to talk, Chevron wants to make more blood money, and the Marxist want to continue the war.

But if the Senate wants a negotiated peace it must go beyond talk and resolutions. It must put muscle behind its resolve. It must take the next step by forcing American business out of Angola, and forcing the Marxists to the negotiating table.

Mr. PELL. Mr. President, I oppose this amendment because I do not believe that it will promote our foreign policy objectives in southern Africa; that is, to achieve a Namibian settlement, obtain the withdrawal of Cuban troops from Angola, and promote peace and stability in the region.

Forcing U.S. oil companies out of Angola will not decrease the hard currency earnings of the Angolan Government or put pressure on it to withdraw Cuban troops.

It will simply provide West European and Japanese companies, which already have oil operations in Angola, with new investment opportunities.

Recently, the Angolan Government has shown a renewed interest in the United States-brokered negotiations for a Namibian settlement and the withdrawal of Cuban troops.

If enacted, this amendment would set back the talks which have resumed between the administration and the Angolans.

Moreover, it could remove a reliable source of oil for the United States at a time when our Persian Gulf oil supplies are increasingly threatened.

I believe that this amendment is the wrong policy at the wrong time. I urge my colleagues to oppose it.

Mr. LEAHY. Mr. President, I have listened carefully to the debate on the amendment offered by my good friend from Arizona. I share many of his concerns about the Government of Angola and the 30,000 Cuban troops that are fighting there. I respect his desire to do something to force the removal of the Cuban military force in Angola and to compel the Luanda government to negotiate with the rebel group, UNITA. For far too long, the people of Angola have been caught in the middle of a bloody civil war, and there is still no end in sight.

There is no question that the Soviet and Cuban presence in southern Africa threatens our interests. It is also beyond question that American oil companies doing business in Angola are indirectly subsidizing the purchase of Soviet military equipment and supplies for the Cuban troops.

On the other hand, the administration's policy of supporting Jonas Savimbi, leader of UNITA, has made us a de facto partner of the racist Government of South Africa and has severely damaged our credibility with black nations throughout Africa.

I share Senator DECONCINI's desire for the United States to use its political and economic influence to help bring about a negotiated settlement of the war in Angola. However, after carefully reviewing it, I am convinced that his amendment would only diminish our ability to achieve its desired results.

Angola derives 90 percent of its foreign exchange from oil exports. The majority of this oil is extracted and refined by American companies and sold to American consumers. If the Congress, by passing this amendment, could dry up this source of foreign exchange, that might be desirable. At least it would be worth weighing the costs to us against the pressure put on Angola. But this amendment clearly would not do that.

Our Western European and allies and Japan would not support an embargo against Angola. Certainly few other oil consuming nations in the world would, either. If the American companies were to leave there, our allies and the Soviet bloc would take over their investments. The oil would continue to flow. We would simply have facilitated the transfer of U.S. private assets to foreign ownership, and deprived ourselves of this ability to have some influence in Angola.

If the American companies chose to remain in Angola despite a trade embargo, there are numerous foreign suppliers who would provide them with spare parts or services now being supplied by U.S. companies. Angola is already turning to our European allies rather than American financial institutions or oil companies for new credit lines to back further development of its oil sector.

Furthermore, although American oil companies do earn most of Angola's hard currency, there is little reason to believe a change in ownership would result in reduced hard currency earnings. Nor would a decline in Angola's earnings, if that occurred, lead to a withdrawal of Cuban troops or Soviet support. It might well have the effect of increasing Soviet influence. Soviet bloc aid has increased as Angola's income has been cut by falling world oil prices.

In addition to these reasons why the amendment would not achieve its desired results, the United States has an interest in maintaining its access to Angolan oil. Angola supplies about 2 percent of our imported oil. If an embargo is imposed, OPEC's leverage over the United States will increase. At a time when our domestic oil supplies are decreasing and the war in the Persian Gulf threatens the flow of oil to the West, the United States would be unwise to cut off its access to non-OPEC oil, especially when doing so would not achieve any desirable foreign policy result.

Mr. President, in an ideal world neither superpower would be involved in the Angolan civil war. I oppose U.S. support for Savimbi and I oppose Soviet and Cuban aid to the Angolan Government. There will probably never be a clear military solution to the conflict in southern Africa as long as outside countries continue to provide troops, military equipment, training, advisers, and other forms of support to the combatants. But a trade embargo against Angola will not stop the war, nor will it give the Angolan Government an incentive to negotiate. It will instead leave them no choice but to rely even more heavily on the Soviet Union and Cuba.

Recently, the President of Angola came to Washington to discuss the establishment of formal diplomatic relations between our two countries. According to the press, the Reagan administration is sending Assistant Secretary Crocker to Luanda to continue the discussions begun in Washington. I welcome this indication by the administration that negotiations to remove the Cuban troops, to restart progress toward independence for Namibia, and to clear the way for diplomatic relations between the United States and Angola.

While I would be the first to condemn many of the policies of the Angolan Government, including its willingness to permit a large contingent of Cuban troops to remain on its territory, I believe the United States must be able to play a leading diplomatic role in southern Africa. Diplomatic relations between the United States and Angola would enhance our influence there. Unlike a trade embargo, better relations might help us achieve our objectives in Angola—an end to the war and the withdrawal of Cuban troops. That should be our goal, and it will not be served by a counterproductive step that drastically reduces our influence and hurts our own economy.

I urge the Senate to defeat this amendment.

The PRESIDING OFFICER. Who yields time?

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

Mr. NICKLES. Mr. President, I thank my good friend from Rhode Island.

Mr. President, I rise in opposition to the DeConcini amendment. I do that out of respect for my good friend and colleague from Arizona. I believe he has contributed very much to the debate concerning Angola.

I have wrestled with this amendment. When we read the language, it basically says let us impose a trade embargo with Angola. I think we should evaluate, if we are going to have trade embargoes, who it affects, who it hurts, and who it helps.

In this case we are trying to hurt the Government of Angola, the MPLA, and I am in agreement with that. I support the Angolan freedom fighters. I support Savimbi. But I am afraid if we pass this amendment, we may end by helping the MPLA. Right now they get 50 percent of the oil. If we tell American companies to get out, if we tell Chevron to get out, we may well be saying to Communist Russia or Cuba, "You take control of those fields."

We may be giving it to the French or the Japanese, but I think the likelihood is just as great that the Soviet Union will take over control of the fields. So instead of getting 50 percent the MPLA could possibly be getting 100 percent of the revenues from those fields. If that is the case, we just doubled the amount of money that the MPLA receives from those oil fields.

That does not make sense. I do not think that would help Savimbi. I do not think that would help the freedom fighters. I think that would be taking an American asset and giving it to the Communists and I fail to see the wisdom of that action.

I am all for sending a signal. I am all for giving increased aid or assistance to Savimbi, to the freedom fighters, but not by relinquishing an American asset and 50 percent of the revenues that come from that asset.

If this amendment is enacted and American companies must sell out, if bought by the French, the French will get the money. If it is the Communists, they will even get more money. If the MPLA negotiates a deal with the French or Japanese, they will probably negotiate a deal where they get more than 50 percent of the profits of the oilfields, maybe 60 or 70 percent, because the initial investment has already been made. So again the Communists will be getting more money than they are getting today.

The very purpose of the amendment of the Senator from Arizona could be self-defeating.

Again, I offer my support to Savimbi; I offer my support to the freedom fighters, but I think demanding we relinquish an American asset is the wrong way to do it. So I will oppose the DeConcini amendment.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Six minutes 40 seconds.

Mr. PELL. I yield 1 minute and 40 seconds to the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I thank my friend from Rhode Island.

Mr. President, everybody understands that the DeConcini amendment has the effect of forcing the divestment by Chevron of its oil interests in Angola. And as we contemplate this kind of congressional foreign policy action, I suggest there are three questions we should always ask ourselves.

The first is, Is the benefit to our foreign policy of such an action greater than the cost it is going to impose on the United States and on American interests?

Second, since we are not the only country in the world, should we consult with our allies and have a reasonable prospect that they are going to cooperate with us? We should not, in other words, go it alone.

Third, should there be a reasonable expectation that we are going to achieve whatever the stated objective of the action is?

Mr. President, this legislation fails on all three counts. It is going to hurt American interests far more than it is going to hurt the Angolans who can immediately lease these properties to somebody else, maybe on better terms to Angola.

Some of those people may in fact be our allies. It would be worse if they were not and it could be the Soviet Union or the Iranians who take over these oil fields, but we have no multilateral cooperation at all in this unilateral congressional initiative.

Finally, nobody contends that forcing an American oil company to sell its oil interests there is going to make any difference at all in bringing UNITA and the MPLA to the bargining table and solving a civil war that will continue in Angola unless there is a different kind of initiative.

Mr. President, I urge my colleagues to defeat the DeConcini amendment. All we are doing is shooting ourselves in the foot and letting other people pick up the pieces and put them in their pocket.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, How much time does the Senator from Arizona have?

The PRESIDING OFFICER. Thirty-two seconds.

Mr. DECONCINI. Mr. President, in 32 seconds I can only thank the Members who have stood up for what I think is a principle on which I believe it is important for this country to go on record. It is not in the best interests of the United States of America to have American companies supporting the purchase of Soviet arms to win a war for communism in Angola. That is what this is all about.

Also, the Senator from Louisiana pointed out very distinctly how much expansion we can anticipate in Angola by these companies. Is it profits or is it freedom and the right to choose the kind of government you want? That is really the issue. I hope my colleagues will vote against the motion to table.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, I yield my remaining time to the Senator from Kansas [Mrs. KASSEBAUM].

Mrs. KASSEBAUM. Mr. President, I would like to use about 3 minutes and yield the remaining 5 minutes to the Senator from Alaska.

I know the Senator from Arizona and the senior Senator from Kansas have deep concerns which I think many of us share. When the senior Senator from Kansas spoke to the fact that Cuban troops and Soviet military equipment are providing support for the MPLA, the Angolan Government, he indeed is correct. This I think is troubling to every one of us in the Senate. But what this debate is about is using our influence wisely and well.

I think the Senator from Oklahoma [Mr. NICKLES] made a very thoughtful statement about this being the wrong way to pressure the MPLA because it is not going to cut off the revenue. It is only going to mean that someone else will be gaining the revenue and a position in Angola. We have an opportunity to make a difference in Angola. We have the opportunity, I believe, to pressure the MPLA and to urge and continue to urge the removal of the Cuban troops. That is our stated policy.

As chairman, Mr. President, for 6 years of the African Subcommittee, I have watched our administration work continually to bring this about, and I have every belief that this will occur. But if, indeed, we intend to bring that change about by this particular amendment, the intention is wrong. I think we will, indeed, only be causing a shifting of markets in the world, a removal of some influence and a presence there, not a diplomatic presence but a presence that gives us the opportunity to provide pressure for change.

I would add, Mr. President, as well that the administration opposes this amendment and strongly opposes it. It is not just someone in the basement of the State Department. It is the President and the administration. I think that is a very telling point.

I yield my remaining time to the Senator from Alaska.

Mr. STEVENS. I thank the Senator from Kansas.

Mr. President, the Senator from Oklahoma put it straight. The CIA has told us it would take 4 to 6 hours, if Chevron is forced out, for a successor company to take over and operate their facilities. When Mobil moved out, within a very short period of time, the successor operator increased the produciton of oil from the Mobil field by 40 percent which actually increased the flow of cash to the MPLA regime to which the Senator from Arizona would like to deny cash.

The simple fact is that our Nation just does not have any reserve supply of oil. My State, as I said last evening, sends to the south 48 States 20 percent of our domestic production. In this instance somewhere around 150,000 barrels a day comes to us from Angola. If we shut that off, the same amount of money will flow to the Government of Angola but we will have to look elsewhere for this oil. In large part, we could only look now to the Persian Gulf for this additional supply, and we would increase our dependence upon Persian Gulf oil from

somewhere around 200,000 barrels a day to over 350,000 barrels a day.

Mr. President, our dependence on Saudi Arabia and the Persian Gulf States for oil is going to go up at a precipitous rate in the near future anyway. Over the past week, oil futures have gone up $2 a barrel. Should this amendment be adopted, the oil futures will go up by $2 to $5 a barrel over the next year because we will be putting ourselves back into OPEC's pocket through our own actions.

We do have an option later this year to increase our future capability to produce oil by granting access to our oil industry to the Arctic National Wildlife Refuge. But even if we do that it will take at least 7 to 8 years before we can get that oil onstream.

We do not have a reserve supply of 150,000 barrels a day. Imposing a trade embargo on Angola is shooting ourselves in the foot. And what is more, as the Senator from Oklahoma has pointed out, the successor company would not have to make any new investment, to utilize the Chevron fields in Angola, would not have to follow the same reservoir dynamics, and we believe they would increase production in Angola, increasing the flow of cash to the very people that the Senator from Arizona is trying to prevent having the revenue.

Mr. President, I cannot emphasize too much that this is the wrong action to take at the wrong time for the wrong reason. I hope that the Senate will accept our advice and table this amendment.

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

Mr. STEVENS. Mr. President, under the unanimous consent agreement, I move to table the amendment of the Senator from Arizona 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.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE], is necessarily absent.

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

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

The result was announced—yeas 61, nays 38, as follows:

[Rollcall Vote No. 182 Leg.]

YEAS—61

Adams	Bond	Breaux
Baucus	Boren	Bumpers
Biden	Boschwitz	Burdick
Bingaman	Bradley	Chafee
Cochran	Karnes	Quayle
Cohen	Kassebaum	Riegle
Conrad	Kennedy	Rockefeller
Cranston	Kerry	Roth
Danforth	Lautenberg	Sanford
Daschle	Leahy	Sarbanes
Dodd	Levin	Simon
Durenberger	Lugar	Simpson
Evans	Matsunaga	Specter
Fowler	Metzenbaum	Stafford
Garn	Mikulski	Stennis
Glenn	Moynihan	Stevens
Harkin	Murkowski	Warner
Hatfield	Nickles	Weicker
Heinz	Packwood	Wirth
Inouye	Pell	
Johnston	Pryor	

NAYS—38

Armstrong	Grassley	Nunn
Bentsen	Hatch	Pressler
Byrd	Hecht	Proxmire
Chiles	Heflin	Reid
D'Amato	Helms	Rudman
DeConcini	Hollings	Sasser
Dixon	Humphrey	Shelby
Dole	Kasten	Symms
Domenici	McCain	Thurmond
Exon	McClure	Trible
Ford	McConnell	Wallop
Graham	Melcher	Wilson
Gramm	Mitchell	

NOT VOTING—1

Gore

So the motion to lay on the table amendment No. 448 was agreed to.

(Later the following occurred:)

Mr. PACKWOOD. Mr. President, I ask unanimous consent that on vote 182, there be deemed to have been a motion to reconsider and that a motion to reconsider be deemed to have been laid on the table.

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

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, may we have order?

Mr. President, I would like to ascertain what amendments may be called up today, who the authors are, whether or not we can get time agreements. Before I do that, I would like to yield to the distinguished Senator from Arkansas [Mr. PRYOR] without losing my right to the floor, for a unanimous-consent request.

LEAVE OF ABSENCE

Mr. PRYOR. Mr. President, I thank the majority leader for yielding.

Mr. President, I ask unanimous consent on the balance of this legislative day and the entire legislative day of Friday.

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

Mr. BYRD. Mr. President, I take just 30 seconds to compliment the distinguished Senator from Arkansas for seeking leave of the Senate. That is the way it should be done under the rules. I should think the rest of us should try to emulate his example.

CLOTURE MOTION

Mr. BYRD. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The bill clerk read as follows:

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the Moynihan amendment, No. 367, relating to the Persian Gulf, to S. 1420, a bill to authorize negotiations of reciprocal trade agreements, to strengthen United States Trade laws, and for other purposes.

Senators J.J. Exon, Robert C. Byrd, John Glenn, Paul Simon, Jim Sasser, Daniel P. Moynihan, J. Bennett Johnston, Terry Sanford, Kent Conrad, Wendell Ford, Claiborne Pell, Carl Levin, Alan Cranston, Bob Graham, Dale Bumpers, and Brock Adams.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, while a goodly number of Senators are here, and the manager of the bill and the ranking member are here, I wonder if we could indicate from a show of hands what Senators have amendments, so that we might have some better indication of what the workload is ahead of us and when we may be able to finish this bill. Mr. BRADLEY. Would the Senator identify the amendment?

Mr. BRADLEY. Yes. Mr. President, I have an amendment that deals with section 201 and I would be prepared to enter in a time agreement and dispose of it this afternoon.

Mr. BYRD. Would the Senator indicate the kind of time agreement he would like?

Mr. BRADLEY. I think an hour, equally divided.

Mr. BYRD. One hour, equally divided.

I wonder what the two managers think of that, an hour equally divided on the amendment by Mr. BRADLEY.

Mr. BENTSEN. That is fine with me. I have no objection.

Mr. PACKWOOD. I am familiar with the amendment. I think an hour would be ample time.

Mr. BYRD. Mr. CHILES?

Mr. CHILES. Mr. President, I have an amendment I am ready to go with right now or anytime having to do with trade with Cuba.

Mr. BYRD. Trade with Cuba?

Mr. CHILES. Yes.

Mr. BYRD. Does the Senator have an indication of the time he would be agreeable to?

Mr. CHILES. I think an hour, equally divided.

Mr. BYRD. All right. We will work on that. We cannot get an agreement on that at this time.

Mr. ADAMS?

Mr. ADAMS. Mr. President, Senator HECHT has an amendment that I will

join in on. It is a study on China trade. I think this has been cleared with both of the managers.

Mr. BYRD. Mr. President, it is difficult to hear the Senator.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ADAMS. I have not had a chance to talk with Senator HECHT as to what time he wishes to bring this up, but he can clear it with the managers. We should not take very long on it. I do not think it will be controversial. It is on a study by the Department of Commerce.

Mr. BYRD. Does the Senator believe we can get a short time agreement on that?

Mr. ADAMS. Yes. That would be up to Senator HECHT. I would expect 5 or 10 minutes.

Mr. BYRD. Very well.

Mr. DASCHLE. I may have an amendment, as well, to section 201 and the fee called for under the bill as it applies to newsprint. We are hoping we can work something out.

Mr. BYRD. Mr. President, I cannot hear the Senator and I am only 10 feet from where he is standing. May we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DASCHLE. I am hoping to work something out with the ranking members, as well as the chairman of the committee, and would be prepared to offer it at any time.

Mr. BYRD. How much time does the Senator desire?

Mr. DASCHLE. Fifteen minutes.

Mr. BYRD. Would the Senator restate and identify his amendment?

Mr. DASCHLE. It is an amendment to section 201 dealing with the fee as it relates to newsprint. As I said, we are hoping to work out an agreement with staff on both sides and with the ranking member, as well as the chairman, and would be prepared to offer the amendment just as soon as some accommodation can be achieved.

Mr. BENTSEN. What was the amount of time?

Mr. DASCHLE. No more than a half hour, but I think we may be willing to do it in less than that.

Mr. BENTSEN. I think that a half-hour limit would be satisfactory.

Mr. PACKWOOD. I am a little unfamiliar with the newsprint amendment. I do not know what it is. I would like to pass on it for the moment.

Mr. BYRD. All right, we will work on that. Anyone else?

Mr. KENNEDY. Mr. President, there is going to be, hopefully, a committee amendment to some of the education provisions here. I think the Senator from Rhode Island, the chairman of the Education Committee, is familiar with it. It is basically a technical amendment but it does have some substance to it, and I do not think it should take time, but it is a very important one. We would be prepared to go at a convenient time for the leadership to work out. It is important.

I would hope if there is going to be a dispute about it from our point of view, we would be prepared to enter into a half-hour time limit, evenly divided, or whatever.

Mr. BYRD. Very well.

Mr. KENNEDY. It drops a small State portion. It changes the technical provisions that apply.

Mr. QUAYLE. How does Indiana apply to that?

Mr. KENNEDY. We will explain it to you in a short time.

Mr. WEICKER. I just would like to indicate that I would not agree to any time limitation on the Cuban amendment.

Mr. BENTSEN. Insofar as the amendment by the Senator from New Jersey, the hour limitation is acceptable.

Mr. BYRD. I make the request on an amendment by Mr. BRADLEY that there be a 1-hour time limitation, 1 hour to be equally divided in accordance with the usual form.

Mr. DOLE. What will we do with the pending amendment?

Mr. BYRD. The pending amendment would have to be set aside by unanimous consent.

Mr. DOLE. I do not want to cause any delay here on the trade bill but I think many of us would like to work out the pending amendment, get that out of the way, avoid another cloture vote next week, and I think we are just about that close.

I wonder if we might set it aside—an amendment at a time—and see if we could make some progress.

Mr. BYRD. Yes. Yes. Shall I restate the request?

Mr. President, I ask unanimous consent that——

Mr. DOLE. That is all right. The request is OK.

Mr. BUMPERS. What was the request, Mr. President?

Mr. DOLE. A 1-hour time limitation on the amendment by Mr. BRADLEY dealing with section 201, that time be equally divided and that at that time no amendment to the amendment be in order.

Mr. HEINZ. Reserving the right to object, is there a copy of the amendment?

Mr. BENTSEN. The copy of the amendment is on the way. I would be pleased to discuss with the Senator the nature of the amendment at this time.

Mr. HEINZ. I suggest the absence of a quorum.

Mr. BYRD. Would the Senator not do that?

Mr. HEINZ. I would temporarily withdraw the request, Mr. President.

The PRESIDING OFFICER. The request is withdrawn.

Mr. BYRD. There are two other requests. I ask unanimous consent that on the amendment by Mr. ADAMS, which he described a moment ago dealing with the study of trade with China, there be a time limitation of 10 minutes, equally divided, with no amendment thereto.

Mr. ADAMS. I would say 20 minutes, Mr. President, simply because I have not been able to reach Senator HECHT. I would not take more than 5 minutes. I am hopeful it would not be more.

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

Mr. BYRD. Did the chairman put the request?

The PRESIDING OFFICER. Yes.

Mr. BYRD. I thank the Chair.

It was an amendment by Mr. DASCHLE.

Mr. DOLE. That wipes out the New York Times and Post.

Mr. BYRD. One half-hour equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. With no amendment thereto.

Mr. PACKWOOD. Mr. President, I have received an objection to the Daschle amendment, and so we cannot agree.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD. Mr. President, I am going now to renew my request on the Bradley amendment that there be 1 hour equally divided in accordance with the usual form and that there be no amendment thereto.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered.

Mr. MATSUNAGA. Will the majority leader yield? I have two amendments which I hope to have accepted. Would that preclude all amendments at this point?

Mr. BYRD. Oh, no.

Mr. President, do Senators know about the amendment by the Senator from Texas [Mr. GRAMM]?

Mr. President, I apologize to Mr. BUMPERS. I appreciate his patience. He has been seeking recognition. I will yield the floor shortly.

Mr. President, if I may ask the distinguished Senator from Texas [Mr. GRAMM] to identify his amendment?

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. If the distinguished majority leader will yield, the amendment will simply say:

> When deciding to implement protection under section 201, the President will have the right to look at the impact on agricultural income and employment, and if he determines that impact to be detrimental relative to benefits, he can refuse to implement 201 protections.

Mr. BYRD. Mr. President, I ask unanimous consent that there be 1 hour on the amendment by Mr.

GRAMM; that no amendments be in order thereto, and that that time be equally divided and controlled in accordance with the usual forms.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment by Senators MOYNIHAN and BYRD be temporarily set aside until we have disposed of these amendments.

Mr. BUMPERS has an amendment he wishes to get before the Senate.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 450

(Purpose: To provide a period of time for the President and the Congress to review U.S. policy in the Persian Gulf before undertaking significant new commitments in that region)

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask it be reported.

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

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

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself, Mr. HATFIELD and Mr. ADAMS proposes an amendment numbered 450.

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

Mr. HATFIELD. Will the Senator from Arkansas yield for a question?

Mr. BUMPERS. I will be happy to.

Mr. HATFIELD. The Senator from Arkansas has offered an amendment. Has it been read or has unanimous consent to waive the reading been granted?

Mr. DOLE. I object.

Mr. BUMPERS. I do not know if the request has been agreed to or not.

Mr. HATFIELD. Mr. President, I send a perfecting amendment to the desk.

The PRESIDING OFFICER. Does the majority leader object to the request?

Mr. BYRD. I object to the request.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read as follows:

Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 89-day period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels.

AMENDMENT—NO. 451 TO AMENDMENT NO. 450

Mr. HATFIELD. Mr. President, I send a perfecting amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Oregon [Mr. HATFIELD] for himself, Mr. BUMPERS, and Mr. ADAMS, proposes an amendment numbered 451 to amendment numbered 450.

In the pending amendment, strike out all after the word "Sec." and insert in lieu thereof the following:

"Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 90-day period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

Mr. BUMPERS. Mr. President, I ask unanimous consent that I may be permitted to yield to the Senator from Arizona for a brief statement without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? If not, without objection it is so ordered.

The Senator from Arizona is recognized.

Mr. McCAIN. Mr. President, I thank my distinguished friend from Arkansas for allowing me to comment on title IX, section 945, of the pending legislation. I appreciate his yielding to me.

Mr. President, section 945 of title IX of this legislation is another part of the bill which I believe could enhance the probability of a Presidential veto. It threatens to destroy the President's steel program, agreements which were made after a lot of very difficult negotiations between ourselves and our trading partners.

This program was constructed to combat what were perceived as unfair trading practices on the part of the EC and many newly industrialized nations.

At the time the President instituted his program, numerous dumping suits were pending against many nations. The heart of the program was that in exchange for dropping the suits, which sought countervailing duties against foreign steel, quotas in the form of VRA's would be established.

This section of the bill requires that countries with whom we have VRA's [voluntary reduction agreements] on steel products, agree, unilaterally, to restrain their exports of steel fence panels, steel wire fabric, and welded wire mesh for concrete reinforcement.

These products are not currently covered by the VRA's. This form of legislative requirement is without precedent. In addition, no dumping case has ever been successfully prosecuted against these products. In fact, one filed was withdrawn by the filing party.

All VRA's would be affected regardless of whether a country exports these products. The principal suppliers of the products described in this section of the bill are Canada, Mexico, and Venezuela. We do not even have a VRA with Canada. We do not because no one ever accused Canada of engaging in unfair practices and they gave us a commitment that they would not take advantage of the reductions in certain categories due to VRA's. So we are talking about Mexico and Venezuela.

In the absence of agreement by the VRA countries and the EC to include restraint of these products, our Government is directed to deny all so-called flexibility provisions.

These flexibility provisions were negotiated features of the VRA's. They are seen as benefits under the agreements. Withholding flexibility could constitute a unilateral act, contrary to the terms of the agreement, thereby giving the affected countries, Mexico and Venezuela, the legal right to terminate the agreement.

Certain countries, such as Mexico, are currently arguing that the bilateral steel agreements they were forced into are unduly restrictive. Much of the product in question is produced in Northern Mexico where unemployment is high. Any harm to these producers will have a two-pronged effect on the United States First, there are many coproduction arrangements with American companies and these companies will suffer as a result of this action. Second, any economic problems will only increase pressures to emigrate, probably illegally, to the United States.

The Mexicans argue that the agreements were negotiated when they were particularly vulnerable to unfair trade charges. As a result of devaluations and/or termination of subsidies, they are no longer so vulnerable and they wish to liberalize or terminate their agreements.

Mr. President, this legislation, I believe, would give them perfect legal grounds to do so. Unilaterally requiring a country like Mexico to accept restraints on these products will do exactly that.

I do not believe this would be in the best interests of most steel producers, yet it could be exactly what is accomplished by this provision. This could lead to the compete unraveling of the entire steel program.

I would also like to mention another related topic, that of downstream producers of steel products.

They have argued, I think with great logic, that their products should also be covered. The problem is where do we draw the line? It is hard to conceive of a clear line to be drawn which will include all products inside of VRA coverage. This is clearly not a subject for legislative designation, rather it is more appropriately in the realm of negotiation.

There are many other products, such as wrire springs, bolts, nuts, screws, pipe and tube fittings and flanges, fabricated sheets and plates, and on and on. The producers of these products could make equally compel-

ling arguments that their products be included in the VRA's.

You may be sure that if this provision were to be enacted into law, these producers will be lined up outside our doors asking for equal treatment. Enacting this provision into law is a terrible precedent for future congressional involvement in executive branch negotiations.

For obvious reasons, the countries with whom we have VRA's will resist these unilateral changes, again with the equalling disturbing possibility of revoking all the VRA's that were negotiated in good faith.

Mr. President, Mexico presently has a $100 billion debt. We are encouraging Mexico's exports. We are encouraging their economy to become stronger, to become more viable. This section does just the opposite. I am disturbed that it is in the bill.

I thank my friend from Arkansas for allowing me this time to make a statement on what I believe is a very important issue.

I yield the floor.

The PRESIDING OFFICER (Mr. ROCKEFELLER). The Senator from Arkansas.

Mr. BUMBERS. Mr. President, let me say that this amendment is offered on behalf of the distinguished Senator from Oregon [Mr. HATFIELD] and the distinguished Senator from Oregon [Mr. ADAMS].

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. BUMBERS. Yes.

Mr. HATFIELD. Mr. President, the amendment offered earlier was offered on behalf of Mr. BUMBERS, Mr. ADAMS, and myself.

Mr. BUMPERS. Mr. President, let me just lay it on the table so everybody knows what we are going to debate for the next couple of hours or possibly longer.

This is an amendment which simply says that if we are going to introduce American citizens or troops, if we are going to introduce Kuwaiti ships with American flags into the Persian Gulf as a policy of the United States, we should do it with our eyes wide open. When people ask me back home, "How do you feel about the President's policy on reflagging Kuwaiti ships?" I always respond with a question, "What is the policy?"

It is a nonpolicy. It may be that a vast majority of the Members of this body, and even in the House, will conclude, after a sensible, exhaustive, and definitive debate on this issue, we may decide, that it is a good idea to reflag Kuwaiti ships.

I have yet to be convinced. And it is the Gulf of Tonkin resolution and the lesson of that which causes me to have great concern and apprehension about this.

Let me ask the Members of this body, who can remember when they voted on the Gulf of Tonkin resolution by a vote of 98 to 2, who were those 98? Who, when the herd instinct swept across this very Chamber, can remember the names of the 98 people who, in an emotional moment, almost simultaneously with what was an alleged attack on a couple of American destroyers voted "yea" because they did not want to be perceived by their constituents as weak on defense, perceived as admitting that the United States does not have the tenacity and discipline to look after our interests?

Everybody remembers Senators Gruening and Morse, the two who voted "no" to the Gulf of Tonkin resolution, the two who today stand out in history as two men who, had they been listened to, would have saved 57,000 lives and 750,000 broken bodies in what everybody admits was the most debilitating war the United States ever fought, one for which we will pay a heavy price for at least another century or two.

This amendment says, Mr. President, if you insist on going through with putting flags on Kuwaiti ships, which I personally believe is a belittling of the American flag, let us talk it over.

The Congress has the power of the purse string. The President is obligated, when he held up his hand and swore to uphold the Constitution, to take care of and faithfully execute the laws of the United States. Who is charged with the responsibility of passing those laws?

And so what the Senator from Oregon and the Senator from Washington and I are proposing is let us wait 90 days. And I say let us wait, I am saying let us, the Members of Congress and the American people, decide whether this makes sense or not. There is a possibility that in a 90-day period Kuwait might even withdraw the request.

I recognize there is a body of thought that the President has committed the country, and we will be big losers if we chicken out or back out or refuse to keep the word the President gave the Kuwaitis. The request might be withdrawn. We might even agree to reflag Kuwaiti ships with the United Nations flag. It is an interesting thing. I do not know whether you could get that done in the United Nations or not when you consider the fact that our best friends have not asked for this. Our best friends are not helping us with this. Our best friends, according to the New York Times yesterday, are very apprehensive about it. Who are our best friends? Our best friends are the people who get the oil out of the Persian Gulf. Forty-five percent of all Japanese oil comes from the Strait of Hormuz. About 30 percent goes to Western Europe. Only 5 percent of the oil in the Persian Gulf comes to this country.

So while we all believe in freedom of the seas and the free flow of oil out of the Persian Gulf, if you want to look at it in pure classic economic terms, we are not the ones who are going to suffer most.

Where is Germany? Where is Japan? Where is Italy? Where are all the other countries that stand to benefit from this? Have they offered ships? The answer is no. Have they offered money? So far as I know, the answer is no. And when I say so far as I know, I do not know. But I say I think it would be good to know before we put our stamp of approval on it.

So we say, Mr. President, let it wait 90 days. The Soviets may even suggest that we both reduce our presence. The Soviet Union has suggested that we both remove all of our warships from the Persian Gulf. I do not favor that. I think that plays into the Soviet's hands. But to say that we should reduce our naval presence there might make some sense. We might even get Iran and Iraq to sit down and talk about it. They both might decide they will discontinue attacks on each other's shipping.

I heard the argument made on the floor of the Senate this morning that the people who want to postpone or torpedo this policy are saying we do not want to accept the possibility in case things do not go right. Mr. President, I want the RECORD to show very clearly the reason I am offering this amendment is because I want, welcome, and cherish the responsibility of not getting the United States committed to a policy which nobody in this room and nobody in this country can explain to you.

Mr. President, it is an unhappy thing to stand before this body and say that I was not a hot proponent of the Vietnam war, but every evening when I watched the news and I saw the battles and I saw American bloodied faces being carried off the battlefield, it made my blood boil. It made me want to send more troops to Vietnam, to show those people who is boss in this world. And so I did not speak up.

Senator Fulbright from my State was speaking up. But do you know something else Senator Fulbright said? He said that the one big mistake of his life and the one that he would always regret was standing on this floor and managing the Gulf of Tonkin resolution.

Do you know when I turned against the Vietnam war? It is a terrible thing to admit. When my first son turned 18. When I began to see the possibility of my son being carried off the battlefield in Vietnam, I had to rethink my position. I began to try to explain to him, as I entered the Governor's race in 1970 and as he went off to college, "Son, you may have to fight and

maybe die in Vietnam." I could not explain it. I could not give him one good reason from a purely clinical standpoint, not thinking as a father emotionally and from the heart, I could not give him one single foreign policy reason why he ought to die in Vietnam. That is when I began to speak out against the war.

So I ask Senators, and any of the American people who may be watching the proceedings on this floor—I think they are watching another show, but maybe somebody is watching—if you have a son in the Navy or in the Coast Guard or if you just have a son of military age, I ask you to search your conscience and ask yourself if you can explain to them why they would have to die for a policy like this? Freedom of the seas? There is no lack of freedom of the seas in the Persian Gulf. There is a war going on there. But one of our naval vessels has been attacked, and by whom? The country we are going to assist—Iraq. I think the Iranians would be delighted to call off the war in the Persian Gulf. Iranians are shipping 1.9 million barrels of oil a day out of the Persian Gulf on tankers. They would be delighted, I think, to desist attacking other ships, because do you know how much oil Iraq ships out of the Persian Gulf a day? Point blank zip. Zero. None. And yet, because we say we believe in freedom of the seas, we are taking the side of the Iraqis and by doing so we are helping Iran get their oil out of the Persian Gulf.

Now, does that sound contradictory or perverse to you? I hope it sounds as strange to you as it does to me. That is the reason I stand on the floor today, Mr. President, saying, what is this policy? Is 90 days too long to postpone it? The House said yesterday, by a vote of 222 to 184, no, it is not. It is not too long to ask us to wait before we get ourselves inextricably involved in a situation from which we cannot extricate ourselves.

When the President announced we were going to send 1,500 marines to Lebanon, do you remember it? Congress did not even get so much as a "by your leave" as to whether we would do that or not. That is one place where Senator Goldwater, certainly no dove on defense, and I agreed. That is where Scoop Jackson, our late departed brother, with whom I often disagreed on defense issues, and I agreed. That is where Senator HOLLINGS, normally considered, I guess you would say, a hawk on defense, and I agreed, that sending 1,500 marines to Lebanon was symbolism and symbolism has never won a war and symbolism has never been a suitable substitute for a foreign policy.

I must confess to you that I had no idea of the magnitude of the tragedy that awaited us there. I was thinking in terms of maybe terrorists picking off four or five marines by sharpshooting or something like that.

Some people here will say: "You are interfering with the President's right to conduct foreign policy. It is not debatable, the President's right to conduct foreign policy." But it is debatable whether Congress must sit idly by while the President conducts a foreign policy that is calculated to put our troops in imminent hostilities and then the U.S. Congress be left to what some would say is our only responsibility, and that is to declare war.

The Constitution says only Congress can declare war. But I do not think James Madison and the others in Philadelphia 200 years ago, in drafting that document, intended to say to people:

> Sit over there and keep you mouth shut; and if the President's foreign policy and his use of our defense forces put us in such an untenable position that we have no alternative, nothing left to us, but to declare war, then you may speak up.

That is the result of that argument about the President and his right to conduct foreign policy.

The rationale for this policy: the freedom of the seas. The freedom of the seas for naval vessels, yes. We have a Navy presence there. We have a right to be there. The Soviet Union has a right to be there.

I heard one of the President's men say, "We're not going to stand by and let the Persian Gulf be converted into a Soviet lake." Well, the Soviets are not putting their flag on Kuwaiti ships. They said, "If you want tankers, we will lease you some of our tankers." They have a perfect right to leave their flag on their own tankers. They are theirs. What did they do? They leased the Kuwaitis three tankers. To prove that we are four times bigger boys than the Soviets, we have decided to put our flag on 11 Kuwaiti tankers.

Mr. President, what are we going to do? If we believe in freedom of the seas, what are we going to do when Iraq attacks Iranian ships? Do we believe in freedom of the seas then? Are we going to attack Iraq because they have violated our reason for being there—namely, freedom of the seas?

Are we going to attack any airplane, gunboat, or country which is responsible for putting mines in the Persian Gulf? Are we going to attack any of those countries that molest any ship in the Persian Gulf? Is that what freedom of the seas is about? You and I know the answer to that. It is an unqualified "No." We are not preserving freedom of the seas with this policy.

Iraq, unless we can talk them out of it, will continue to attack Iranian ships. Who is doing all the attacking? Mr. President, I will insert in the RECORD, before I finish speaking, who is doing the attacking. Seventy percent of all the attacks on shipping in the Persian Gulf since that war started has been by Iraq, 30 percent by Iran.

I do not want Iran to win the war, either. But I can tell you one thing: If we are going to help them with their oil shipments, they are not going to have any reason to end the war or sit down at the bargaining table.

Does anybody here doubt for a moment that we can do what we are about to do with impunity if Iran, headed up by the Ayatollah, is going to say, "The United States is just too big and powerful for us to bother?" You and I do not believe that. We believe that is a wrong headed, irresponsible government. You hear them called everything from nuts to radicals to what have you.

There is not a thoughtful person in the U.S. Senate—and when they vote on this, they should remember this—who does not believe that those ships are going to be attacked.

Kuwait wants us there, not because they want to get oil out of the Persian Gulf. They are getting their oil out of the Persian Gulf. Kuwait wants us there because they want us to stop that war between Iraq and Iran, and I do not blame them. They are only 45 miles from the fighting, and they have put all their chips behind Iraq. So they know that if Iran wins, they are going to spread out over that area—or they are scared to death that they would.

Is it not curious that Kuwait wants us there even though they have only lost $10 million damage in their tanker fleet in the last 4 years? They have been very skillful in playing the United States and the Soviet Union against each other, to get us in there in force, so that we will stop that war. They have $10 million total damage to their fleet. Do you know what that means to Kuwait? That is one-half of 1 day's shipment of oil. That is how Kuwait has suffered economically in this war.

How about landing rights? If everyone wants us in the area, why are they not saying, "You can land your planes in our coutnry?" You know the answer to that. Kuwait finally said, "We'll let you land some helicopters here for mine sweeping duty." That is all well and good. But that is not enough for us to take this kind of risk.

Let me ask you this: Can you tell me how long this policy is going to be in effect? Has anybody said, "Well, we're going to try this for 6 months, and then we'll take our flags off those ships?" Or a year?

You talk about open ended. You tell me: Are we going to stay there until we know the thing has become so volatile that we have no choice but to involve ourselves in that war?

When you vote on this amendment, you remember: If you vote against it, you are saying, "I am for an open

ended policy to send our flag, to put it on 11 Kuwaiti tankers, and maybe more later on, with virtually no debate in Congress, because the President has the right to conduct foreign policy." Yet, there is not a person here who does not know the hostilities are going to escalate.

Mr. President, there is another little problem. You know we have watched terrorism grow in Italy and we have watched terrorism grow in Germany, and God knows it has been totally out of control in the Middle East since the memory of man runneth not.

Do you think that this possibility could lead to terrorism in this country? Do you think we are immune in this time of fast jets and sophisticated transportation systems and sophisticated kinds of bombs and explosives? If the Iranians really perceived us to be their cardinal enemy in that war and about to cost them some hard-won gains, do you think they are going to be content to send those little Swedish gunboats up and fire a machinegun at a Kuwaiti tanker and disappear; or try to put a mine in the water for an American ship or a Kuwaiti tanker with our flag on it?

Do you think they will be content with that?

I submit to you they will not. They are going to want you to hurt on your home soil.

Now, if the chips were down, if the policy were clear, all of those would be acceptable risks. I personally believe I would not be standing here, I know I would not be standing here, if the President has done what he was supposed to do and that was to invoke the War Powers Act.

I want the Members of this body to ask themselves why the War Powers Act passed in the first place? If I ever saw a case where it was intended to apply, this is it.

I am going to tell you something: if we cannot get the War Powers Act invoked in this kind of situation where hostilities are already there and we are simply getting more deeply involved, then we might as well repeal it. I think I would vote to repeal the War Powers Act if we do not have the courage to invoke it in a situation like this.

And all the War Powers Act says is, "Mr. President, tell us what you are going to do, go ahead and do it, but give us 60 days to say whether we approve it or not."

What is wrong with that?

We are not a kingdom here. We are not a monarchy. The President does not have the right to get this country invloved in a war by deliberation or inadvertence without some input from the U.S. Congress.

Let me ask my colleagues these questions:

What is our response going to be? We are going to put flags on Kuwaiti tankers. So a little Iranian gunboat comes over the horizon in the middle of the night. They take a look at your ship—and this is their pattern, incidentally. I am telling you what they are doing. They take a look at your ship, determine whether they consider you friendly or not, disappear over the horizon. You let your guard down and while you have your guard down, all of a sudden here comes the little gunboat back and you get zapped.

It is the middle of the night and you may not know where the gunboat came from, but let us assume that you do. Let us assume it is Iran. What is your response, Mr. President?

It may be down at the Pentagon they know exactly what the response is going to be, but I do not, and I would like to, and I think the people of this body ought to know.

What if an Iranian plane—they do not have many left—comes over and attacks an American ship or a Kuwaiti tanker with American people on board? What is our response? We are going to have that carrier just outside the mouth of the gulf. What is it going to do?

Are we going to bomb Tehran, or Kharg Island? What is it going to be?

Let us assume that the response is we are going to bomb Tehran and let us assume further that the Iranians shoot down three American planes and they wind up with three pilots, fine, brave, young Americans, and they parade them around the streets of Tehran blindfold with people taking prods and poking at them. What is our response then?

I told you how my blood used to boil watching the evening news of the Vietnam War. And I promise you that if I see that, my blood would boil again. And the only way to keep my blood from boiling is not putting us in a position of seeing that, unless we know that the risks are worthwhile.

Are we going to take out the Silkworms the Iranians are about to deploy by a preemptive strike, or are we going to allow them to deploy them and just keep an eye on them? If we did take them out by a preemptive strike, does anybody doubt whether or not the Iranians will retaliate.

Mr. President, I have said about all I can say except when you start talking about the risk assessment, LES ASPIN told the press on June 17 that the CIA has briefed his committee over in the House and he says that the risk of hostilities is high.

The Defense Department has said they are moderate. Nobody has said there are no risks there.

So what this body has to do is decide what are the risks and are they worth taking? As of this moment, I say "no." Ninety days from now I might conclude differently.

But I have never known the United States to get in trouble by being reflective and talking and debating an issue and then apply what we call in Arkansas common sense.

Mr. President, I said during my statement that I had material I wanted to submit regarding the number of attacks and who had waged them in the Persian Gulf. I ask unanimous consent to have that material printed in the RECORD.

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

SHIP ATTACKS IN THE PERSIAN GULF, 1981 TO MAY 1987

Year	Nation Launching Attack		
	Iraq	Iran	Yearly total
1981	5	0	5
1982	22	0	22
1983	16	0	16
1984	53	18	71
1985	33	14	47
1986	66	41	107
1987 (Jan. to May)	24	22	46
Totals	219	95	314
Percentage	70	30	

Source: New York Times, May 22, 1987: A10, cite Lloyd's Shipping Intelligence Unit.

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

Mr. WARNER. Mr. President, first I ask for the yeas and nays on the underlying amendment.

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 Virginia.

Mr. WARNER. Mr. President, our distinguished colleague from Arkansas has brought this amendment in, and I am certain that he and my distinguished colleague from Oregon were aware of the fact that, under the guidance of both the majority and the minority leaders, a group of Senators who have given much of their time over the past 4 or 5 weeks have been working assiduously on both sides of the aisle to try to reach a draft of a proposed amendment which would presumably supplant the pending Moynihan amendment and be adopted, in the words of the minority leader this morning, by a great majority of this body.

Having been one of those who worked on this draft proposal for some time now, it would seem in my judgment to take care of a number of the concerns raised by the two distinguished colleagues proposing this amendment and I would——

Mr. BUMPERS. Mr. President, will the Senator yield for an observation? I promise I will not interrupt him again.

Mr. WARNER. Without losing my right to the floor, please continue.

Mr. BUMPERS. It is without losing his right to the floor.

The Senator is absolutely right. I not only knew that a group of Senators had been working on such a reso-

lution, I have read it, I am thoroughly familiar with it, and I agree with most of the language in it, even though I think it has been watered down unmercifully.

The real point I want to make is that is a sense-of-the-Congress resolution which you know what they do with sense-of-the-Congress resolutions over in the White House. They take them to the bathroom where they can be put to good use.

This is a binding 90-day deferral. This is a binding 90-day deferral of our reflagging Kuwaiti tankers. The resolution the Senator has been working on will probably pass here 100 to zip. I am not sure I will vote for it depending on this amendment. I am not sure I will vote for it because I consider this situation so ominous and grave I do not want to put my name on something that has no effect.

I thank the Senator for yielding.

Mr. WARNER. Mr. President, I hope my distinguished colleague will remain for a period of time here so we can exchange our views.

Mr. President, again as I go back over the history of this particular situation in the Persian Gulf, the majority leader, almost immediately following the Stark tragedy, together with the minority leader, began a series of consultations with Members here of the Senate. Three were appointed as a special delegation—Mr. SASSER, Mr. GLENN, and myself—and we undertook, if I may say, two separate and arduous trips to that area and returned and made two separate reports to the leadership of the Senate and then compiled a report for the Senate as a whole, and that report was included in the RECORD by the Senate leadership.

Now, during the course of that work by a group of us here in the Senate, the administration upon learning of the rightful and legitimate concern of many Senators began a far more intensified series of consultations with the Senate.

The leadership constituted the primary individuals that went down to visit with the President. On the most recent occasion, it was the distinguished majority leader, minority leader, the chairman and ranking member of the Foreign Relations Committee, the Intelligence Committee, and the Armed Service Committee.

Prior to that, there was a meeting with the President with the Republican leadership. And, having been present at both of those meetings with the President, I can assure the Members of the Senate that the views which concern our two distinguished colleagues today were very, very forcibly expressed, not in a sense of partisanship. To the contrary, a sense of nonpartisanship. And that, thereafter, the administration has, in my judgment, very carefully continued a consultative process.

The effect of this amendment would just be to almost cut that process off. We would arrogate unto ourselves the type of decision that is really left under our Constitution to a President.

Now, putting aside for a moment whether the decision to reflag or not reflag was properly made, and whether or not there was adequate consultation with the Senate and the Congress as a whole during the course of that procedure, indeed those are debatable items and indeed we should debate them at some point in time. But putting them aside for the moment, we ought to look at where we are today and what is in the best interest of this country.

Our President has made the decision to reflag. If you look at the circumstances of the past few weeks, it is quite clear that the consultative process has been productive and that the President has listened to the Congress. And, as a result, the implementation of the reflagging decision has been in fact delayed. And that is to the credit of the Congress. It is to the credit of the consultative process that it is working, and working quite well.

It would be my hope that the Senate would be given the opportunity to first consider this compromise resolution, which I am of the view is very near to completion, before we have a vote on this.

Now, I leave it to the leadership and others to devise the procedure by which that could be done, but I see a distinct advantage in allowing our colleagues, indeed, an opportunity to participate in this debate and to participate having before them both the compromise resolution—and, indeed, it is in the form of being nonbinding—and the action as proposed by the sponsors of this amendment.

For some reason—and I think they are best qualified to answer—they have locked this amendment up. It is not subject to further amendment. The debate, of course, is open and can continue for some period, and I certainly hope other Members come to the floor and join in on this debate.

But I wonder if I might pose a question to my distinguished colleagues, the proposers of this amendment, as to whether or not they would look with favor, assuming the leadership likewise would look with favor, on having the Senate have the opportunity of having the alternative courses of action before it before we have to reach a vote on this.

Mr. HATFIELD. Will the Senator yield for a question to his question?

Mr. WARNER. Yes.

Mr. HATFIELD. Assuming that the leadership resolution on which the Senator from Virginia has been working incorporates language that would urge the President in some way to delay the action on reflagging, as I believe it will in a rather vague way——

Mr. WARNER. If I might further define, Mr. President, without interrupting, let us call that the Moynihan resolution.

Mr. HATFIELD. Yes; all right.

Let us assume this resolution which is being devised expresses the sense of the Senate that the President should delay reflagging. If the resolution passes and the administration ignores it, would the Senator from Virginia then support binding legislation on the delay?

Mr. WARNER. Mr. President, in response to my distinguished colleague's proposal, I would not at this point in time commit myself to a course of action until the Senate has had an opportunity to look at both and debate both of these options.

But the current drafts being considered by both sides—I would prefer at this time not to identify it as the leadership proposal because in fact others are working it out for the benefit of the leadership and whether they adopt it remains to be seen—but there is language to the effect in the proposals under consideration that—and I will quote a phrase here that I drafted myself—"Prior to implementing future definitive initiations, including reflagging and protecting tankers, measures described in this concurrent resolution should be fully considered in consultation with the Congress and pursued."

Mr. HATFIELD. If the Senator will yield, what would happen if that were not respected? If the resolution is adopted and the administration demonstrates a complete disregard for our proposals and recommendations, what would be our enforcement mechanism?

Mr. WARNER. The Senator is reaching the heart of the matter, Mr. President. In response, I would say that if we were to go the route of, let us call it, the nonbinding resolution, I perceive that the consultative process now underway and which has been quite productive would continue. And that if, at a point in time the Congress, being consulted, were in disagreement with the President, then we would consider courses of action like the one proposed by the sponsors of the pending amendment.

And let me point out that it is my judgment, Mr. President, again having had the privilege of working in a number of these sessions at the White House, that the consultative process has had a definite impact on the course of action by the administration in the last 6 weeks.

There has been a de facto delay. Whether you call it a delay or not, it has been delayed. Earlier estimates of when the military escorts were to be assigned to the reflag vessels were several weeks ago. But here we are in the first week and into the second week of

July and it has not taken place. There is still not a definitive date, so far as this Senator knows, as to when the military escorts would be assigned to the reflagged vessels.

I yield to others around here who have had more experience than I in my brief 8 years, but to me this is one of the high water marks of the workings between the Congress and the President on a foreign policy decision.

I can point to another example where that consultative process has had a definite impact. Without getting into classified matters, about 6 weeks ago, shortly after the *Stark* incident, members of the Armed Services Committee were briefed on the first proposed plan of enhancement of U.S. military presence in the gulf. This is one Senator that expressed dissatisfaction with that level of enhancement, because I thought it was too great in terms of the threat assessment as we knew it at that time. Not that they listened to me singularly, but I know other voices were raised, and as a result, that earlier assessment of the quantum of U.S. military to be put in the Persian Gulf was substantially reduced.

Mr. HATFIELD. Will the Senator yield for another question?

Mr. WARNER. Yes.

Mr. HATIFIELD. Allow me a moment in the realm of speculation to ask the Senator a question. The administration has indicated its expectation that their flagging will be effective in the middle of July. It is now July 9. We are entering the middle of July.

Now let us assume that this nonbinding resolution has passed, but the President plans to go ahead and reflag the vessels anyway.

Does the Senator from Virginia believe that in that scenario the Congress would take this issue up in a binding way to say no to the President? I certainly hope we would but I think that scenario would be even worse for the President. With a nonbinding statement now, we set the President and his policy up for a far worse fall than if we went ahead and delayed the reflagging for 90 days and allow the congressional consultative process to reach some general agreement.

It is more embarrassing and more difficult for the President to conduct foreign policy by unscrambling the egg on the basis of legislative directive than if the legislative branch and the executive branch reach agreement. Mr. President, we must reach that agreement if our policy is to be effective. We must work together to construct a policy in which we could all join and assume our roles of accountability and responsibility.

The PRESIDING OFFICER. (Mr. REID). The Senator from Virginia.

Mr. WARNER. Now, Mr. President, having the floor, I yield to the distinguished colleague from Arkansas to supplement the comments by the Senator from Oregon, and following that, I will be back to respond.

Mr. BUMPERS. The Senator from Oregon has just discussed with the Senator from Virginia what the Foreign Relations Committee has done. In commenting on that, we find the Foreign Relations Committee voted by an 11-to-8 vote to prevent all flagging.

The House, yesterday, at least agreed to defer it 90 days, by a vote of 222 to 184. But I want to read this language to the Senator from Virginia that came out of the Foreign Relations Committee on that absolute prohibition against reflagging of Kuwaiti ships.

On page 3 of that report it says, in the second paragraph:

> Reflagging is a part of a desperate Kuwaiti gambit to draw the superpowers into the Iran-Iraq war in hopes that they might end it. To the chagrin of its Persian Gulf neighbors, Kuwait has asked both the United States and the Soviet Union to place their respective flags on Kuwait's imperiled ships. Interestingly, the Soviet Union declined, and instead offered Kuwait a commercial lease of three Soviet tankers.

That is pretty strong language, Mr. President. And that is about binding language. It is a committee report on binding language coming out of that committee.

Mr. ADAMS. Mr. President, would the Senator from Virginia yield to me, without yielding the floor, for an addition to the statements made by my colleagues from Oregon and from Arkansas?

Mr. WARNER. I will be happy to do that.

Mr. ADAMS. I thank the Senator from Virginia, and I have joined with my colleagues form Oregon and Arkansas in this. I would say to the Senator, because I was the author of one of the resolutions in the Foreign Relations Committee, and I know the Senator is concerned about it, as I am, that what the Senator from Oregon has said is that we are faced with the imminent reflagging of these ships and it is my understanding that in this consultative process—and I hope the Senator will respond to some of this, because I joined with my colleague from Arkansas in that we get this second and third hand. It is the reason why we have pressed for the mandatory resolution. We cannot unscramble the egg.

Though I have not been in the Senate a long time, I have served in the Congress and the Cabinet, and I have spent a lot of time in the Government of the United States, and I entered the Congress right after the Gulf of Tonkin resolution, and we passed all of these in 1965. I entered here in February of 1965, and we started first with a Marine division, and it was on and on and on.

This is not a matter of trying to test Presidential authority or not agree that we have a vital interest in the gulf. But what we are concerned about is that this step, and I know the Senator is very familiar with the gulf and I have some familiarity with the gulf—as we move north of Iran, this is a significant act.

What we are trying to do here is to put that off for a period of time so we do not trigger a whole new reaction. The Senator knows that in the executive branch, because he has served in it just as I have, if that is once done—in other words, if we proceed with the reflagging—and it is my understanding that the President said in this consultative process and I know this only from being told that, I certainly was not there—that despite what everybody said about reflagging and what everybody did not say—in other words, nobody came out for reflagging—there was a statement that the administration was going to proceed. That means that if we did not take this action today and the House did not take the action yesterday, then we would have the President almost committing the act. Once that act is committed, as the former Secretary of the Navy knows, and I know, backing out of it is incredibly difficult. Then you get to what the Senator from Arkansas was saying: step, step, step. That was the reason that I offered the War Powers Resolution in the Foreign Relations Committee. And it carried 10 to 9.

I want to say to the Senator, and I appreciate his yielding to me at this time to say this, that passed because everyone was concerned that the moving of the ships north would trigger a whole new situation in the gulf and that it was not that we were trying to delay or not join with the administration. The purpose was to consult, to give the whole Senate a chance to join with the administration on a common policy and then go to the country.

Because what happened in Vietnam, as you and I both well know, was the country never united behind it, and the kids were left on the streets. That is the reason the marching took place. People could not vote, and the people involved were the families and the kids. We did not go with taxes until way late in it. We just have an absolute horror of a step-by-step thing; that we do not do as a Congress, and the Congress and the President, not just talk but that I am prepared that we have, under the War Powers Act, a vote. I agree with the Senator, we should just repeal it because if this is not hostilities that are going into up in that gulf, I do not know what is. But we have held off on all of that and tried to just concentrate on the reflag-

ging so that we do not get a Presidential decision in place and then have to come to the floor with my good friend from Virginia and others and say, "Well, how do we unscramble this?" Because then you really are saying to the President: "You have no right to do this, and we want you to pull back." At that point—that is just not going to happen.

At that point, that is not going to happen. We want to have the processes of the Congress involved and then the country involved in a foreign policy. In the Foreign Relations Committee, that is what we passed on, the War Powers Resolution, which is pending on the calendar. We passed with 11 to 8 a Mikulski-Pell resolution saying, "Do not reflag."

It was pointed out there were many other alternatives—I know the Senator from Virginia is aware of this if you are going to use American flags, use American tankers.

All we are trying to do is to get the time so that their decision is not made until the Congress is with it. I feel very strongly, as I know the Senator from Virginia does, the Senator from Arkansas, the Senator from Oregon, and many others, that we do not want to repeat a series of actions without the whole country being with us. Let us try to do this, and not by the resolution. As I said, the former Secretary of the Navy and I both know what happens with a nonbinding resolution on the administration. I thank the Senator for his time.

Mr. WARNER. I thank our distinguished colleague from Washington for his contribution.

I will step down so that the distinguished senior Senator from Oregon may make his opening remarks. I did not intend to cut him off in any way. But I do first feel constrained to reply to several of the very thoughtful and sincere observations that have been made today.

First, to summarize quickly my position, it is that the consultative process between the executive and legislative branches is working and we should allow it to continue to work because it is very dynamic in a day-by-day changing situation.

Second, technically, I say to my good friend, in the drafting of this amendment it is my judgment you will not achieve the result you desire for the following reason:

We have loosely—and I say the editorial "we"—used the term reflagging to describe this policy of what is taking place. But if you begin to dissect it, there are really two basic parts. The first is a rather routine series of steps by which, under our laws and regulations, another nation can come in and petition the Coast Guard to use the U.S. flag.

So far as I know, almost all of those steps have been completed. During the course of the day I will provide for the Senate an accurate, up-to-the-hour detail of where that process rests. In my judgment, I think it is finished and it is too late by virtue of cutting off money to stop that process. So this amendment would fail in its objective.

What you would have to do is to remove the funds to stop part 2 of reflagging, part 1 being the Coast Guard reregistration and part 2 being the utilization of U.S. military assets to provide a protection regime.

Again, what you are seeking to do is to stop the President from using dollars to implement the decision which on part 1 has been made and executed, to reflag. But part 2, the implementation of the protection regime has, in fact, been delayed out of deference to the concerns of the Congress of the United States.

That has not been announced but de facto, if we look at all the circumstances, it has been done, because of the depth and sincerity of our concerns. They are taking into consideration our advice as they finish the final planning phases of the protective regime.

So the amendment, technically, in my judgment, would not achieve the result sought. The most that would be achieved, in my judgment, and it would not be done as drawn, would be to take away the funds from a decision that has already been made.

It appears to me as the Congress considers this situation, we ought to start with the premise of reflagging in terms of the Coast Guard technical steps being finished and now, Mr. President, in view of our concerns, we would like to contribute our advice and consent as to how to utilize the protection regime.

Mr. President, it seems to me the amendment would fail on its face to achieve the goal. It would just confuse the world at large. The President has already made a commitment.

When Senators SASSER, GLENN, and myself visited there, there was not the slightest doubt among the Gulf State governments, all of whom we consulted save one, that this decision has been made, that the United States had made a commitment. If you were to walk away from that commitment now, it would severely denigrate what credibility this Nation has in that part of the world. I do not believe it is the desire of the institution to in any way denigrate the credibility of the United States in that part of the world. I will not recite the historical incidents, all of which we are familiar with, which have contributed to the rather weak credibility this Nation now has.

Further, Mr. President, President Reagan, the Secretary of State, the U.S. Chief of the United Nations delegation, and others, are actively, at this very moment, working within the United Nations to secure the passage of resolutions, which resolutions would go a long way to achieve the results that so many of us desire, namely, to bring about a greater degree of peace and stability in that region and, if necessary, put an arms embargo on the two belligerent nations.

The sense-of-the-Senate resolution would have the effect of continuing the process, not stripping the President of his epaulets in front of the world by taking away the dollars to do the protection regime, and to allow the President to continue in the various international forums of the world to try and bring about a peaceful resolution of this matter.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, as I listen to the Senator from Virginia, I become increasingly convinced of the necessity of adopting the amendment that the Senator from Arkansas [Mr. BUMPERS], the Senator from Washington [Mr. ADAMS], and I have submitted.

The plea by the Senator from Virginia that somehow this commitment has been made—"Don't strip the President of his epaulets in front of the whole world"—leads me to believe that no resolution is of any import at this time. As far as congressional input is concerned, whatever we do is meaningless and indeed irresponsible because the commitment has been made. Mr. President, that is nonsense.

The Senator also raised the question of the ability of this amendment to achieve its purpose. Let me very simply read the amendment: "Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 90-day period following the enactment of this act to accomplish reflagging of any Kuwait naval vessels."

Mr. President, that is all it does. The language could not be more clear.

I am not one who wants to deny the President his constitutional responsibility to conduct foreign policy.

But as we celebrate at our 200th year of this Constitution, let us remember that that Constitution vests in the legislative branch, not in the executive branch, the power to conduct war. In 1787, our constitutional fathers looked around the world. Every single government in the world had vested the war-making powers in the executive—not one had vested that power in a parliamentary body or legislative body. They chose otherwise it was George Mason, a great man amongst many greats in Philadelphia, who explained their goal. They must find "How best to clog rather than facilitate war." Wrote James Madison:

The Constitution now supposes what the history of all governments demonstrates, that the executive is the branch of power most interested in war and most prone to it. It has accordingly, with studied care, vested the question of war in the legislature.

I do not know precisely what James Madison or George Mason would say today about this issue Mr. President. In their day the Ottomans and the Persians were vying for power in the gulf. But Madison and Mason and the many others who gathered in Philadelphia would have argued that this warmaking—and that is what we are really talking about—is our business. We are talking about money and war powers. We are not trying to direct the President of the United States in the conduct of foreign relations. We are exercising the power of the purse.

Let me remind this body that the failure of the Congress of the United States to stand up and take accountability, to assume its congressional and its constitutional responsibility, thrust this country into the longest war in history. With no more than the wringing of hands, the woeing and the moaning of the politicians in the Congress, we entered a war in Vietnam. No, there was never a declaration of war in Vietnam. It was a Presidential war, a Presidential war that was crafted in very interesting ways from advisers to protecting advisers to fullscale war—and for more than a decade, Congress said "Don't thwart the President in the conduct of foreign relations."

The Senator from Arkansas mentioned the Gulf of Tonkin Resolution. That was an act of abdication. In the Gulf of Tonkin Resolution, the Congress said essentially "we do not want the responsibility of the Constitution. We are going to vest that in the hands of the President. Of course we can criticize, we can second-guess but we are free from responsibility." That was an abdication of constitutional responsibility.

At the Governor's Conference in 1965, a resolution was offered to affirm President Johnson's war policy in Vietnam. The vote was 49 to 1. As the Governor of Oregon, I cast the only dissenting vote. I cast that vote not because I was the only one out of 50 Governors who saw the policy as bankrupt and disastrous, but because the arguments "Don't second-guess the President. Don't thwart the President's foreign policy. Don't strip his epaulets before the world. He is the Commander in Chief. He has information we don't have."

I did not ask anyone to agree with that negative vote. I asked only that my colleagues ask two simple questions: What are America's national interests? What are the alternatives to mounting a war in Southeast Asia?

Those questions apply today. Of course there are American national interests in the Persian Gulf. A person would have to be blind not to recognize the American interest of freedom of navigation. Our overdependence on the oil from that part of the world is incredible—not so much the 5.9 percent of our imported energy consumption, but more so of the 38 to 40 percent of Europe and 60 percent of Japan. Those are necessary concerns because we are bound by treaty to our Western allies to share the reduction of their supply of oil should it be interrupted.

Look at my second question. The question today is again the question of method, the way we obtain and protect those national interests.

Take the reflagging question right on its head. Given that it is in our national interests to protect those Kuwaiti ships, is reflagging the only option? We have an increasingly large number of war ships in the Persian Gulf flying the American flag, producing a rather sizable target for the crazies, the terrorists, the other people who would love an opportunity to attack America. We have made ourselves a target and we have made our young people serving on those ships targets too. Was there no alternative? Is there no alternative?

What about reflagging with the United Nations flag as an option? Is that an alternative which would achieve our national interests of keeping the seas open and of keeping the oil flowing?

To keep the oil flowing. The politics of oil has a pretty ugly history, Mr. President. Let me remind this body that we were once one of the largest exporters of oil. In fact, we were the largest exporter of oil in the world. In 1927, we were exporting 70 million barrels. We doubled that by 1939.

In 1931, the Japanese imperial military government invaded Manchuria, and for 10 years we saw the war rage in Manchuria and China. Mr. President, that Japanese war machine was fueled in major part by American oil exports. We were condemning the action politically, but we were supplying the fuel that made it possible.

There is more. In 1938 and 1939, Hitler's Nazi army panzers moved on American oil export. Those deliveries continued to Nazi Germany even after France and Great Britain declared war on Hitler.

Do the ends really justify the means?

We had better be concerned today that our objectives may be right but our means may be wrong. I have repeated the wisdom of Gandhi frequently on the floor: "Means are the ends in the making."

Our oil exports 50 years ago underscored that point. So, too, do the Contra hearings today. We neglect the means because we think the ends or the goals serve the interests of the Nation. But where does that lead us?

We have national interests in the Persian Gulf, and I want to protect those national interests. But the means and methods by which we seek to protect those national interests are ill-conceived and ill-fated. I am grateful that they are being challenged today by the Senate Foreign Relations Committee and by the House of Representatives. And I am grateful that they are being challenged on a bipartisan basis. I am on the Republican side of the aisle, Mr. President and I think you would find that there are these concerns just as strong on our side as on the other side of the aisle. So it is not a question of partisan politics. It is not a matter of a Democratic-controlled Congress trying to embarrass a Republican President. All Americans are concerned about the particular thing we are doing now, and well they should be. Without more, however, the dissent and the concerns will do little to stop the perversion of the ends by the means.

All we ask is 90 day delay.

I commend the Senator from Virginia. I know of no Members of this body who has sought to resolve conflict and disagreement in a more gentlemanly fashion and a more dedicated manner than the Senator from Virginia. He is a natural diplomat, and we all appreciate his efforts. All I suggest to the Senator is that we give this consulting process a chance to work. Let's look at the alternatives.

If all this is a futile debate anyway because this policy has been put in concrete and is moving ahead, God help us. It was precisely that slippery slope that took us into the Vietnam war and kept us there. It was the "we're already there" that was used as a reason not to take action. When Senator McGovern and I offered our first resolution to cut off the funds for war, exercising the power of the purse, the most compelling argument was: "You can't undermine the President. Rally around the Chief." The tribal instinct is in all of us, but look where it led us.

Before we get to that point in the Persian Gulf, let us use a little caution. Caution, Mr. President can only be developed and understood with time.

No major change has occurred. Nothing warrants immediate action. Mr. President, a little time—90 days—will not do anything to undermine our national interest. It will do everything to allow us caution and the chance to examine the alternatives.

Even Howard Baker, our distinguished former majority leader, indicated over the weekend that we might take a fresh look at removing our warships if the Soviets remove their warships. Let us look at that. Let us take the time to pursue or explore or analyze or reject it. But let us take the time.

That is all this amendment does: just 90 days to take stock. We should not let ourselves get so committed to a policy that all Congress can do is line up in lockstep. Just because the Chief says, "March over the cliff," we march over the cliff. In so doing, we abandon our constitutional responsibilities, and in cases like this, our responsibility to the people.

I do not want to get into that situation. The recent history of Congress doing precisely that irresponsible action of abdicating responsibility with the Gulf of Tonkin resolution still haunts me. Let us not repeat that history.

Mr. President, I should like to make a parliamentary inquiry. Am I in a situation parliamentarily in which I can ask for the yeas and nays on the Bumpers-Adams-Hatfield amendment?

The PRESIDING OFFICER. It would be in order to request the yeas and the nays on the second-degree amendment.

Mr. HATFIELD. I ask for the yeas and nays for that purpose, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. The Senator from Washington.

Mr. ADAMS. Mr. President, we, the cosponsors of this amendment, have attempted to give the Congress of the United States, as the House of Representatives has done, the time to complete a consultive process without the triggering of a series of events that could lead to ultimate hostilities, and that means a type of war.

I have great confidence in my good friend, the Senator from Virginia. I share the comments of the Senator from Oregon that he is a great diplomat and a good person to be doing this. But I was very disturbed by his remarks. He just stated recently on the floor that the decisions had already been made and that in effect this was over. That was one of the reasons for offering the war powers resolution that said if it has happened then we have to go to the war powers. That triggers it. I hope that if that does happen that the Senator will support our efforts to do that.

But what we are trying to do today is very simple. It is to prevent that decision to let the consultive process work. This involves not only the power of the purse, but I want to quote from James Madison in 1793 which follows the theme of my friend, the Senator from Oregon. This is one of the few countries in the world where the governing document, the Constitution, places the war power in the parliamentary body, the Congress, and there was a definite and deep reason for this, and this was debated by Hamilton and by Madison at length. In 1793, when Washington declared that we would be neutral in the war between England and France, there was an enormous debate on the Constitution by the people who had written it. Again, I do not know whether they would say that today. But here is what James Madison stated and it goes directly to the heart of this debate of what our concern is about allowing Presidential action to just simply proceed when you are moving toward the area of the war power, and the War Powers Act was to enable the parliamentary body, the Congress of the United States, to carry out this policy of Madison without going directly to the declaration of war. Madison said this, and I quote, and this was in his debate with Hamilton in 1793.

> In no part of the Constitution is more wisdom to be found than in the clause which confides the question of war or peace to the legislature, and not to the executive department. . . . War is in fact the true nurse of executive aggrandizement. In war, a physical force is to be created; and it is the executive will, which is to direct it. In war, the public treasures are to be unlocked; and it is the executive hand which is to dispense them.

He goes on, and that is the end of the quote, to indicate the reasons why the Congress is involved in depth in questions that can involve the ultimate commitment of American military power.

There is no question about our vital interests in the gulf. We have them there. This Senator supports the fact that we have maintained a presence in the Persian Gulf for many, many years, and nothing in this amendment is saying that we will remove that presence or that we are going to cut and run or do anything like that.

What it does say is that you have an ultimate act, a reflagging of the vessels of a nation that has joined as an ally, and we do not go to the old statements any more of declarations of war like we used to, but there is no question we are an ally of one of the parties to one of the most terrible wars that has occurred in that whole region.

We may have gotten into this for a lot of reasons that we can debate at another time of whether we sent some arms to Iran and, therefore, Iraq lost some aircraft and, therefore, we have reason to do something for Iraq. But what is involved here is that we are going into a war zone on behalf of someone who is directly connected with one of the belligerents. Kuwait and Iraq have been not only exchanging materials, but money, and there is no question of which side we are on.

I compliment my friend, the Senator from Arkansas, for pointing out that Khomeini is one of the most dangerous forces in the world, and I hope that those who may be watching this debate and may be watching it as a follow-on to the other great show in town on Contra aid and Iran will all understand that those of us who have had any connection with the Middle East and that area recognize that Khomeini is a force that is of great danger to that region, not just to the Gulf States, but to the Saudi Arabian government, to the whole area. And it is not just by simple frontal military assault, but it is the fact that enormous numbers of Iranians have penetrated the entire area and that this is not a war in the classic sense of Europe. This is a war fought in the Middle East with acts of sabotage, terrorism, attempts to overthrow governments. It is a very, very dangerous area.

But we have and I think the Congress has withheld its hand to say that the United States' presence in the Persian Gulf should remain.

What we are trying to do now is to say to this administration and to all those involved, do not move forward with an ultimate act that at any other time would be considered an aid to a belligerent in a military conflict.

So this is both on the substantive and symbolic level. Right now there are too many questions that have been left unanswered. There are too many parts that we do not know about, but I am getting the distinct impression that the decision has been made and as one who had the Coast Guard under my jurisdiction when I was a Cabinet officer, they have undoubtedly finished their technical compliance with reflagging so all that is waiting now is that this decision might be carried out, and the Senator from Virginia said the decision has been made. That is why we are here. That is what we are concerned about. It does not do any good to consult or send over messages if it is already going to happen. You have to do something. That is why we are trying to do something.

There is clear bipartisan support for the position of the Senator from Virginia on efforts to explore diplomatic relations.

Mr. WARNER. Mr. President, will the Senator yield for a question at the appropriate time?

Mr. ADAMS. I am happy to yield to the Senator for the purpose of a question.

Mr. WARNER. Mr. President, we have to in the course of this debate, which is a good one and an important one right now, give our interpretations to our colleagues as to what the pending amendment means.

I took the position—and I see neither of the principal sponsors here, but we have our distinguished cosponsor, the Senator from Washington—that if it is his objective to put a halt to the policy by which this Nation at some point in time is going to provide

a protection regime to vessels flying the U.S. flag, be they under this reflagging program or other vessels now in service and for sometime which have been flying the U.S. flag, how does this amendment do it?

As I read it, it states "Notwithstanding any provision of law no funds heretofore or hereafter appropriated by any act of Congress shall be available during the," and I think the 90 days is the perfecting amendment.

Mr. ADAMS. That is correct.

Mr. WARNER [continuing]. "following enactment of this act to accomplish the reflagging of any Kuwait naval vessel."

I am now checking as to exactly where the Coast Guard steps are with respect to the proposed amendment. The most this can do is to cutoff the salary of several Coast Guard employees, uniformed or civilian, who are somewhere working on relatively ministerial tasks of completing the reflagging under the law and regulations applicable to the procedure.

It has nothing in this amendment which would take away the funds for the protection regime.

On the assumption that the Coast Guard has completed one or more of these ships, how does this amendment achieve the stated goals as enunciated by the three sponsors of this amendment? We owe to our colleagues an explanation of the pending amendment and what it does not do. As I listened to the debate of the Senator from Arkansas, the Senator from Oregon, and the Senator from Washington, they are talking in very broad principles that we should bring a halt to this proposal by which the United States accords protection to vessels flying the U.S. flag. In my judgment, the amendment does not do that.

Mr. ADAMS. I will answer the Senator from Virginia by saying that this is an enactment in law, rather than some language that goes forward, that says that the Congress on both sides, having been passed already over on the House side and on this side, as a matter of law, will not provide funds for reflagging of Kuwaiti vessels. There is going to be a series of checkpoints and a series of things that will have to be done with the Coast Guard, as the Senator well knows, during the course of the next year as this goes ahead, because remember what we are talking about is not a policy for 90 days or 180 days; we are talking about in the Persian Gulf something that will last for a number of years. It also is a clear message to the President that we are willing to pass a law and stand up behind the law, the same thing with the War Powers Act, the same thing with this that says no money into this operation of reflagging.

Now you can tell me and it can happen that the President can rush fast enough, because I have seen Presidents do this and so have you, that he can get ahead of the money being cut off. But a President to do that in a situation such as we have at the present time in the Persian Gulf, to go against an act of law of Congress, not just a resolution, but an act of law of Congress, is a mistake that everybody in the White House would say, "Mr. President, don't do that." That is what the difference is. That is what we are voting on. And yes, there will be the cutting off of salaries of a certain number of people at certain stations in the Gulf area on the reflagging of these vessels.

I would say this to the Senator, that I am fully prepared if this does go ahead and there is a rush ahead to get in before money is cut off and then have to fire people and cannot do it at the end of whatever period they have decided—and we do not know how long they have reflagged for, permanently, 6 months, a year, nobody knows this—that I am prepared to say that the act of reflagging and the sending of vessels to convoy up into the northern part of the gulf into the war zone triggers the War Powers Act.

I want the Senator to understand that I do not consider that pleading or sending of nonbinding resolutions is completely worthless, but I do not think it does the job. I think passing an act that says the money will be cutoff gives a message to the President that is very strong.

I do not know why they have not come to us. I really do not. I hope you will suggest to the President and say, "We understand this is difficult. We feel the War Powers Act should be triggered and we are going to do that by reflagging." Then at that point, the Preisdent knows that in 60 days there is a vote on it.

Mr. WARNER. If the Senator would yield.

Mr. ADAMS. Yes, I am happy to yield for the purpose of a question or colloquy.

Mr. WARNER. I thank the Senator for clarifying for the benefit of this Senator indeed what the amendment means; namely, that it stops the administrative process by which the flags would be transferred to Kuwaiti vessels. And it does not in any way reach out and stop the financing of a protective regime. I thank the Senator for the clarification.

At some point today, assuming this debate progresses, I hope to supply to the Senate and up-to-the-minute report on the administration's actions pursuant to law and regulation now existing, of course, on the reflagging of the Kuwaiti vessels. But the important thing is that the amendment is designed to stop that process and not designed to in any way affect the protective regime.

I know the Senator is not suggesting our President is going to rush to the gate, assuming that a few steps have to be finished. He is probably going to proceed, if there are remaining steps to be completed, in an orderly process on a schedule that has been adopted.

Mr. ADAMS. In reply to the Senator from Virginia and so that it is very clear, this amendment does go directly to funds for the reflagging of the vessels. It has always been the position of the parties that have advocated that we stop the reflagging that American vessels would be in the Persian Gulf and have been in the Persian Gulf for 40 years, but the sending of them North with these reflagged vessels as a protective regime hinges on the reflagging of those vessels.

That is the policy we are trying to be certain does not occur. We have not gone to the protective regime of ships in the gulf.

I think that it is very important that there be a bipartisan attempt to be in this total process. I have said this to the majority leader, I have said it to the Democratic leader, that the President look at these other options and not simply say as decision has been made, because until it is done, it is not done. And I believe and I support the position by Senators BYRD and DOLE of displomatic efforts, of moving to the United Nations, working with the various groups that are in that resolution. In fact, I think the language that was originally offered, if it has not been modified, because there were several items that came forward, said that the reflagging should be delayed.

The substance of this amendment, I would say to the Senator from Virginia and to the others of my colleagues, it says, "Mr. President, let's understand what this policy involves. Let's look at the alternatives before we start reflagging and protecting Kuwaiti tankers."

It is the tankers reflagged going up into that war zone that drags our ships in there and drags us in, in convoy. At least that is what we have been told. And we are trying to be certain that we know what our policy is before it starts. Because it will trigger events all over the Middle East, it will trigger events all over Europe and, yes, in the United States.

The Iranians have a number of options and we are not satisfied that this kind of a regime that is being started of taking the ships in will do it.

There is symbolism to this amendment, as well.

Mr. WARNER. Will the Senator entertain another question?

Mr. ADAMS. I am happy to entertain another question, without yielding the floor.

Mr. WARNER. Mr. President, the Senator said this action proposed by the amendment would trigger a reac-

tion all over the world, certainly in the Persian Gulf. Well, let us look at the reaction that would follow if the world learns that the Congress were to cut off the funds by which the President were to implement his policy.

Now, the Senator has been very helpful in explaining technically what the amendment was to do; namely, to remove the salaries of those involved in the technical part of the reflagging and not the military regime that proposes to be associated with reflagging. So that is an important thing.

But when Senator GLENN and I, and I think Senator SASSER would concur in this, visited with the heads of State in government throughout the region, they all were of the impression this decision was made and it was simply to marshal the necessary military assets of the United States in conjunction with support being given by the GCC states which is very vital; in other words,

If the amendment had been drawn in such a way as to cut off the funds for the military protection regime, I would be seriously concerned were the Senate to adopt this amendment. But assuming that was your goal, how do you think that the world would receive that message that the Congress suddenly, as I said earlier, stripped the epaulets from the President and said, "Stop, Mr. President, you cannot go forward with an executive decision consistent with existing law and regulation."

Mr. ADAMS. In this amendment and in the discussion in the Foreign Relations Committee and in the debate that has gone forward, we have not said that there would be a removal of U.S. vessels from the Persian Gulf. They have been there for 40 years. What we are talking about here is that the reflagging and the convoy plans that have been announced are a triggering action of aiding one of those that in involved in the belligerence in a war and putting them into a war zone. That is a very different thing than saying that the United States is completely out of the gulf.

I have listened to the Senator from Virginia and I listened to the Senators from Ohio and from Tennessee in their report. I read the classified reports. I have had the ultimate classified briefings on this subject.

What concerns me and concerns others about it is not a single one of the gulf States which the Senator has visited—and I know some of the people from those states, also—has moved forward into a regime of landing rights, of financial assistance.

Our allies are conducting, as we both know, an over-the-horizon kind of protection of ships. What we are talking about here is a direct confrontation of one of the belligerents on behalf of the other of the belligerents. It can do nothing but escalate that war.

I know the President has listened, but if he had indicated, as you have stated, that he is going to move ahead, the response to a nonbinding resolution of the Congress is, as everybody in the country see: What happened? What are you doing? When are we going to have the Congress say that it is for or against this particular policy? What is going to happen in the future with the young people that are up there on those ships? We need to have more than just people talking back and forth. We have got to indicate we are prepared, by law, to implement or not implement and to what degree this will happen.

The reason that we are here today is that we have the reports that this is going to simply happen, and we are trying to say to the President—by law, not by just a resolution—that this should be delayed. It should be delayed 90 days.

We already have a House resolution that says if we had that ability, and the President then declines to listen and move with it, he knows that he does not have the unification of the Congress behind him, which he should have.

At that point I don't see any way we can avoid going to the War Powers Act because the President needs, at that point, to have the Congress unite and the country unite so we are not left where we were in the Vietnam War.

The reason we come back to it, many of us served in Congress during that period of time. The Senator from Arkansas has described the steps. But it had an enormous impact, not just on the generation, not just on the people that were directly involved, but also on the entire country's economy.

We tried to persuade—so that the Senator understands that this is not something new—we tried to persuade the President of the United States, a Democratic President in 1968, to put on a war tax to prevent inflation, to balance out the budget.

The budget was balanced then for 1 year, but we did not have that in effect until too late.

These are the kinds of things we are talking about if we are going into a war type economy and confrontation in that gulf.

Mr. WARNER. Mr. President, could I ask another question of my colleague?

Mr. ADAMS. I will be happy to yield to the Senator from Virginia for another question.

Mr. WARNER. First, if the Senator will permit me an observation, I am reading from the official report to the majority leader as printed in a Senate document, from page 17 where the Glenn-Warner report states as follows:

Others—and we are speaking of the heads of State and governments of GCC——

Others were more outspoken in support of an increased presence. Several stressed the importance of coming to the aid of a friend. One head of state said: "When a friend is in need and asks you for help, you must help him, otherwise what is the value of the friendship?"

The reflagging proposal is not seen by many in the region to be a litmus test of U.S. dependability.

It is the proposal of the sponsors of this amendment to suspend that litmus test for a period of 90 days. My specific question: What is the Congress to do in that 90 days, by which to pose options or to tell the President, because we are seizing the reins of diplomacy here—what are we going to do in that 90-day period?

Mr. ADAMS. During that 90-day period, the administration has the opportunity to assess and to bring to the Congress its plans, in definite form, of what it intends to do; what its policy is; what its results in the United Nations are.

I really do not understand why the Senator from Virginia opposes this because in the request that was originally put together it was a request to the President to delay 90 days, to do just the things that I am mentioning: to have the U.N. policy implemented if it can be; to have a discussion with our allies to determine if those states are going to come in and grant us at least landing rights.

The Senator, as former Secretary of the Navy, knows as well as I do that you cannot hold those carrier forces outside the Strait of Hormuz and give air cover up there into the top of that gulf. Yet, nobody has offered us a base. Even the ones we are going to reflag for.

So that is what we want to have determined and laid out as we commit this country to an escalation in this area.

How does this come about? That is what it is all about.

You are asking it in a nonbinding resolution. At least I think that is what is in the resolution. So I do not know why the passage of the act to say, "Do not do it for 90 days," is any different. I hope the Senator will join with us in it and will support it and that we will have that happen.

You see, I want to make it clear that I believe the evidence that we know about is that it conclusively demonstrates we are going to send forces into the Persian Gulf to provide protection to reflag Kuwaiti vessels.

We are sending American forces into a situation where imminent hostilities are possible. Once that begins to run in the country, I would just like the Senator from Arkansas—your blood just rises when you see what happened—for example, with the *Stark*. That has been not declared a hostile act.

We saw how the President of the United States in the Vietnam war, he spent every night in that situation, when we were down there. He would read about the casualties.

I just hope we do not move forward as a Nation into this kind of a situation without having established our policy, definitely, completely, and with the idea that we are there for a long time.

The relationship with Iran, the stability of Saudi Arabia, the stability of the gulf States, all of that is going to be part of America's foreign policy for the rest of our lives. Therefore, there is no need for us to rush forward with a precipitous step.

Kuwait understands very well the power of the United States. It may well be there are a series of other options in the gulf. But this is a triggering event and that triggering event is something that I hope will not happen.

Mr. President, I support this amendment on the basis of its substance and its symbolism. I want to talk about both.

On a substantive level, this amendment is an attempt to make it clear that reflagging is not yet a timely step for this country to take. It may be a step we will want to take in the future—but right now there are too many questions that have not yet been answered, too many alternatives that have not yet been explored, for this policy to be put into effect.

There has been a great deal of discussion of various nonbinding resolutions. Let's look at what they contained. In the amendment originally offered by Senator BYRD, and in the proposal originally advanced by Senator DOLE, there was clear bipartisan support for our goals in the region. But there was also clear bipartisan support for efforts to explore diplomatic alternatives before resorting to reflagging. Both resolutions urged the President to increase our diplomatic efforts to impose sanctions on either Iran or Iraq if they refuse to cooperate in the establishment of a negotiated cease-fire and withdrawal; both resolutions urged the President to do whatever he could to promote a moratorium by Iran and Iraq on attacks against nonbelligerent shipping in the Persian Gulf; both resolutions called upon the President to intensify his efforts to secure the active support of our allies, the major importers of Persian Gulf oil, and the Gulf Cooperation Council in seeking a resolution of this conflict. In short, both the Democratic leader and the Republican leader were urging the President to look at other options before reaching the conclusion that reflagging was necessary.

Both Senators BYRD and DOLE urged an increased emphasis on diplomatic alternatives at least in part because there are so many unanswered questions about the possible consequences and implications of the reflagging policy. Indeed, the proposals advanced by Senators BYRD and DOLE revealed a clear bipartisan desire to get more information before reflagging goes into effect. Both instructed the President to continue to assess the threats which might result from reflagging before implementing that policy: both called for further consultations with the Congress before reflagging went into effect; both urged the President not to be locked into any one protection scheme in the gulf by adopting a reflagging policy now. Those suggestions make it clear that Members of both sides of the aisle have additional questions which they believe need to be answered, additional concerns which need to be addressed, before a reflagging policy is put into effect. And that is why, while the language differed, both Senator BYRD and Senator DOLE called for a delay before reflagging went into effect.

The point, I believe, is clear: Implementing reflagging now would be a mistake. We may need to reflag, we may want to reflag, but we ought not do it now; not when so many questions about the implications of that policy are unanswered, not when so many alternatives to that policy are unexplored.

The substance of this amendment simply says, "Mr. President, lets understand what this policy involves and lets look at the alternatives before we start reflagging and protecting Kuwaiti tankers."

But there is also a symbolism to this amendment which needs to be understood. Last week, the leadership of the House and Senate visited with the President of the United States and attempted to communicate a simple message to him. In their informal conversation, they told him that the Congress was not yet convienced of the wisdom of his policy and they urged him not to act. The President listened but, as is his right, he did not accept their judgment. He indicated that he would move ahead.

Given that response, we decided to make a message clearer. So we are working on a sense-of-the-Congress resolution which would officially tell the President that we were not yet ready to support his policy and again urge him to delay. Despite that clear expression of congressional will, all the indications are that the President will not accept that nonbinding suggestion either.

Given that probable response to a nonbinding sense-of-the-Congress resolution, we believe there is a need to make our feelings even clearer. The amendment now before us allows us to do just that, it allows us to speak more forcefully. When we adopt it, we will be saying that the Senate of the United States is ready to join with the House of Representatives—which has already adopted similar language, and put the full force of law behind our judgment. We are telling the President that we are prepared, by law, to require a delay before the policy is put into effect.

Now we all know that this amendment will not become law before the reflagging is scheduled to take effect. But it does escalate the importance we attach to this message of delay, it does indicate just how serious we are.

If the President again declines to listen, if he does not accept the full force of this action, then there are yet other actions we can take. My colleagues know that if reflagging takes place, I am prepared to join with Senators BUMPERS and HATFIELD and others in an effort to invoke the War Powers Act and compel the President to secure the support of the Congress before he can continue his policy.

I hope that is not necessary. I hope the President will listen to the message we are sending and delay reflagging. If, however, he ignores this clear expression of congressional will, if he moves ahead, then I believe he will place his policy at risk. We know that no policy can succeed if it is not supported by the Congress and the country. We are telling the President that he does not yet have that support—he may be able to secure it, but he doesn't have it yet. If he acts without support, then he risks destroying what little credibility we have left in the Middle East.

If, despite all those warnings, the President persists, then I will persist in my efforts to force the Congress to accept its responsibility and either approve or reject his reflagging policy as we are required to do under the Constitution and under the War Powers Act. I do not want to spend a good deal of time discussing that possibility now, Mr. President. But I do want to make it clear that I believe the evidence conclusively demonstrates that if we send American forces into the Persian Gulf to provide protection to reflagged Kuwaiti vessels, then we are sending American forces into a situation where imminent hostilities are possible. If anyone doubts the imminent nature of those hostilities, they can look at the U.S.S. *Stark* or they can look at the U.S.-owned oil tanker which was attacked just this week by Iran. When our forces are sent into imminent hostilities, the Congress of the United States has an obligation to authorize the continued deployment of those forces. I intend to do all I can to make sure that we accept that obligation if it becomes necessary to do so.

But again, I hope it is not necessary to do so. I had hoped that the President might listen to the opinion which the Congress has expressed and delay

the initiation of this policy. That hope was not realized. So now I hope that the President will listen when the Senate requires such a delay as a matter of law. If that hope is also unrealized, I will ask the Congress to listen to the law and accept its obligation to decide if the policy ought to be continued.

One last comment, Mr. President. There are a lot of events which demand our attention and compete for our interest. There are the Iran/Contra hearings down the hall, there is the trade bill on the floor, there are meetings and conferences and hearings. We tend to respond to what is pressing us today. Reflagging has not yet taken place, and in that sense it may not be pressing. But in a few short weeks, if this policy goes into effect, the American people are going to want to know what we were doing—what we were thinking—when the role of, and the risk to, American Forces in the gulf grew. I believe we owe them an answer. And this amendment will allow us to give them one.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Momentarily I will yield the floor.

Mr. ADAMS. I ask unanimous consent, Mr. President, that the article that I referred to appear in full at the end of my statement.

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

DO PRESIDENTS HAVE POWER TO DECLARE WAR OR PEACE?

At issue, in foreign policy, does the president have any authority to declare war or peace?

In 1793, with Congress out of session, President George Washington declared the United States neutral in the war between France and England. In a series of articles in the Gazette of the United States, Alexander Hamilton, writing as "Pacificus," defended the president's action. James Madison, writing as "Helvidius," responded.

Yes, said Alexander Hamilton. "The inquiry then is, what department of our government is the proper one to make a declaration of neutrality, when the engagements of the nation permit, and its interests require that it should be done?

A correct mind will discern at once, that it can belong neither to the legislative nor judicial department, of course (it) must belong to the executive.

The legislative department is not the organ of intercourse between the United States and foreign nations. . . .

The second article of the Constitution of the United States, section first, establishes this general proposition, that "the executive power shall be vested in a president of the United States of America." . . .

The general doctrine of our Constitution then is, that the executive power of the nation is vested in the president; subject only to the exceptions and qualifications which are expressed in the (Constitution). . . .

The right of the executive to receive ambassadors . . . includes that of judging, in the case of a revolution of government in a foreign country, whether the new rulers are competent organs of the national will, and ought to be recognized, or not. . . .

This serves as an example of the right of the executive, in certain cases, to determine the condition of the nation, though it may, in its consequences, affect the exercise of the power of the legislature to declare war. . . . The legislature is still free to perform its duties, according to its own sense of them; though the executive in the exercise of its constitutional powers may establish an antecedent state of things, which ought to weigh in the legislative decisions. . . .

While, therefore, the legislature can alone declare war, can alone actually transfer the nation from a state of peace to a state of hostility, it belongs to the 'executive power' to do whatever else the law of nations, cooperating with the treaties of the country, enjoin in the intercourse of the United States with foreign powers. . . .

But though it has been thought advisable to vindicate the authority of the executive on this broad and comprehensive ground, it was not absolutely necessary to do so. That clause of the Constitution which makes it his duty to 'take care that the laws be faithfully executed,' might alone have been relied upon, and this simple process of argument pursued."

No, said James Madison. "(U)nder color of vindicating an important public act of a chief magistrate who enjoys the confidence and love of his country, principles are advanced which strike at the vitals of its Constitution. . . .

Those who are to conduct a war (the executive as the commander in chief) cannot in the nature of things, be proper or safe judges, whether a war ought to be commenced, continued, or concluded. They are barred from the latter functions by a great principle in free government, analogous to that which separates the sword from the purse, or the power of executing from the power of enacting laws. . . .

A concurrent authority in two independent departments, to perform the same function with respect to the same thing, would be as awkward in practice, as it is unnatural in theory.

If the legislative and executive have both a right to judge of the obligations to make war or not, it must sometimes happen . . . that they will judge differently. . .

The power of the legislature to declare war, and judge of the causes for declaring it, is one of the most express and explicit parts of the Constitution. To endeavor to abridge or affect it by strained inferences, and by hypothetical or singular occurrences, naturally warns the reader of some lurking fallacy. . .

In no part of the Constitution is more wisdom to be found than in the clause which confides the question of war or peace to the legislature, and not to the executive department. . . War is in fact the true nurse of executive aggrandizement. In war, a physical force is to be created; and it is the executive will, which is to direct it. In war, the public treasures are to be unlocked; and it is the executive hand which is to dispense them. In war, the honors and emoluments of office are to be multiplied; and it is the executive patronage under which they are to be enjoyed. It is in war, finally, that laurels are to be gathered; and it is the executive brow they are to encircle. The strongest passions and most dangerous weaknesses of the human breast; ambition, avarice, vanity, the honorable or venial love of fame, are all in conspiracy against the desire and duty of peace.

Hence it has grown into an axiom that the executive is the department of power and most distinguished by its propensity to war: hence it is the practice of all states, in proportion as they are free, to disarm this propensity. . . ."

Mr. WARNER. Mr. President, if I might continue momentarily? Seeing my distinguished colleague from Oregon, I wish to express my appreciation for the very thoughtful remarks personally relating to me earlier.

Indeed, on the floor today, debating this amendment, the four of us all served in World War II. The distinguished Senator from Oregon was a naval officer in the battle of Iwo Jima, the distinguished Senator from Arkansas was in the Marines; the distinguished Senator from Washington and I—I have just learned—had almost parallel and identical careers and achieved a rank far less significant than our two colleagues.

Mr. BUMPERS. Let the record show that I achieved the rank of staff sergeant.

Mr. ADAMS. Let the record show that I got up to being a petty officer, third class, in the Navy.

Mr. WARNER. Mr. President, I think we had best return to this debate at this time. I thank the Chair.

Mr. PELL. Mr. President, I rise to congratulate the Senator from Arkansas [Mr. BUMPERS] and the Senator from Oregon [Mr. HATFIELD] on this amendment. It does not go as far as S. 1327, the Pell-Murkowski legislation reported out of the Foreign Relations Committee on an 11 to 8 bipartisan vote, but it is a long step in the right direction. I hope we may be permitted to vote on the Bumpers-Hatfield amendment and I hope it will be approved.

We all recognize that the United States has important interests—the Persian Gulf and that we must be prepared to defend those interests. We have been in the gulf for 40 years. Our presence is not an issue here. The controversy is about the choice of reflagging as a tactic to protect our interests.

We support the presence and protection of bona fide American vessels, but not the protection of the merchant vessels using the American flag as a flag of convenience.

As we look back into history, this would be the first time, at least the first time I can recall, that the American flag has been used as a flag of convenience. In World War II, we gave 50 destroyers to Great Britain and they took them. In World War II, prior to Pearl Harbor, we were de facto protecting and convoying ships. I was on the North Atlantic at that time and well recall that episode in our history.

But I do not recall in my lifetime, at least, when the American flag has

been used as a flag of convenience for merchant ships of other nations. This proposed reflagging would be a first.

I think the idea of flying the United Nations' flag is an excellent one. I remember spending 3 months in San Francisco working on articles 43, 44, and 45 of the U.S. Charter and regretting through the years that we did not use that. The Military Staff Committee, which we created with such hope that it would prevent war in the future, has simply not worked. But if there is a textbook situation where the United Nations can be effectively utilized, this is it.

Four of the five permanent members of the Security Council are presently in the gulf. The U.N. Security Council is considering cease fire and sanctions resolutions. I would hope that serious consideration be given to the recommendation of former Secretary of Defense Elliott Richardson and former Secretary of State Cyrus Vance that the U.N. flag be put on the vessels, and not the Stars and Stripes.

The question of responsibility comes up here. Our Constitution says it is the Congress that declares war, not the President. I do not subscribe to the view that when the President declares a policy the Congress, like sheep, must follow him. The issues in the Persian Gulf are far too critical to permit a circumvention of the constitutional process.

I believe, too, that a commitment is only valid when it is generally shared by the American people.

I suppose I am the only person on the floor now who had the misfortune to vote for the Gulf of Tonkin resolution. I regret that vote, looking back at it, but there were 97 others who voted the same way and I think we all regret it. The fact of the matter is a little step like that led to a greater involvement. I am sure if there had been no Gulf of Tonkin resolution, there would have been some other manufactured resolution. I do not think it would have affected the course of history, but I do think it would have affected the trigger point.

When we see things going in the wrong direction as we see now, it is our duty to put things in the right direction. Carl Shurz, about 100 years ago, put it best when he said, "Our country, right or wrong. When right to be kept right; when wrong to be put right."

Mr. HATFIELD. I ask unanimous consent that the Senator from Connecticut [Mr. WEICKER] be added as a cosponsor of this amendment.

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

The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I take this opportunity to express my grave concerns with regard to the issue of reflagging Kuwaiti tankers. I think the issue before the Senate as introduced by Senator BUMPERS and HATFIELD bears examination because it focuses in a timeframe to address the issue of alternatives.

Mr. President, I think alternatives are worth considerating here.

As I reflect my concern on this body, on the question of placing 11 Kuwaiti tankers under the U.S. flag, I think there should be a realistic examination of the fact that the flag of the United States is not just a piece of cloth to be used as a flag of convenience for commercial interests. It is certainly the heart and mind of the American people, the sum total, really, of our country. The soil and soul of our country. That is why young men and women in uniform have defended our flag since the Constitution. You need only to walk on the fantail of a ship—and I might add for the record to qualify my participation that I achieved the rank of petty officer third class in the U.S. Coast Guard—and the fact is you observe the flag waving on the stern of a U.S. Navy destroyer or a Coast Guard ship and you have a real understanding of what that flag represents.

The reflagging of these tankers, as expressed by the chairman of the Foreign Relations Committee, my good friend, Senator PELL, breaks the link between our flag and our country. From the stand point of convenience, reflagging these tankers, I feel, breaks faith with men and women who have committed themselves to defend our country, not the oil trade of Kuwait, Japan, Europe.

To loan it to another country is to set a terrible precedent and greatly diminish the meaning of the flag. I feel it is a shortsighted policy which portents great danger to our country and a very dangerous precedent.

But I submit, Mr. President, there are equally important issues and questions regarding our objectives and strategy in this important part of the world. Have we thoroughly explored the alternatives? I think not. We have not identified our short-term nor our long-range goals, nor have we thoroughly considered the impact and implications of flying the American flag on Kuwaiti tankers in or out of a war zone, whatever may be determined.

In my mind, Mr. President, there are numerous questions which simply have not been answered to date.

Let me share with you perhaps a novel one but I think it bears an appropriate reference. That is the lesson of the Falkland Islands war. Five years ago last month, Argentine Gen. Mario Menendez surrendered his command and the "Isles Malvenas" once again became the Falkland Islands. The circumstances of General Menendez's surrender I think carry lessons for those who would commit our Armed Forces today in the Persian Gulf.

From our experience in Vietnam and Beirut we have learned that placing men and women of our Armed Forces in harm's way without a clearly defined and feasible mission, supported by the American people, is to do little more than to commit them to target practice, so to speak.

The crews of the ships in the Persian Gulf, their families, and the American people, I think, deserve a better and more direct definition. If we send ships and crews to the Persian Gulf, they must have an appropriate mission. Since no one is suggesting their mission will be waging open warfare to defeat and occupy any of the states in the area, their mission obviously must be the lesser one, of influencing the behavior of the states in the Persian Gulf. Specifically, deterring attacks against the commerce in oil upon which the economies of the West depend. Deterrence by means of military pressure is a concept acceptable to conventional warfare as well as nuclear, and it is to the question of deterrence that I think we can seek lessons from the experiences of Argentina and Great Britain in the Falkland Islands.

If we look back, we recognize that Great Britain depended upon deterrence to maintain her sovereignty over the island. The military defense of the island was limited to a company of Royal marines, a token force adequate perhaps only to die in place if committed to action against serious opposition. There were, however, several reasons British force levels seemed to be appropriate at the time. One reason was based on the standards of international behavior. Wars between developed nations with territorial acquisitions had become rare.

Logic was certainly another consideration. Britain remains a formidable military and economic power and the handful of Royal marines on the Falkland had some very big brothers at home, certaintly, to back them up.

The scales of military and economic power clearly tipped to the British side.

And yet, there is no question about it, deterrence failed. Argentina invaded and the symbolic force of Royal marines was brushed aside. With the benefit of hindsight, it is not hard to see that in deciding to invade, the Argentine generals based their decision, not on the scales of military balance or the norms of diplomatic behavior, but on the imperatives of their domestic politics and a belief that Britain would not have the social and political will to wage a war to recover one of the last remnants of the British Empire. After all, Britain had given away colonies far more important than the Falklands, and a war to recover the Falklands would cost far

more than the objective value of the islands.

So as a consequence of this we found, two nations at war. Deterrence certainly had failed in this case.

Argentina now faced the task of deterring a British counterattack to recover the islands. The Argentines sought to accomplish this by capitalizing on their strengths. The Falklands are close to Argentina, but, as the British know, very far from Britain. This distance compounded the difficulties Britain faced in merely transporting an invasion force to the South Atlantic, much less successfully conducting an invasion opposed by an armed enemy with air support. In addition, military textbooks suggest an invader must have at least a 3-to-1 advantage over the defender to succeed. The Argentine generals may have believed that by placing 10,000 troops on the island they could raise the stakes to a level where Britain would no longer play ball.

The Union Jack, now flying over Port Stanley, is evidence enough that Argentine deterrence also failed. It failed because military presence alone is neither an effective military force nor an effective deterrent. The Argentine presence may have been adequate in numbers, but it was deficient in doctrine and warfighting capability. To be effective as a deterrent a military force must not only have adequate strength but must have, and be known to have, the doctrine, tactics, training and will to actually wage war. War, as we know, Mr. President, is not a cold analytical balancing of available forces as measured by computer printout. War is a passionate and furious clash of will. Success is established on a personal level, in the trenches, often in a state of blind confusion. Britain and her Armed Forces were prepared to fight and the mere presence of Argentine troops could not deter them.

What lessons concerning deterrence does the war over the Falkland Island have for those who hope to use military force to deter an attack against the Persian Gulf oil lifeline of the West? I suggest there are three:

FEELINGS AND IMAGE ARE NOT ENOUGH

We cannot count on a general feeling that peace is better than war, or the obvious fact that the military power of the West is far superior to that of the nations bordering the Persian Gulf, to deter actions which may be driven by reason of domestic politics or perceived world view. Both Britain and Argentina relied on feelings and image. The members of their armed forces and taxpayers paid the price for that reliance.

SYMBOLISM IS NOT ENOUGH

A nation which is driven to war will not be deterred by an opposing flag, even if that flag represents a nation and potential military force far superior to its own. We certainly saw that in the Falklands. Nor will a nation which is driven to war be deterred by an opposing military force whose only real military capability and mission are to serve as a symbol of the total military force of their nation. Britain relied on a symbolic military force and her taxpayers and the survivors of her casualties are still paying the price for that reliance.

ADEQUATE MILITARY FORCE IS NOT ENOUGH

While deterrence with an inadequate force is not possible, it is not enough to merely position adequate ships, planes or troops in the area and wait for the problem to go away. Those ships, planes and troops will be an effective deterrent only if a potential aggressor knows they, and their nation, have the capability, training, tactics, endurance, and, above all, will to successfully prosecute and conflict which may arise.

In short, the war in the Falklands, like other wars arising from a failure of deterrence, teaches us-and I hope it teaches us well—that a strategy of deterrence in the Persian Gulf will depend upon all potential participants to a conflict knowing that our national interest is so great and so clear that no one can doubt our society will have the will and endurance to flight a war until it is successfully concluded.

I would ask you, Mr. President, are we prepared to make that kind of a decision now? I think not. I do not think we have thought it through to that point.

Successful deterrrence will also require that the United States and its allies are prepared to commit adequate forces if necessary to defeat our potential enemies; and that our potential enemies know that the training, tactics and doctrine of those forces will clearly provide for the defeat of any enemy which attack them. I do not think we know that.

Will the American people support a policy which may—and I emphsize may—lead to our sons and daughters being committed to fight, without allies, to protect the oil lifeline of the Japanese and European economies. The members of our Armed Forces have taken an oath to obey the orders which may send them to their deaths. There is no doubt they will do their duty. In turn, those who isuse those orders have a reciprocal duty to ensure that, in addition to orders, the Armed Forces are provided the means and the support necessary to accomplish a clearly defined and appropriate mission. We can count on them. Can they count on us?

Mr. President, as we reflect on the matter before us, we recognize that the region contains two-thirds of the world's oil reserves. It is certainly vital to the United States and Western interests. Our European allies and Japan are, of course, even more dependent on gulf oil than we are. Current estimates indicate that we in the United States are dependent for about 6 percent of our crude oil supply from the Persian Gulf. It is estimated that Western Europe obtains as much as 35 percent. The balance goes to Japan.

It is rather interesting when one reflects on what contribution the Japanese are making to keep their sealanes open. And, of course, they can use the position of their constitution which limits their military capability, but I am sure that we would certainly support an expanded contribution by our friends from Japan.

There are other alternatives, since we are talking about alternatives, during this 90-day period. During the Second World War we lent ships to Great Britain, to Canada, and other nations for that matter. Might it be conceivable that we could consider lending perhaps nonnuclear, older military vessels to Japan and let it make a contribution to maintaining the sealanes in the Persian Gulf?

I think there is an interrelationship from the standpoint of dependence with the Persian Gulf and the realization that if the supply is cut off, it is going to affect the price of oil throughout the world, and certainly the American consumer is going to pay his share of any disruption of the flow of neutral commerce in the gulf. It would certainly hurt us all.

However, this does not mean that the particular tactic chosen by the administration, the reflagging of the Kuwaiti tankers, is the wisest way to respond to the situation in the gulf. I happen to believe that it is not.

We had a lengthy debate in the Foreign Relations Committee on this issue. I believe there is a possiblity to carry out our overall objectives of maintaining stability in the gulf and protecting the rights of neutrals through other means than reflagging. We should consider what these alternatives are.

The issue of neutrality is one that I think bears further examination. We should remain strictly neutral in this war, even though we are quite aware that efforts are being made to draw us in and draw the Soviets in, so that somehow, between the two of us, we can achieve enough strength to reduce the tensions between Iran and Iraq. There are dangers in that scenario as well.

Whatever method we employ of assisting the neutral Arab countries in the gulf should be consistent with the rights and duties of nonbelligerents. It would not represent a tilt to either side which might involve us in the conflict itself.

Second, I think there is the issue of reflagging itself. I said before that we have a technical subterfuge in existence here. It is deeply flawed. I have indicated that the American flag is not

a piece of cloth to be treated as a public conveyance. Placing it on foreign ships sailing near or though a war zone commits us to a serious risk if those ships are attacked.

If American sailors are going to take those risks, they need to know what our foreign policy is, that it is honest, straightforward, and contains no element of subterfuge.

I urge the administration to again address the issue of reflagging, to consider the altenatives. That is one of the advantages of the 90-day period as proposed by the sponsors of this legislation—to consider alternative methods to accomplish its objective.

I think it is important to take a lesson from Great Britain and the Soviets as to the manner in which they responded to the question of providing assistance to Kuwaiti vessels that were in the Persian Gulf carrying both oil and gas.

How we got into this situation is rather interesting, because it seems that, to a large degree, we were dictated to by Kuwait. In other words, we were faced with a situation that if we did not agree to reflag their vessels, the implication was that the Soviet Union would do so. As a consequence, we proceeded on that basis, and other bases, to consider the merits of reflagging Kuwaiti ships.

The Russians currently have at least three and possibly four merchant vessels that are crewed with Soviet merchant sailors, carrying oil under charter from Kuwait to various parts of the world. The Soviets did not see fit to reflag Kuwaiti ships.

The British have at least two and possibly three British merchant ships presently carrying oil under charter from Kuwait to various ports of the world.

If U.S. naval protection is needed to get Kuwaiti oil to market, which appears to be the case, and I do not dispute that, I think we should at least explore the possibility—and it may sound rather crass in the material aspects and the materialism implied—of carrying this oil in ships that are U.S. flag already. It is estimated that currently we have 43 U.S. tankers laid up. These are tankers, for the most part, that have been built by the subsidies authorized by Congress, construction subsidies, for some of which operating subsidies are available as well.

I have contacted representatives of major unions, and they advise me that U.S. sailors are ready, willing, and able to assume the obligation of manning these vessels on as little as a 48-hour notice.

One wonders why, if it is in the best interests of the Soviet Union to have three or four merchant vessels chartered to carry Kuwaiti oil and the British have two or three, it is not in the best interests of the United States to offer 10, 11, or 12 of its vessels to charter to the Kuwaiti Government, or various oil companies, to bring that oil out, since the U.S. fleet is out there to protect the American flag.

Let us keep the flag on American vessels. Is that not a reasonable alternative? I happen to believe it is.

I also believe that we need to act more forcefully to get at the fundamental problem of the war in the Mideast. I wholeheartedly support the President's effort to seek a cease-fire with teeth in it.

In addition, I think we should recognize that we can take greater efforts to end the tension in the Mideast as a consequence of arms sales to both sides. We have already seen an experience that is occurring on television today, which has been going on for some time, regarding the merits of arms sales in that part of the world.

By selling the Silkworm missile to Iran—and possibly to both sides, for all we know—China has contributed to a dangerous escalation of the war. I happened to see some of the periodicals that came back from the Paris Air Show, advertisements by the People's Republic of China on the Silkworm missiles. You could buy them in various colors, on your Master Card or Visa Card, air-to-sea. It was rather blatant that these missiles are available to anybody who wants to buy them, in any manner, shape, or form.

Last year, as many of us will recall, we debated rather extensively the question of long-term arms supply and technology to China. We started with a one-half billion dollar sale of advanced fighter avionics on the F-8, which the PRC claimed was absolutely necessary to give them the capability to patrol the Soviet border, and for other purposes.

In these circumstances, Mr. President, I believe it would have been appropriate to use our influence with our friends, the People's Republic of China, including the leverage provided by that sale, to persuade them to stop the dangerous and destabilizing sale of missiles in the Mideast.

Mr. President, make no mistake about it: These missiles put a different light on what has happened in the Mideast. I have figures that came out of the evaluation of the Foreign Relations Committee indicating that there have been 314 attacks on merchant vessels in the Persian Gulf war over the last 4 years. Only one tanker was sunk, a Panamanian tanker. It is pretty evident, with that kind of armament flowing around the Persian Gulf, that there has not been sufficient capability to truly attack merchant ships and sink them.

It is my understanding that the technology of the Silkworm missile is rather antiquated and outdated, but it does carry a sufficient warhead to penetrate the average tanker hull and set afire the crew, unlike the more traditional armaments that have been used in the Persian Gulf.

As a consequence of this, there is every reason, since Iran has a number of the Silkworm missiles, to have a realization that we will very likely see these missiles used and a situation developing that could result in substantial tanker sinking, the loss of personnel, and indeed, a very dangerous situation.

So as a consequence, I think it is important to indicate just what we can do to lower this tension. Inquiries were made to various representatives and one answer that was given to me was, "Well, we did not want to condition our assistance to the PRC on the avionics because we were trying to improve our relationships with them."

That is poppycock, Mr. President. We, I think, have the appropriate right to encourage our allies not to escalate the situation in the Persian Gulf and by eliminating this particular missile or encouraging or perhaps using a little leverage on our friends, the People's Republic of China, would not have been inappropriate.

Mr. President, I cosponsored the bill reported by the Foreign Relations Committee which flatly prohibits the reflagging of Kuwaiti oil tankers. I did so because I believe that our interests in the Persian Gulf are too important to be protected through a legal subterfuge.

Let me tell you a little bit about the Coast Guard regulations, Mr. President, because I think they bear some examination.

Provisions allow the reflagging of a foreign vessel as long as there is a U.S. master and a U.S. licensed radio operator to put aboard that vessel.

Now the regulations further mandate that that situation can exist, namely that a merchant ship can continue to sail in commerce with a foreign crew as long as it has a U.S. captain and a U.S. radio operator or until that ship ties up at a U.S. port. At that time the ship must be crewed with a U.S. crew.

The subterfuge, Mr. President, is obvious. There is no intention that these ships will ever touch a U.S. port. It is quite clear that this is designated as a matter of convenience.

Despite my reservations about reflagging, I believe it is critical for the overall objective, the question of having bipartisan support for the U.S. overall objective in the Persian Gulf, and that is, to keep the Persian Gulf open for the benefit of all parties and all countries is a necessity and the question really here before us is how do we do it.

I would share with my colleagues again the suggestion that charity perhaps begins at home.

The fact that the Soviets, again, and the British have involved themselves

by utilizing their own commercial tankers with civilian crews, the fact that we have the same capability, we can offer this as a viable alternative to our friends in Kuwait without backing down on a commitment.

The commitment is to keep it open. We are simply saying use our ships, charter our ships, and as a consequence of that, we would be employing U.S. seamen. We would be generating revenue for U.S. ships that have remained idle and we would not be backing down on our commitment to our friends in Kuwait.

As a consequence, Mr. President, I am torn between in effect cosponsoring this for 90 days or seeking some avenue to convince my colleagues that indeed the alternative that I suggested, using U.S. vessels, is a viable one. Someone will say well, that puts U.S. merchant sailors in a state of harm's way. Well, I think that is for the economic realization to evaluate. I have certainly had the assurances I have indicated previously that the unions are ready to put crews aboard these ships. I am told that there are at least a dozen U.S. ships that can be readied very soon that have been kept on an active status.

I think as we examine a little further the status of the 11 Kuwaiti ships that have been proposed to be reflagged with, I might add, U.S. names, it is important that we recognize that they are not all crude oil tankers. Seven of those ships are crude oil tankers, and four are liquid petroleum gas carriers under long-term charter to Japan and Turkey. Really what we are promising to do for our friends in Kuwait is to reflag a combination of crude oil carriers and liquified petroleum carriers so that the energy commerce of Kuwait can be maintained.

There is nothing wrong with that. But we have the capability of doing it in our own ships like the Russians have done, like the British have done, and it fails me, Mr. President, why we have not done it.

Mr. President, I ask unanimous consent to currently be removed as a cosponsor of the DeConcini amendment No. 448.

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

REFLAGGING AND WAR POWERS ACT

Mr. SANFORD. Mr. President, since the administration's policy of reflagging Kuwaiti tankers in the Persian Gulf was announced, the Foreign Relations Committee has attempted to assess this proposal and assist in formulating a coherent policy in that region. In return we have been accused of undermining the President and confusing foreign policy. However, the fact of the matter remains that the administration's plan to reflag Kuwaiti oil tankers is ill-conceived and its intentions are hazy. It is a dangerous foreign policy. Well, we don't mind danger when it serves the Nation. But this action adds little or nothing to the protection of legitimate U.S. interests in the region.

To justify its proposal, the administration has set forth certain goals which the policy is supposed to achieve. First is to protect the free flow of oil, although to date less than one percent of the oil traffic in the gulf has been interrupted. Furthermore, Kuwaiti tankers export only 30 percent of Kuwaiti oil, which comprises only 12 percent of the oil in the gulf region. The administration's plan is to permit a title to the ships to be held by a "dummy" U.S. corporation by Kuwaiti petroleum company, which is owned by the Kuwaiti Government. That bothers us because we have had enough of such shifty practices. Then we will reflag only 11 of the 300 to 600 ships in the gulf each month, representing only 4 percent of the oil supply in the Persian Gulf. This plan is a terrible risk, a terrible fuss, for so few barrels of oil.

I believe the United States has the right, and perhaps the duty, to maintain a presence in all the international sealanes of the world. But, the administration's plan does not pretend to protect navigation in the gulf, as only 11 Kuwaiti tankers are being added to our umbrella. Under questioning before the Foreign Relations Committee, Under Secretary of State Michael H. Armacost stated that the United States would protect only vessels sailing under its flag, and not those of our allies in the region. We are there, and can and will stay there, without adding the risk of reflagging 11 Kuwaiti ships.

The third stated justification is to minimize Soviet presence in the gulf, although it is equally difficult to see how this goal will be achieved by the reflagging proposal. The Persian Gulf remains "international waters." The Soviets had a presence there well before the Kuwaitis proposed reflagging. Suppose the Soviets had agreed to protect all 11 ships. That was the administration's fear. I doubt that they would, but it might have been wise for us to let them fall into that trap.

It was our covert sale of arms to Iran that resulted in the Kuwaits approaching the Kremlin last fall. Now we are trying to cover our favoring Iran, by moving to the other side. It will take far more than reflagging 11 Kuwaiti oil tankers to restore our credibility and reduce Soviet influence in the Arab world. Generally, it is not a good idea to correct one mistake by another mistake.

Clearly, the United States has vital interests in the gulf. The issue to be addressed is how do we best protect them? The administration supports reflagging as the best defense of American interests in the Persian Gulf. This policy does not achieve its stated goals, nor does it achieve what I believe our goals should be: To maintain peace in the region, afford protection to our allies, and assure the free flow of oil. Even if the President vetoes action taken by the Congress, we will have run up the danger flag. We have that duty.

We should not play this game of pretending Kuwaiti ships are United States ships. We are neutral in that war, and should stay neutral. The proposed reflagging is pro-Iraq. For better solutions, the President should seek involvement of the United Nations. He should lead in the convening of a conference between the exporters and importers of the Persian Gulf. He should reaffirm the U.S. neutrality in the war between Iran and Iraq. He should be leading international efforts to stop the war. The proposed reflagging of Kuwaiti tankers should be placed in abeyance pending the outcome of these initiatives. The 90-day delay proposed in the Bumper-Hatfield-Adams amendment is a good time limit. Lacking such initiatives, the Senate should express its reservations.

Our biggest gamble for our country is the lack of a clear concept of how far we will carry this policy of reflagging. Senator BROCK ADAMS' resolution, invoking the provisions of the War Powers Act, since the act of reflagging unquestionably sets our Nation into the "risk of imminent hostilities," the condition which triggers the War Powers Act. This requires congressional approval of continued deployment of American forces. If American action in the Persian Gulf is to be given wholehearted American support, we must first give clear consideration to what those risks and interests are, and how they should best be handled. What is our next step if a Kuwaiti ship with a U.S. flag is attached?

The Reagan administration appears determined to implement a policy that appears not to help, but to undermine our interests. Yet, it is more than this it is undermining, for in refusing to consult with Congress, in refusing to invoke the War Powers Act, in refusing to plan carefully for American interests in the Persian Gulf, the President has once again carelessly taken us to the brink of unknown action for unknown purposes.

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

Mr. MURKOWSKI. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will resume the call of the roll.

The assistant legislative clerk proceded to call the roll.

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

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

Mr. WARNER. Mr. President, I wonder if I might direct a question to the two sponsors of the amendment. Earlier I had a colloquy with the distinguished Senator, Mr. ADAMS, and I pointed out that, as I read this amendment and listened to the proponents, it seemed to me the amendment is drawn in such a way as to almost totally miss the mark and, indeed, in fairness to our colleagues, we should discuss the technicalities and determine whether or not further debate on this particular amendment is in the best interest of the Senate.

As I read it, it is to terminate the expenditure of funds appropriated in the past or hereafter in connection with the reflagging.

Now, the reflagging, although that term has been used in a general way in the debates and articles and the like, from a strict construction, it simply means the more or less ministerial task to be performed by the Coast Guard of transferring to a vessel the U.S. flag.

Now, assuming that this were to be adopted by the Senate today, it is on this piece of legislation which would then have to go to conference and then to the President for signature. In my rough estimate, it would be mid-July, at the very earliest, when this could become law.

Now by any schedule that I am familiar with in terms of the Coast Guard performance of the ministerial task of reflagging, all 11 ships will have been reflagged and the President would not have had to accelerate the schedule he has been on. So the Senate would speak for naught.

Mr. BUMPERS. Will the Senator yield?

Mr. WARNER. If I might just finish.

And we run the severe risk of the observers throughout the world of totally misinterpreting what we have done; namely, if we were to adopt this, the headline would read "Senate Moves to Cut Off Funding for Reflagging." That would appear as if we had, as I said earlier, stripped the epaulets off the President and stopped him mid-course in his Executive action.

Practically speaking, this could not occur until mid-August. I submit that the steps underway now to complete the reflagging will have been finished by mid-August and we will have sent the wrong signal and it will be too late for this particular amendment as drawn to achieve any of the goals as articulated today by the sponsors of the amendment. I just pose that in the form of a question to the three sponsors.

Mr. BUMPERS. If the Senator will allow me to respond to that, I would say first of all, given the very best interpretation to what the Senator has just said, the Senate and the Congress will be on record, assuming that the Senator's point is that before this can become law reflagging will have been accomplished and that will be around the middle of August and that this amendment would not be operative after that point.

Now, you can make that Socratic argument, I suppose, along those lines, but let me just quote Webster's Dictionary to the Senator from Virginia as to the word "accomplish," which he will find in the amendment, which says, "90-day period following the enactment of this act to accomplish the reflagging of any Kuwaiti Naval vessels." Webster says "accomplish" means "perform fully and bring to a successful completion."

Now, I suppose you could say, "Well, that only means that the completion of this will have occurred in the middle of August," but I would say that that word could also be interpreted to mean the continuation of the operation of reflagging.

So it is this Senator's opinion, No. 1, that there is absolutely no question but that what "accomplish" certainly means that the President and the Navy and the Coast Guard have finally reflagged all 11 Kuwaiti tankers.

Now, let me tell you something, I say to the Senator, it is my impression, also, in making this first point, that if this Congress votes for a 90-day delay, that is what we will get out of it, even if it does not take place until a little bit later. I do not believe the President, if this were to pass the Senate today after passing the House yesterday, I think the President will be inviting the leadership of both bodies down to the White House and saying "How can we resolve this problem?"

No. 2, I think a very good argument can be made that the word "accomplish" means to continue the reflagging of these ships at any time as long as they are there. So I think on both counts the amendment carries all the force and impact that any other amendment carries when we cut off funds. And we are saying we do not want even a single paper clip used for this process when we cut off funds.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. WARNER. Yes.

Mr. HATFIELD. Mr. President, if I may respond to the Senator from Virginia, I would like to suggest that the Senator from Arkansas is a very able lawyer. He has given an interpretation of this amendment which I think is valid. His point is well taken.

Mr. President, I would like to take another approach to the Senator from Virginia's point. He is talking about what kind of a signal our amendment would send. It would send the signal that the Senate has voted to stop the reflagging for 90-day period. That is precisely the signal we should send.

I hope that signal is heard at the White House. That is who we are addressing. But, through the White House, we are addressing the rest of the world. We are telling our allies around the world that we are seeking a delay. We are telling them that they could and should be incorporated into a multilateral policy.

What kind of signal are we sending now with our unilateral action? We have assumed the role of sheriff of the gulf. Mr. President, I do not want to be a sheriff of the gulf and I worry about the signal that role sends.

Our amendment embodies the kind of signal we want to send. I think it is an important signal. Given the confusion now surrounding the policy, I would think the administration would welcome the opportunity for a pause. But instead the administration is going full steam ahead. And, unless we pass this amendment, we will give the administration our implicit endorsement.

A majority of Senators do not want to send their implicit endorsement. And let me warn the minority who would keep us silent. We will get some vehicle. If we are not going to get a vote on this vehicle, I can asure you we will have one on the CR or we will have one on an appropriation vehicle or we will have one on the debt ceiling or we will have one on reconciliation. We will have a vehicle, whether before the fact or after the fact, on the question of the wisdom of reflagging those Kuwaiti ships.

Mr. President, the House sent a signal yesterday, a significant signal. The House voted 222 to 184 to delay the reflagging for 90 days. That signal has gone out. I hope ours will follow soon.

I hope the administration is a little hesitant to move ahead with the reflagging in the light of the House vote yesterday and in light of the Senate Foreign Relations Committee's two recent affirmative votes on the applicability of the War Powers Resolution and on no reflagging. It would not be in keeping with good judgment or political savvy to barrel ahead. It would not be good judgment to go ahead knowing that there are other vehicles coming down the legislative track into which we can really put teeth and require them to undo that which they have already done.

So, I would say to the Senator from Virginia, this particular amendment is all the more timely. I might also ask the Senator that if this is a signal the

Senator from Virginia does not want to send, what are all his negotiations and consultations about?

The Senator said earlier that we are getting the Congress involved unnecessarily because the Congress and the administration are working out a common base of agreement. The Senator even suggested the administration has already taken our delay. If the proposal that the Senator from Arkansas, the Senator from Washington, and I are offering here then sends an unnecessary and indeed a bad signal, the Moynihan resolution is an exercise in futility.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair assumes that the Senator from Virginia has the floor, though the Senator had sat down. I assume he would yield to the Senator from Oregon and will continue to recognize the Senator from Virginia.

Mr. WARNER. Mr. President, the Chair is very gracious. I shall not take but a few minutes. I know the Senator from Arkansas is anxious to speak and the Senator from North Carolina is anxious to speak, but I would say to my good friend from Arkansas I would love to appear before a court and take you on head on on this question of the word "accomplish."

Clearly, as I read this and as I am sure any court of law would read it, "accomplish" modifies the word "reflagging." Reflagging is practically a ministerial task performed by a handful of persons in the department of the Coast Guard and that, therefore, by the middle of August such steps as required by the law and regulations for reflagging would have been completed.

Mr. BUMPERS. Would the Senator yield for an observation on that point?

Mr. WARNER. Of course.

Mr. BUMPERS. I would like to point out, the Senator says reflagging would have been completed in August. That may be. That is no reason for the Senate to say that this amendment is not operative. As I pointed out, the House has already done it. If we do it today the White House will have a clear signal as will the rest of the world.

But I am not sure the Senator is correct about the date the so-called reflagging will be completed or accomplished and I am not at all sure whether, when you say it will be accomplished, whether that means we raise Old Glory on Kuwaiti ships and once they are raised that is the end of the whole reflagging operation.

That would be subject to debate, too. But here is a letter dated April 24, 1987, to the Chief, Merchant Vessel Inspection and Documentation Division of the Coast Guard, U.S. Coast Guard.

The letter is from Tim Stafford, manager, fleet development, Kuwait Oil Tanker Co.

I assume that this is an American representative of the Kuwait Oil Tanker Co., and here, on April 24, he is saying to the chief merchant vessel inspector of the Coast Guard, Capt. James C. Carr, in the last paragraph, he is saying:

> Implementation of the planned approval will not take place until 6 months after the initial Coast Guard inspection.

I do not know, if you take 6 months from the date of this letter, you are looking down the road toward May, June, July, August, September, October before the plan will go into effect. This is a letter from the Kuwait Oil Tanker Co.

Could the Senator respond to that?

Mr. WARNER. Mr. President, my response to the information that this Senator has, the executive branch has sought certain waivers of the regulations. I think specifically the ones to which the Senator from Arkansas refers—such that the reflagging can be completed within a matter of a very brief period of time.

Originally it was estimated that the technical steps to be performed by the Coast Guard, which is the subject of this amendment, would have been completed by mid-June. It is now believed that they will be completed in a matter of 10 days or 20, if not already completed; and that the act of reflagging, as described by our law and regulation, will have been completed.

I say to my good friends, I recognize the objective that you have. But, unfortunately, this is technically drawn in such a way as you would not achieve the objective. The objective is so serious; namely, to thwart executive action in the area of foreign policy, I say to my good friends: would not it be better that this amendment be revised so it is absolutely explicit as to what it is that you desire to achieve before this body is asked to go on record for or against?

Mr. BUMPERS. Would the Senator yield for a question?

Mr. WARNER. Yes.

Mr. BUMPERS. The Senator has been actively engaged, along with other Senators here in the Congress and the Senate, in drafting a resolution on this whole Persian Gulf issue and, presumably, that is something we will vote on here. We have already debated this issue, that it is a nonbinding sense-of-the-Congress resolution. It did not mean a thing. The President did not even have to read it. He can go merrily along his way.

But, since the Senator is involved in the process of trying to present a resolution to the Senate on which everybody can agree, I want to read to the Senator language which he certainly ought to be familiar with from the latest edition, the latest edition of that version. So far as I know, this has not been changed in any of the versions.

Paragraph 7, page 2:

> The threat assessment, strategic justification, and security arrangements described in the Secretary of Defense's report to the Congress are inadequate—are inadequate—to justify the reflagging or the convoying of merchant vessels in the Persian Gulf by United States naval forces, until, at a minimum, further assessments have been made regarding the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft.

Now, my question is: If that is good enough for a nonbinding resolution which the Senator from Virginia had signed onto, how in the name of all that is good and holy can you vote against an amendment that accomplishes precisely that purpose?

Mr. WARNER. Mr. President, the Senator from Arkansas raises a very valid point, but I wish to inform him that the language that he read is contained in the resolution that is pending before this body and which was the subject of a cloture vote earlier today; and that in the iterations that have followed the points raised by my good friend have been corrected.

Mr. BUMPERS. Would the Senator be kind enough to read paragraph 7 to us in its current version?

Mr. WARNER. Paragraph 7 has been totally removed.

Mr. BUMPERS. There surely is some language in there covering the same subject matter, is there not? I wonder, Mr. President, if I could be furnished with a copy of the current version?

Mr. WARNER. There are copies on your side. Not that I would not be willing to share this one with you except that, since I have been tied up on the floor, some others have been working on the refinements.

The one big given is basically the document that is the subject of the negotiations and we now have, on page 1, paragraph 6, which indicates:

> After considering the report of the Secretary of Defense submitted to the Congress at its request, Congressional testimony, Congressional investigations in the Persian Gulf region, and consultation with the administration officials, the administration should make further interagency assessments regarding: (a) both military and terrorist threats, including mine detection and defense, (b) the need for any facilities for land-based aircraft, and (c) the impact of the reflagging plan on the U.S. merchant marine.

So we do feel——

Mr. BUMPERS. Tell us, Senator, what does that language mean to you?

Mr. WARNER. It means that we think there are some things which should be reconsidered, further considered, and this resolution indicates that it would be our understanding, and I read paragraph 6 on page 3:

Prior to implementation of definitive initiatives including reflagging and protecting tankers, measures described in this concurrent resolution—and I have read them—should be fully considered in consultation with the Congress and pursued.

Mr. BUMPERS. Has that been done? You read paragraph 6 on page 3. Prior to implementing definitive initiatives, including reflagging, measures described in this concurrent resolution should be fully considered in consultation with Congress.

Mr. WARNER. And the purpose, Mr. President, of this proposed compromise is to keep and maintain the consultation process that is underway, not as a matter of law to begin to cut off funding but for one relatively small part of the process underway.

I think the point you have made, that there are things that in the judgment of this body require further consideration, is a correct one, and among those is a more extensive threat assessment done on an interagency basis, not as the one presented to this body earlier which we have reason to believe was not done on an interagency basis.

I think the points you are making in general are reflected in the nonbinding resolution. But, again, since it is nonbinding, it maintains the continuity, and that is very important, of the consultation process, without sending a signal abroad to the effect that the Congress has cut off, or taken steps to implement the cutting off of, funds in the future.

Mr. BUMPERS. I think as the Senator does, that it would be difficult for us at this point to just completely back out of this. But, as the Senator apparently believes and subscribes according to the language in this resolution, which has yet to be presented to this body, there are other considerations that the President ought to consider and define in consultation with Congress before going forward with this.

Mr. WARNER. Mr. President, the Senator is right.

Mr. BUMPERS. Senator, if that is worth your time and effort, your approval, your submission of that language for their approval, and your recommendation, why is it not worth your approval to say 90 days is an adequate time in which to do that?

Mr. WARNER. Mr. President, it may well be that 90 days is an adequate time in which to do it, but there is a vast difference between writing into law a course of action which thwarts executive right under existing law, particularly in the area of foreign law, and saying to the President, "We feel very strongly about certain things," and the Senator has recited them. "Therefore, Mr. President, we want you to continue that consultation process and to receive our advice that we are giving," which has been accepted in certain areas and acted on.

Mr. BUMPERS. Here is one Senator whose advice and counsel has not been sought. I am offended about that. I am upset that the President has not contacted me about this. Everybody in this body who has not been consulted ought to be offended. I am giving them a chance to say to the President, "We would like to have a full-blown debate."

We are debating here today to some extent the wisdom of the policy, but above all we are saying let us at least go into this policy with our eyes wide open and inform the American people what the risks are so that the American people can be taken into our confidence and told, categorically with no punches pulled.

One of the great days of my life was when I had been Governor of my State for only a month and I had a chance to go to Kansas City to speak on Truman Day honoring President Truman. I was afraid to go because I was afraid the capitol building would be dark when I got home. I said no, I could not go. "I am a real fan of Truman, but I cannot go."

They said, "If you will go we will let you spend an hour with President and Mrs. Truman." That was enough.

I accepted the invitation and flew into Kansas City to make this great speech. I went out to their house. Mrs. Truman was so gracious and cordial to me, I could not forget.

I could not believe it. I was sitting there in the presence of a man who at one time I detested but who I came to admire because he was so courageous and quite frankly so right, though perceived to be wrong, when he was President.

But there was a story he told me as I was leaving. I told him I did not enjoy being Governor as much as I thought I would. When I left, he said, "I will tell you something, son. I will tell you how to enjoy being Governor." First of all, he said, "do what you think is right. Get the best advice on these things that trouble you from both sides, people you trust, people whose judgment you trust. Get the best advice you can get and you do what you think is right because that is what the folks elected you to do."

And he said, "The second thing is do not lie to your people. They can handle it. Take them into your confidence."

I got to tell you, that was in 1972. I will not name who the President of the United States was, but he pointed toward Washington and he said, "You know, the only time this country gets into trouble is when there are some lying" you know what—President Truman was not choicey about language—when he said, "there is some lying" you know what "sitting in the White House."

The only time the American people get in trouble, and we get in trouble as a Nation, is when the American people are misled or deceived.

The point of the story is just to point up that I cannot think of one untoward thing that is going to happen in the Persian Gulf that affects our national security interest, not one thing, nearly as much as not fully debating this before the American people for the next 90 days and letting them be told the truth: What is our policy; what our responses are going to be; what is the threat of imminent hostilities; is the risk high; the threat high, as the CIA has said, or moderate as the Defense Department has said. The American people are entitled to hear those things. If we do not have a 90-day delay they will never hear them, until it is too late.

Mr. WARNER. I did not wish to infer that the President in connection with this policy in any way has been less than fully truthful with the people of the United States.

There is a question and a debatable one——

Mr. BUMPERS. I am not suggesting. I am simply saying this is almost a sin of omission. You know, the polls consistently show the American people overwhelmingly favor freedom of the seas, but when you ask them the second question, "Do you favor reflagging Kuwaiti ships?" by a small majority, the answer is no.

You might turn that around, or that majority might grow if the American people are brought up to speed about what the real risks are.

I am just saying we have not told the American people what the risks are. We have told them it is high or it is moderate, but we have not told them why.

Mr. WARNER. Mr. President, I beg to differ with my distinguished colleague. There is a clear record in this body of the administration having come up here during the early part of this decisionmaking, namely in March and April, and involving the key committees. We can go into that to the extent you wish. From the standpoint of technical advising by the administration to the Senate, it is there directly. We became awakened to this issue and the seriousness, and the complications and many facets of this issue, only after the tragedy of the U.S.S. *Stark*.

As I said earlier, within a very brief period following that tragedy, the leadership of this Senate authorized the travel of several Senators, myself included, to the area and began a process of filing a report. We filed an extensive report, which is a matter of record, before this body.

The Armed Services Committee has had, I believe, about seven hearings on this issue. The Foreign Relations Com-

mittee, I know, has had several hearings. I do not know the number.

So this body has begun to address the issue and we are working to fulfill our responsibility to inform the American people.

But I say to my distinguished colleague that if you were to persuade this body to enact into law a provision which would have the effect, although I question it, of removing the necessary funding for the President to implement this decision, it would have far greater consequences; that we can achieve basically the same objective. And I really say to my good friend, I do not think we are far apart. If there comes a point in this debate today when the leadership sees fit to bring to the floor this compromise resolution—I anticipate very strong endorsement by a majority of the Senate—we will have accomplished much the same purpose as set forth by the Senator in his remarks before this body today and yet, at the same time, preserve the integrity of the consultation process, so that we can have, I think, a greater degree of influence on the decision-making as it evolves than were we to take and enact into law this cutoff.

Mr. BUMPERS. I thank the Senator for his remarks, but I would like to ask one last question of the Senator and that is, What does the Senator envision happening in the next 90 days that would be so antagonistic or anathema to our national interest that is more important than debating this thing before the American people and letting them come along with us and agree with this policy? Would the Senator not agree with me that, if we had 90 days to debate the Gulf of Tonkin resolution, the country would have been a lot better off?

Mr. WARNER. Mr. President, in response to that question, I would say first that, in the trip report filed by Senator GLENN and myself, which is a part of the RECORD, we stated quite clearly that it was our observation that the Gulf States, the leaders, the heads of state, and governments of those states almost without exception are of the expressed opinion that the reflagging decision has been made, that the President is in the process of implementing it in terms of the protection regime, and that, if the Congress of the United States were to thwart that implementation, it would be regarded as a litmus test. Those are the very words of the report. I call the Senator's attention to the report, page 17. I quote:

> The reflagging proposal is now seen by many——

and the antecedent of many is the gulf states——

> in the region to be a litmus test of U.S. dependability.

To the extent that we have a remaining credibility in that region, it would be shattered if we were to pull back at this time and just simply strip the President of the authority to go forward and at the same time the President, the Secretary of State, and the U.S. representative to the United Nations are actively pursuing in all fora, particularly the United Nations, efforts to get other nations to join in a collaborative effort to bring about peace in this region. If we were to pull back at this time, that would be a signal and it would provide an opening for the Soviet Union to move more aggressively than they have into this void. Time and time again the heads of state said to us we first "turn to our friends when in need and ask for help." And if they do not give it, then we must turn to others. And by "others" they mean the Soviet Union.

Mr. BUMPERS. Does the Senator think it is strange that we would be getting ready to get ourselves in a possible war on behalf of Kuwait when, No. 1, not another single state in the area approves of it? As a matter of fact, they are very hostile toward Kuwait because they have asked the United States and the Soviet Union both to come into the region.

And, No. 2, does the Senator not think it is a little premature for us to reflag ships and help Kuwait presumably get their oil out even though they are getting their oil out now? We are not going to do a thing for them they are not doing; they are getting it out now. But does the Senator not think it is a little premature to go to the aid of Kuwait when Kuwait will not even let our airplanes land in their country? What kind of a policy is that?

Mr. WARNER. Mr. President, first in reply to the observation that the GCC States—and there are six—are not at this time supportive of the plan, I tell my good friend he is incorrect. He is correct historically in that when Kuwait first made the overture to the Soviet Union several of the Gulf States thought that was an inadvisable course of action, but once Kuwait completed that course of action and made the arrangements by which the Soviet Union would charter three tankers to Kuwait and provide associated military protection, then they said that decision is done, just like the decision of the United States to reflag 11 of the Kuwaiti vessels. And now there is no further dissent so far as I can determine. And they have had meetings within the Gulf States Cooperation Council, the GCC, over the program.

To the contrary, as I say, they have termed it the litmus test of the present and future credibility of this Nation in the gulf region.

Now, with respect to the needed augmentation of facilities—we call them facilities as opposed to bases—amongst the GCC States for the enhanced military presence that will be required, the testimony of the Joint Chiefs and others from the Department of Defense before the Senate Armed Services Committee is to the effect that the GCC States are giving adequate additional use of facilities for the level of military protection envisioned by the protection regime and that contrary to certain assertions made here during the course of the day that one or more GCC States have not provided the facilities for land-based air and the like, that is not needed at this time.

So in terms of our military senior advisers, we have adequate use of the exisitng, or such enhancement of facilities as needed. And the Senator is aware that Saudi Arabia has indicated that the AWACS Program can be expanded to provide additional geographic courage. Kuwait, in fact, has also agreed to let United States Navy escorting ships dock in Kuwait ports and provide the fuel required. And further, there will be certain Kuwaiti facilities used should at some point in time the United States participate hopefully with other nations in the removal of mines that are presently or possibly in the future might be placed in the shipping channels.

Mr. President, I see on the floor the distinguished Senator from Indiana. I at this time presume he wishes to speak and therefore yield the floor.

Mr. QUAYLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, let me say I have the greatest affection and respect for the author of this amendment and his cosponsors. I enjoy listening to the Senator from Arkansas. He is always entertaining, and is a very, very good speaker. If you listen to his reasoning and you do not disagree with some of his premises, you might all of a sudden jump to his conclusions. He is very convincing at times.

But with all due respect, I have to take strong exception to this amendment. Now, I realize that the reflagging decision that the President made was a tough decision. Decisions in foreign policy, particularly in foreign policy, in sensitive matters like these, are not always easy decisions. They are not always black and white decisions that have, let us say, 90 or 95 or maybe even 100-percent approval. It would be ideal, whether it be foreign policy or domestic policy, to have 100-percent approval. We are not going to have that on this issue. We are not going to have it on almost any issue. Only on rare occasions things do pass with unanimity. So it is a tough call. But I think the President made the right decision.

I really think that the effect of this amendment will be to say: "Well, we'll have 90 days now, and once 90 days are up, how about another 100 days, or

how about another 90 days after that?"

I think the bottom line of this amendment is that this is a "Come home, America" amendment. I think a more straightforward approach would have been to just have an amendment up on the floor of the Senate and deny the reflagging—pure and simple. No 90-day delay.

I do not know why 90 days is unique. We have had consultations since March and have known what is going to happen. With another 90 days here, 90 days there, we will be paralized by self-doubt indefinitely. Where are we going to go as a nation?

Put yourself in the President's position. A lot of people would like to put themselves in the President's position. A lot of people would like to have that responsibility, of making these decisions. Once he makes these tough decisions and comes to Congress, as he has, Congress would then sit around, without any alternative policy, and say: "Oh, no, we can't do this. We ought to Monday-morning quarterback. We have to second- and third- and fourth-guess."

That is what I have noted with great interest.

The authors of this amendment do not like the President's policy. They do not want us to do it.

As I said, a more straightforward amendment would be to say no reflagging, none; just no reflagging, pure and simple. That would be a better test. But a lot of times we have to have it both ways, so we can say: "Yes we want to have a presence in the gulf and we want to do the right thing. But don't know what the right thing is; give us 90 days and we'll figure out what the right thing is."

Someone said, "What if we had another 90 days in the Gulf of Tonkin resolution? That would have changed a lot of votes." At best it might have changed one vote.

Now you are going to say just another 90 days. That is no policy. Some people ask, "What is this policy?" The policy is rather clear. It has been articulated. Maybe people do not like the policy. The policy, as a matter of fact, is navigation of the seas, freedom of the seas, and a presence in the Persian Gulf, which we have had for 40-some years. It is a policy.

The policy is that we are not going to simply turn this over to the Soviets. We have said that from the outset. That is one of the reasons why we got involved in this.

The third policy is saying to Iran, in no uncertain terms: "Your may think you're going to win the war, but you're not." We do not want either side to win the war, and we want to have a cease-fire. We want both sides to observe territorial boundaries. We are going to pursue that cease-fire in the United Nations.

I do not think that is a difficult policy to understand. It has been stated before; it has been stated again; it is rather clear. I do not know what the policy is of the critics, except basically not to act.

So we ought to have a vote on not reflagging, not on that we want to think about it for another 90 days. What we have here isn't so much an amendment for delay but a "come home America" amendment. So if the Senate does not want to reflag, and the House does not want to do it, and there are enough votes to override the President, we should vote on wether to reflag or not be done with the issue.

But, does anybody really dispute that we need to have and do have vital national security interests in the gulf? This is not the Reagan doctrine. Reagan reaffirmed what President Carter started in the 1970's, saying that the Persian Gulf is in our vital interests.

If we vote to delay today, we will vote to delay tomorrow, and that is basically a vote, in my judgment, to abandon the gulf, and I do not think we want to do that.

Sometimes we are self-doubting; we do not know whether it is the right decision, and we say it was a tough decision. Here we are saying: "Gee, we just need to have another 90 days. Just give us another 90 days, and all of a sudden it will be crystal clear." I do not think it is going to be any more clear in 90 days than it is right now. So we do not like the reflagging. Then, offer an amendment to cut off the funds for reflagging. I would oppose that. Here we want to have it both ways. We will delay it, think about it, delay it a little more, think about it again, and never get around to doing it.

I do not think that that policy of self-doubt, indecisiveness, is what we were elected to do—certainly, it's not what the Commander in Chief, the President of the United States, was elected to do.

We have the luxury to sit here and sort of Monday morning quarterback the President's decisions. Time and time again, Congress likes to assert itself and say: "Boy, you made a mistake," not only in domestic matters, but also in foreign policy matters. If you think he made a mistake, stand up and say he made a mistake and debate that.

Why is the gulf important to us? The resources are there—we know about that. But why is the Persian Gulf important to us, particularly since the enunciation of the Carter doctrine that it is in our vital interests? Two very important events happened to draw former President Carter to make that declaration, that the Persian Gulf is truly in our vital interests and that we are going to have to pay much more attention to it than we have in the past.

One event was the fall of Iran, the demise of the Shah, and the rise of Khomeini. Iran used to be a strong ally, a pillar of stability in that region, an ally that we could count on to have stability. No longer is that the case. Iran is now a terrorist nation, one that projects terrorism, one that projects instability, one that, in fact, has caused instability in the region, and that is one of the reasons why it has become more of an interest to us. We do not have the stability we once had.

A second reason is that the Soviet Union invaded Afghanistan. The Soviet Union invaded Afghanistan in 1979, and they are still there.

We all know going back to Peter the Great and the history of the Soviet Union that they have always been in search and lusted for that warm-water seaport. Invading and occupying Afghanistan puts them that much closer.

These two events, Mr. President, drew fromer President Carter to make that declaration that has been reaffirmed by this President.

It has been said on the floor here today that these gulf States are not helping out; these gulf States simply are not doing anything. Where are they? If they really want us over there and have a presence why are they not doing anything?

The Senator from Virginia is absolutely right. We are getting them to do more. We are bringing them along.

Bahrain allows our ships to be repaired in her ports. There has been a lot of sort of Kuwait-bashing on the floor saying, "Gee, they are really not that good." The Kuwait Government, I think everybody knows, is fairly divided. There is not total unanimity in that government. But they have tried to hold the line on terrorism as some other States have not done. They are trying to hold the line. They are holding the people who bombed our embassy and, by doing that, they in fact are the target of terrorism and run certain risks of having terrorism being exported into their country. They also have granted landing rights for our minesweeping helicopters and have promised to refuel our Navy ships.

Saudi Arabia has offered to sweep mines and to fly AWACS for us. Oman allows our C-5's and P-3's and our C-141's to land.

Someone has suggested we ought to land combat planes in Kuwait. But we have no need now to do this. Kuwait is not where the air war is. That problem is more down by the Straits of Hormuz.

So I would say that, in fact, the gulf States have offered important assistance to make the President's policy work.

As we keep going back to the policy which I have articulated and outlined,

the one conclusion that has been stated by the Senator from Virginia and others, those trying to pull the rug right now into having this come-home America amendment at this time are really going back on our commitments to our gulf friends. I think we have had enough problems in the past. We do not need to have those problems recur. Once the United States under our President who is elected makes decisions we should try to stick to them and try to stick to our commitments. We do not have the luxury and this President does not have the luxury to say alright we are going to go out and take a poll and find out how the political winds are blowing on this issue. Who knows what the polls are going to be from day to day? That would be a heck of a way to run the government. Who even knows how the Congress and Senate are going to vote from day to day?

The President is the Commander in Chief. The President is the one who makes these decisions after careful thought, develops a consensus, hopefully a bipartisan consensus and should have a bipartisan consensus, although unfortunately bipartisanism around here has been on the decline recently which is unfortunate for all. We must, in fact, not just idly dismiss our commitments that we have. Commitments are real and to start undoing commitments, particularly in the gulf, runs serious security risks.

This amendment does not say that the President's course of action is wrong. It just says wait. It says we ought to offer the amendment to say not to do it, just not to do it, have that debate because that is the effect of this amendment without saying it. If you put it off 90 days, you will be putting it off another 90 days once the 90 days are over.

There is a lot of criticism that the Congress was not somehow consulted. Nonsense. Congress was consulted. I dare say we would not be having the debate today if it was not for the tragic incident of the *Stark*. We would not be on this floor debating this resolution. But we are here. We are debating it.

It has been suggested that our allies ought to do more. Perhaps our allies ought to figure out and we ought to encourage some sort of a financial compesation. But do we want the Japanese Navy to go in there and escort these ships out? I do not think we want that. Do we want to hand over to the British, who have been doing this, incidentally? The British have reflagged Kuwaiti vessels with their flags and escort them. Just let the British do it all. They will probably do more, might be doing more if we are not there going to do anything.

Do we want to just simply turn over our superpower status and let someone else do it, let someone else do it, not us, let someone else do it?

I heard somewhat of an analogy earlier on "here we go again. This is like Lebanon." This is not like Lebanon. I agree with those critics of Lebanon. Lebanon was a fundamentally flawed policy because there was not any clearly defined mission of the Marines there. Send Marines in there to be symbols. Marines go in and take beaches, set up command and control centers, and move on.

To put them in in that kind of situation in Lebanon was flawed, and I think most recognized that on hindsight.

This is not that. This is a clearly defined mission here. We are going to keep the seas open, going to escort those 11 vessels down. It is going to be something to do. This is not something to just go in there and to sit.

It has been suggested, I heard, that perhaps we ought to invoke the war powers resolution. Fine. Go ahead, invoke it. I think the administration would like to see the Congress try to go ahead and invoke the war powers resolution. I think most people could see the war powers resolution on its face is unconstitutional. Get it to the courts and find out. The President is fond of saying, "Make my day." I am sure that will "make my day." Let Congress go do it. Maybe the Congress ought to do it. Send it on down there. The President may ignore it. Take it to court, see what the courts are going to have to say about the war powers resolution.

Finally, Mr. President, there has been a lot of discussion about the risks that are involved. There is no doubt about it. We are not living in any kind of risk-free world. There are risks about being in the Persian Gulf. There are risks inherent about being a superpower.

There are certain risks when you go in and make tough decisions and do things that some people may not like. Just because you do not have total unanimity and just because Iran makes threatening statements are we simply going to be buffaloed and say "Well, now, we are not going to do that because there are too many risks involved."

One loss of life by this view is too many. But there are principles involved and you have to weight those principles with those risks.

But in listening to the debate today and people always asking me from time to time when we sit around and discuss foreign policy issues, if the Vietnam snydrome is over. I can tell you that the Vietnam snydrome is not over. We are still shackled by that. The Vietnam snydrome of having that self doubt and the paralysis of self doubt of not making a decision is still alive and well. The paralysis of self doubt. Do not make that decision. Fuzz it up. Wait. Delay. There are risks involved. I am not going to deny that.

Look at Vietnam. Was the cause right? I certainly think it was. Was it right the way that that cause was fought? I think there is great question as to that. I think the lesson of history is that it was not fought in the right way and if we had to do it over, we would do it entirely different.

So, unfortunately that syndrome is still with us. I think it is unfortunate and it is debilitating a superpower.

We have to make decisions from time to time and they have to be tough decisions unfortunately.

But when the Commander in Chief is going to make a decision and make a commitment, certainly we have the right to look at the risks that are involved and to evaluate that with the national interests that are involved.

But what this amendment does is it simply puts off any action. It makes no decision. It talks about more consultation. We had consultation. We know what the policy is and the alternative is not to reflag.

Again, to reflag or not would be a more direct vote to see where this Senate is. We are not going to be voting on that. We will be voting on something in between. So people can have it both ways. The President cannot have it both ways. When the Commander in Chief was confronted with this decision when his advisers went to him and the request was made, he had to make the decision to tell Kuwait to go fly a kite or say, "Yes, I agree. I am willing to do that."

He did not have to say, "I've got to think about it. Give me 90 days. Give me 120 days."

If he would have said that to Kuwait, they would have said, "Fine, we know what that answer is. You know what it is. It is 'no.' "

That is why I think this amendment is basically saying "no" to reflagging; no, not directly, but certainly indirectly.

Mr. President, I think that Congress likes to do this from time to time. I think you will find Congress involving itself in these sensitive foreign policy matters and wringing its hands and saying: "We are concerned."

This is not enough. We are all concerned. We are all Senators elected that feel deeply about our country. Every one of us do.

We may differ about what we think is good for our country, but we feel deeply about it. And I think that this amendment would go a long way to undercutting our commitments, undercutting some of the things that we have stood for, and would certainly be a major step backward in trying to see stability and potentially cease-fire in the gulf region.

Mr. THURMOND. Mr. President, I rise in opposition to the pending amendment concerning the reflagging of Kuwaiti oil tankers. I have listened to the debate with some amusement. Statements have been made comparing this action to the Gulf of Tonkin Resolution and our incremental involvement in the Vietnam conflict. Others have indicated that this action triggers the War Powers Act.

Mr. President, what we are seeing here today is another example of the criticism that is often leveled at the Congress, and that criticism is that the United States cannot function as a world power with 535 Secretaries of State.

Several of our colleagues, Senators JOHN WARNER, JOHN GLENN, and JIM SASSER traveled to the gulf region shortly after the tragic incident involving the U.S.S. *Stark*. As Senator WARNER has stated, the leaders of the countries in the region understand that the reflagging decision has been made and that all that follows is the implementation of that decision.

Mr. President, if we adopt this amendment, it will be one more example of congressional interference in foreign policy decisions. Our country is committed to assist the Kuwaiti Government, and we should follow through with the commitment.

I do not for 1 minute ignore the dangers that are present in the region, nor do I wish to endanger the lives of United States military personnel, but I do feel that freedom of navigation and keeping the Persian Gulf open to commerce are in our national interest.

Mr. President, the Congress is acting as if the reflagging issue is a new one. This is not true. According to the report on the Persian Gulf filed by Senators GLENN and WARNER, the Senate has known about the reflagging since late March when the Senate Armed Services Committee and the majority leader's office were notified by the State Department.

Mr. President, some of our colleagues would like for this issue to be deferred to the United Nations. Kuwait did not ask the United Nations for assistance in this matter. I must admit, however, that I would applaud any efforts by the United Nations to help end the war between Iran and Iraq.

I would like to draw an analogy concerning Senate efforts to "pass the buck" to the United Nations. If one of my constituents from South Carolina comes to me for help, I do not send that constituent to the office of some other Senator; I do everything in my power to solve the problem. Now, if in solving the problem, I need to get the assistance of another Senator or a government agency, I then seek that assistance.

Mr. President, I would like to read a quotation from testimony presented by the Honorable Caspar Weinberger before the House Armed Services Committee on June 9, 1987:

But the more fundamental issue is leadership, the leadership of the free world to resist the forces of anarchy and tyranny. If we, who so strongly advocate free access to ideas and markets, abrogate the responsibilities of leadership, who will take our place in the Persian Gulf and elsewhere around the world? I can suggest one nation that is quite ready to assume that role: the Soviet Union. but it is not in favor of free ideas, or free markets, or freedom itself. We simply cannot allow the Kremlin to have its will over this region, or allow the most extreme, virulently anti-Western forces to control events, threaten friendly nations, or jeopardize United States interest. We will not be intimidated; we will not be driven from the gulf; and we will not foresake our friends there.

For these reasons, the U.S. Central Command was established in 1983 to plan and coordinate our military operations in the region more effectively. Air force AWAC's aircraft were deployed to Saudi Arabia in 1981, at the request of the Saudi Government, to enhance surveillance capabilities. At sea, our Middle East force maintains a very close watch on shipping in the Persian Gulf, especially the oil traffic through the Strait of Hormuz, and our carrier battle groups regularly patrol the northern Arabian Sea. They serve as a deterrent to an escalation of the conflict to the western side of the gulf.

Our ships operate in the Persian Gulf to represent, immediately and directly, America's commitment to stability in the region and our deep concern over the threat to that stability posed by the senseless Iran-Iraq war, and our commitment to protect United States interests, including ships flying the United States flag. Our navy ships are there neither as referees nor dispassionate observers. We are there as tangible representatives of our commitment to our friends and our interests in the region—and we have many of both there. Our presence also reflects our concern for safe navigation by nonbelligerents in this critically important body of water. Since the beginning of the war, the Middle East force has had more than 12,000 Navy ship days in the Persian Gulf; and never before last May had one ship been attacked. I can assure you that every ship assigned to the force has a very clear understanding of its mission, has the weapon systems available and ready to defeat any threat, and has sufficiently detailed but flexible operating guidance—the "rules of engagement"—to deal with any threat to the ship.

Mr. President, the issue is that Kuwait has asked us for help, and we are committed to help them. We should honor the commitment first and seek assistance from the United Nations second. Thank you, Mr. President, I yield the floor.

Mr. ROTH. Mr. President, the Persian Gulf constitutes a zone of particular importance to the United States and the entire West. However, the question before the Senate today is not "Is the Persian Gulf important?" but "Does the reflagging of Kuwaiti vessels serve United States interests?"

Many Members of the Senate doubt the wisdom of the administration's new policy in the Persian Gulf. I have heard it said with increasing frequency that the administration's decision to reflag Kuwaiti tankers and to deepen our naval commitment in the gulf constitute bad policy but, that now the President has gone public, we are stuck with it and that, if we abandon this mistaken policy, we will lose face in the Persian Gulf, a region vital to our national security.

Mr. President, if I may rephrase Gertrude Stein, a bad policy is a bad policy is a bad policy. If the U.S. Congress does, indeed, believe that developing U.S. policy in the Persian Gulf is, indeed, unwise, then it has the duty to the U.S. people to say so and to act accordingly. We cannot hope to be half pregnant on this issue. If we believe that the administration is pursuing the correct course in the gulf, then we should say so, clearly and unquivocally. If we believe that U.S. policy in the gulf is ill-conceived and unwise, we have an equally important duty to act to forestall the worst consequences of that policy.

I have no desire to promote a confrontation between the legislature and the Executive and I hope that, after airing our differences, we could proceed to establish a truly cooperative, bipartisan Persian Gulf policy. But, let us not forget, in the midst of all this discussion on credibility and "losing face" that we are quite possibly, discussing the lives of U.S. servicemen here. If we believe that their lives are being unnecessarily endangered in the gulf to no reasonable purpose, then we owe it to those servicemen to protect them from pointless endangerment.

Mr. President, in my opinion, there can be no doubt that the administration's policy in the gulf is, indeed, unwise and that it is the product of reverse policy engineering rather than a reasonable response to a developing situation. First, the White House announces that the United States Navy will protect gulf shipping and that Kuwaiti vessels will be reflagged in the United States. Then and only then, does the administration begin to discuss exactly how it intends to protect the shipping in question.

Even the very rationale for our new approach to the gulf appears to be in doubt. We are told that the purpose of our involvement is to safeguard the freedom of the seas and to maintain the flow of oil to Western Europe and the United States. I strongly endorse the traditional U.S. commitment to freedom of navigation on the high seas. But, Mr. President, the very people are seeking to protect in the gulf, the Iraquis, are the same people who have been threatening freedom of navigation in the Persian Gulf. The U.S.S. *Stark* was hit by an Iraqi missile and now we are speeding to the aid of Iraq and its allies. Mr. President, I get

the unnerving feeling that we are being manipulated by someone who reads us much better than we read them.

Furthermore, how can we legitimize a potentially risky policy on the grounds of the West's energy security when, to the best of our information, that security is not endangered. Oil continues to flow through the Straits of Hormuz on to the world market. U.S. regional policy may have changed, but there has not been so much as a hiccup in the flow of Persian Gulf oil to the West.

I have heard Members of the Senate repeatedly point out—correctly—that Western Europe is much more dependent on the oil of the gulf than is the United States. Perhaps that should tell us something. The nations who are truly dependent on the gulf, who really need its oil, do not believe that reflagging and its associated heavy escort policy is appropriate, they do not believe that this policy will serve to secure their vital oil supplies.

So why does the United States suddenly feel obliged to plunge more deeply into the cauldron of gulf politics? Let us speak plainly, the administration wishes to move into the gulf in order to overawe Iran and to prevent it from gaining a final victory in its successful war with Iraq. The end is laudable, Mr. President, but the means to attaining that end are highly dubious.

First, such a policy throws the United States face down on to the shifting sands of gulf politics. If we seek to overawe Iran, we throw in our lot with Baghdad and all of its Arab allies, all of whom, for their own selfish reasons, will welcome our initiative but none of whom will offer us any substantive assistance. If any Senators doubt this assertion, let them look at Saudi Arabia's close alliance with Iraq and Saudi Arabia's concomitant refusal to allow the U.S. air bases from which to discharge its new, self-imposed tasks in the gulf. In short, Mr. President, I am quite sure that the administration's new Persian Gulf policy has been privately welcomed in several Arab capitals, but do not expect that private welcome to be reflected in substantive diplomatic or military support.

Furthermore, Mr. President, the administration's desire to overawe Iran appears to derive from a fundamentally flawed view of the internal political situation in Iran. That country currently is not governed by a homogenous government so much as by a group of warring parties, all of whom eagerly await the death of the Ayattolah Khomeini. Let us say, for the sake of argument, that the speaker of the Iranian Parliament, Rafsanjani, is, indeed, overawed by the growing U.S. naval presence in the gulf and that he gives out instructions to halt all attacks on gulf shipping. Then the supporters of his chief rival, Ayattolah Montazeri immediately are motivated to attack gulf shipping, if only to demonstrate the ineffectiveness of Rafsanjani.

In short, Mr. President, reflagging Kuwaiti shipping in the Persian Gulf may simply be supplying one more duelling ring for feuding Iranian factions who were quite happily tearing each other apart without any help from this country.

A great former President, Theodore Roosevelt, once advised the United States to walk softly and carry a big stick. But the administration appears intent on walking very loudly. Instead of maintaining our traditional patrols in the gulf, which I support, we have decided to place the U.S. flag over moving shipping targets as if daring Iran to attack gulf shipping.

Mr. President, the fundamental purpose and rationale behind our new gulf policy is unclear. Once again, as we did in Beirut, we are sending U.S. servicemen into a region with vague orders to "show the flag" and "be a presence" rather than to perform a clear military mission. The men and women of our Armed Forces do not hesitate to perform the tasks appointed to them but those tasks must be clear and forthright not grey and murky. I genuinely have grave misgivings over our policy in the gulf. Consequently, I voted for cloture on the Byrd resolution rather than wait till lives have been lost senselessly.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, first, I ask unanimous consent that an article from the New York Times dated June 14, entitled, "Superpower Protection Worries Gulf Nations" be printed in the RECORD.

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

[From the New York Times, June 14, 1987]

SUPERPOWER PROTECTION WORRIES GULF NATIONS

(By John Kifner)

KUWAIT, June 14.—Kuwait's neighbors are giving mixed reactions to the idea that the United States and the Soviet Union will protect Kuwaiti oil tankers in the Persian Gulf.

None of the nations have embraced the idea. "Saudi Arabia and Bahrain are equivocal," said on Western diplomat. "In the lower gulf—the United Arab Emirates, Qatar, Oman—they are worried."

The Reagan Administration plans to give half of Kuwait's 22-tanker fleet the protection of the United States Navy by an arrangement under which they would become American-flag vessels.

A meeting of foreign ministers of the six-state Gulf Corporation Council, of which Kuwait is a member, yielded a vaguely worded endorsement of Kuwait's right to seek protection for its trade.

AMBIVALENT ATTITUDE

But the ambivalent attitude of the other members was reflected in recent remarks by the Oil Minister of the United Arab Emirates, Mani Said al-Utayba.

"We do not have to allow foreign forces to enter our territorial waters," he said.

While saying that Kuwait had a right as an independent state to protect its commercial interests, he added, "We hope that circumstances will not oblige other states to follow suit."

The United States has sought cooperation in the gulf since the Iraqi attack on the American frigate Stark.

At a meeting of the council in Abu Dhabi last fall, Kuwait sought a joint strategy for superpower protection of shipping that has come under attack by both Iran and Iraq, diplomats here said, but nothing came of it.

The Emirates and Oman, one diplomat said, were worried that superpower involvement "will raise the risk of more aggressive Iranian behavior."

Oman recently sent its Foreign Minister, Yousef al Alawi bin Abdullah, to Teheran in hopes of improving relations. The sheikdoms of the Emirates, Dubai in particular, have long had profitable trade across the gulf with Iran.

The other members of the council are Saudi Arabia, Qatar and Bahrain.

MILITARY ARRANGEMENTS WITH U.S.

Although the Arab states publicly bristle over suggestions that the United States might establish bases in the area, saying it would infringe on their sovereignty, three gulf states have quietly made individual military arrangements with the United States.

Bahrain provides berths for the American task force in the gulf. Saudi Arabia allows American military planes to land there. And Oman, which has long had extensive military relations with Great Britain, has American military supply depots and allows American planes to use its airfields on a case-by-case basis.

The plan to protect Kuwaiti ships, which has come under criticism in Congress, may be further complicated by the Reagan Administration's decision to withdraw a proposed sale of 1,600 Maverick air-to-ground missiles to Saudi Arabia in the face of overwhelming Congressional opposition.

Saudi cooperation is important in the plan to put more American warships in the gulf. A vital part of the plan calls for extending air protection for the ships using American Awacs early warning radar planes flying from Saudi Arabia.

Diplomats and Arab sources here noted that any increase in protection for shipping in the gulf might favor Iran, rather than Iraq, the opposite of the presumed American intent.

After harsh criticism of the superpowers, Iranian officials are now saying they would favor a halt to all attacks on gulf shipping.

"We welcome a proposal to stop Iranian or Iraqi attacks against tankers in the gulf," Iran's President, Ali Khamenei, said Friday.

Iran is more dependent on the gulf than Iraq because the gulf is Iran's only outlet for oil. Iraq exports oil from its northern fields by pipeline through Turkey.

"The Iraqis don't like the pressure to end the tanker war," said a Western diplomat. "Ending all the attacks would work against them, although that's not really the intention of the Americans."

Mr. BUMPERS. I further ask unanimous consent that an article dated June 28, from the New York Times, entitled "U.S. Officers Troubled by a Plan to Aid Gulf Ships," which articles says:

In spite of this confidence shown by the miltiary, many admirals and generals in and out of Washington admit misgivings about the administrations' reflagging policy because they do not know how long it will take nor where it will lead. More than a dozen senior officers spoke of their concerns on the condition that they not be identified.

I ask unanimous consent that that article be printed in the RECORD.

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

[From the New York Times, June 29, 1987]

U.S. OFFICERS TROUBLED BY PLAN TO AID GULF SHIPS

(By Bernard E. Trainor)

WASHINGTON, June 28.—Many senior United States military officers are questioning the wisdom of providing protection to 11 Kuwaiti oil tankers in the Persian Gulf and fear that the United States is being drawn into an open-ended situation over which it has little control.

Konwledgeable senior officers say that the Joint Chiefs of Staff and the regional commanders concerned with the Perisan Gulf were kept informed of the negotiations and took part in discussions. But one admiral said, "It would be stretching it to say that the Chiefs were in on the decision, or even asked their opinion on it."

Some generals and admirals were critical of the Joint Chiefs for not challenging the proposal to register the tankers under the American flag, whether or not their views were sought.

Two re-flagged Kuwaiti tankers and United States Navy warships from the American Middle East Force are heading for the gulf. They are expected to pass through the Strait of Hormuz the second week of July and come within range of Iranian Silkworm missiles as the convoy heads north to Kuwait.

The crews of the American warships will be at Condition 1, their highest state of battle readiness, as they pass through the strait. They will also be operating under revised rules of engagement, which are said to be more responsive to a hostile threat than those governing the frigate Stark when it was attacked, apparently accidentally, by an Iraqi aircraft in May. Thirty-seven American sailors were killed in the attack.

American military officers who were interviewed said that they did not forsee trouble on this initial passage. They were also confident the Navy could cope with any subsequent threat at sea from the Iranians.

OFFICIALS CONVEY CONCERN

In spite of this confidence shown by the military, many admirals and generals in and out of Washington admit misgivings about the Administration's re-flagging policy because they do not know how long it will take nor where it will lead. More than a dozen senior officers spoke of their concerns on the condition they not be identified.

One officer said that throughout the nearly seven-year-old war between Iran and Iraq, the United States has officially taken a neutral position and upheld the principle of freedom of navigation with a small but representative fore of warships in the Gulf.

An admiral said this official policy of neutrality was undone by the Iran-contra affair and now by the re-flagging scheme.

"By re-flagging the Kuwaiti ships the United States has placed itself on the side of Iraq," he said. "This may mend fences with the gulf state Arabs, but it is apt to create the very confrontation which for years we sought to avoid in the region."

Robert Hall, a spokesman for the National Security Council, expressed surprise that there was uneasiness within the upper military over re-flagging. Mr. Hall said the Joint Chiefs of Staff were involved in the decision-making process from the beginning and fully supported the move.

The deliberations of the Joint Chiefs of Staff are classified, but in response to a question on the White House decision to reflag the ships, the departing Marine Commandant, Gen. P. X. Kelley, a member of the Joint Chiefs, said last Thursday, "Life is full of lousy options" from which choices sometimes had to be made. In that context, he said he supported the re-flagging.

OFFICERS EXPRESS SURPRISE

According to the knowledgeable officers, few in the military took the original Kuwaiti request seriously. They were surprised when Secretary of Defense Casper W. Weinberger, who has had a reputation for prudence in the use of military forces, became a champion of re-flagging the Kuwaiti tankers.

These officers understood that Mr. Weinberger's inquiries to the military focused on its technical ability to support the policy, not the wisdom of the policy itself. Some senior officers ascribed this turnaround more to Mr. Weinberger's reaction to the political furor over the Iran-contra affair than to any change in his customary belief in military restraint. "Politics overcame philosophy," one officer said.

The officers following the developments in the Persian Gulf expressed their greatest concern that the tilt toward Iraq implicit in the re-flagging decision limits the control the United States would have over future events in the region.

Most naval officers do not expect the Iranians to challenge the Navy directly in the Gulf unless, as one admiral suggested, Ayatollah Ruhollah Khomeini, the Iranian leader, saw some propaganda value in it.

The greatest threat to American warships is believed to be in acts of terrorism where the Iranians have shown expertise. There is particular concern that the headquarters of the United States Middle East Force in Bahrain might be a vulnerable target.

The danger of escalation as the result of a hostile Iranian act either at sea or ashore also concerns the senior military leadership.

"What are the second the third order of effects if Khomeini attacks our forces and we strike back?" a general said. The danger of an initial violent confrontation with Iran may have been recognized in the White House, he said, but he wondered how much thought had been given to where a repetitious and ever-increasing spiral of violence would lead.

Mr. BUMPERS. Mr. President, I want to just make two or three observations. No. 1, we should all be willing to confess that we are here today debating this because of the Iranian arms sale, an inexcusable foreign policy mistake. Nevertheless, I do not think anybody could plausibly or convincingly argue that we are not here and this policy was not ordered by the President because he and therefore the Nation got in big trouble selling arms to the Iranians.

Certainly, Iraq and Kuwait, and most of the world were absolutely nonplussed when they found out that we had given very sophisticated weapons, especially Hawk missiles and TOW missiles to the Iranians which they used very effectively in their last major offensive.

Second, the thrust of this amendment, Mr. President, is to debate this thing so we do not stumble into war. If we are going to introduce American troops and American vessels guarding Kuwaiti ships in hostile waters, an area that is unbelievably volatile, at least let us do it with our eyes wide open and do not stumble into war. And the people will go along with that.

But, now, Mr. President, I want to make this point. When I was a child, about 10 years old, I did not like anything except western movies. Every Saturday afternoon, we would go down to the Gem Theater and watch the fight begin, usually between the good guys and the Indians. The Indians would be about to prevail, and John Wayne would turn to somebody and he would say, "See if you can sneak out of here and get to Fort Apache and tell them we are in trouble."

And so, the designated messenger would jump on his little pinto pony and off he would go over the hill. And you just wondered whether the Indians would get him before he got to Fort Apache. And as the battle raged on and it looked like it was hopeless for the good guys, all of a sudden you would hear the bugle blowing the signal to charge and you knew in 1 more second the cavalry was going to come charging over that hill. And what was the first thing you saw? The lead trooper carrying the American flag. And that theater would literally erupt in applause and cheering. And, even as a 10-year-old child, I got goose bumps. And I never got tired of it. Every time, in almost every western back when I was a kid, the cavalry would come to rescue the good guys.

Later on, as an 18-year-old, I went into the Marine Corps. Boot camp was unbelievably tough. I have never been so abused and overworked and demeaned in my life. And I wrote sad letters to my mother and father and said, "I can't believe these things could happen in America, the way they are treating me."

I will tell you a little aside, Senator. I was promoted to the rank of staff sergeant because I was a pretty good football player. I made it from sergeant to staff sergeant playing right end on our team.

But, to get on with the story, I felt terribly put upon and abused, but I knew why I was there. I knew that the United States was in a giant war to

defeat Adolf Hitler and the Japanese Imperial Army and Navy.

And yet, the day I graduated from boot camp—and the Senator from Virginia can remember his own graduation well—the day I graduated from boot camp, there were 1,000, 2,000 men out on the parade ground at San Diego. There we were, our hair had already grown out and we were so proud and everybody was marching in cadence with their backs straight and chin in, the Marine Band was playing the Marine Hymn, and we went marching down that parade ground. A bunch of country boys had been converted into hardened marines. I think, as I marched behind that American flag, that it was the most exhilgerating moment of my life.

And now, can you see the kids in the theaters, when they see the flag coming, saying, "Here come the Americans"? And another kid says, "Naw, that's not the Americans. That is the Kuwaitis. That is the Kuwaitis. They are just carrying the American flag."

Does that make any sense to anybody here?

Mr. President, I move to table the Bumpers amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. HELMS. Will the Senator withhold?

The PRESIDING OFFICER. Is there a sufficient second?

Mr. BUMPERS. Mr. President, I would withhold on this condition.

Mr. WARNER. Mr. President, a parliamentary inquiry.

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

Mr. BUMPERS. Mr. President, I moved to table and asked for the yeas and nays.

Now, I would ask unanimous consent that I be permitted to withhold that request in order to give the Senator from North Carolina time to speak for such time as he may request, providing it is not long, and provided further that my motion to table and request for the second will be the pending business when he concludes.

The PRESIDING OFFICER. Is there objection, to the unanimous request by the Senator from Arkansas?

Mr. WARNER. Mr. President, withholding final decision, I object for the moment. But, Mr. President, I wonder if we might suggest the absence of a quorum.

Mr. BUMPERS. Mr. President, the pending business is the motion to table and the request for a second.

Mr. HELMS. A quorum call is in order.

The PRESIDING OFFICER. The question arises first if there is a sufficient second. The Senator from Arkansas further asked for unanimous consent and the Chair asked if there was objection to that unanimous-consent request.

Objection is heard.

The question is, Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.,

The bill clerk proceeded to call the roll.

Mr. WARNER and Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

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

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

Mr. WARNER. Mr. President, I think I now have the floor, if I may seek recognition in my own right?

The PRESIDING OFFICER. The Chair will inform the Senator from Virginia that a nondebatable motion is pending.

Mr. BYRD. Mr. President, would the Senator allow me?

Mr. President, I ask unanimous consent that there be a brief period for debate on the resolution and that Mr. HELMS be recognized and that when Mr. HELMS has completed his statement, if it is agreeable with the distinguished Senator from Arkansas, then the vote occur on the motion to table.

Mr. WARNER. Mr. President, that is agreeable to the minority manager of the bill.

The PRESIDING OFFICER. Is there objection to the majority leader's request? Without objection, it is so ordered.

The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair, the distinguished majority leader and Senator from Arkansas, Mr. BUMPERS.

I was fascinated with Senator BUMPERS' boyhood recollection about his going to the movies on Saturday afternoon. I was conscious that a lot of time has passed because when I was 10 years old going to the movies on Saturday afternoon, the hero was not John Wayne it was Tom Mix and Bob Steele.

Mr. BUMPERS. I stand corrected. It was Hoot Gibson, Tom Mix—it was not John Wayne.

Mr. HELMS. Now you are moving into my age bracket. I thank the Senator.

Mr. DOLE. Tex Ritter, too.

Mr. HELMS. Old Tex. I just about forgot about him.

Mr. President, hearing the comments made this afternoon by Senator ADAMS about the War Powers Act prompted me to recall the year 1973, on July 20, when the Senate approved the War Powers Act by the vote of 72 to 18. That was my first year in the Senate.

I am one of the three Senators still in this body who voted against the War Powers Act for the simple reason that it is patently unconstitutional. I have lamented many, many times the fact that the Reagan administration has not challenged the constitutionality of the War Powers Act and, I might add, the various Boland amendments, because they are clearly unconstitutional.

Mr. President, the proper role of the Congress and the executive branch in the conduct of foreign affairs has been a running debate since the founding of our Nation. The Founding Fathers established a complex system of checks and balances based on coequal but separate and independent political branches in the Constitution. They decided, also, not to establish a precise and detailed line of demarcation between the foreign policy powers of the two branches.

Recognizing the existence of an ambiguity concerning these precise limits of executive and legislative authority pertaining to the use of force abroad, it does not follow that either branch has the unilateral power to determine the limits of the other's authority.

However, the War Powers Act, as a mere legislative act, seeks to take away authorities to conduct foreign policy which the President has appropriately exercised under the Constitution for nearly 200 years.

Section 5(b) of the war powers resolution specifically would deprive the President of his constitutional authority as Commander in Chief during a period of hostilities after a period of 60 days, if the Congress fails to approve of his use of U.S. Armed Forces.

So, the idea that Congress can, by silence or by inaction, deprive the President of a fundamental, explicit, constitutional power, even in times of national emergencies, is absolutely incompatible with the system of separation of powers established by the Founding Fathers.

We have a good example of that going on right now in the Russell Senate Office Building, named for the distinguished Senator from Georgia, the late Dick Russell.

The so-called Select Committee on the Iran-Contra Affair has badgered Ollie North for 2 days now. I do not know how other Senators feel but I am enormously proud of Ollie North. Ollie has been impressive, he has been courageous, and he has said a lot of things that have needed saying for a long time by people in positions of much higher authority than Ollie North.

I have a great affection for Ronald Reagan, but it should have been the President of the United States who

was planting the flag and telling the Congress. "You are usurping my constitutional authority."

This morning when Colonel North appeared before the committee belatedly to give his opening statement, he laid it on the line about how the Congress of the United States precipitated the problems with respect to the conduct of foreign policy in Central America. Had it not been for the unconstitutional intrusion by Congress and by the reprehensible leaks from congressional committees and others, we never would have been in the position where the kind of things that went on, trying to help the freedom fighters in Nicaragua, occurred.

So at least the facts are on the record and I judge, by the number of telephone calls that we have received in my office in Washington and my offices in North Carolina, the people are overwhelmingly in approval of what Colonel North has said. In fact, the favorable reaction is virtually unanimous.

As for the resolution before us, its main problem is that it is unconstitutional. It should not pass. I hope that the motion by the Senator from Arkansas to table the resolution will carry.

But in any case, the Senate needs to bear in mind the history that long preceded this crisis in the Persian Gulf. I am one Senator who is not thrilled by the way the proposed reflagging has been undertaken. It is easy to Monday morning quarterback. As a matter of fact, I have expressed my discontent with some aspects of this policy. I think we ought to have stipulated, for example, that Kuwait provide our military with basing rights. I think we ought to have required that Kuwait break its leases with the Soviet Union for three tankers because the last thing the free would needs is for the Soviet Union to get its nose under the tent in the Persian Gulf. Everybody knows that the Soviet Union wants to control the Persian Gulf.

The United States has had a vital and longstanding interest in the entire Persian Gulf region. For nearly 40 years American policy in this region has sought to protect the flow of oil, provide support for moderate Arab States, and contain the spread of radical forces. Over this period, there has been widespread bipartisan support in Congress for this policy.

As the President has emphasized, the need to maintain this policy is underscored by the fact that 70 percent of the world's proven oil reserves are in the gulf region, with the economies of the industrialized nations heavily dependent upon this oil.

On a percentage basis, the United States is not nearly as dependent upon oil shipped through the Persian Gulf region as are some of our allies, specifically and especially Japan and France.

As has been brought out by the Congressional Research Service, our country is dependent upon such oil only for about 5.5 percent of our consumption. Japan and France, on the other hand, are dependent upon this oil for about 47.7 percent and 26.3 percent of their needs respectively.

But, Mr. President, regardless of who is more or less dependent on this oil, the fact remains that if production of oil is disrupted anywhere, prices rise for all consumers everywhere, and all Western economies are adversely affected. Because the health of the American economy is so dependent upon the free flow of Persian Gulf oil, our country, has historically maintained a clear and continuous military presence in the gulf.

There is nothing new about that. We need to make that clear to ourselves and others.

In addition to the naval presence, the United States has maintained a strong political and diplomatic presence, specifically aimed at promoting the stability and security of the moderate states of the region.

Now, then, what are the Soviet interests in the Persian Gulf?

The Soviet Union's interest in the Persian Gulf region is diametrically opposed to that of the United States. Politically and stragically, the Soviet Union's interest is to exploit the dependency of Western economies on this oil by undermining the stability of oil-producing countries and creating or promoting discord in the region whenever and wherever possible.

Toward this goal, the Soviet Union has persistently worked to take advantage of United States difficulties in the region and to exploit opportunities created by the Iran-Iraqi war.

For example, in 1985, the Soviets established diplomatic relations with Oman and the United Arab Emirates. In the past couple of years, they have worked in developing contracts with Saudi Arabia. Most recently the Soviets have brokered the reconciliation among the different elements of the Palestine Liberation Organization, have granted Egypt an additional 25 years to pay off $3 billion in Soviet military credits, and have made overt efforts to inject themselves into the Middle East peace process.

What are the consequences of the pending amendment, if it were to be approved?

I will be the first Senator to acknowledge, as I have on many occasions, that the reflagging policy is not without risk. However, while many are quick to second guess the wisdom of this policy, Congress has failed to offer any kind of realistic alternative to protect the threatened oil-producing states and to promote American interests among the moderate Arab nations.

This amendment, if it were to become law, and it will not, would effectively reverse the President's commitment to protect those Kuwaiti tankers through reflagging. To undercut the President's foreign policy at this point in such a manner would seriously disadvantage our ability to influence events in the Persian Gulf hereafter.

Simply said, if the United States backs down from its commitment to flag the tankers—and I repeat, Mr. President, I believe a better job could have been done earlier in developing this policy—but if the United States backs down on its commitment, it will prompt moderate Arab states in the region to further question the value of American commitments and friendship.

There is no doubt that the Soviets would seize this opportunity and use propaganda, and all other methods are available to them, to exploit these doubts in the Arab world for their own advantage.

Furthermore, if Congress were now to reject the reflagging provision, it would certainly appear that the United States were "cutting and running" in the face of threats by Iran. And it would signal American weakness. As history has shown, such signals only encourage aggression on the part of repressive regimes such as are found in the Soviet Union and Iran.

This amendment has great potential for jeopardizing American interests in the Persian Gulf specifically and in the Middle East as a whole. I simply do not believe that it is in the best interests of the United States or the free world to adopt this amendment, and I do hope that our colleagues will vote to table when the vote occurs shortly.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

The question is on agreeing to the motion to table the Bumpers amendment. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas [Mr. PRYOR] and the Senator from Illinois [Mr. SIMON] are necessarily absent.

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

The result was announced—yeas 42, nays 56, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—42

Armstrong	Gramm	McConnell
Bond	Grassley	Nickles
Boren	Hatch	Pressler
Boschwitz	Hecht	Quayle
Chafee	Heflin	Rudman
Cochran	Heinz	Simpson
Cohen	Helms	Stafford
Danforth	Humphrey	Stevens
Dole	Karnes	Symms
Domenici	Kassebaum	Thurmond
Durenberger	Kasten	Trible
Evans	Lugar	Wallop
Garn	McCain	Warner
Gore	McClure	Wilson

NAYS—56

Adams	Ford	Moynihan
Baucus	Fowler	Murkowski
Bentsen	Glenn	Nunn
Biden	Graham	Packwood
Bingaman	Harkin	Pell
Bradley	Hatfield	Proxmire
Breaux	Hollings	Reid
Bumpers	Inouye	Riegle
Burdick	Johnston	Rockefeller
Byrd	Kennedy	Roth
Chiles	Kerry	Sanford
Conrad	Lautenberg	Sarbanes
Cranston	Leahy	Sasser
D'Amato	Levin	Shelby
Daschle	Matsunaga	Specter
DeConcini	Melcher	Stennis
Dixon	Metzenbaum	Weicker
Dodd	Mikulski	Wirth
Exon	Mitchell	

NOT VOTING—2

Pryor	Simon

So the motion to table the amendment (No. 450) was rejected.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I hope that we could get back onto the trade-related amendments now.

I have several amendments on which we have agreements with respect to time.

Mr. President, I have an amendment on which I believe there has been an agreement reached, it is my understanding, with respect to an amendment by Mr. KENNEDY to make certain technical corrections and provide a clarification on the insurance premium rule under the Guaranteed Student Loan Program, that there be a time limitation of not to exceed one-half hour, to be equally divided and controlled by Mr. KENNEDY and Mr. STAFFORD with no amendments thereto and no demand for a division in order, provided further that at the expiration of the time for debate on the amendment, the Senate proceed to an immediate vote on the amendment without further debate, intervening motion, point of order, or quorum call.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. I object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Texas.

Mr. BENTSEN. Mr. President, I would like to address a question to the majority leader and the minority leader. I am deeply concerned with what is happening to us in the Finance Committee with our other commitments. I am deeply concerned about our time schedule in the Finance Committee, the fact that we are going to be facing reconciliation, a task of trying to complete that in the time period we have by July 28.

I look at the situation where the Budget Committee certainly took over a month, and I can understand that, in arriving at the target levels. But when we have the responsibility of coming back and talking about raising the revenue and meeting with specificity and trying to arrive at a consensus, it is going to be an exceedingly difficult thing.

The Ways and Means Committee has already started their hearings. We are talking about starting ours Tuesday and Wednesday in the Finance Committee, and it is imperative that we get off the floor here as far as the Finance Committee. I would hope that we could work out a unanimous-consent agreement in this kind of a situation that after Friday no amendments could then be offered to this bill, that if offered as a bill itself would have been referred to the Finance Committee, in other words, to complete that part of the bill that deals with the Finance Committee's jurisdiction and that would free us to do the kind of work that we have to do in the committee in dealing with reconciliation.

I understand the deep concern on all of these other issues that have been discussed. But, as far as rewriting the agriculture bill here or some of the other things that have been done on foreign relations, I would hope very much that those committees would do that after the Friday session, if necessary.

I say to the majority leader and minority leader that I would hope we could get a unanimous-consent agreement that would bring about the kind of result.

Once again, what I am stating is that if we get our section of this bill finished by sometime Friday, and that no amendments then be offered that, if in the form of a bill, would have been referred by the Parliamentarian to the Finance Committee.

Mr. BYRD. Mr. President, I yield to the minority leader.

Mr. DOLE. Mr. President, about 5 hours ago we were on the trade bill. In an effort to accommodate the leadership—and I know how difficult it is to keep bills moving—we agreed to two or three unanimous-consent requests. And, lo and behold, out of the blue comes an amendment on reflagging. At 11:47 a.m., we started the debate on reflagging and it is now almost 5 hours later. Now we are going to be asked, I assume, to stay until midnight because we had to have a little 5-hour interlude to discuss the Persian Gulf.

Many of us believe, since we are on the Persian Gulf, we just ought to stay on the Persian Gulf. There is an amendment pending. As I understand it, it cannot be withdrawn. The yeas and nays have been ordered. We would like to debate the Persian Gulf. If that is what we are going to do all day, we will do it all night. If we want to finish the trade bill, we will finish the trade bill.

I must say, I am going to be very reluctant to encourage any unanimous-consent agreements unless we understand precisely what may be coming from that side of the aisle. In good faith, we agreed to three or four amendments and out of the blue comes an amendment on the Persian Gulf. I must say I was criticized by some on this side for not being alert to that. Now, I am not going to let it happen again.

So, as far as I am concerned, we are on the Bumpers amendment and may be on the Bumpers amendment for awhile.

Mr. BYRD. Mr. President, I hope the minority leader, now that he has had his say—and I can understand his strong feelings—I would prefer to ask unanimous consent that from here on out the rest of the day and tomorrow there be no amendments other than trade-related amendments so that we can get on with the trade bill. We have been trying hard to do that.

I have had frustrations, as well. But I would hope that we would get on with the trade bill. I would be glad to ask unanimous consent that there be no more amendments that are not germane to the trade bill.

Now, there is a section that comes out of the Foreign Relations Committee. But it would seem to me that if we restricted our amendments to those that would be germane to the bill, we could get on with the bill.

As the Republican leader has indicated, several amendments have time agreements that have been entered into. I have another one in my pocket that I just tried to get an agreement on that was cleared a little while ago on both sides. I will try it again shortly.

I hope now that we would make a dedicated effort to get on with this bill. Now, we can be here until 12 o'clock tonight. I understand that the Republicans have a little break that they would like to have between 6 and 7:30. I am prepared to have that break, because there are times when we want a break on this side and the Republicans have been cooperative with us.

But I hope that we would stay and work awhile. I am going to make the request in a moment.

Mr. BENTSEN. Will the Senator yield?

Mr. BYRD. Mr. President, I yield to the Senator from Texas.

Mr. BENTSEN. Mr. President, let me ask a question. I seem to be getting hit by a ricochet. Maybe I could take care of the concerns of both leaders if we had a unanimous-consent agreement that, other than those on which you already have time agreements, that all new amendments, until we finish the finance section jurisdiction, that those amendments be limited to those that would have a text that, as a bill, would be referred to the Finance Committee. That would take care of your concern about the diversion of effort, it would seem to me.

Mr. PACKWOOD. Mr. President, unfortunately, I received an objection to that from one of our Members. I do not know what to suggest doing, other than if we can get off the Bumpers amendment and go ahead with the three or four we have agreements on and see what happens at 8 or 9 o'clock when we finish those others if we can get off the Bumpers amendment.

Mr. BYRD. I am prepared to ask unanimous consent to set that amendment aside, as well as to set the Moynihan-Byrd amendment aside, so that we can take up another amendment. We can do that on a case-by-case basis, if you prefer.

Mr. President, I ask unanimous consent that the pending amendment be set aside and that the Senate proceed—we have some amendments that we have agreements on. One of them was by Mr. BRADLEY. We can proceed to the amendment that Mr. BRADLEY was going to call up.

Mr. DOLE. Mr. President, reserving the right to object, we are going through a hot line process. I suggest to the majority leader, perhaps if we had a quorum call to give us about 5 minutes to complete that.

Let me indicate that I can deeply sympathize with the distinguished chairman of the Finance Committee. They are overloaded. I was willing 8 days ago to do it a section at a time, so they would have completed their action. We could not get that agreement. I think on both sides we could not get that agreement.

But let us run the hot line to see if there are those who want to back away from the Bumpers amendment. I know that we have a reflagging amendment on this side, so I do not know if we can agree to your other UC about no nongermane amendments.

Mr. BYRD. Mr. President, I would hope we can back away on both sides and get on with the amendments that are related to the trade bill. I would be prepared to asked unanimous consent that, for the remainder of the day, both amendments be set aside on a temporary basis and that they remain set aside for the remainder of the day and that only amendments that are germane to the bill, one section or another, whatever the section is to which the amendment is applied, that the amendment has to be germane.

Mr. DOLE. Mr. President, if we could put that in a written form and maybe clear it with some of the leadership. But if you would give us some time, we could have a quorum now.

Mr. MURKOWSKI. Mr. President, if I may inquire of the majority leader on the Bumpers amendment, temporarily putting it aside, when would the leader anticipate bringing it back up?

Mr. BYRD. At the moment I do not have any anticipation about that matter. At some point in time, the Senate would have to dispose of it, just as it will have to dispose of the Moynihan-Byrd amendment, just as it will have to dispose of the Gramm amendment that dealt with a constitutional amendment for a balanced budget. All of these things have to be dealt with in one way or the other.

But, for the moment, it would seem to me it would expedite final action on the whole bill if we can get on with the bill and get away from these foreign relations amendments and amendments dealing with international affairs.

Mr. President, as the Republican leader has suggested, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

Mr. SYMMS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD. Mr. President, let us call the roll.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment by Mr. BUMPERS and Mr. HATFIELD, and the amendment by Mr. MOYNIHAN and Mr. BYRD be temporarily laid aside, and that the Senate proceed to the consideration of the amendment by Mr. HECHT and Mr. ADAMS on which a time agreement of 20 minutes has been agreed to. Also, in that agreement no amendments would be in order. And that the Senate then proceed to the amendment by Mr. BRADLEY on which there is a time agreement and on which no amendments would be in order.

The PRESIDING OFFICER. Is there objection?

Mr. WEICKER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD. Mr. President, I ask unanimous consent that during the consideration of the amendment to be offered by the Senator from Massachusetts [Mr. KENNEDY] which shall be debated for not to exceed one-half hour to be equally divided and controlled by the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Vermont, no amendments thereto or demand for division be in order, ordered further that at the expiration of time on the amendment the Senate proceed to a vote on the amendment without any intervening debate, motion, or point of order.

Mr. WEICKER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD. Madam President, that leaves us on the amendment by Mr. BUMPERS. I hope that Senators will be prepared to stay for a while this evening. Of course, we may have to be in Saturday. For that I am sorry. I would like to get an agreement that would allow only amendments that are relevant to the subject matter of the bill to be called up. If we can get an agreement of that kind, may I say to the republican leader, if at some point we can get that kind of an agreement, that would enable us to make progress on the bill because only those amendments that are related to the subject matter would be eligible.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Ms. MIKULSKI). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BYRD. Madam President, I renew my request with respect to the amendment by Mr. HECHT and Mr. ADAMS, and then the amendment by Mr. BRADLEY.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Madam President, let me indicate for the record that I have had a call from another Senator who wanted me to object, and I hope he would understand that during that hour period of time I am going to be sitting down with the majority leader trying to figure out precisely where we can go. On that basis, I am not going to object but I will discuss that with that Senator later.

Mr. BYRD. I thank the distinguished Senator.

The PRESIDING OFFICER. Is there objection? Hearing none, without objection it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

AMENDMENT NO. 452

Mr. HECHT. Madam 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 Nevada (Mr. HECHT), for himself and Mr. ADAMS, proposes an amendment numbered 452.

Mr. HECHT. I ask unanimous consent that further reading be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

(a) STUDY OF MARKET ORIENTATION OF CHINA.—The Secretary of Commerce shall undertake a study regarding the new market orientation of the People's Republic of China. The study shall address, but not be limited to—(1) the effect of the new orientation on Chinese market policies and price structure, and the relationship between domestic Chinese prices and world prices; (2) the extent to which the United States trade law practices can accommodate the increased market orientation of the Chinese economy; and (3) the possible need for changes in United States antidumping laws as they apply to foreign countries, such as China, which are in transition to a more market-oriented economy. The Secretary of Commerce shall submit to the Congress within one year after the date of the enactment of this Act a report on the study required under this section.

Mr. HECHT. Madam President, I am pleased to be joined by my colleague Senator ADAMS in offering this amendment today, which is designed to improve the United States' trade relationship with China. On one hand, it is a matter of trade policy; on the other, a matter of foreign policy. Without question, it requires an appreciation for, and understanding of, the geopolitical role of China today, which I believe to be important, and one we cannot overlook.

The PRESIDING OFFICER. The Senator from Nevada will suspend. The Senate is not in order. The Senator from Nevada is offering his amendment. He is giving us his explanation for the amendment. Senators will withhold their conversations so we may hear the amendment and the explanation of the amendment. Senators will please take their seats.

The Senator from Nevada may proceed.

Mr. HECHT. I thank the Chair.

Madam President, on May 29, I filed an amendment to the trade bill that was designed to address current problems with Chinese trade policy. It is well-known that four Presidents have supported improving United States relations with China since President Nixon's historic visit in 1972. In fact, prior to my visits to China, I discussed with President Nixon his views on how the United States should be reacting to China today. He was very clear; we must do everything possible to encourage their democratic progression.

I am pleased to inform the Senate that I recently received a letter from President Nixon supporting my amendment, which reads as follows:

NEW YORK CITY, *June 30, 1987.*

The Honorable CHIC HECHT

In the trade debate Senator Hecht is taking the high road by focusing his and his colleagues' attention on the larger issue of sustaining and strengthening the critically important relationship between the United States and the People's Republic of China. Those who support China's increased reliance on free markets should support Senator Hecht's amendment.

RICHARD NIXON.

Madam President, I feel time has proven that President Nixon had the brilliant foresight to open the doors to China. I am happy to be able to consult with him, as I feel he is America's leading expert on foreign policy in regard to China.

Madam President, in light of its complexity, I will not offer my original amendment today. Instead, I am offering this alternate amendment which would require a study of the market orientation of Chinese import costs by the Department of Commerce. This amendment is exactly the same as that already included in the House-passed trade bill. I understand it has been cleared by both sides, and I thank my colleagues for their consideration.

Madam President, I wish to yield the floor to the distinguished Senator from Washington [Mr. ADAMS].

The PRESIDING OFFICER. The Senator from Washington.

Mr. ADAMS. Thank you, Madam President.

Madam President, I join with Senator HECHT in the amendment which calls on the Secretary of Commerce to undertake a 1-year study regarding the economic liberalization in the People's Republic of China. This is an important amendment for United States-China relations. This has, I believe, been cleared with both the manager of the bill, the Senator from Texas, and the ranking minority member, the Senator from Oregon.

This amendment will require the Secretary of Commerce to undertake a 1-year study regarding the economic liberalization in the People's Republic of China to determine three things. First, it will examine the effect of the changes on Chinese market policies and price structure and the relationship between domestic Chinese prices and world prices. Second, it will examine the extent to which United States trade law practices can accommodate the increased market orientation of the Chinese economy. Third, it will examine the possible need for changes in the United States antidumping laws as they apply to countries like China which are in transition to a more market-oriented economy.

The reform of the present nonmarket economy dumping statute which is included in S. 1420 establishes a new artificial benchmark for the purpose of calculating dumping. Instead of relying on price comparison under the present surrogate system, the bill advocates reliance on a benchmark for determining dumping equal to the price of the largest volume exporter to the United States. In some instances this may be a fair benchmark, but in others it may pose serious problems. I am concerned that the People's Republic of China may be one case where implementation of this benchmark could be counterproductive, particularly if the economic and political liberalization in China moves forward. China has told us they want to join GATT and adhere to all of the market driven imperatives that involves. They have said they will adhere to the Paris convention on protection of intellectual property rights.

China represents one of the most lucrative potential markets for United States exports. But to boost exports, we will have to establish a fair two-way trading system with the Chinese. Without sufficient foreign exchange, the Chinese will not be able to buy United States goods. Fifteen antidumping cases have been filed against the Chinese since 1980—10 of which have resulted in some finding of dumping according to the present arbitrary surrogate system. We are talking about products where labor and not technology is the largest factor of production—products like paint brushes, nails, wax candles, steel cooking ware. It is quite possible that in product lines like these, China can sell below the largest volume exporter to the United States or below a surrogate price comparison without unfairly dumping. But without examining the specific factors of production, we will never really know.

To implement the change in nonmarket economy dumping rules contained in S. 1420 without commissioning at least a study into the effect on nonmarket economies moving toward economic liberalization could be counterproductive to the objectives of this bill—to expand exports abroad and to reduce the U.S. trade deficit. Similar language is included in the House trade bill for such a study. In addition, the administration has indicated that this amendment is acceptable to them. I urge adoption of the amendment.

Mr. BENTSEN. Madam President, the manager for the majority has examined the amendment and thinks it

is worthwhile and supports it. He has no objection to it and knows of none on this side.

Mr. PACKWOOD. The same is true on the minority side.

Mr. ADAMS. Madam President, I wish to express my appreciation to the managers of the bill for their help and cooperation.

Mr. HECHT. I also wish to express my sincere thanks.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. HECHT. Yes. I move adoption of the amendment.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. HECHT. Yes.

The PRESIDING OFFICER. Does the Senator from Washington yield back his time?

Mr. ADAMS. Yes, I yield back my time.

Mr. BENTSEN. Time is yielded back.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment.

The amendment (No. 452) was agreed to.

Mr. HECHT. I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 453

(Purpose: To allow the President to decline to take actions under chapter 1 of title II of the Trade Act of 1974 that would disproportionately burden the poor)

The PRESIDING OFFICER. Under the previous order, the Senator from New Jersey is to be recognized.

The Senator from New Jersey.

Mr. BRADLEY. Madam 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 New Jersey [Mr. BRADLEY] proposes an amendment numbered 453.

On page 74, beginning on line 2, strike the period and insert: " or (c) would disproportionately burden the poor."

Mr. BRADLEY. Madam President, 2 days ago we had a vote on an amendment offered by Senator PACKWOOD which would have allowed the President to have increased discretion to consider the national economic interest. I voted against that amendment. It was a tough call for me. It was a tough call because I believe the provision in the bill dealing with section 201 is an excellent provision. It tracks in many ways the recommendation of a panel on which I served that advised the Director General of GATT on steps to be taken to keep the trading system open.

One of the recommendations was that any safeguard measures or escape clause measures should be tied to adjustment assistance, should be nondiscriminatory, should be time-limited, and should be subject to continued surveillance.

The section 201 provision of this bill tracks those recommendations precisely. It recognizes that for us to have continued economic growth, we have to embrace change; while change is invigorating for some people, for other people it is frightening, and therefore you have to try to help them deal with their fear of change.

That is what adjustment is all about. Adjustment is the means by which we try to help people deal with their fear of change. So the provision of the bill that is embodied in the 201 provision actually tracks that recommendation. It is nondiscriminatory. It is time limited. It is linked to adjustment assistance, and it allows the President after 3 years of surveillance to modify the provision.

Now, I was forced to deal with a dilemma. On the one hand, Senator PACKWOOD went a little too far. On the other hand, the bill dealt with some of the major concerns that we need to address to keep the trading system open. So how to deal with that?

I felt that the only way to cope with that was to try to come back to the issue of fairness because that has been at the center of our debate on U.S. trade policy. Every editorial deals with fairness and virtually every trade speech on the floor deals with it. Unfair foreign trade practices threaten the health of the system. When our trading partners raise unfair trade barriers to U.S. products, U.S. industries and workers lose faith in the trading system, and if the people of America loses faith in the trading system, the system will not survive. We have to work hard to restore discipline to the international trading system. We need clearer signs of fairness between trading nations.

But what is fair for an industry in tough international competition may totally disregard the needs of the poor and the disadvantaged in the United States. Import relief that is perfectly fair for workers in a particular industry can impose a grossly unfair, regressive tax. Like all such taxes, the victims are the weakest in society.

The irony of this debate about fairness is what it omits. While girding ourselves to fight unfair trade barriers, we have dropped our guard against unfair taxes because tariffs and quotas applied indiscriminately can weigh far more heavily on the poor than on the rich.

The amendment that I have offered is an attempt to make sure that we do not lose sight of fairness at home while we are pursuing fairness abroad. The amendment restores some, not much but some, discretion to the President in import relief cases under section 201. Under the bill, that discretion applies to issues of national security and issues related to user industries handling the increased costs from the protection afforded.

This amendment lets the President deny tariff and quota relief if he determines that the relief would disproportionately burden the poor. If the President believes tariff or quota relief would weigh most heavily on those U.S. consumers least able to bear it, the President would be able to overturn the tariff and quota recommendations of the International Trade Commission.

I believe this amendment refines the careful balance of the committee bill. To the bill's toughness and coherence and fairness to workers, it adds consideration for families left unable to pay for import restraints. It rounds out the bill's concept of fairness.

As I said, the committee bill reduces the President's discretion to deny tariff and quota relief recommended by the ITC to facilitate positive adjustment by import-injured industries. To deny relief, the committee bill requires the President to determine that relief would endanger national security or would injure a domestic industry that uses the goods in question.

Senator PACKWOOD's amendment of the other day would have restored almost total discretion to the President. It would have allowed the President to deny tariff and quota relief any time the President determined that relief was not in the national economic interest.

I did not support the amendment of the distinguished Senator from Oregon because I believe the committee already addressed the question of national economic interests and because I think that, frankly, the market is a better determinant of which industry will prosper than is the President—any President.

For a President to choose a particular industry over another industry may be shortsighted and probably not as effective as allowing the market to determine the winners and losers.

The committee tightened the standards under which the ITC can recommend relief. Under the committee bill, the ITC must recommend relief directed toward a judgment. Relief would no longer be a windfall but, rather, tools for a task—the task of adjusting to new competition in the world economy.

If adjustment is impossible, the ITC cannot recommend relief under the committee bill. So the discretion sought by Senator PACKWOOD was discretion to deny relief directed explicitly at adjustment. Although the Senator's amendment would have allowed the President to consider consumer costs, it would equally have allowed the President to deny relief for rea-

sons we have not foreseen and may not condone such as preference for one industry over another industry. Calculating the national economic interest certainly allows for value calls where I, personally, would differ from the present administration.

Rather than invite the President to drive a truck through a national economic interest loophole, I believe the Senate should state clearly what it wants the President to consider. I believe that the Senate should insist that the President consider fairness. After all, fairness is already at the heart of the committee's provisions on section 201. Clearly, we are concerned with fairness for workers in industries that would be thriving except for 5 years of astronomical and uncompetitive exchange rates. Clearly, we are concerned with fairness for workers whose industries are perfectly viable in the long run. But we should care equally about the family having a hard time just breaking even that cannot afford the price increases in cars, shoes, and food containing sugar. We should care equally about rushing in tariff and quota regimes that would break poor families' budgets while leaving the most affluent untouched.

Let us be explicit about the costs and benefits the President should consider. The benefits of relief are clear. Under the new relief standards of the committee bill, the benefit is help for import-injured industries in adjusting to competition. The cost is price hikes that weigh more heavily on the poor than the rich. We should direct the President to weigh one against the other.

CASES OF REGRESSIVE IMPORT RESTRICTIONS

Here are some specific examples of import relief that has been highly unfair to poorer American consumers:

Autos (staff estimate): The Japanese agreed to auto export restraints in 1981, which they continued voluntarily after 1984. These estimates give the annualized cost of these restraints to the average family making $10,000 in income and to the average family making $56,000 in income.

Madam President, I ask unanimous consent to have this information printed in the RECORD.

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

Family income (second and fifth quintiles)	$10,000	$56,000
Average yearly expenditure on vehicles and vehicle financing	$1,220	$4,100
Average price increase due to VRA's (percent)	6.5	6.5
Annualized VRA consumer burden	$74	$250
Average 1984 Federal tax paid	$400	$5,800
Tax surcharge equivalent of VRA burden (percent)	19	4

Sources: 1984 Bureau of Labor Statistics "Consumer Expenditure Survey;" Hufbauer, Berliner, Elliott, "Trade Protection in the United States," 1986.

SHOES (STAFF ESTIMATE)

Mr. BRADLEY. Madam President, between 1977 and 1981, orderly marketing agreements with Taiwan and Korea restricted nonrubber footwear imports from those two countries. President Carter negotiated the agreements in 1977 after the ITC unanimously found imports to be a substantial cause of serious injury to the domestic footwear industry. The OMA's expired in 1981. Again, the estimates are for the average family in the second lowest and top quintiles.

Madam President, I ask uanimous consent to have this information printed in the RECORD.

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

Family income (second and fifth quintiles)	$10,000	$56,000
Average yearly expenditure on shoes	$76	$230
Estimated burden of OMA's (varies since prices for inexpensive imports rose more than for domestic shoes—percent)	19	5
Yearly sales tax equivalent of shoe OMA burden	$14.50	$11.50

Sources: 1984 Bureau of Labor Statistics "Consumer Expenditure Survey;" Hufbauer, Berliner, Elliott, "Trade Protection in the United States," 1986.

SUGAR (FED ESTIMATE)

Mr. BRADLEY. Madam President, the United States has restrained sugar imports since 1934. But it has been in the last few years, when world sugar prices have been particularly low, that the cost to U.S. consumers of sugar quotas has been highest. This estimate gives the effective cost to high- and low-income families of sugar quotas, taking into account the cost increases for all expenditures on food containing sugar.

Madam President, I ask unanimous consent to have this information printed in the RECORD.

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

Family income	$10,000	$52,000
Consumer cost of sugar quotas given current 5 cents/lb world price	$230	$480
Estimated tax surcharge equivalent of sugar quota cost	27	4

Source: Federal Reserve Bank of New York, "Quarterly Review," Summer 1985, "The Consumer Cost of U.S. Trade Restraints."

CLOTHING, SUGAR, AND AUTOMOBILES (FED ESTIMATE)

Mr. BRADLEY. Madam President, the Federal Reserve has also estimated the tax surcharge equivalent of the consumer burden of trade restraints on products affecting the largest share of family budgets.

Madam President, I ask unanimous consent to have this information printed in the RECORD.

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

Family income ranges	$7,000 to $9,350	$59,500
Cost of protection as percent of income	1.6 to 4.5	0.9 to 1.7
Income tax surcharge equivalent of protection (percent)	23 to 66	3 to 5

Source: Federal Reserve Bank of New York, "Quarterly Review," Summer 1985, "The Consumer Cost of U.S. Trade Restraints."

AUTOS (NATIONAL AUTO DEALERS ESTIMATE):

Mr. BRADLEY. Madam President, the National Auto Dealers Association put together a less conservative estimate than the above staff estimate. It is interesting because it uses the new Tax Code as a benchmark for estimating the regressivity of import restraints. The NADA estimate looks at the voluntary restraint agreement [VRA] burden and 1988 tax burden of hypothetical $14,000 and $80,000 a year families.

Madam President, I ask unanimous consent to have this information printed in the RECORD.

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

Family income	$14,000	$80,000
Estimated 1988 tax burden	$180	$11,600
Average increase in vehicle prices and 4 years of vehicle financing due to VRA's	$920	$1,840
Estimated annualized burden of VRA's on vehicle prices and vehicle finance	$230	$460
Tax surcharge equivalent of VRA's (percent)	128	4

Assumptions: Cars purchased every 4 years. NADA internal estimate.

CONCLUSION

Mr. BRADLEY. Madam President, trade is a serious problem today, one of the most serious we face. But that is no excuse to abandon the sense of fairness we would bring to tax or regulatory proposals that would bear disproportionately on the poor. We must not lose our sense of national justice in an attempt to redress international injustices in the trading system. We must not sacrifice our sense of fairness at home even as we strive for fairness in the trade laws.

Let us be explicit about the relief we offer troubled domestic industries. There is no need to let the President drive a truck through loopholes in the trade laws. But only the President can balance the needs of poorer consumers with the needs of troubled industries and workers. We should have enough caring to go around for everyone.

Mr. PACKWOOD. Madam President, who controls the time?

The PRESIDING OFFICER. The Senator from New Jersey.

Is the Senator from Texas opposed or in favor of the amendment, or does he care not to comment?

Mr. BENTSEN. Madam President, I was listening to the eloquent argument and debating that in my mind. I think that, under the circumstances, the Chair ought to allocate that time to someone other than me.

Mr. PACKWOOD. I am not sure anyone on the floor is opposed, Madam President.

The PRESIDING OFFICER. The Senator from Oregon will control the time in opposition.

Mr. PACKWOOD. I am not in opposition, but I do not think there is going to be any problem. I will be happy to allocate time on this side, if anyone is in opposition.

I allocate 5 minutes to myself from the time we have.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. Madam President, I regard this as a very important amendment, and I hope the Senate does not take it lightly, because I think it drives a tremendous wedge in what I thought was otherwise a very restricted section 201.

I do not know if the author agrees, but I take it exactly as the amendment reads; "The President can deny important relief if the relief will disproportionately burden the poor."

That is the way the amendment reads. "The poor" is not defined, which is fine with me. It leaves the discretion to the President to define who the poor are.

I assume that "disproportionately" means mathematically what it means—that if this amendment were to disproportionately burden the poor, as defined by the President or by somebody, he then has the discretion not to grant the import relief.

So that if the poor turn out to be 15 percent of the population and the import relief that is asked would affect disproportionately 17 percent, the President can deny the relief. This is important, because almost all import relief disproportionately burdens the poor.

Under the bill as we have it, the industry comes in and petitions the International Trade Commission and says, "We are being hurt by unfairly traded imports."

Let us use the example of sneakers, rubber footwear, tennis shoes, made in China or Singapore or Hong Kong—made anywhere. Let us say the domestic tennis shoe industry says: "We are being adversely affected by the imports." That is all the International Trade Commission has to consider. They are not to weigh the benefits of the poor against the benefits of the rich. If they find injury under the bill, the President must grant the relief or the equivalent relief that the International Trade Commission recommends, with two exceptions: One, he has discretion not to do it if it adversely affects national security. Two, he has the discretion not to do it if it adversely affects a downstream industry.

This amendment adds a third one: He has the discretion to deny relief if it disproportionately burdens the poor. Most of the products that come in are products that the poor buy. We very seldom are getting import relief for $200 shoes, $100 shirts. By and large, American industries are still competitive in that area.

What happens is that if you have import relief for shoes, they are cheap shoes which would otherwise sell for $6.95 or $8.95, and they now sell for $10.95 or $14.95.

So I very much support this amendment, because I think it gives the President an extraordinary discretion to look at the relief suggested by the International Trade Commission and find that in almost all cases it will disproportionately burden the poor, and therefore he will not have to put the recommended relief into effect.

Mr. DODD. Mr. President, on Tuesday evening there was a critical vote here in the Senate on an amendment offered by my colleague from Oregon, Senator PACKWOOD. That amendment would have established a balanced approach to determining the type and level of relief available under section 201 of our trade law. I voted for the Packwood amendment but it was, unfortunately in my view, defeated. I would like to take just a few moments to discuss why that vote was so critical and to share a few thoughts on why today, I support the amendment of my friend from New Jersey, Mr. BRADLEY.

The whole 201 process is inherently contradictory. Section 201 is designed to give relief to industries hurt by imports of fairly traded goods. Injurious but fairly traded. The whole issue is further complicated by the fact that, under the GATT, foreign nations are permitted compensation if a 201 action is taken against them. That, of course, can result in negative actions taken against sectors of our economy other than those which sought the 201 relief. One need only recall the Canadian shakes and shingles case in which the President did grant relief to the U.S. shake industry by placing a 35-percent tariff on Canadian shakes. The Canadians retaliated by placing tariffs on U.S. computer chips, tea bags, and books.

Central to the 201 process is the issue of Presidential discretion. The determination of the scope of that discretion is central to the 201 debate and is what formed the basis of Senator PACKWOOD's amendment to the Finance Committee's provisions on section 201.

I want to commend the Finance Committee for its efforts relating to section 201. The committee came to this issue in the shadow of a Presidential record on section 201 cases that was spotty at best and indifferent at worst. They understood well that American industry was asking for a 201 process that would be reliable and functional. They understood well that a perpetual state of Presidential inaction in the area of import relief would be unacceptable to the American people and to Congress.

The committee took giant strides toward achieving a workable 201 process by including a requirement that the petitioner for import relief submit, at the time of its petition to the ITC, a plan to promote positive adjustment to import competition. The bill also provides for firms, workers, and other entities important to the industry's adjustment to make, and the ITC to seek from them, confidential commitments on steps that they intend to take to promote positive adjustment. The committee well understood that industry needs to know that they have a well-reasoned and credible chance of getting relief granted them by the President.

On the other hand, I believe the committee went too far in restricting the discretion of the President in deciding whether or not to grant import relief to a petitioning industry. As written, the committee bill denied the President the ability to weigh-in the national economic interest when deciding whether or not to grant relief. In my view, this provision supplants short term frustration for long term vision, at potentially great cost to the American public.

Under current law, if the International Trade Commission finds a petitioning industry seriously injured by imports, it recommends relief to the President in the form of tariffs or quotas. The President can reject or modify the ITC's recommendation if he determines that import relief is not in the national economic interest. That national economic interest includes: Harm to U.S. consumers from increased prices or reduced supply; harm to U.S. consuming industries, including their workers and their companies, of imported raw materials or components from increased prices or reduced supply; harm to U.S. distribution and retailing industries, including the workers and their companies, of imported products; and harm to U.S. exporters of manufactured products, farm commodities, and raw materials from compensation retaliation, or reduction in foreign exchange earnings.

Soaring consumer prices. Lost jobs. Lost export markets. Those elements form the national economic interest and they need to be weighed in the 201 process. We are living in an ever-changing and increasingly interdependent international marketplace. It is no longer a world in which we can deny the diverse economic realities that shape it. The President can certainly not be forced to deny those realities.

There is no question that this administration has sapped credibility from the 201 process by repeatedly failing to seek adjustment in troubled industries, by repeatedly proposing termination of the Trade Adjustment Assistance Program, by repeatedly failing, in instances when it does grant relief, to grant the time necessary for an industry to adjust positively to the competitive realities of the changing marketplace.

However, the frustrating record of recent years is not good enough reason to deny the President the discretion to weigh the national economic interest in section 201 cases.

The Packwood amendment was a complement to the excellent work of the rest of the trade bill. The rest of that bill, with numerous specific provisions, makes it very clear to any future President that indifference to the trade concerns of American industry and public will not be tolerated.

Today, my colleague from New Jersey proposes an amendment which says that the President, when deciding whether or not to grant import relief, can weigh-in whether or not the granting of such relief would have a disproportionate effect on the Nation's poor. This amendment effectively restores the President's discretion to deny tariff/quota relief in cases when the President determines relief would disproportionately burden the poor. I agree with my colleague from New Jersey that the President should be able to avoid tariffs or quotas that would function like repressive taxes.

If the President determines that the result of relief is increased prices, then the poor suffer first. If the President determines that the result of relief is retailiation against U.S. agricultural and other export industries, the poor feel it first. If the President determines that the result of relief is lost jobs, then the poor suffer first.

The President should be able to weigh that suffering, that loss when deciding whether or not to grant import relief to an industry.

I urge my colleagues here today to support the effort of my friend from New Jersey.

SECTION 201 OF THE TRADE BILL: WE CAN BE COMPETITIVE WITHOUT WAIVING HEALTH, SAFETY, ENVIRONMENT AND CIVIL RIGHTS REQUIREMENTS

Mr. CHAFEE. Mr. President, we have already spent a great deal of time talking about section 201 of the trade bill. There is no need to replow old ground.

However, by focusing on the forest, we have lost sight of the trees. Included in this section is a provision that was not debated in the Finance Committee and has received relatively little attention. I am talking about the provision that sets the stage for the waiver of Federal regulatory requirements.

Which Federal requirements can be waived?

All of them.

This is outrageous: Let's think about it for a moment. Do we really want to encourage or direct the President and Cabinet officials to alter, ease, or eliminate regulations that were developed to protect the health, safety, and civil rights of our citizens? Do we want to waive environmental regulations under the guise of enhancing our competitive position?

This provision suggests that we cannot be competitive unless we sacrifice these basic protections. It implies that chemical companies in this country are at a competitive disadvantage because we require that they install pollution control equipment. What good is a bigger share of the market if we cannot breath our air or drink our water?

It suggests that health and safety requirements to protect American workers unfairly penalize U.S. companies that have to compete with countries which still allow sweat shops to prevail. These are protections that labor unions in this country have fought long and hard to get. They are in place for a reason.

Mr. President, we are being asked, in effect, to countenance the abolition of the entire regulatory framework which has been put in place to protect the civil rights and working conditions of American workers, as well as the environment which all of our citizens depend.

This is unacceptable.

Furthermore, these provisions are simply not needed. I find terribly troubling the implication that our desire to protect the environment and the health, safety, and civil rights of American workers is incompatible with the desire to enhance competitiveness. But this is not an "either/or" situation. We can have both. There is no need to sacrifice one set of interests for the sake of another. Regulatory relief is not necessary to make America more competitive.

Mr. President, I am pleased that the managers of the bill were willing to work with the several members who are concerned about this provision, including the chairman of the Committee on Environment and Public Works, Mr. BURDICK, and to reach an agreement. The amendment before us now removes the offending language and clarifies the intent of the provision and this entire bill as amended.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Madam President, I have examined the amendment, and I have no objection to it, and I will be pleased to take it to conference.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. BRADLEY. I yield back the remainder of my time.

Mr. PACKWOOD. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment (No. 453) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the names of Senator MATSUNAGA and Senator DODD be added as cosponsors.

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

Mr. PACKWOOD. Madam President, if I am not included as a cosponsor, I ask unanimous consent that my name be added.

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

Mr. PACKWOOD. Madam President, are we now back on the Bumpers amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. Madam President, I will suggest the absence of a quorum, hoping that Senators who have amendments now will come to the floor.

Mr. PACKWOOD. Madam President, I might say in fairness, the Republicans are caucusing, I think, on strategy as to whether or not they want to move on to other amendments or stay on the Bumpers amendment.

Even though other amendments may be ready and may come to the floor, I am not sure they will get the floor.

Mr. BYRD. Madam President, I hope that Senators will come to the floor and be ready to call up their amendments. I hope we will get on with the bill.

I do not want to stay here late in the evening any more than anybody else does.

Mr. PACKWOOD. Madam President, could I ask the majority leader a question? We talked earlier about a window from roughly 6 o'clock to 7:30 and the majority leader had no objection. Is it the majority leader's plan to recess for an hour and a half or what did he want to do during that hour and a half?

Mr. BYRD. No. If the managers would be willing I would hope we could continue to have amendments called up and stack votes as we have done in so many instances.

The distinguished Republican leader seems to be agreeable.

Mr. PACKWOOD. I think I would know by 6 o'clock whether or not the minority leader is willing to move off the Bumpers amendment by unanimous consent and take up other amendments.

Mr. BYRD. Very well.

So, what does the ranking manager suggest now? I thought I would put in a quorum.

Mr. PACKWOOD. I would suggest we have a quroum call right now until I find out from the minority leader what his plans are.

Mr. BYRD. Very well.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. BYRD. Mr. President, I think some Senators are under the impression that there is a window between the hours of 6 o'clock and 7:30. I think that was discussed, but I do not think it was ever agreed to.

Presently, I am waiting on our friends on the other side who I understand are conferencing to see if they could develop any strategy they may have in mind. But I hope that our Senators would not take off thinking that there is a window. There is no window as of now. But we are awaiting the arrival of Mr. KENNEDY and Mr. STAFFORD with the understanding that that amendment could be called up.

I understood maybe Mr. PELL might handle the time on this side and Mr. STAFFORD on that side.

Mr. President, I yield the floor.

Mr. PELL. Mr. President, I am very glad indeed to do my best to fill the breech here. I say I am doing it with the authorization of the chairman of our full committee, the Senator from Massachusetts [Mr. KENNEDY], and at his request I am glad to take up the education portion of the trade bill.

In this regard, I will call up an amendment that is at the desk.

The PRESIDING OFFICER. It takes unanimous consent to consider any amendment at this time.

Mr. BYRD. Mr. President, I will ask unanimous consent. I think that was the understanding. I am sure that the Republican leader would not have agreed to take up this amendment had he not been amenable to laying aside the Bumpers amendment.

I ask unanimous consent that the Bumpers amendment and the Moynihan-Byrd amendment be laid aside temporarily so that the amendment by Mr. PELL and Mr. STAFFORD may be taken up.

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

AMENDMENT NO. 454

(Purpose: To make certain technical corrections and, to provide a clarification on the insurance premium rule under the Guaranteed Student Loan program, to clarify the technology education provisions, to strike the small State minimum under the chapter 1 program, and for other purposes)

Mr. PELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. PELL], for himself, Mr. HATCH, Mr. STAFFORD, and Mr. KENNEDY proposes an amendment numbered 454.

Mr. PELL. 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 670, beginning with line 1, strike out through line 7 on page 671.

On page 671, between lines 7 and 8, insert the following:

Subtitle B—Drug-Free Schools Program

SEC. 2531. TECHNICAL AMENDMENT.

(a) WITHIN STATE ALLOCATIONS.—The second sentence of section 4124 of the Drug-Free Schools and Communities Act of 1986 is amended to read as follows: "From such sum, the State educational agency shall distribute funds for use among areas served by local or intermediate educational agencies or consortia on the basis of the relative enrollments in public and private, nonprofit schools within such areas."

(b) EFFECTIVE DATE.—(1) The amendment made by subsection (a) of this Act shall take effect October 27, 1986.

(2) Notwithstanding paragraph (1), a State educational agency may allot fiscal year 1987 funds to local and intermediate educational agencies and consortia under section 4124(a) of the Drug-Free Schools and Communities Act of 1986 on the basis of their relative numbers of children in the school-aged population.

On page 688, line 9, strike out "or lease".

On page 701, between lines 3 and 4, insert the following:

Subtitle C—Miscellaneous Higher Education Provisions

SEC. 2821. INSURANCE PREMIUM RULE.

(a) GENERAL RULE.—(1) Section 428(b)(1)(H) of the Higher Education Act of 1965 is amended to read as follows:

"(H) provides for the collection of a single insurance premium which—

"(i) shall be applied uniformly to all loans; and

"(ii) is not less than 0.5 percent nor more than 3 percent of the principal amount of the loan (and, in the case of a multistate guaranty agency, may be set for each State for which it has received advances under section 422, with a single uniform rate set for the balance of the activity of the guaranty agency),

by deduction proportionately from each installment payment of the proceeds of the loan to the borrower, and insures that the proceeds of the premium will not be used for incentive payments to lenders;".

(2) Section 428(b)(1) of such Act is amended—

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

(B) by redesignating subparagraph (U) as subparagraph (V); and

(C) by inserting after subparagraph (T) the following new subparagraph:

"(U) provides that, notwithstanding subparagraphs (S) and (T), a guaranty agency may after 60-days notice cease to guarantee loans for students at an otherwise eligible institution if the cumulative default rate of loans from such institution in repayment exceeds 25 percent of the amount insured by the guaranty agency which holds the preponderance of the value of the loans outstanding at such institution, unless the guarantor is the designated State guaranty agency in the State where the eligible institution is located and insures loans for the lender of last resort in that State under subsection (j); and".

(b) EFFECTIVE DATE.—(1) The amendments made by subsection (a)(1) of this section shall take effect with respect to loans made on and after 30 days after the date of enactment of this Act.

(2) The amendments made by subsection (a)(2) of this section shall take effect 90 days after the date of enactment of this Act.

SEC. 2822. UNITED STATES INSTITUTE OF PEACE.

Section 25 of the Higher Education Technical Amendments Act of 1987 is amended by striking out "Section 1703" and inserting in lieu thereof "Section 1705(b)(3)".

On page 687, line 5, after "Director" insert a comma and the following: "to such extent and in such amounts as provided in advance by appropriation Acts,".

On page 732, line 4, before the period, insert a comma and the following: "vocational educational centers and community colleges".

On page 732, line 12, strike out "and".

On page 732, line 15, strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 732, between lines 15 and 16, insert the following:

"(C) the need to foster flexibility and assist students in meeting the challenge of a changing work place.".

On page 733, after line 24, insert the following:

"(13) Stressing basic remedial skills in conjunction with training and automation literacy, robotics, computer-aided design, and other areas of computer-integrated manufacturing technology.".

On page 13, in the table of contents, strike out the item relating to subtitle B of title XXV and section 2521 and insert in lieu thereof the following:

"Subtitle B—Drug Free Schools Program

"Sec. 2531. Technical amendment.".

On page 14, in the table of contents, after item "Sec. 2811." insert the following:

"Subtitle C—Miscellaneous Higher Education Provisions

"Sec. 2821. Insurance premium rule.

"Sec. 2822. United States institute of peace.".

Mr. PELL. Mr. President, our amendment would add language to subpart C of title 32, "Intructional Programs in Technology Education" to extend program eligibility to include vocational education centers and community colleges. Instruction in technology education is an important component of strengthening our competitive capabilities. Rapid changes in industry require that workers—particularly older workers—have access to instructional programs that will improve their ability to adapt to these changes. Therefore, the committee intends that model programs should be funded not only for students in secondary schools, but should extend to students in vocational educational programs and in community colleges.

In addition, the amendment contains language that corrects a problem in the Drug-Free Schools and Communities Act. Under current law, State educational agencies are required to allot funds to local educational agencies on the basis of school-aged population. However, census data on school-aged

population by local educational agencies are not current. Our amendment would require State educational agencies instead to allocate funds to local applicants on the basis of school enrollment data, which are readily available to the States and which are more current than census data. This would make the local allotment provisions of this act consistent with those in other education programs such as chapter 2. The committee has heard from a number of States on this issue, and our language has been recommended by the Department of Education.

The amendment also contains language that would strike the chapter 1 small State minimum, contained in subtitle B of title 25 of this bill. The committee will revisit the issue of the small State minimum along with all other formula changes during reauthorization of the Chapter 1 Program. That reauthorization process is already underway with the expectation that hearings will be completed before the August break and that reauthorization legislation will be acted upon by the Subcommittee on Education, Arts, and Humanities early this fall.

Further, this amendment contains important changes in the insurance premium provisions of the Higher Education Act. The language in our amendment provides for the collection of a uniform insurance premium to be applied to all loans. The rate shall be not less than one-half of 1 percent and not more than 3 percent of the principal amount of the loan.

The amendment would allow a guarantor to withdraw its guarantee from an institution of higher education if that institution has a cumulative default rate of more than 25 percent, with the guarantor holding the preponderance of the value of loans outstanding at the institution in question. This provision is important in order to allow guaranty agencies to take swift and immediate action on schools that have alarmingly high default rates.

Mr. STAFFORD. Mr. President, I join with the very able Senator from Rhode Island in the statement that he has just made with respect to the amendments before the Senate. As have been described, they have been worked out carefully by all of the concerned parties in question.

Mr. President, I wanted to clarify for my colleagues why members of the Senate Labor and Human Resources Committee are voluntarily deleting one of the provisions which earlier passed our committee as part of the education portion of the trade/economic competitiveness legislation.

As part of our initiative, a small State minimum was contained for the Chapter 1 Program, a provision which would have been funded wholly out of new chapter 1 funds. This small State minimum would have provided a collective minimum increase of $25 million for 14 States, hardly a "big ticket item" in a program where appropriations last year were over $3.9 billion.

It became clear last week that the larger States were looking to their representatives to strike this provision from the Labor and Human Resources Committee package. Additionally, a few other Senators indicated their interest in offering amendments to significantly change the chapter 1 formula.

The temptation of course was for those of us who represent small States to put together a working majority in the Senate in order to shift even more funds to our States. However, after some deliberation, Senator PELL and I decided that this issue was better addressed in committee, during our upcoming reauthorization of the Chapter 1 Program, rather than on the Senate floor.

So, for my constituents in Vermont, and my other small State colleagues, all of whom have worked tirelessly on behalf of this amendment, I want to make the public commitment to aggressively pursue this issue during the chapter 1 reauthorization this fall. It will be more difficult at that time to take any small State increase out of new funds, so I no longer feel compelled that this should be one of the prominent features of any small State minimum in chapter 1.

Finally Mr. President, for those who would criticize the small State senators for advocating the small State minimum, I would remind our critics that we have all supported education programs and funding, the benefits of which are not received directly by our States. For example, last year, the Congress passed a new initiative which guarantees our Nation's black colleges a minimum level of Federal funding each year. I strongly supported this $50 million provision, in spite of the fact that my State does not receive any of these funds. Other programs which benefit very specific State and geographic areas over others are: Impact aid, bilingual education, immigrant education, and magnet schools.

In fact, just last week, the Senate passed the supplemental appropriations bill which contains a special provision for the Chicago public schools of over $50 million. And so Mr. President, I want to thank my small State colleagues for all their help, and particularly the persistent efforts of their able staff members. I look forward to working with them again this fall on this issue.

Mr. President, the Senator from Vermont knows of no opposition to the amendment as it has been offered.

Mr. HOLLINGS. Mr. President, I want to thank the distinguished Senator from Rhode Island and the distinguished Senator from Vermont for their amendment particularly in that we have worked so closely on so many educational measures together and will continue to do so.

As the Senator from Vermont has pointed out, this does restore the current formula rather than implementing a small State minimum. A small State minimum is called for when a program is so small that the administrative expenses would eat up the allotment given to a lightly populated State, and no finding would be left over for the intended beneficiaries title I however, is a program if substantial size and such a problem does not exist.

What we are trying to do is with title I is target children, not States, and that is what the current formula does. I appreciate the recognition of that fact by the submission of the amendment.

Mr. President, with the committee amendments offered by the distinguished chairman of the Labor and Human Resources Committee, Mr. KENNEDY, and agreed to by the Senate, a controversial provision of title XXV relating to funding for chapter I of the Elementary and Secondary Education Act of 1965 is deleted from the trade bill. Because of a "Dear Colleague" the Senator from New Mexico, [Mr. DOMENICI] and I circulated the other day opposing this provision I call its removal by the committee to the attention of interested Senators.

In that "Dear Colleague" Mr. DOMENICI and I pointed out that the provision in question intended to create a "small State minimum" in the chapter 1 program which provides compensatory education for disadvantaged children. As provided in title XXV, a 0.5-percent minimum level of chapter 1 funds would be guaranteed to small States, with no State receiving more than a 25-percent increase in their State allocation. This small-State "bonus" would redirect chapter 1 program funds to 14 States at the expense of the remaining 36.

Since its initiative as title I of the Elementary and Secondary Education Act of 1965, Mr. President, the purpose of the Federal program of compensatory education for disadvantaged children has been to target funds to educationally and economically disadvantaged students regardless of where they live. The provision in question would have reversed that historical record and initiated a system where certain States would have been guaranteed a level of spending at the expense of needy students living in other States.

Mr. DOMENICI and I were pleased to have Senators DIXON, BUMPERS, SANFORD, HEFLIN, BRADLEY, THURMOND, SHELBY, WIRTH, STENNIS, WILSON, COCHRAN, LAUTENBERG, GRAHAM, GRAMM, D'AMATO, HEINZ, BENTSEN, CRANSTON, NUNN, MOYNIHAN, GRASSLEY, HATFIELD, RIEGLE, and EXON join

us in the effort to delete this unwise change. We feel it is important that chapter 1 continue to operate as a program targeting resources to needy children. It was our hope that this provision could be removed from the trade bill and any discussion about its merit take place when the reauthorization of the program occurs later this Congress.

We are encouraged by the recognition of the problem caused by the small State minimum and very much appreciate the committee's willingness to remove the provision from the bill. We, of course, will be mindful of future deliberations concerning the formula for chapter 1, including any attempt to revisit the small State minimum and look forward to having input in the committee's process.

Mr. COHEN. Mr. President, I rise today to express my strong support for the inclusion of a "small State minimum" grant provision in the chapter 1 remedial education program. The Labor and Human Resources Committee approved this provision and included it in the education section of the omnibus trade bill. My colleague from Vermont had proposed the small State minimum in order to promote education opportunities for disadvantaged schoolchildren in rural areas.

The small State minimum would ensure that less-populated States receive a more equitable share of chapter 1 funds. In the State of Maine, only one-third of the students qualifying for chapter 1 funds are presently served. I am told that Maine is able to fund very few remedial programs for secondary school students, being forced to concentrate on the youngest students, primarily grades one through five.

The percentage of chapter 1 funds allocated to Maine is below the national average. This concerns me, because rural youngsters have no less need for remedial education than urban students. The "small State minimum" corrects this imbalance.

I disagree with those who contend that the "small State minimum" shifts current funding patterns to the benefit of a few States and to the detriment of the remaining States. I maintain that current funding formulas are skewed to benefit urban areas, and that rural areas do not get a fair share.

Moreover, it is not true, as some have asserted, that the "very purpose" of chapter 1 is to direct funds to localities with the greatest concentrations of needy students. The statute draws no distinction between urban and rural schoolchildren. However, the applicable funding formula deliberately favors areas with higher concentrations of students. I believe that it is wrong to draw conclusions about the overriding purpose of the statute by examining the method of distributing its funds. And I strenuously object to the conclusion that the fundamental purpose of the chapter 1 program is to direct Federal funds to areas with the greatest concentrations of needy children at the expense of needy children in rural States.

A small State minimum is not unprecedented. Chapter 2 block grants, vocational education, adult education and math and science education programs have a small State minimum.

A small State minimum for chapter 1 has attracted some controversy, however. The Labor Committee amendment, which is before the Senate today, removes the small State minimum from the trade bill. I am disappointed that it has become advisable to set aside the proposal at this time, but I am glad that there will be efforts to revisit the small State minimum in the context of chapter 1 reauthorization later this year.

I thank my colleague from Vermont for his commitment to protect the needs of rural children and I fully support his proposal to incorporate a "small States minimum" into the chapter 1 program.

Mr. HECHT. Mr. President, I rise today to express my support for the inclusion of a small State minimum for appropriations authorized under chapter 1 of the Education Consolidation and Improvement Act [ECIA]; and, further, to cite figures demonstrating that Nevada, a small State, does not presently receive sufficient funds under the chapter 1 program to serve even half of the State's eligible students.

Mr. President, language providing for such a set-aside was included, at one point, in S. 1420, the Omnibus Trade and Competitiveness Act of 1987. However, because of what would seem to be a lack of clear understanding on the part of some in this body as to the justification for such a set aside, the language was removed from the trade bill. However, in recognition of the equitability of this set-aside, I will support its reconsideration during the course of the Senate Labor and Human Resources Committee's forthcoming reauthorization of the ECIA.

Mr. President, there are presently a number of Federal education programs which include a small State set-aside; including programs for vocational, and adult, education assistance, and chapter 2 ECIA funding. However, rather than entering into a discussion of the merits of these set asides, I would instead simply list some figures relevant to my State's Chapter 1 Program.

Mr. President, of the 300 public schools in Nevada, 140 are eligible to participate in chapter 1 programs. Of these 140 schools, however, only 103 are actually served through this program. Further, of the 160,419 public school students in Nevada in grades kindergarten through 12, 24,635 are eligible for chapter 1 benefits. However, of those eligible, a mere 9,353 students are presently served with available Federal funds. As these figures obviously demonstrate, Mr. President, in fact, Nevada is one small State which does not receive sufficient chapter 1 funds to serve even one-half of its eligible students, let alone a majority of eligible students.

In consideration of the figures cited above, I would simply reiterate to my colleagues that Nevada, like many other small States, does not currently receive an amount of chapter 1 funding necessary to serve nearly a majority of its eligible students.

Mr. DOMENICI. Mr. President, I am pleased that we have been able to reach an agreement to strike the provision in the trade bill that would require a small State minimum for the collection of funds for chapter 1, compensatory education for the disadvantaged.

On face value, the proposed small State minimum seems innocuous enough. In reality, however, it is not. In my State of New Mexico, for instance, this provision would mean that chapter 1 increases for fiscal year 1988 would be reduced by $200,000 below what they would otherwise receive under current law. More significantly, under current law, the average chapter 1 grant per child in New Mexico will increase to $445 in fiscal year 1988. With a small State minimum, the average grant per child would be $442.

A cut of a few dollars per child may not sound like a lot of money to a lot of people, but it is a lot of money to me and to my fellow New Mexicans.

Mr. President, chapter 1 is the largest Federal program for aid to elementary and secondary education. The purpose of this program is to provide financial assistance to State and local educational agencies to meet the special educational needs of educationally deprived children.

Let there be no mistake about it. There has always been considerable debate over how we should provide that financial assistance and how the funds should be allocated so that they can reach the "neediest" children. And we should always strive to allocate these funds in the best way possible.

Mr. President, I am pleased that we have reached an agreement to strike the small State minimum from this bill.

Mr. BRADLEY. Mr. President, I rise today in support of an amendment to delete the small State minimum provision from the education component of the trade bill. Under this provision, disadvantaged students in New Jersey will receive at least $840,000 less than they will receive if this provision is not enacted. Mr. President, many of our

urban school districts, in New Jersey and across the country, are struggling to provide an education for their students in poor neighborhoods with minimal tax bases. Newark, Camden, East Orange—these are just a few of the school systems that depend on chapter 1 funding to help them provide the basic skills training their students so sorely need. The need in these schools is so great that many students are not being served at all, simply because there is not enough money to go around.

Mr. President, I do not desire to see any children deprived of the compensatory education services they may need to achieve their full potential. However, I cannot support a provision in which 35 States receive decreases in their chapter 1 funding when compared with current law so that 15 States may receive substantial increases ranging from $52 to $96 per pupil.

I have made education spending a priority since I came to this body in 1978. However, the Congress has determined that we cannot afford full funding for this program. Thus, our goal must be to allocate our resources in the most effective manner within these constraints. I have argued that the proposed formula revision does not accomplish this goal, because it does not direct funds to those States and localities with the greatest concentration of needy children. It is for this reason that I cannot support the small State minimum provision.

Mr. HEFLIN. Mr. President, I rise in support of my friend and colleague, Senator HOLLINGS, in his efforts to strike the provision of the omnibus trade bill that creates a State minimum for Chapter 1—Compensatory Education for the disadvantaged. This provision attempts to redirect additional appropriations, above the current funding level, to 14 States at the expense of the others. Because of the detrimental effect of the small State minimum provision in the Education Consolidation Act on Schools in my home State of Alabama, I am joining Senator HOLLINGS in this effort.

Over the past several years, the small State minimum provision contained in many education programs has received cursory comment but never a thorough analysis of its merits or impact. Because a small State minimum provision has been proposed for nearly every new Federal Education Program considered by Congress in recent years and is currently being considered for the 22-year-old, multibillion Chapter 1 Program, now is the appropriate time for an examination of the policy implications of the small State minimum grant in Federal education programs.

Historically, the small State minimum was first enacted in the form of a dollar amount that would be necessary for a State receiving funds to establish an adequate program. The State minimum was seen as necessary in these cases because the Federal appropriation for the program was so low as to preclude small States from mounting a satisfactory program with the funds received strictly from a formula allocation based solely on student population or some other measure.

In more recently enacted Federal education programs such as chapter 2 of the Education Consolidation and Improvement Act, the mathematics and science programs under title II, the Vocational Education Program, and others, the small State $1 minimum has been changed to a percentage minimum of the Federal appropriation. The percentage minimum method presents certain policy concerns more serious than the $1 minimum method. The most problematic of these concerns is that as program appropriations increase, this method has the effect of disproportionately increasing the per pupil allocations of the qualifying small States while simultaneously reducing the remaining States' grant proportions.

For example, a small State minimum of one-half of 1 percent in the Chapter 1 Program has the effect of increasing the grant for one small State, Wyoming, by 309 percent, with a resultant $2,075 rise in the State per child expenditure for a program with a national average per child expenditure of only about $600. Conversely, a nonsmall State such as Pennsylvania would lose more than $23 per child in chapter 1 funds under such a proposal as the contribution to the increase in grant proportions of the small States. It is important to note that this respective increase and decrease in State grant proportions will occur even in a year where a sizable increase in appropriations would mask the shift by preventing any net loss of funds by the nonsmall States.

This shift in grant proportions and per pupil expenditures would seem to establish a trend in fund allocations which is contrary to the very purpose of the Chapter 1 Program: To direct Federal funds to those States and localities with the greatest numbers of educationally disadvantaged children.

This is evidenced by the fact that a nonsmall State such as Alabama which is currently receiving $427 per pupil, the fewest chapter 1 dollars per pupil than any other State, would be forced to receive a $14 per pupil reduction under the small State minimum proposal. Vermont, however, with fewer than one-tenth the eligible chapter 1 children as Alabama, would receive a $792 per pupil increase. Current efforts to better target chapter 1 funds to groups of children in greatest need would apparently be severely undermined by any proposal to inject a small State minimum grant provisio into the allocation formula.

A second policy concern with the small State minimum grant is whether it is an appropriate component in programs which reach the magnitude of the $3.9 billion Chapter 1 Program. As mentioned earlier, the original intent of the provision was to allow small States adequate funds to provide a program under those acts for which Congress provided only minimal appropriations. Reasonable people may disagree over what level appropriation should be considered so low as to require a small State minimum provision, but it appears obvious that a program that has reached the multibillion dollar level and represents nearly half of all Federal spending on elementary and secondary education will clearly provide an adequate amount to each State without a small State minimum provision.

The States of Alabama, Arkansas, Louisiana, Mississippi, and Kentucky have the distinction of having the highest numbers of poverty students, and yet it is estimated that my State of Alabama will lose $511,000 if the present bill passes. The other four States mentioned would lose from $307,000 to $625,000.

Mr. President, this is not right! These States must not lose money. The poverty cycle must be broken, and the only way to do this is to educate these children so that they can become productive citizens of this Nation.

Therefore, I urge my colleagues to join me in support of Senator HOLLINGS' initiative.

Thank you, Mr. President.

Mr. DIXON. Mr. President, I rise today to support the amendment to S. 1420, the Omnibus Trade and Competitiveness Act of 1987, which would delete the provision which is intended to ensure that States with small populations receive minimum Federal allocations under the chapter 1 education program.

Simply put, this provision would change the chapter 1 education program formula such that 14 small States would greatly benefit at the expense of my own State of Illinois and the 35 remaining large States. It guarantees that any increases in the funding level for the Chapter 1 Program will result in disproportionate distributions to small States.

The formula change would prohibit any State from receiving less than one-half of 1 percent of the federally appropriated funds, once the appropriation reaches $4.2 billion. However, no State could receive more than a 25-percent increase in any year.

It appears that the funding level will reach the $4.2 billion this year. Therefore, the chapter 1 formula change in S. 1420 would divert new funds from

those areas of the country that have high concentrations of needy disadvantaged children.

The proposal would result in my own State of Illinois losing $1.2 million in new allocations, or $3 per student. However, the 14 smaller States would gain an average of $76 per student.

The Chapter 1 Program has proven to be one of our most successful education programs. It provides financial assistance to local education agencies to meet special educational needs of disadvantaged children.

Based upon actual pre-test and post-test scores, chapter 1 disadvantaged students have typically improved their education performance. Overall, disadvantaged students who have participated in the Chapter 1 Program have become more self-sufficient and better taxpayers.

Illinois has 342,000 chapter 1 participating students, more than the total combined participants in the 14 small States.

Additionally, for the past 10 years, from 35 to 41 percent of those students who are educationally disadvantaged and living in an eligible attendance area did not receive chapter 1 services because of insufficient funding and the requirement that the most needy be served in a meaningful fashion.

Mr. President, the chapter 1 formula change proposal is unfair to the disadvantaged children in Illinois and 35 other States. We cannot afford to award individual States, as this bill proposes to do. We must continue to direct Federal funds to those States with the greatest concentration of needy students.

I call this issue to the attention of my colleagues to highlight the fact that once again, Illinois and similar States would not get a fair deal from the Federal Government, an all too familiar refrain.

Mr. President, I am pleased that an agreement has been reached whereby the chapter 1 issue will be addressed at a later date. These Federal funds must be sent where the need continues to exist—with educationally disadvantaged children.

Mr. MATSUNAGA. Mr. President, I rise in support of the Pell amendment to the education portion of the trade bill, but at the same time to express my strong reservations regarding the deletion of the small State minimum provisions for chapter 1 programs from the amendment as originally drafted.

Mr. President, I wish to make it very clear that in supporting the amendment, as modified, I am doing so with the understanding that the allocation formula, and specifically the inclusion of a small State minimum under chapter 1, will be revisited in the next few months as the Education Subcommittee considers reauthorization of the program.

I would also like to note that the small State minimum, which was included in the measure as reported by both the subcommittee and full committee, was an eminently fair proposal. Some of my colleagues seem to have the mistaken belief that the small State minimum would have caused their States to lose funding. In fact, only the size of their increase would have been affected. The small State minimum provision would not have affected current funding, and would have been triggered only at an appropriations level which would have ensured that all States receive significant increases in funding.

The argument was raised that some children would have been deprived of services under the small State minimum provision. As a matter of fact, this program currently serves only 40 percent of all eligible children—there is no dearth of eligible children in any State. With or without a small State minimum, there will be children who will be deprived of services. What is important to remember is that this provision would not have caused a decrease in funding to any State; no State would be forced to reduce the number of children served due to a reduction on funding.

Mr. President, traditionally, the Education Subcommittee has had the responsibility to craft fair and responsible allocation formulas for programs such as chapter 1. I am confident that this provision will again be recognized by the subcommittee as one that is not only reasonable but essential to the continued viability of chapter 1 programs in small States. It is in this confidence that I have decided to refrain from offering a perfecting amendment to the pending amendment to restore the small State minimum provision.

Mr. PELL. Mr. President, I am prepared to yield back the balance of my time if there are no other Senators with amendments or who wish to comment.

I yield back the balance of my time.

Mr. STAFFORD. Mr. President, I am prepared to yield back the time for the minority.

The PRESIDING OFFICER. Is there further debate on the amendment?

If there is no further debate on the amendment, the question is on agreeing to the amendment.

The amendment (No. 454) was agreed to.

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

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

The motion to lay on the table was agreed to.

TITLES 23 TO 32

Mr. KENNEDY. Mr. President, the legislation before the Senate addresses the complex challenge of how we can maximize our position in the world marketplace. We are very concerned about competitiveness, productivity, and innovation. But let us not forget that at the very heart of these important concerns is the essence of our hope for the future of this Nation not only in trade issues, but in virtually every issue facing our country today, and that is education.

To compete effectively with countries in Europe and Japan we need a highly skilled and well-trained work force capable of adapting to constantly changing industrial demands by learning new technologies and skills. This requires a work force which has completed secondary education, a work force which is competent in basic skills and is literate, a work force knowledgeable about technology, well-versed in mathematics and the sciences, able to communicate in foreign languages, and one in which the special talents or our gifted and talented young people have been developed.

In survey after survey, American students are at the back of the class in math, science, and foreign language achievement. Even more tragic is our failure to assure that every American has the basic reading and writing skills that we all know are essential to life in our democratic society. Our competitors in other countries have not neglected the valuable resource of an educated citizenry. They have invested in education and literacy, and in achievement in areas such as the sciences and mathematics which are vital to competitiveness. The results are clear in their work productivity and advanced technological knowledge.

The work force of the year 2000 is already in kindergarten. We have no time to waste. That is why I am pleased to bring before you titles 23 to 32 reported by the Labor Committee as the Education for a Competitive America Act. This legislation confronts head on some of the most difficult challenges before us, and takes important steps to address the needs before us. It employs both time tested and new techniques, mobilizing the resources of local education agencies, colleges, universities, and vocational schools, community groups and labor organizations, business and industry, to meet these challenges through cooperative efforts.

Of critical importance are our efforts to upgrade our math, science, computer, and foreign language instruction. Title 23 of this legislation reauthorizes the Education for Economic Security Act through fiscal year 1993, so that we may continue to provide badly needed grants to State and local educational agencies and State

higher education institutions to improve instruction in these subjects.

Title 23 also includes the Star Schools Program Assistance Act, which was passed by the Senate in April as S. 778 by a vote of 77 to 16. The committee has included it in this legislation because it fits squarely within the purpose of this act, that of increasing our competitiveness abroad by improving our education here at home. The star schools programs would authorize $100 million over 5 years to set up telecommunications networks which would provide math, science, and foreign language instruction to students all over the country, and particularly to underserved populations. These are the subject areas most crucial for our continued success in the world market. Through the use of the satellite and other technologies now available, we can make a wealth of rich new educational possibilities available to students whose horizons are now limited by schools too poor or too remote to provide them. In this way, we will not only save billions of dollars in lost trade revenues but, most importantly, allow countless children to realize their potential in these vital areas.

Title 24 authorizes $35 million in each fiscal year 1988 through 1993 for foreign language instruction programs at the elementary and secondary school levels. I was pleased to cosponsor this legislation when it was introduced as a separate initiative because it addresses an important need in our educational system which significantly enhances our ability to participate in the international market. As with math and science, American students have fallen behind our competitors in foreign language training. Less than 3 percent of American high school graduates are proficient in any foreign language. In contrast, more than 95 percent of Japanese students study English. Clearly, we can keep up with the scientific discoveries of other countries and communicate more effectively with our trading partners if we improve our facility in foreign languages.

In our efforts to improve education at advanced levels, we must not leave behind those children who are disadvantaged in our educational system. Title 25 recognizes that the achievement of every student is important to an internationally competitive America. It authorizes $400 million for compensatory education specifically targeted to chapter 1 eligible students in secondary schools. This legislation would not divert any chapter 1 funds from elementary schools. Rather, it would extend the services available to high school students with special needs.

The private sector is also an important resource in efforts to strengthen our schools. Title 26 would encourage the establishment of educational partnerships between public schools and private for-profit and not-for-profit sectors of the community. It would provide funds for educational partnership demonstration projects which are encouraged to become self-sufficient as the Federal share of funds declines over a 4-year period.

Title 27 would facilitate the conservation and coordination of our technology training resources by creating an Office of Training Technology Transfer in the Department of Education. We are not using our technology training materials efficiently if we are duplicating our efforts by failing to share information. This title would bring all our resources together under the Office of Technology Transfer and encourage their adaptation for use by the Federal Government and all interested parties—business, schools, colleges, vocational education facilities, and Job Training Partnership Act agencies.

Higher education is also of vital importance in these efforts. Title 28 authorizes $10 million for each fiscal year 1988 through 1991 to create an international education program under title 6 of the Higher Education Act. This program would provide grants to institutions which combine the disciplines of business and international education. Title 28 also enables the Secretary of Education to provide up to $5 million for Ronald E. McNair scholarships—graduate scholarships for minority students in the natural sciences, mathematics, and technological fields.

Title 29 would provide an additional authorization under the Carl D. Perkins Vocational Education Act for training programs in high technology occupations. Title 30 would establish a National Center for Research and Development in the education of gifted and talented children and youth. The Center will conduct research on methods for identifying and teaching gifted children and youth.

America's dropout rate is one of our greatest national tragedies. One in four students today does not graduate from high school, at a tremendous cost to the Nation in lost productivity and wasted human potential. Retaining children in school until they complete their secondary education is perhaps the single most important preventative measure we can take to assure a literate, competent, self-sufficient future generation. Title 31 of this legislation would authorize demonstration grants to find ways to keep children in school, and to encourage students who have already dropped out to return to school and finish their education.

Finally, I am particularly pleased to offer the Literacy Corps Assistance Act contained in title 32. No one knows exactly how many people in this country are illiterate—experts estimate between 20 and 30 million people are functionally illiterate—but we do know that current programs serve only a fraction of those who need help. The literacy corps is based on an existing successful program, in which college students take an academic course which requires them to provide 6 hours per week of tutoring in a community agency with an established classroom program, such as a school, jail, or institution for the disabled.

If 800 colleges around the country participate in the literacy corps, 132,000 students would provide 10 million hours of tutoring over the 2 years of the program. Valued at $20 an hour, the $20 million Federal investment authorized in this title would generate 160 million dollars' worth of tutoring services—over an eight-fold return. I doubt that any Federal dollars are better spent. As an added advantage, it would give the thousands of college students who will act as tutors the benefits of work experience and the satisfaction of helping others.

This legislation includes two additional literacy programs. The workplace literacy assistance program is an important initiative which would provide demonstration grants to encourage businesses and educational institutions to form partnerships to provide basic skills training for workers.

A second program provides for demonstration projects in technology education for secondary schools. I should add that each of these three programs—literacy corps, workplace literacy assistance, and technology education—requires that the adult education act first be funded at least $110 million before funds will be authorized for any of these literacy initiatives.

I am convinced that this is a superb package of education programs which will result in significant strides toward increasing the competitiveness of our children, the work force of tomorrow, as well as that of the work force of today.

S. 406, EDUCATION FOR A COMPETITIVE AMERICA AS CONTAINED IN S. 1420

Mr. STAFFORD. Mr. President, during the first few months of this 100th Congress, many of our colleagues have spoken in favor of education initiatives to improve our competitive edge in the workplace. S. 406 reauthorizes important programs which have funded education and training initiatives in the past, and enacts several new initiatives as well. I would like to highlight the programs of greatest interest to me personally.

One of the most important programs included in this package is a special authorization of $400 million for chapter 1 services targeted to secondary students. Because of limited appropriations, local school districts have concentrated chapter 1 services in the

elementary grades. Chapter 1 works well in grades one through six. It works well in junior highs and senior highs fortunate enough to have the resources to offer the services as well. An increased authorization for chapter 1 and the enactment of these amendments will enable many more school districts to offer compensatory education services to students beyond grade six. It is an important new initiative which for many young people will make a measurable difference in their prospects for the future.

Right now, there is no authorization cap on chapter 1 because of the nature of the program. This amendment would provide for a junior high and high school program within the overall chapter 1 program. Funds for this initiative have already been included in the budget resolution passed by the House and Senate.

A second smaller initiative that I was pleased to see included in this package is the partnerships for excellence proposal. This program would encourage neighborhood schools to set up cooperative programs with local businesses, community organizations, and higher education institutions to tackle difficult problems or expand successful programs. Twenty-five percent of the funds appropriated under this part would be targeted to projects for gifted and talented students.

The reauthorization of titles II and III of the Education for Economic Security Act takes care of an important piece of business. The Math/Science Program makes vital grant money available to State education agencies, local schools, and postsecondary institutions for training and retraining activities for teachers at all grade levels. If we are to have a well-trained and literate work force, we must make sure that our teachers have every opportunity to keep their own skills up to date. The Math/Science Program does just that.

In closing, though I am concerned about authorizing new initiatives at a time when we are having such difficulty funding well established successful programs, I believe that S. 406 is a sensible and necessary package for the committee to offer to the Senate's competitiveness/trade package. It addresses the needs of our poorest children, who will certainly be a resource on which our Nation must draw if we are to remain competitive.

S. 406, THE EDUCATION FOR A COMPETITIVE AMERICA ACT

Mr. PELL. Mr. President. I am most pleased that we are including the Education for a Competitive America Act, S. 406, as part of our legislative consideration of a trade initiative. This legislation, which we reported out of the Labor and Human Resources Committee, is contained in titles 23 through 32 of the omnibus trade bill. Clearly, education plays a central role in a long-term strategy to regain our competitive edge in the world economy. A strengthened economy demands a more educated work force. Education unleashes the productive ability of our citizens. Education develops the basic skills that will enable workers to master quickly the seemingly ever-changing demands of the workplace. And, education promotes the ingenuity and creativity of those who will carry out industries into new ventures and new markets.

The Education for a Competitive America Act is a comprehensive legislative strategy. It seeks to develop widespread educational competence among our citizenry. And in doing so it strengthens the ability of our future work force to meet the challenges of the international marketplace.

It is important to realize in this context that the fundamental tools to accomplish this task already exist in law. They need only the teeth of better funding in order to be effective. The Education for a Competitive America Act stakes out those areas of education where increases in current programs or new authorizations will strengthen our competitive capabilities. Those key areas include mathematics, science, and technology education, basic skills instruction and literacy, and vocational education.

This legislation has strong bipartisan support. It is the product of considerable deliberation in our committee and was reported favorably by a vote of 14 to 1. The bill before us is a carefully crafted package of provisions that serves the interests of the members of our committee. I am very pleased that in forging this concensus agreement, we have been able to incorporate many of the proposals of my colleagues.

This legislation includes programs in international studies and foreign language instruction that reflect the special concerns of both Senator DODD and Senator SIMON. It accommodates the keen interest of Senators BRADLEY and STAFFORD to provide an increase in compensatory education funds that would be targeted specifically to secondary students. It brings together elements of legislation introduced by Senators CRANSTON, DOLE, and STAFFORD with respect to educational partnerships.

I am pleased that we were able to include provisions for gifted and talented students from legislation introduced by Senator BRADLEY. We have made provision for technology education by combining proposals put forth by Senators ROCKEFELLER and LEVIN. And we have allowed that up to $5 million may be reserved for Ronald E. McNair scholarshps, a proposal of considerable interest to Senators THURMOND and NUNN.

I would like to thank my colleagues for their spirit of cooperation on behalf of this legislation. In that regard, I would like to make particular note of the efforts of Senator STAFFORD. I am happy to report that the education firm of STAFFORD and PELL or PELL and STAFFORD is alive and well, as is very evident in this legislation.

Title 23 of this legislation provides for a 6-year reauthorization of the Education for Economic Security Act. This is the program we enacted 4 years ago to upgrade math and science instruction in our elementary and secondary schools. It is a law whose only handicap has been inadequate funding.

In addition, this title creates the Star Schools Program Assistance Act, which will improve a student's access to basic and advanced courses in mathematics, science, and foreign languages through use of telecommunications.

Title 24 authorizes $35 million for model programs in foreign language instruction at the elementary and secondary level. Foreign language facility is an important component of our ability to do business with other nations, and it is clear that such ability must be developed in the very early grades. In addition, I am very pleased that we have been able to accommodate an interest of Senator METZENBAUM that programs funded under this title would allow the entire community to participate in these foreign language programs.

Title 25 calls for a $400 million increase in the chapter 1 program specifically targeted to basic skills for secondary students. Efforts to strengthen the competence of our work force must ensure that students are provided with the basic skills necessary to enable them to perform their vocational duties competently and to adapt to changes in their work responsibilities resulting from changes in industries.

Title 26 provides a new $20 million authorization for educational partnerships between the public schools and the private sector and community organizations. This title incorporates major provisions of legislation that have been introduced by Senators STAFFORD and DOLE, as well as a new initiative offered by Senator CRANSTON. This demonstration grant program will encourage organizations in the community to contribute their resources—their time, talent, and equipment—to enhance the quality of instruction in public schools. In this vein, it will promote community support and responsibility for elementary and secondary schools.

I am particularly pleased that title 27 makes provision for legislation I introduced earlier this session. This legislation, the Training Technology Transfer Act, would facilitate the sharing of computer software training programs developed by Federal agen-

cies or by contract with Federal agencies. For example, information regarding basic skills training programs developed at the Department of Defense could be converted at very reasonable cost for use in educational institutions, thereby defraying the high cost of development of this software.

Title 28 of this legislation would authorize a new program in international education to provide grants to universities which emphasize the importance of international study in a business program. This demonstration program is designed to encourage higher education institutions to make foreign language instruction and international studies an integral requirement of a business program. Programs funded under this title should also serve as resources for businesses in the community in which the center is located.

Part B of title 28 enables the Secretary to provide up to $5 million for Ronald E. McNair scholarships. This important program provides scholarships for graduate minority students. By enabling these students to pursue a course of study at the graduate level, these scholarships serve to increase the talent pool of minority professionals in science, mathematics, and technological fields.

Title 29 provides additional authorization under the Carl D. Perkins Vocational Education Act for training and retraining programs in high technology occupations. Programs under this title will focus on high-technology training for workers who are adversely affected by changes in industries due to foreign competition. Vocational programs under this title would ensure that services that dislocated workers received under the Economic Dislocation and Worker Adjustment Assistance Act would be of the highest quality and would stress training in high technology occupations.

Title 30 makes provision for a National Center for the Gifted and Talented. This center would identify and teach gifted and talented students nationwide, as well as conduct research on the best methods of instruction of these very special students—to whom we will inevitably pass the mantle of leadership.

Title 31 creates a new authorization to address the school dropout problem. This is legislation which my colleague from Rhode Island, Mr. CHAFEE, and I introduced earlier this year and which now has 26 cosponsors. In providing measures to improve our competitiveness we cannot ignore the fact that well over 25 percent of our students drop out of school. Without adequate skills, these young adults cannot be part of a competitive work force, nor will they have the ability to adapt to the changing needs of the workplace.

The School Dropout Demonstration Assistance Act established under this title authorizes a $50 million demonstration grant program to local educational agencies and educational partnerships. Grants under this title shall be awarded to successful projects which seek either to prevent students from dropping out or to encourage students who have left to reenter school and graduate.

The committee has agreed to report language that it is not the committee's intent that funds authorized under this title be used for health services. The committee recognizes that there are many factors which contribute to a student's dropping out of school. We further recognize that health services provide considerable assistance in keeping students in school and have proven to be successful in this regard. Such health services, however, are funded through various other Federal, State, and local programs. In light of the fact that the School Dropout Demonstration Assistance Act is a modest demonstration program of $50 million, therefore, we have sought to ensure that this program focus its efforts on providing educational services only. This will avoid a duplication of health services which are provided through other agencies and programs.

Title 32 makes provision for three literacy demonstration programs. The Literacy Corps Assistance Act is designed to provide grants to higher education institutions to encourage college students to volunteer as tutoring aides in the fight against illiteracy. The Workplace Literacy Assistance Program encourages educational institutions and businesses to provide workers with basic skills instruction. And the Technology Education Act provides literacy instruction in the area of technology and instruction in the application of this technology to vocational demands.

The Senate Subcommittee on Education is currently working on the reauthorization of the Adult Education Act. We intend to examine carefully the many proposals to address our severe illiteracy problem. While these three literacy initiatives are very worthwhile proposals, our major concern is that they not reduce current services provided under the Adult Education Act. We have therefore included language that would trigger all three authorizations only when adult education reaches an appropriation level of $110 million. This would allow for an inflationary increase of about 4 percent above current appropriations before these programs could be funded.

Mr. President, we no longer operate in an isolated economic setting. The emergence of the international marketplace challenges us to improve the productivity and competitiveness of American industries. Our ability to face this challenge is critically dependent on the sum total of the ability and talent of our work force. And in that regard, our long-term strategy must include a strong agenda to develop and promote the productive capabilities and energies of our people.

The Education for a Competitive America Act, titles 23 through 32 of S. 1420, is that strong agenda. To my mind, it is the platform upon which we must base our assault.

Mr. HELMS. Mr. President, let me make inquiry of the distinguished managers of title XXIII of the pending bill. It is my understanding that this title merely incorporates S. 406 which is currently on the calendar. Will the committee report accompanying S. 406 be included in the legislative history of S. 1420?

Mr. HATCH. That is correct.

Mr. HELMS. Let me make a further inquiry of the distinguished managers. On page 21 the report states, "It is not the intent of the committee to use education funds authorized under this act for health services."

Am I correct that this means that Federal funds appropriated under section 1303 of the pending bill will not be used on or off the premises of any elementary or secondary school to provide the following:

First, contraceptive drugs or devices; second, prescriptions for such drugs or devices; third, transportation for such drugs or devices; fourth, referrals for such drugs or devices; fifth, counseling to encourage the child to use such drugs or devices; sixth, abortions; seventh, transportation for abortions; eighth, referrals for abortions, or ninth, counseling to encourage the child to obtain an abortion.

Mr. HATCH. The Senator is correct in my judgment. Certainly, that would be my intent.

REGARDING SUPPORT OF S. 406 TITLE X—LITERACY ASSISTANCE

Mr. GRASSLEY. Mr. President, at the end of the 99th Congress I introduced S. 2762, which was an initiative to combat the serious problem of illiteracy. This came so late in the session that it was not addressed. Still focusing on the serious nature of this problem and the far reaching implications of illiteracy to our Nation, I again, at the beginning of the 100th Congress, introduced a similar literacy bill, S. 904. This was cosponsored by Senators COCHRAN, DOLE, and BOND. Today I rise in support of the literacy assistance title X of S. 406. I am very pleased to note that the concerns that prompted my legislative initiative have been addressed in the literacy assistance section of this bill.

I have long been concerned with the training opportunities for the unemployed and retraining for displaced workers in industries that have been adversely affected by unfavorable trade or economic conditions. Some of these displaced workers, and other un-

employed adults, will find many problems facing them because they cannot read a newspaper help-wanted ad or fill out a job application to find a job on their own. These functionally illiterate people will have a severe handicap in qualifying for new job.

There are 25 million American adults that lack the reading, writing, comprehension and simple math skills necessary to function at the most minimal level of 4th grade. Another similar number are considered only marginally literate with their basic skills falling in the range of the 5th through the 8th grade level.

This situation is tragic. These unfortunate individuals will not be able to enjoy the quality of American life as most Americans do. But to our Nation as a whole, this situation is also grave, and must be remedied as soon as possible. A direct correlation has been shown between the number of illiterate adults unable to perform at the standard necessary for available employment, and the money allocated to child welfare and unemployment compensation. It is estimated that the cost to society exceeds $200 billion a year when calculated in terms of welfare payments, crime, job incompetence, industrial and military accidents, prison programs, lost taxes and remedial education programs. This is money that could be spent in a more productive way!

There are many ways to attack the literacy problem, and this initiative with its three different approaches, encompasses some of the ideas that I had proposed. I am pleased to see that this legislation establishes community-based literacy training programs through post-secondary institutions, volunteers used as tutors, authorizes money allowed for client outreach, provides for the development of materials for the training and monitoring of the tutors, and of particular importance, requires a built-in evaluation for grants awarded. All of these were also included in my literacy initiative.

This problem cannot be resolved overnight. It is a problem that the entire Nation must face and work together to solve. Programs already in existence like those under the Adult Education Act and the VISTA Literacy Corps are providing literacy help to many Americans. This initiative will provide even more. The importance of our trade position, of being a competitive nation and of providing literacy training so that all American adults can improve their own quality of life is so critical we must act now. This legislation represents a major step toward meeting this challenge and I urge my colleagues to join it its support.

Mr. SASSER. Mr. President, I am pleased to offer my strong support to the provisions of S. 406 contained in the omnibus trade bill. I believe this legislation will go a long way toward strengthening the American Education System to meet the economic challenges posed by our competitors throughout the world.

Few can deny the importance of education to economic growth and competitiveness. Educational advancements lead to technological innovations which, in turn, increase productivity. And greater access to education and training improves the ability of the labor force to adapt to these technological innovations in the workplace.

Unfortunately, over the last 10 to 20 years, we seem to have forgotten that economic growth and education go hand in hand. The American Educational System has not kept pace with the rapidly changing global economy.

Today's marketplace is driven by scientific and technological innovations that demand a well-educated and highly skilled workforce. Yet, recent reports indicate that our educational system is not producing the highly capable workforce we need to remain competitive.

For example, 20 percent of our young adults cannot read at the eighth grade level, despite the fact that 98 percent of them have completed at least the eighth grade. Nearly 40 percent of our young adults cannot read at the 11th-grade level, although about 85 percent of them have graduated from high school.

One report reveals that on 19 separate, academic tests American students ranked neither first or second in comparison with students from other industrialized nations. In fact, on seven tests, American students ranked last.

In mathematics, the results are most dismal. On the latest available international comparisons, math scores for American students at age 13 were lower than those for all but two other developed nations. For students at age 17, American math scores were lower than all other nations.

Because our educational system is not adequately doing its job, employers now often have to teach employees basic skills—skills they should have learned in school. Business leaders complain that they must spend millions of dollars on costly remedial education programs in such basic skills as reading, writing, and computation.

We need a major, national commitment to improve our educational system. That will be difficult. But America has been willing to make that commitment before and I am confident that it will do so again.

Nearly 30 years ago, the United States faced the Sputnik challenge. Our educational system responded quickly—producing significant gains in student achievement. And, within a decade, we saw our commitment reach fruition as America placed a man on the Moon. Today's economic and technological challenges are more complex, but they can be met.

We must make a renewed commitment to education that combines the twin goals of excellence and equity. Clearly, we must strive for excellence in education if we are to make the necessary technological strides to remain competitive in today's global economy.

However, as we strive for excellence in education, we must maintain a strong public commitment to equal educational opportunities for our diverse population. Emphasizing excellence at the expense of equity will only widen the present gap between America's scientific and technological elite and the average citizen who is largely untrained and unprepared to function in today's complex marketplace.

I am pleased to say that the provisions of S. 406 in this omnibus trade bill emphasize both educational excellence and educational opportunity. This legislation emphasizes excellence through the creation of educational partnerships between public schools and the private sector and through the establishment of a National Center for Research and Development in the Education of Gifted Children and Youth. At the same time, it preserves our Nation's historical commitment to educational opportunity by authorizing programs to assist low-income and educationally deprived children and by offering training services in high-technology occupations for displaced workers.

It is clear to me that America must adequately invest in education if it hopes to compete effectively in the world marketplace. Investment in education is investment in the ability of the American people to meet the current economic and technological challenges confronting the United States. I firmly believe that the provisions of S. 406 will help the Nation make that sound investment.

Mr. HARKIN. Mr. President, I rise in support of the components of S. 1420, the Omnibus Trade and Competitiveness Act of 1987 that were developed by the Committee on Labor and Human Resources.

The economic dislocation and worker adjustment component of the trade bill constitutes the most effective policy for addressing the needs of dislocated workers. This legislation will enhance the international competitiveness of the American economy. It will also facilitate the return of dislocated workers to productive employment; establish the earliest possible readjustment capacity for workers and firms in each State; emphasize training and reemployment rather than income support; and provide early referral from the unemployment compensation system to adjustment serv-

ices as an integral part of the adjustment process.

This component also offers broad flexibility to try new approaches as well as to use approaches that have proven to be effective in helping different types of dislocated workers. Finally, the substitute will promote management, labor, and community partnerships with government in addressing worker dislocation.

I am particularly pleased with the inclusion in the bill of an amendment that I offered and which was agreed to by the Committee on Labor and Human Resources establishing a demonstration program for dislocated farmers, farm employees, and ranchers. The amendment is consistent with S. 890, the Rural Dislocation Assistance Act, which I along with Senator GRASSLEY and Senator DOLE introduced on March 31, 1987.

I do not believe I need to tell you that there is a crisis in the farm economy. The data are making it increasingly clear that agriculture is going through the most significant financial adjustment in a half century. Neil E. Harl, the Charles F. Curtiss distinguished professor in agriculture and professor of economics at Iowa State University asserts that "not since the 1930's have issues of debtor distress gripped rural America as they have in the 1980's." He reports that in several agricultural States, land values have dropped by more than 60 percent since 1981, increasing the economic vulnerability. He also reports that the numbers of farm foreclosures, forfeitures of land contracts, and defaults on notes have reached levels not seen since the days of the Depression. Finally, he concludes that the level of emotional trauma being suffered by indebted farmers "Is a tragedy of awesome proportions."

Let us take a closer look at the data. Most experts agree that farms with debt-to-asset ratios over 40 percent are vulnerable to financial stress. As of January 1986, approximately 22 percent of the farmers nationally had debt-to-asset ratios of greater than 40 percent. The problem in some regions is substantially more serious. In a recent survey of nine Midwest States in early 1986, it was found that 28.1 percent of the farmers reported debt-to-asset ratios above 40 percent. In Iowa, the figure was 38.3 percent. Bill Kastens, assistant State statistician for the Kansas Crop & Livestock Reporting Service estimates that 25 to 30 percent of the State's farms have debts exceeding 70 percent of their assets.

In a recent paper prepared by Lines & Morehart "Financial Health of U.S. Farm Businesses: A Region, Type, and Size Analysis"—July 28, 1986—the authors concluded that 70 percent of all farms and 40 percent of commercial farms had "poor financial health" and were in "serious financial difficulty."

The financial condition of farms may also be evaluated on the basis of return to equity. Neil E. Harl reports that 29.1 percent of the operators have an estimated return to equity of less than −0.05 percent. These operators hold about 17.9 percent of the assets but are responsible for more than 36 percent of the debt.

In sum, since 1981, farm equity has declined dramatically and debt-to-asset ratios have increased thereby adversely affecting the farmers' ability to survive. Significant numbers of farmers have already been forced to leave farming. Significant numbers of additional farmers face liquidation and foreclosures. Dislocation of farmers, farm employees, and ranchers has reached crisis proportions.

The bill specifies that at least 10 percent of the amount of funds provided to the Secretary for demonstration, exemplary, and discretionary programs—but not to exceed $20 million—shall be used to fund the farmer dislocation program. Ninety-five percent of these funds will be allocated to those States most adversely affected by the farm crisis, as measured by declining farm equity and increases in the average debt-to-asset ratio. Five percent of the total is reserved for States which do not qualify using these criteria but which the Secretary determines have areas of significant farmer dislocation or potential dislocation. No State may receive more than 10 percent of available funds. If the Secretary finds that a particular State is unable to use all of its allocation, he or she may use the excess for other eligible States or for other demonstration, exemplary, or discretionary programs.

Individuals eligible to receive services under the demonstration program include the following farmers, farm employees, and ranchers: First, individuals who can certify or demonstrate that the farm or ranch operations which provide their primary occupation have terminated or are likely to terminate because of specified circumstances; and second, individuals who may reasonably be expected to leave farming or ranching as their primary occupation because of unfavorable debt-to-asset ratio as defined by the Department of Agriculture.

Activities and services which may be provided to meet the unique needs of farmers, farm employees, and ranchers include specially tailored basic readjustment service, retraining services, and income support services. The State may not spend more than 15 percent of its allotment on income support. Examples of authorized services and activities include: Assistance in the evaluation of financial conditions and in the preparation of financial plans; assistance in managing temporary crises, including psychological and mental health counseling; credit and legal counseling—including farmer/lender mediation services; vocational evaluation, job search assistance, including training in job seeking skills; entrepreneurial training; specific skill training, including on-the-job training; and other support services.

EDUCATION COMPONENT OF THE TRADE BILL

The purposes of titles XXIII-XXXII of this bill are to strengthen our Nation's competitive capabilities through educational programs to ensure that our labor force is equipped with the basic skills necessary to function in a technological, highly competitive society. It is exceedingly clear that we cannot develop a comprehensive approach to improving our national competitiveness without making a serious investment in our country's educational system.

This bill provides for increases in existing educational programs or new authorizations that will strengthen the competitiveness of American industry. The key areas include training for dislocated workers, mathematics, science, technology, and foreign language education; basic skills and literacy instruction, vocational education; and international education.

EDUCATION FOR ECONOMIC SECURITY

The upgrading of math, science, and foreign language instruction is emphasized in this bill because it is critically important to our Nation's competitiveness.

Title XXIII of the bill reauthorizes title II of the Education for Economic Security Act, a grant program designed to upgrade instruction in math, science, foreign languages, and computer education through teacher training and retraining. The grants are used for training currently employed teachers as well as preservice teachers in current methodologies for teaching these vital subjects.

The current version of title II addresses the problems in upgrading instuction in these areas through a multifaceted approach. It appropriately involves local education agencies and State elementary-secondary and higher education boards. This cooperative partnership is important because each level of education has a specific contribution to make in meeting the instructional challenge of upgrading math, science, technology and foreign language instruction.

In Iowa this past year, higher education grants under this title supported teacher education projects at seven colleges and universities. In total, 332 teachers were providing training through these programs. The majority of these teachers were persons teaching in math, science or foreign language areas who were teaching on temporary certificates. The needs in this area are still great and the title II funds, while modest, have been an im-

portant supplement to State efforts in this area.

This is an extremely important program in Iowa as it is throughout the Nation. The greatest shortcoming we hear about is its serious underfunding, small districts report that their formula based allocation is not sufficient to support meaningful activities. Many resourceful districts participate in consortia with other districts or use funds under title II to complement other programs. The effectiveness of the program at current funding levels will be enhanced if title II programs are coordinated with other programs that are expanded or authorized by this bill. Adequate and stable funding is also necessary for these important programs to be effective, however.

Partnerships in education for mathematics, science and engineering, title II of the Education for Economic Security Act would also be reauthorized by this bill. Through this authorization partnerships in education are established with matching Federal grants to improve the quality of mathematics, science and computer education with cooperation among State and local officials, educators, and industry leaders.

Star Schools, a measure which I cosponsored and which was passed by the Senate with a 77-to-16 vote on April 23, 1987, is included in the bill in recognition of its clear potential for strengthening competitiveness in American industry. The Star Schools Program would establish a new title IX in the Education for Economic Security Act to support telecommunications networks in providing instruction in math, science, foreign languages, and other areas. Using telecommunications and interactive television, the Star Schools concept can help to bring qualified teachers with the best and most up-to-date curriculum and instructional methods to schools in areas most needing to expand their educational resources, particularly those in rural areas.

Two amendments I made during the development of the Star Schools legislation assure that the program will provide assistance in areas with the greatest need. The first amendment addresses the need for demonstration projects to be regionally dispersed throughout the Nation. My second amendment assures that new educational opportunities offered to network participants will be targeted particularly toward areas with scarce resources and limited access to courses in science, math and foreign languages.

Students in small rural districts have fewer courses from which to choose than do their counterparts in larger school districts. Many small schools simply do not have enough high school students to justify offering many advanced mathematics and science courses. Small schools also cannot compete with larger districts in teacher salaries, which may mean losing teachers as they transfer to districts with higher pay or settling for a staff with fewer advanced degrees and less on-the-job experience. Students' learning in small rural schools may also be slowed by a lack of competition and class discussion. The Star Schools Program and the telecommunications network it would establish would address all of these issues.

FOREIGN LANGUAGE

Foreign language facility is essential in international business, and the need to develop such abilities in the early grades is well recognized. Grants under title XXIV of this bill would be made to local educational agencies for model foreign language instruction projects at the elementary and secondary levels and would allow for participation of the full community.

Although foreign language instruction is permitted under the Education for Economic Security Act, that program's focus on math and science often precludes instructional improvements in foreign language programs. The assistance provided under this part will assure that appropriate attention is devoted to increasing the foreign language fluency of American students. This title also authorizes Presidential awards for outstanding foreign language instruction in elementary and secondary schools. A similar program under the Education for Economic Security Act provides for Presidential awards for math and science instruction. These awards have been successful in setting standards of excellence for the profession. This part promises to have an equally beneficial effect on professional standards and performance in foreign language instruction and is, therefore, an important element of our trade package.

SECONDARY SCHOOL BASIC SKILLS INSTRUCTION

Title XXV provides a new $400 million authorization for basic skills instruction targeted to chapter 1 eligible students in secondary schools. Strengthening basic skills instruction in secondary schools must be an essential component of any effort to increase our national competitiveness. It is estimated that 15 to 20 percent of all secondary students lack basic reading, writing, and comprehension skills. Because schools often lack the necessary resources to provide compensatory education to high school students, these students generally graduate and enter the employment market with marked deficiencies in literacy and computational skills. Then business and industry have to provide them with the necessary compensatory training. The estimated cost to industry is about $25 billion annually for personnel training—most of which is used for basic skills instruction.

EDUCATIONAL PARTNERSHIPS

Title XXVI, educational partnerships, is designed to encourage the contribution of private sector resources to enhance the quality of American education. The purpose of this title is to promote educational partnerships between public schools and the private sector. Under this title, grants for demonstration partnership programs could be made to educational partnerships which include: First at least one educational institution including a local educational agency and/or an institution of higher education or both, and second, a business, community organization or other nonprofit organizations, State agencies, educational media concerns or other similar entities.

I am particularly supportive of the provision in this title that encourages projects designed to meet the educational needs of students who are educationally disadvantaged or gifted and talented. Public education is being called upon to respond to the special needs of disadvantaged and high risk students while maintaining high standards of academic achievement for all students and providing appropriately challenging programs for gifted students. Programs to meet the special educational needs of students who can not receive maximum benefits from typical instruction are key elements in developing all of our human resources to their fullest levels. If we are to achieve and maintain our appropriate place in today's global economy we must direct both public and private sector resources to developing the skills and talents of all of our students.

TRAINING TECHNOLOGY TRANSFER

Title XXVII would establish an Office of Training Technology Transfer in the Department of Education. This is an important provision, developed in response to the significant need to share information regarding computer software training programs developed by or through contract with Federal agencies. Extensive educational and training software exists in various agencies and would be made available to educational institutions and vocational training programs through this office. This is a cost-effective method of increasing the use of state-of-the-art training technology in our Nation's schools and vocational programs.

INTERNATIONAL BUSINESS EDUCATION

Improving our international competitiveness requires that we prepare students to enter the international market. Excellence in modern business requires knowledge of business management, foreign language, and other world cultures. International activities currently produce a third of all U.S. corporate profits and a recent survey found that 71 percent of senior corpo-

rate executives strongly believe that pressure on American companies to compete internationally will increase substantially in the next 5 years. In fact, 56 percent of corporate executives expect to acquire a foreign company within the next 5 years. Today's international business world requires leaders who have an understanding of foreign cultures, fluency in foreign language, as well as knowledge of modern business principle and practices.

Programs authorized under title XXVIII would address this need by encouraging institutions of higher education to offer joint or coordinated degrees in business and international studies. Programs, particularly graduate programs, would be designed to include international studies and instruction in critical foreign languages as an integral part of a business school program. These programs will be vital components in addressing the issue of international economic competitiveness.

EDUCATION OF GIFTED AND TALENTED STUDENTS

In recognition of our national need to fully develop the resources of our gifted and talented students, the bill would establish a National Center for Research and Development in the Education of Gifted and Talented Children and Youth. The Center would provide technical assistance for, and conduct research on gifted and talented students. The Center would be a resource for information about methods of identifying gifted and talented children and programs in training teachers to educate these students.

I am very supportive of these provisions for the education of gifted and talented students, but continue to support Senator BRADLEY's bill on which I am a cosponsor, S. 303, the Jacob K. Javits Gifted and Talented Children and Youth Education Act of 1987. While I enthusiastically endorse the provisions for education of gifted and talented students in the bill before us today, I believe our national interests and competitiveness would be even better served through the provisions of S. 303.

ASSISTANCE TO ADDRESS SCHOOL DROPOUT PROBLEMS

Improvements in basic skills instruction and other educational programs will have little effect on the over 25 percent of American students who drop out of the educational system. Therefore, the bill also includes authorization for demonstration grants to address the problem through efforts to prevent students from dropping out or to encourage those who have dropped out to return to school. This legislation is designed to expand existing programs that have been successful within a school district, to target areas with large numbers of dropouts, to provide early intervention to at risk students, and to encourage parental involvement.

I have seen how these programs can work. In the Des Moines public schools, for example, the dropout-outreach project of the New Horizons program has shown the benefits of well designed programs that address the dropout problem.

John Tiano left high school in 1985, his senior year. He did not feel the regular school program was helping him. After working intermittently for several months, John realized that he needed to get back into school. In April 1985, he received a letter from Rick Williams, learning coordinator with the dropout/outreach project of the New Horizons Program. This letter informed him of an opportunity to complete his high school education and obtain part-time employment.

Soon John met with the project staff and decided to enroll in the dropout/outreach project, and began working toward his high school diploma at the alternative high school. He graduated in March 1986, and worked as an assistant with New Horizons Program during that summer. In September 1986, John began studying a liberal arts curriculum at Grandview College with the thought of eventually majoring in the human services and journalism fields. Last semester he earned all B's in the four courses he was taking: English, political science, algebra, and religion in human experience.

John Tiano's successes reflect what happens when alternative educational services, such as those offered by the New Horizons Program, are provided to young people who want a more practical, relevant education, and who are willing to stretch themselves to attain more.

LITERACY ASSISTANCE

Recognizing that today's jobs are requiring increasingly higher levels of literacy and that workers may not be able to meet the literacy demands of new jobs, title XXXII of the Omnibus Trade and Competitiveness Act includes provisions for three literacy initiatives.

I am an original cosponsor of the Literacy Corps Assistance Act which is designed to provide grants to higher education institutions that will encourage college students to serve as tutors in established literacy programs in their communities. Under this legislation it is intended that college students would provide 6 hours of literacy tutoring each week during a semester while receiving relevant coursework and supervision to participate effectively in the fight against illiteracy. A range of community programs would benefit from such tutoring assistance including schools, Head Start centers, agencies serving youth and other individuals with handicaps, and after school programs. Volunteer tutors would be used to complement, not replace, the long-term efforts of professional educators in these settings.

The Workplace Literacy Assistance Program would provide demonstration grants for education partnerships between business and educational institutions to provide workers with basic skills instruction. In the past, literacy meant the ability to read and write. But today the concept also encompasses technological literacy, reasoning and problem-solving skills that enable individuals to learn new tasks and adapt to changing situations and technological advances. In this sense, literacy is vital to America's work force. If America is to be competitive in the global economy, its workers must have the literacy skills they need to perform many of the tasks that our changing technology demands.

The Technology Education Act would allow for demonstration grants for secondary schools to provide literacy instruction in technology and its application to vocational demands. The need for basic technological education is real. While Japan, Korea, and other industrial competitors have made the technological literacy of their population a national goal, we continue to provide American students with an outdated education based on simply using machines rather than understanding how they work. When students comprehend the basic principles of technology, their education remains both valid and valuable even in the face of changing technology. By helping students to understand technology, we help them to gain a mastery over it. Projects under this part would develop model programs to promote a fundamental knowledge of technology and its applications to current systems including communication, agriculture, manufacturing, construction, and industry.

These three literacy initiatives are designed to help overcome the barriers illiteracy presents to our Nation's economic growth. Each of these new initiatives holds promise for improving the literacy and basic skills needed by today's workers. But they are designed to complement, not replace, the Adult Education Act.

I firmly believe that new initiatives should not be implemented at the expense of existing programs that have proven to be effective. The Adult Education Act currently serves about 2½ million adults nationally and many programs have waiting lists. Throughout the Nation adults find that adult basic education classes offer a "second chance" to improve their proficiency in basic skills, English as a second language, and, in many cases, provide the avenue to employment or job advancement.

I can attest to the success of adult basic education in Iowa where, since it was first introduced in 1966, there has

been a growing interest in the program. For instance, Iowa's 1985-86 enrollment of 33,225 represents a 1,072-percent increase over the 2,834 students enrolled in adult basic education during the first year.

In 1985-86 more than 1,000 of the 5,227 Iowans who were receiving public assistance when they enrolled in adult basic education courses went off welfare roles after completing classes. As a result, the combined Federal and State savings are expected to be approximately $6 million. The program saves taxpayers money in the long run, and it provides help to people who want to help themselves. In addition, the per student cost for adults enrolled in adult basic education during 1985-86 was only $82.

So while these new literacy initiatives should be pursued, it is appropriate that the provisions of this bill assure that these initiatives not result in a reduction of services under the Adult Education Act. The bill before us today requires that appropriations for the Adult Education Act reach a level of $110 million before the new authorizations for literacy become operative.

The education components of the Omnibus Trade and Competitiveness Act of 1987 represent a comprehensive approach to one of our Nation's most serious challenges—improving America's competitive position in international trade. This legislation is designed to promote the educational achievement of American students in mathematics, foreign languages, and science; to improve programs for disadvantaged youth and displaced workers; to increase the use of technology in education; and to provide additional resources and opportunities for illiterate adults to develop needed skills.

I am proud to be a cosponsor of the Education for a Competitive America Act which is now title XXIII-XXXII of S. 1420. I am grateful to Senator PELL and Senator STAFFORD for accepting many of the provisions and initiatives I helped design and for their excellent leadership in crafting bipartisan legislation that addresses the critical educational issues necessary to improving our competitiveness as a nation.

Mr. BYRD. Mr. President, there is an opportunity now for Senators to call up amendments. At least if they could let the managers know they have amendments and are prepared to call them up, this would be a good opportunity. I am almost tempted to try to call up one of mine.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. BYRD. Mr. President, there is an amendment by Mr. GRAMM. He is momentarily expected to call it up. He is still working on it.

I ask unanimous consent that the pending amendments by BUMPERS and HATFIELD and MOYNIHAN and BYRD be temporarily laid aside and that Mr. GRAMM may be permitted to call up his amendment, with no amendments in order thereto.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 455

(Purpose: To allow the President discretion to take action under Section 201 in a manner that avoids injury to U.S. agricultural interests)

Mr. GRAMM. 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 Texas [Mr. GRAMM] for himself, Mr. DOLE, Mr. WILSON, Mr. FOWLER, Mr. DURENBERGER, and Mr. BOSCHWITZ, proposes an amendment numbered 455.

On page 73, line 24 strike "or" and insert in lieu thereof

"(B) would disproportionately burden United States agriculture with regard to exports, employment, or income, or".

Mr. GRAMM. Mr. President, this amendment is very simple.

Under section 201 of the trade bill, protection can be granted to an industry that is being damaged by foreign competition. The President, under this bill, is very severely limited in what he can look at in determining whether it is in the public interest to institute protection for this injury. At first he can look at national security. He can look at the impact on the downstream, using industries that purchase the product being imported. We then adopted the Bradley amendment that allowed him to look at disproportionate burdens falling on the poor.

Mr. President, this amendment expands the logic of the Bradley option to include American agriculture, to include our level of exports, our level of employment, and our level of income.

Mr. President, American agriculture is more dependent on foreign trade than any other segment of our economy.

American agriculture stands more to lose from a trade war than any other element of our economy.

American agriculture is more depressed in terms of the viability of the individual farm, especially the individual unit that we often eulogize here as the family farm, than any other element of the American economy.

So I submit, if we are going to look at the well-being of a particular industry that might be impacted, especially impacted through retaliation under the right of offsetting compensation is permitted by article XIX of the GATT, that looking at the impact on American agriculture, on employment, and income and exports in agriculture is something we should give the President the right to do.

We made progress under the new farm bill in expanding agriculture exports. It has been a source of cash income in rural America. Obviously it has been important to my State of Texas. I think adding this additional vehicle for the President to determine the public interest by looking at agriculture is something that is very important to the Nation, a very important part of our trade effort.

Obviously, a healthy agriculture is important if we are to balance our trade imbalance, and therefore I think it is an important power. I hope our colleagues will support the family farmer, will support American agriculture and will support this amendment.

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

Mr. GRAMM. I will be happy to yield.

Mr. PACKWOOD. I like the amendment. I am going to support it. I want to make sure of its full ramifications. The Senator uses the word "exports" in the amendment. This will affect agricultural exports in addition to employment and other things; right?

Mr. GRAMM. Mr. President, may I ask that the clerk read the amendment again.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read as follows:

On page 73, line 24, strike "or" and insert in lieu thereof;

"(B) would disproportionately burden United States agriculture with regard to exports, employment, or income, or".

Mr. PACKWOOD. Good. I want to ask this question: An industry files a section 201 action claiming they are burdened by some kind of imports. The International Trade Commission, of course, can consider nothing but burden or injury. They cannot consider public good or agriculture. So they recommend a tariff or quota of some

kind and send it down to the President. As the Senator from Texas well knows, we very wisely added Senator BRADLEY's disproportionate burden on the poor.

Under the Senator's amendment, would the President consider whether or not if he puts into effect the import relief recommended by the International Trade Commission it might result in retaliation to agricultural exports and that would be a legitimate reason to deny the relief?

Mr. GRAMM. If I could respond to the distinguished Senator from Oregon, that is exactly one of the things that this amendment would allow him to look at.

Let us say, for example, that Korea is selling bicycles in the American economy and that the bicycle industry in the American economy is being injured. But let us say that the bicycle industry is concentrated in States with very low unemployment rates, so that in fact the people losing their jobs in bicycles are being absorbed into other industries. But let us say that the President looks at Korean purchases of American products and finds that Korean blend cotton sold by panhandle cotton farmers in Texas is at the very top of the list as to what might be chosen for offset in compensation. The President looks at unemployment in the Panhandle of Texas, looks at unemployment in the Mississippi Delta where cotton is grown, and concludes that the damage done to the American economy and to the working people of America will be much greater if we protect the bicycle producer and allow the cotton farmer to lose sales. It is exactly this kind of public interest assessment that we are trying to promote.

Mr. PACKWOOD. I think it is an excellent amendment. I think the Bradley amendment took care of 90 percent of the problems I envisioned when we refused to adopt my amendment on section 201 yesterday, and I think this takes care of the other 10 percent. So I am happy to accept it.

Mr. GRAMM. If I might say, the Bradley amendment took care of the poor, many of whom are nonworking. This amendment tries to take care of an important sector of our economy where you have people, some who are poor, but they are out there behind that plow or combine and they are working.

We want to give the President the ability to look at the impact on them before he grants protection to some industry with people who may have better options than the cotton farmer or the wheat farmer or whatever other element of agriculture.

Mr. BENTSEN. Mr. President, I really question that it does that or does not have somewhat of a counter-effective action but I am prepared to take the amendment to conference. I would suggest to my friend that he not read too much into it because it might make it more difficult to sustain it in conference. But I have no objection to the amendment.

The PRESIDING OFFICER. Do Senators yield back all their time?

Mr. PACKWOOD. If I have any time, I will yield it back.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that further proceedings under the rollcall be dispensed with.

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

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

Mr. PACKWOOD. I yield back the remainder of our time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment offered by the Senator from Texas [Mr. GRAMM].

The amendment (No. 455) was agreed to.

Mr. GRAMM. I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 456

(Purpose: To improve the coordination and joint support of activities for the improvement of instruction in mathematics, science, and engineering, conducted or assisted by the Secretary of Education, the National Science Foundation, and the Secretary of Energy, and for other purposes)

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to setting aside the pending amendments to consider the amendment of the Senator from New Mexico?

Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 456.

Mr. DOMENICI. 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 655, between lines 7 and 8, insert the following:

SEC. 2305. PROGRAM FOR THE COORDINATION AND JOINT SUPPORT OF MATHEMATICS, SCIENCE, AND ENGINEERING INSTRUCTION AUTHORIZED.

(a) IN GENERAL.—The title II of the Act is amended by adding at the end thereof the following new section:

"COORDINATION OF MATHEMATICS, SCIENCE, AND ENGINEERING EDUCATIONAL ACTIVITIES

"SEC. 214. (a) The Secretary shall coordinate the activities conducted under this Act (particularly section 212 of this Act) and under any other Act relating to the improvement of mathematics, science, and engineering instruction with similar activities assisted by the National Science Foundation and by the Department of Energy.

"(b)(1) In carrying out the provisions of this section the Secretary shall—

"(A) examine the operation of programs conducted for the improvement of instruction in mathematics, science, and engineering and the facilities used in such instruction conducted or assisted by the National Science Foundation and by the Department of Energy; and

"(B) evaluate and identify opportunities for the joint support, using the resources available to the Department of Education, with the activities being supported or conducted by the National Science Foundation or the Department of Energy.

"(2) The Secretary may, in carrying out programs identified and evaluated under subsection (a) of this section, with the approval of the Director of the National Science Foundation or the Secretary of Energy, or both, provide for the joint use of funds in order to improve the instruction in mathematics, science, and engineering.".

(b) SPECIAL RULES.—(1) Section 206 of the Act is amended by adding at the end thereof the following new subsection:

"(g) Each State educational agency receiving assistance under this Act may use the apportionment made under this section for creative programs designed to carry out any activity which the State education agency is otherwise authorized to carry out under this Act in cooperation with similar activities conducted or assisted by the National Science Foundation or by the Department of Energy, or both. In carry out the provisions of this subsection, the State educational agency shall examine ways to enhance the impact of the resources and educational programs conducted by national laboratories and science centers run or supported by the National Science Foundation or the Department of Energy. The State educational agency may use funds apportioned under this section to participate in any program or activity having a similar purpose supported or conducted by the National Science Foundation or by the Department of Energy, or both.".

(2) Section 207 of the act is amended by inserting at the end thereof the following new subsection:

"(e) Each State agency for higher education receiving assistance under this Act may use the apportionment made under this section for creative programs designed to carry out any activity which the State agency for higher education is otherwise authorized to carry out under this Act in cooperation with similar activities supported or conducted by the National Science Foundation or by the Department of Energy, or both. In carrying out the provisions of this subsection, the State agency for higher education shall examine ways to enhance the impact of resources and educational programs conduct-

ed by national laboratories and science centers run or supported by the National Science Foundation or the Department of Energy. The State agency for higher education may use funds apportioned under this section to participate in any program or activity having a similar purpose supported or conducted by the National Science Foundation or by the Department of Energy, or both.".

(c) EVALUATION AND REPORT.—Title II of the Act is further amended by adding at the end thereof the following new section:

"EVALUATION AND REPORT

"SEC. 215. (a) The Secretary shall evaluate the coordination and joint support of educational programs and activities conducted pursuant to this Act or any other Act supported or conducted by the Secretary for the improvement in the instruction of mathematics, science, and engineering with the National Science Foundation or with the Department of Energy, or both.

"(b) The Secretary shall not later than two years after the date of enactment of the Education for a Competitive America Act prepare and submit to the Congress a report on the evaluation required by subsection (a) of this section together with a statement of plans and proposed activities designed to carry out the objectives described in subsection (a).".

On page 13, in the table of contents, after item "Sec. 2304" insert the following:

"Sec. 2305. Program for the coordination and joint support of mathematics, science, and engineering instruction authorized.".

Mr. DOMENICI. Mr. President, this is an amendment to improve the quality of mathematics, science, and engineering education in our country. The amendment would strengthen coordination of educational activities supported by the Department of Education, the Department of Energy, and the National Science Foundation [NSF].

The changes I am proposing would increase access by the States and the Department of Education to educational opportunities under title 2 of the Education for Economic Security Act [EESA], a law that is reauthorized in this Omnibus Trade Bill.

Under title 2 of the EESA, the Department of Education makes funds available to improve the skills of teachers and instruction in math, science, computer learning, and foreign languages. Most of these funds are allotted to the States, which use the funds to strengthen their elementary, secondary, and higher education programs. A small proportion of funds are reserved for the Secretarys' discretionary fund for use in programs of national significance.

My amendment would add the following provisions to title 2. First, the Department of Education would be directed to investigate educational activities supported by the Department of Energy and the NSF, and to coordinate the Department of Education's mathematics, science, and engineering educational activities with similar activities supported by the Department of Energy and the NSF.

This amendment would also permit the Secretary of Education to assist educational activities supported by these other agencies, if the activities help accomplish the goals of the title 2 program.

Because much of the Department of Education's funds under this title go directly to the States, my amendment also would provide a similar directive to, and option for, the States. The State agencies administering these funds would be encouraged to explore—and they would be permitted to participate in—any program supported by these agencies that the States find would help to strengthen efforts to improve mathematics, science, and engineering instruction. This option would be made available for States' primary, secondary, and higher education programs.

The final part of this amendment would require the Department of Education to report within 2 years on its progress in coordinating efforts, and the prospects for the future. This reporting requirement should not provide a great burden for the Department of Education. Rather, the Department should make a general report simply describing what it and the States are doing and plan to do.

Mr. President, much of what is contained in this huge bill will offer little help in America's effort to be more competitive in the world. Yet these math and science programs, supported by the Department of Education, are extremely important. They bolster the very core of our economic capabilities. The success of our economy today and in the future will depend on a work force competently trained in mathematics and the sciences.

A few years ago, I came before the Senate to alert my colleagues that our Nation was facing a serious shortage of science and mathematics teachers. I offered proposals at that time to help correct the shortage. Some of these ideas were incorporated into the original EESA, which we are now seeking to reauthorize.

I have been greatly encouraged by the improvements that EESA has brought to teaching and instruction in these subjects. That is also the view of educators in New Mexico.

Since then, I have come before my colleagues several times to argue that we need to do more to improve America's mathematics and scientific capability. The world leader must have a technically competent work force, plus a healthy supply of the Nation's brightest talents working hard to push us across the frontiers of science. It is also critical that we convert quickly scientific breakthroughs into useful industrial applications.

We in the United States are fortunate as we are served by the world's greatest educational institutions and laboratories. But to solidify our competitive position within the world economy, we must draw upon all our resources, and work to accomplish all that is necessary to build a strong national scientific and technical capability.

The importance of math and science education has not been lost on those charged with the other tasks in our quest for a strong national scientific capability. The National Science Foundation is responsible for making sure that we continue producing first-rate scientists and scientific research. They know the importance of math and science education and how it is critical to their success. Toward this end, the NSF supports a number of science education activities intended to assure that our Nation continues to have a good supply of top-notch students who pursue careers in math, science, and engineering.

The NSF supports educational programs designed not only to advance the education of the most talented and promising students, but also to enrich math, science, and engineering education for all students. The activities they support include comprehensive efforts to improve pre-college education in science education, develop instructional materials and strategies, improve teacher training, generate new knowledge and understanding about teaching and learning, assess American science education efforts, and develop various opportunities for informal science education.

The Department of Energy is also responsible for maintaining our Nation's great scientific capability. It holds particular responsibility for assuring that we continue conducting first-rate energy research and development. It also has a direct impact on math and science education through its long history of cooperation with the Nation's universities and colleges.

The Department of Energy not only supports university-based research, but it utilizes its national laboratories and contractor research facilities to offer a wide range of activities benefiting science education as well. These activities include providing graduate and undergraduate students with valuable, hands-on research experience at the national laboratories.

In addition, the Department of Energy sponsors programs that bring in pre-college science teachers to work at the laboratories during the summer, and, recently, it has begun a new program for high school students that enables such students to participate in research activities at the national laboratories as well.

Mr. President, these educational activities are very special because they utilize the expertise and unique resources of the National Science Foun-

dation and the Department of Energy; expertise and resources that help improve the educational process for students of such subjects, and that also help generate interest in careers in math, science, and engineering. These activities should prove quite valuable not only to those who will be scientists, but for those who will train those scientists.

Educators in New Mexico have gained much from opportunities offered by the Los Alamos National Laboratory. Los Alamos sponsored a program called Outreach, which brought in a number of New Mexico high school science teachers for a summer program that exposed them to state-of-the-art research and equipment. This program trained teachers on equipment they would not normally have the opportunity to use. This is so helpful in keeping these teachers on top of developments in their scientific fields.

Mr. President, it only makes sense that the Department of Education coordinate its activities with the educational work of the Department of Energy and the National Science Foundation. Surprisingly, little coordination has occurred between the three agencies. While some of our most important national resources are being used in creative ways to improve science education, knowledge of these programs is far from widespread. In particular, the resources of our national laboratories, and how they could be used to improve our Nation's competitiveness, may be one of this Nation's best kept secrets.

Coordination of these educational activities is necessary so that all agencies know what each is doing, how each program can complement another, what each agency should be doing separately and what they might do best together. Some coordination has begun between these agencies. But much can still be done, and these agencies can learn from each other's programs.

Mr. President, I believe that this amendment will help bring attention to the educational programs offered within the Department of Energy and the National Science Foundation and generate the coordination necessary to improve our education strategy.

Some of my colleagues may be concerned that this amendment could pose a threat to the current math and science education programs funded under the Education for Economic Security Act. Let me assure them that this amendment does not require the Department of Education or the States to spend their money any differently than under current law. Neither will this amendment change the purposes of the title 2 program.

What it does accomplish is to improve the options available to the Department of Education and the States. It directs them to coordinate their activities in a way that will mean those goals will be met more effectively.

Mr. President, our scientific and technical capability is vital to our long-term economic development and competitiveness. The Federal Government's approach should be well coordinated and enable the various branches of government to benefit from each other's expertise and resources. I encourage all my colleagues to support this measure.

Mr. President, this is a simple amendment, although in its effect it may have significant positive impact on our national effort which we call education for economic security.

Essentially, that act is 5 years old and is being reauthorized in this bill. It is a Department of Education program aimed directly and specifically at enhancing the capacity of our schoolteachers—that is, helping them become better math, science, and language teachers.

As we looked at it, we found that that act is being administered totally and exclusively within the Department of Education; and unless this amendment is adopted, they cannot coordinate their efforts with institutions like the National Science Foundation and other great American institutions that are doing similar things and have a capacity to enhance the educational opportunities for math teachers and for young students who have a tendency or propensity to want to be math, science, and language teachers.

All this does is authorize the Department of Education to coordinate their efforts with other departments of the Federal Government that have the capacity and are doing similar things.

Further, it authorizes each of the States that receive some grant money under this education for economic security—they get some grant money to help teachers enhance their capability and get excited about math, science, and language. Since they get this money and choose what to do, it permits them to choose the Department of Energy's laboratory as a place they might send these teachers to enhance their skills. It permits the National Science Foundation's programs to be used in that manner, also.

I thank the majority staff and the minority staff and Senator PELL for helping us with this. I think that although it is very logical and almost simple in nature, it will have a very significant effect on the effectiveness of this Science Education Program.

I yield the floor, and I hope the Senate will adopt the amendment. I understand that it has been cleared on our side.

Mr. PELL. Mr. President, I rise to support the amendment of the Senator from New Mexico. It is an excellent amendment, and it has been cleared on this side of the aisle from the viewpoint of education.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. DOMENICI].

The amendment (No. 456) was agreed to.

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

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 457

(Purpose: To authorize the Secretary of Agriculture to make grants for the operation of private sector international trade development centers)

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to setting aside the pending amendment for consideration of the Dole amendment?

Without objection, it is so ordered.

The amendment will be stated.

The bill clerk read as follows:

The Senator from Kansas [Mr. DOLE], for himself, Mr. EXON, Mr. KARNES, Mr. NICKLES, Mr. DASCHLE, Mr. PRESSLER, Mr. WALLOP, and Mr. SIMPSON, proposes an amendment numbered 457.

Mr. DOLE. 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 538, between lines 19 and 20, insert the following new section:

SEC. . GRANTS FOR PRIVATE SECTOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.

(a) IN GENERAL.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1458A (7 U.S.C. 3292) the following new section:

"SEC. 1458B. GRANTS FOR PRIVATE SECTOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.

"(a) IN GENERAL—The Secretary shall establish and carry out a program to make grants to existing private sector international trade development centers in the United States for the operation of the centers to enhance the exportation of United States agricultural commodities and agricultural, industrial, and other products.

"(b) MATCHING FORMULA.—The grants shall be based on a matching formula of Federal and non-Federal shares of funding that is determined by the Secretary, except

that, over the 5-year period beginning on the date of enactment of this section, the Federal share of the grants shall average 50 percent.

"(c) ALLOCATION OF FUNDS.—

"(1) ELIGIBILITY.—To be eligible to receive a grant under this section, an organization must be an existing, nonprofit private sector international trade development center that is located in a predominantly agricultural State, as determined by the Secretary.

"(2) PREFERENCE.—In making grants under this section, the Secretary shall give preference to accredited world trade centers organized on a multi-State regional basis that focus on trade promotion in economically distressed inland States without major deep water ports.

"(d) USE OF FUNDS.—

"(1) IN GENERAL.—The centers may use funds provided under this section—

"(A) to enhance the exportation of United States agricultural commodities and agricultural, industrial, and other products, with particular emphasis on actual marketing, implementing business transactions, and providing technical assistance to local businesses; and

"(B) carry out such other activities relating to the exportation of United States agricultural commodities and agricultural, industrial, and other products as the Secretary may approve.

"(2) AUGMENTATION OF PROGRAMS.—The centers shall use funds provided under this section to augment, not duplicate, existing efforts by State and local trade development entities.

"(3) LIMITATIONS.—

"(A) CAPITAL PURCHASES.—No more than 15 percent of the funds provided to a center under this section may be used for capital purchases.

"(B) REAL PROPERTY.—None of the funds provided to a center under this section may be used to purchase real property, except that this subparagraph shall not prohibit a center from using the funds to lease office space.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 to carry out this section during the 5-year period beginning on the date of enactment of this section.

"(f) TERMINATION.—The authority provided in this section shall terminate 5 years after the date of enactment of this section.".

(b) CONFORMING AMENDMENT.—The table of contents of the Food and Agriculture Act of 1977 (7 U.S.C. prec. 3101) is amended by inserting after the item relating to section 1458A the following new item:

"Sec. 1458B. Grants for private sector international trade development centers.".

Mr. DOLE. Mr. President, I offer this amendment on behalf of my colleagues, Senators EXON, KARNES, NICKLES, DASCHLE, PRESSLER, WALLOP, and SIMPSON.

This amendment would modify existing language under section 1458a of Public Law 99-198, the 1985 farm bill, dealing with grants to States for international trade development centers by allowing private sector trade centers, based on a regional concept, to participate in the program. This new category of centers would be already accredited by the United Nations affiliated organization that provides the linkage to world trade centers around the globe. Currently, only trade development centers located at a land-grant college or university would be eligible to receive matching grants under this farm bill provision.

In the real world of international trade, it is important to highlight the efforts local people are making to develop the economies of their States. As my colleagues are aware, the Farm Belt continues to suffer from serious economic problems. These are not only related to the decrease in agricultural exports abroad, but related local industries and small businesses are collapsing as well. They are inextricably linked to the prosperity of the local economy.

Clearly we need to encourage private sector efforts to deal with the massive problems facing rural America. Six Midwest States have already banded together to combine resources that will enable them to achieve greater visibility with our trading partners abroad. The development of a major foreign business promotion center involves broad economic benefit to a large but depressed American region. This regional coalition recognizes that the small populations, depressed economies, and low international visibility of the individual Midwestern States are serious obstacles to the development of international trade opportunities. Further, the homogeneity of the region's economy makes these sites particularly vulnerable to the vagaries of global commodity trends.

The overriding mission of the Mid-America World Trade Center is to enhance regional economic and employment opportunities that will be created by a higher level of international business involvement in the six States represented. The goals will be achieved through two primary operating objectives: The stimulation of regional exports and the attraction of foreign business and industrial investment.

I ask my colleagues to support this amendment, which will contribute to a decrease in our overall trade deficit. Some of our trading partners have expressed the constructive criticism that American companies and businesses do not pursue a marketing strategy that is as aggressive as some of our major competitors. This type of professional organization will go far in emphasizing a marketing approach that would actually implement business transactions, and provide technical assistance to local businesses. In practice, satellite offices will be opened in participating States. These States are to be commended for pooling their resources, and trying to solve their problems together. I believe this amendment has been cleared on both sides of the aisle and will be accepted.

Mr. President, this is an amendment to the agricultural part of the bill. I have spoken with the chairman of the Agriculture Committee, Senator LEAHY, and he has no objection. I have spoken with Senator LUGAR, the ranking Republican member of the committee, and he has no objection to the amendment. I have just double checked with the staff of the Agriculture Committee, and they advise that the manager of the bill has no objections to the amendment.

Mr. DASCHLE. Mr. President, I join with the Senator from Kansas, Senator DOLE, in supporting funding for the Mid-America Trade Center.

Every Member of the Senate understands the problems facing the rural economy. This segment of our economy is one of the most economically disadvantaged segments of our society. The depressed agricultural economy and the declining levels of agricultural exports have contributed to an economic crisis in both the agricultural and nonagricultural economies alike.

The establishment of the Mid-America World Trade Center in Witchita, KS, offers such an opportunity to assist not only the agricultural economies, but the economies of many Midwestern States, as well.

The center is a regional economic development partnership designed to strengthen the Midwest's ability to compete internationally. The primary objective of the trade center is to work with member States, including South Dakota, to increase employment and economic opportunities by increasing the level of international business involvement. The entire economic base of the Midwest will be enhanced by regionally increasing exports and attracting foreign industrial investment. This will be accomplished through a wide variety of trade center programs, including trade missions in both foreign countries and the member States, trade conferences, a worldwide business communication network and a host of other programs carefully designed to promote international economic development.

The trade center offers an aggressive, critically needed approach to increasing foreign trade. The center will be a vehicle for increasing exports of agricultural products while also working to increase exports in the areas that are not as adversely impacted by the agricultural crisis.

The Mid-America Trade Center is the only Midwestern accredited member of the World Trade Centers Association. Membership in the association guarantees communication with the 55 other trade centers in 29 countries as well as a foundation to receive and initiate reciprocal trade visits. The trade center offers the potential for increased international business involvement unavailable from other sources.

We have the opportunity to help solve a problem which has devastated both the residents of my State, and the surrounding Midwestern States by participating in this trade expansion effort. This approach is not a short-term emergency solution, but one that can restore a healthy economy in the Midwest. I strongly urge my colleagues to support this amendment.

Mr. BENTSEN. Mr. President, the manager for the majority has checked with the staff of the Agriculture Committee, and they assure me that there is no objection on this side. We have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. DOLE].

The amendment (No. 457) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I urge any Members on this side of the aisle who have amendments to offer them. The majority leader just entered the Chamber. I think he would be very happy to entertain them. We have disposed of about six amendments in the last 30 or 45 minutes. We are hopeful we can find some more on this side so we would not have any loss of time between now and say 7:30.

So I urge Senators on this side of the aisle if they have amendments, even though they might require a vote, the vote could come at that time.

Mr. BYRD. Yes.

Mr. DOLE. So hopefully we could have an amendment on this side, if not for the other side of the aisle.

Mr. BYRD. Mr. President, I thank the able Republican leader.

I make the same request of Senators on our side that if they have amendments if they would let us know about them and be prepared to call them up now is a good time. The managers of the bill are present and they might get their amendments considered.

The PRESIDING OFFICER. The Chair thanks the majority leader.

Mr. BYRD. 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. GRAMM. 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. GRAMM. Mr. President, I ask unanimous consent to lay the pending amendments aside temporarily.

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

AMENDMENT NO. 458

(Purpose: To allow the President discretion to decline to take action under section 201 in order to promote U.S. employment)

Mr. GRAMM. 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 Texas [Mr. GRAMM], for himself, Mr. DOLE, Mr. DURENBERGER, Mr. WILSON, and Mr. BOSCHWITZ proposes an amendment numbered 458.

On page 73, between lines 24 and 25 insert the following:

"(C) such action would result in a loss of United States jobs greater than the number of jobs preserved or created by such action or".

Mr. GRAMM. Mr. President, the hallmark of this whole bill has been jobs. The whole debate concerning trade has been an effort, whether rightheaded or wrongheaded, depending on your perspective, to try to promote employment in particular segments of the American economy or promote employment in general. The purpose of 201 is to protect industries that are threatened by foreign competition.

We now have the ability for the President to look at a range of items in determining whether to grant protection under 201.

This adds, so far as I am concerned, a final element that gives the President a broad range of options to look at in defining the public interest.

What this provision says is this: In looking at the jobs that would be saved by granting protection under 201, the President also has the ability to look at the jobs that will be lost due either to the right of offsetting compensation, which is allowed under GATT, or at the overall impact on the economy in terms of whether or not the benefits to the few who would gain directly from the 201 protections would be greater than, equal to, or less than those who would lose.

What this amendment says is that if the President determines that we are going to lose more jobs by granting protection than we are going to gain by granting it, the President can refuse to provide relief.

I think it is a straightforward and simple and common sense approach to the problem and I hope that it will be adopted.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, will the Senator from Texas yield for a question?

Mr. GRAMM. I am happy to yield.

Mr. PACKWOOD. This sounds to me, and I agree with it, like a slight and significant expansion of the copper import/copper fabrication case where the President decided not to grant relief on copper imports because he discovered more jobs would be lost in the copper fabrication industry than saved in the mining industry, that happened to be a downstream industry.

The Senator is saying forget the downstream argument. If you are going to lose more jobs because of some 201 relief than you are going to gain from the relief, the President can consider that in denying the relief.

Mr. GRAMM. That is exactly right.

Mr. PACKWOOD. I think it is a very good amendment.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. HEINZ].

Mr. HEINZ. Mr. President, I rise in opposition to this amendment. I do so because I think it threatens the entire 201 provision in this legislation. If it is adopted, the 201 process that we have established, namely where greater certainty of relief for the affected industry is premised on the industry having to do a good deal more to help itself than is now required under current law, would be compromised by giving the President an out that is not only broad but frankly, Mr. President, is one that nobody would ever know how to administer.

There is no way on Earth anybody can judge whether a specified act of import relief, coupled with the procompetitive provisions in the committee bill, could result in more or less jobs in the economy. We do not know how to measure that. Certainly it is a subject of speculation, and that is exactly the point. Somebody sitting down at the Council of Economic Advisors can speculate that a provision involving, say, import relief for the steel industry is going to have a deleterious effect on jobs in other sectors of the economy.

I would defy anybody to show me a model or show we a way of annually predicting the future like that. Our economy is so complex, its linkages are so involved, that that simply cannot be done.

I will give you an example. There is a model that does exist. It is used by a number of economists and it was used just last month by an economist, Arthur Denzau, who is with the Center for the Study of American Business and professor of economics at Washington University in St. Louis. He published a monograph entitled "How Import Restraints Reduce Employment." I assume this is the kind of study that would go on to a President's desk immediately, and that study would be the basis for changing, modifying, or denying any import relief, irrespective of the commitments that an industry might have made.

Let me tell you what study showed. Mr. Denzau looked at the steel voluntary restraint program, the one that is now in effect, as his example, and he

concluded that the President's steel program, the one we have had in effect since 1984, had resulted in a net decrease of 35,600 manufacturing jobs, composed of a gain of 14,100 steel jobs and a loss of 52,400 jobs in steel-using firms.

Now, on the surface, Mr. President, this may seem to be and certainly would be used as a compelling case against steel import retraints. In reality, as it turns out, every assumption made by Professor Denzau, a distinguished and able economist, in fact is flawed. He simply is wrong in his assumptions and therefore comes to a wrong conclusion.

He begins by assuming that steel prices behaved as the Congressional Budget Office said they were going to in the summer of 1984. The Congressional Budget Office said that if the President put in a steel import restraint program prices would increase. Well, that study was based on an econometric model, and the problem is that that model bears absolutely no resemblance to the reality in the steel industry. It concluded that the 15 percent quotas would produce an increase in steel prices of 4.4 percent. That is what was predicted by the CBO model, a 4.4-percent increase.

How did that compare to what actually happened? Well, a small problem. First, we never had 15 percent quotas. I might add, we rarely get what the ITC recommends. That problem is something of an understatement. But in this case, the President's program from the beginning had a goal of a 20.2-percent import share. Even that has never been met. But in addition, far from having prices increase by 4.4 percent, prices during this period have actually dropped 4 percent. In other words, they went down just as much as they were supposed to go up, at least according to the best available price data.

I might add that that was not the only flawed assumption. Professor Denzau went on to assume that since imports had declined from 26 percent of the market to 22 percent of the market—by the way, both figures happen to be incorrect, but they are the ones in his article—there must have been a 4-percent gain in employment in the steel industry.

In other words, he assumes some kind of one-to-one relationship, and for each percentage share of our market the domestic industry gains, there must be an increase of employment of 1 percent.

I do not know what basis he uses for that assumption. It is never adequately explained, and it does not matter. It does not matter because it is so far off the mark there is no point in analyzing it.

The truth is that from 1984 to early this year, employment in the industry had not increased by 14,000. It had declined by 61,000, a reduction of 25 or 26 percent in that brief period.

You know, I guess all I can say is I wish that economists like Professor Denzau were right. In an industry that has lost 61 percent of its work force in 10 years, it really would be nice to have an additional 14,000 people at work. But the fact is that we do not. And, indeed, it is hard to conceive of any policy we might pursue that would bring many jobs back.

Mr. President, that leads me to my final point. My final point is that those who look at section 201 and try to measure its effects in terms of one or two of the presumed to be measurable indicators—like consumer prices or employment or unemployment—are making a fundamentally flawed assumption. And that is that the purpose of section 201, either on the books now or as it is in the committee bill, is or should be to preserve employment.

That is not the point. The point is that when an industry is affected by a substantial onslaught of imports, that industry needs time in order to either adjust or redeploy its assets, which are people and money, or to become more competitive and to make itself in the future, at some point, more successful, even larger, or, if necessary, more compact, smaller, and ultimately more competitive. And those kinds of changes simply cannot take place overnight.

The irony of the amendment of my good friend, the Senator from Texas, is that I think he, like I, would like to see American industry become more competitive. And the difficulty is that he looks at the glass and he sees that it is half empty. I look at it and I see that it is half full. He sees that any kind of import relief is going to retard adjustment.

I look and I see, in this legislation in particular, that, in order to get import relief, the industry has to come up with plans which it has to implement that are going to make it more competitive. I fear that as long as we look at other measures, consumer prices, unemployment elsewhere—which, by their nature are demonstrably not possible to predict; indeed, when we predict one thing we often get entirely the opposite result—we will be caught up in an Alice in Wonderland set of econometric arguments which lead God knows where except to, perhaps, debates about how many angels can stand on the head of a pin. What we ought to be looking at is how we make our industries more competitive.

I submit that the provisions in the bill as they stand are balanced; they are a vast improvement on what now exists. If we adopt the amendment of the Senator from Texas, we will undercut the process by which industries come before the U.S. International Trade Commission and pledge to make the improvements that they need to make in order to do a better job of competing in this internationally combative economy that we have got.

I say that because if the commitments that they make can be modified or simply ignored and rejected by the President, they will have been left in the lurch. They will have gone to an enormous among of time, cost, trouble, and energy. They will have gone to great effort to sit down with their employees, with their financiers, with their customers, with their suppliers—all of whom are part of the equation in making an industry more competitive—they will have spent months trying to get improvements in labor costs, in productivity, in product design, in all kinds of things. Then, having gone to all that effort, having been promised, at least as the legislation is now written—if they really make the effort they will get the legal help that they are entitled to now under the law, they will realize that at the end of this long journey there is a chief executive officer who, if some economist can get to him with a study that is wrong, as most of them are, they will get absolutely nothing.

Mr. President, that makes no sense at all. Even though I am convinced the Senator from Texas has the same objective as I do. And I urge him to rethink his amendment. You know, the irony, of course, is he is a distinguished economist himself. I suspect if there is anybody in the Senate who knows the limitations on econometric methodologies, it is the Senator from Texas. Indeed, I have heard him say a few things about the Congressional Budget Office and their ability to forecast spending and revenues and the deficit.

Indeed, my friend the Senator from Texas, Mr. President, has been one of the most effective spokesmen in this body at saying the problem with the estimators is they cannot estimate. That is why we have to have hard and fast targets, because the estimators are always wrong and they always give you a moving target.

It so happens that the Senator from Texas can claim a very important piece of legislation in his name: Gramm-Rudman-Hollings, which does set those targets.

I remember the debates that we had as to why those fixed targets were necessary, and I anticipate later this month when we confront the debt ceiling bill, that the Senator from Texas is going to insist on hard and fast targets.

There is going to be an effort on the part of some to say no, what we need is an annual improvement of $30 or $40 or $50 billion in the deficit. The Senator from Texas, I think, is going to resist that and is going to resist it, as I understand the way he approach-

es these problems, because if you give the estimators an out, you are way out. You are far out. You are no place close to reality.

Mr. President, I have generally sided with my friend the Senator from Texas in those arguments because I have very little faith in our ability to estimate. I must say I have even less faith in the ability of economists to estimate how action taken by a given industry will affect a country as large and dynamic as ours. It is almost ludicrous to me to think that an industry that may account, on a good day, for a tiny fraction of the gross national product in what is a $3, going on $4, trillion national economy, would be able—with some very small changes at the margin—to have any measurable impact on our economy.

I do not doubt that the economists can estimate it. Indeed, that is what economists are paid to do; estimate something, whether it makes any rhyme, reason, or not. That is their job. But that is not the basis, Mr. President, for legislating and in this case seeking changes in a part of our committee bill that will bring about improvements in competitiveness rather than undermine it.

So, I hope that my colleagues will object strongly to the amendment of the Senator from Texas. It is, I think, a flawed amendment. I think it undercuts the purpose of the section 201 amendments in the bill, and I hope that he will withdraw it. If he does not withdraw it, I hope we defeat it.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Well, Mr. President, I listened with interest as our distinguished colleague from Pennsylvania told us there once upon a time was an economist who did a study that turned out to be wrong. In fact, it turned out that the protection granted ended up not saving any jobs in the industry it was supposed to protect to begin with. So, what it did in the feedback on other industries, I guess, would be relatively unimportant.

What I think is interesting is not that one economist does a study that is a mistake, but that economists for over 200 years have looked at this problem, and not since 1776, with the writing of a very famous book, "The Wealth of Nations," has any objective economist concluded that protectionism raised the number of jobs in a country.

In fact, the whole revolution that moved us away from the system of mercantilism, which is what this bill is aimed at reinstituting, was a recognition of the fact that trade created jobs; that restriction on trade destroyed jobs.

We do not have to get into a philosophical debate, it seems to me, on this important issue. I think what is at the bottom line here is that section 201 is not really about jobs. It is about the jobs of the privileged few. It is about the jobs of those who are well enough organized and who have enough political power and who are able to to out and hire lawyers and economists to do all these studies to make up whatever numbers they want to make up to protect them at the expense of the public.

All this amendment does, Mr. President, is this: it allows the President to listen to their economists, to listen to their lawyers, and then to listen to the other side.

If we have got a particular industry, or a particular union, that argues that they are losing and that the Government ought to come in and protect them from competition, then the President should have the right to listen to what they say and look at their studies and analyze it; but the President should also, as the ultimate protector of the public interest, have the right to listen to everybody else, to look at all their studies, to listen to all their lawyers. All this amendment says is that after having given due deliberation and consideration; after having looked at all the facts; after having heard all the experts; if the President determines that granting protection to one industry is going to cost the American economy more jobs in other industries than are going to be saved in the industry that is protected, then he has a right to deny that protection.

As I see it, this is about as straightforward as any amendment can be straightforward. If you want to protect jobs, you do not want to deny the President the ability to look at the job impact of protection. There ought to be a burden of proof on those who are saying, "Well, after all, we cannot compete today, but if you gave us 10 years of protection against the competition we would be just as competitive as anybody in the world."

It reminds me of a football coach who might come in who was 2-9 on the season last year who would say, "Well, we are not very competitive in football, but if we would suspend the season for 10 years, if we did not have to play football for 10 years, we would get serious about football around here and we would have a competitive program."

Well, everybody knows that is nonsense, but that football coach did not have all these lobbyists in the hall telling us. "Do not worry about these guys losing their jobs. They have no lobbyists, no PAC's. They will not be able to turn out people for phone banks when you run for reelection. They do not have organized groups to run against you. Forget them. Protect us."

This simple amendment says, "Listen to them. They have a right to be heard. They have a right to make their case. They have a right to make the argument that if they can get it for 10 years of protection they can be competitive. They have a right to show how many jobs can be saved and the President has to look at that. If the International Trade Commission finds that, in fact, they are losing in the world marketing competition, they find in their favor."

But the President also has the right to listen to the rest of the working people of America, has the right to look at the impact of this protection on other jobs, and, if the President concludes that we are going to lose more jobs by granting this relief than we are going to gain, the President can decide in the public interest not to do that.

(Mr. DASCHLE assumed the Chair.)

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

Mr. GRAMM. I will be happy to yield if I may complete this point.

Surely, we ought to allow the President to look at the small independent business person, to look at the independent contractor, to look at those who do not have political power but they have families—they have jobs, they have responsibilities. They are building America just like people who work for these big companies. Should we not give them an opportunity to make their case, even though they may not have a political action committee, even though they may not have a labor union?

I submit that we should, and I think logic dictates it.

That is exactly what this amendment requires. Look at the jobs saved, look at the jobs lost, and if the President determines, having looked at that, that it is not a good deal for America, he has a right to say no.

I would be happy to yield.

Mr. BRADLEY. I would like to ask the Senator, how would the President determine this?

Mr. GRAMM. The President would determine it exactly the same way that he determines when a 201 case is filed. He would look at arguments made by those who have submitted the 201 claim for protectionism, their economic studies, what they say they can achieve, and that would be the evidence of jobs saved.

Other people in the economy would have an opportunity, either directly or through those who might choose to represent their interests, to make their case about what jobs would be lost.

I submit that while the comments made by the distinguished Senator from Pennsylvania were right on target, economists make mistakes; lawyers, at least one in each case makes a

bad case, can lose the case. The point is that it simply gives everybody their day in this regulatory process so that every person has a right to have the value of their job, their family, and their dream of America's future factored into the process.

Mr. BRADLEY. So that the International Trade Commission would make the analysis to determine how many jobs would be saved by the protection for 3 years or 5 years or 10 years, or however long. Then the International Trade Commission would, itself, do a study, or would it request interested parties and the public to submit their own analysis of what potential job loss might occur?

Mr. GRAMM. If I might respond, the International Trade Commission could comment on that, could forward that with their recommendation to the President. The President can ask the Council of Economic Advisers to do it. Under the national security provision, which we have in the law, the President seeks out advice, information, and studies from the departments of Government.

All this says is that the President shall try to use the information that is available. That information can come from the ITC itself; it can come from agencies of the Government; it can come from the private entities of the country, whether they are trading associations, labor unions, consumer groups, public advocates. They would all have an opportunity to have their input. The President would look at it and he would have the right, if he determines based on his ability to look at all the facts, that we are losing more jobs than we are gaining, he would have the right to say, "This is not a good deal for America and we ought not to do it."

Mr. BRADLEY. Is the Senator's intent to have all of those entities that he has mentioned participate in the process?

Mr. GRAMM. It is my intention to have access for participation just as we have it in the amendment of the distinguished Senator from New Jersey, where we have to look at the impact upon the poor. In that case, the Council of Economic Advisors, the Departments of Commerce, of Labor, the International Trade Commission, Consumer Advocates, Advocates of the Poor would have an opportunity to make their case.

My argument is, if we are concerned about the poor, as I am—I supported the amendment of the distinguished Senator from New Jersey—surely, we ought to be concerned about the people who are pulling the wagon that the poor people are riding in. If we are going to set up a law that says you can decide not to do something if it is going to hurt the poor, surely we ought to give him the opportunity to say we will not do it if it is going to hurt the working people of America because it will cost more jobs than would be saved.

It is the same procedure that would be used under your amendment. Under the amendment adopted with regard to agriculture, it would be within government analysis, or it could be outside groups that provide information.

It would be the combination of all sources of information that would be available to the President who, in the public interest, under the law as it is now written, determines whether protection is in the interest of national security? Does it hurt a downstream industry? He would gather information from exactly the same sources he would in this amendment. Does it hurt the poor? Exactly the same sources, public and private. Does it hurt the farmer? What we are here saying is, does it hurt the working people of America?

Mr. BRADLEY. Would the Senator be offering this amendment if the maximum length of relief was 3 years as opposed to 10 years?

Mr. GRAMM. I think the amendment would be less critical, obviously, because you are talking about dislocation, but we all know that what happens with dislocation is that resources shift; they may or may not come back.

My guess is that I would still be offering the amendment. I would not be perhaps as concerned about 3 years as I am 10 because the dislocation could be greater.

I guess my fear is not only if we fail to adopt this amendment would we force the President to institute protection that would cost us jobs, but we have no guarantee at the end of 10 years when this industry has to compete again that there will be any jobs there.

Mr. BRADLEY. Is the Senator aware that in the bill is a provision which says that after 3 years the President could very well pull away the relief?

Mr. GRAMM. I am aware that he has that ability, that 3-year turnover, and that relief can be up to 10 years. It is a question, obviously, at that point of where we are, what his assessments are. What I am saying here is let us look at the benefits as well. The concept again I submit to my colleagues in the Senate is a very simple one. If it is going to cost us more jobs than we are going to gain, let us not penalize the people who are going to lose their jobs because they are not organized, because they do not have all of these lawyers and economists doing their studies for them. Let us give them an opportunity to have their wellbeing, their future weighed right along with these very powerful political groups that are seeking to be protected.

Mr. BRADLEY. Can the Senator imagine a circumstance in which provision of some relief for a couple of years to allow a company or an industry to readjust to new economic circumstances would be merited?

Mr. GRAMM. I can imagine that if as part of the relief package that firm or industry could change the basic nature of its business. I would say, however, that the heavy burden of proof ought to be on that industry. If you look back at the history of 201, there have been successes. We all like to point to Harley-Davidson as an example. But there have been a lot of other 201 cases that have not been very successful.

All I am saying is the burden of proof ought to be on those who want special treatment, and in looking at what they are going to gain, we ought to look at what the rest of our society potentially loses, and that is what this amendment very sincerely tries to do.

Mr. BRADLEY. Harley-Davidson is a case, of course, where there was protection granted for a couple of years and Harley-Davidson after 3 or 4 years said, "We want to get out from under the relief, we don't want any more relief."

They did so because they thought they were better off taking a smaller share of the growing market than a bigger share of a shrinking market.

Now, under this amendment if such an analysis had been conducted 4 years ago and, for whatever reason, economists advised the President that there would be 5, 10, 20 more jobs lost than to be gained, is it the Senator's intention that Harley-Davidson in that circumstance should not have been granted any relief with which to reconstitute itself and grow again?

Mr. GRAMM. If I might respond, if we destroyed more jobs in other industries than we saved at Harley-Davidson, then I would argue that the President should have had a right to look at that.

Let us not get confused. Because Government intervenes and somebody benefits does not mean society benefits. We have to know what it cost. And if potentially we, as a result of that action, lost more jobs in other industries than were saved at Harley-Davidson, I believe the President should have had a right to look at that and determine whether it was in the public interest.

I would also note that in many other cases of 201 protection where there has not been a miraculous improvemen, we ended up losing other jobs without really gaining any. So the Harley-Davidson case is a good case. There were reactions saying, "Let us go back in the market." If I were driving motorcycles—I never have and I am too old now—I might be inclined to go out and buy one. But, on the other hand, I am not willing to conclude without looking at all the facts, that

even the greatest success we have ever had concerning section 201—unless I could see what happened to other industries that were affected, unless I could look at the offset in compensation and see what happened, or penalties that were paid and who paid it, jobs that were lost in other elements that may or may not come back, I could not make a proper determination whether to grant relief.

Mr. BRADLEY. But the Senator does not reject article 19 of the GATT, does he? The Senator does not say that in no circumstance should no one be able to get temporary relief?

Mr. GRAMM. No.

Mr. BRADLEY. The Senator does accept adjustment as a helpful process of promoting open trade if it is time limited?

Mr. GRAMM. Adjustment may or may not be. I would say in the long history that adjustment, which is the code word for protection, has not promoted trade. I would say in the long history of mankind those who have cried for temporary protection have tried for long-term protection and the world is poorer in part because they have been successful. But I am not willing to say and do not argue that this amendment is no way depends on the thesis that all protection is bad.

All this says is, if the protection does everything it claims it will do, and it still cost you more jobs than you gain, maybe because the guys that want protection are wearing motorcycle jackets with menacing titles on their backs and the guys that are losing their jobs are all guys who get up early in the morning and go to work with baseball hats on and they seem like pretty nice guys, they are not going to knock you in the head at a four-way stop, you are going to do what the motorcycle people want.

I am just saying look at everybody's interests.

Mr. BRADLEY. One last question and that is the question of job loss or job gain or jobs saved should occur in the same time period. I assume that is what the Senator means by the amendment, that the Senator does not mean that a study is done which says a thousand jobs are saved if we give relief for 3 years and the President looks at it but over a 10-year period or 15-year period there will be many more jobs lost.

I assume what the Senator means by the amendment is that the time period is parallel for both jobs lost and jobs saved?

Mr. GRAMM. It would be my intention for them to be parallel, but I recognize that there will be a tendency to look at the claims made by those who want the protection, and those claims will often be inflated. And I would say that those who claim protection are better organized, understand the system better, are more politically powerful and they are going to tend to get a higher claim relative to those who are going to lose.

So I do not think we have to worry about them not getting a fair hearing, so to speak. But it is my intention in the amendment that there be comparable comparisons.

Mr. BRADLEY. So that if it is a 3-year period and the jobs saved are estimated to be 1,000, if your concern is compensation that might take effect in 7 or 8 years, that would clearly be outside the scope of this amendment, if I understand what the Senator has said. It has to be parallel in time.

Mr. GRAMM. I think you have to look at delayed compensation and do some measuring. I personally am more concerned about a job today than I am 7 years from now. So I would say to the degree you can put them into parallel, you can make a comparison.

Now, economists have a way of doing that and they do it by discounting future costs and benefits into the present so it could be made parallel if somebody wanted to do it.

Mr. BRADLEY. But you certainly could not guess what the compensation would be 7 years from now?

Mr. GRAMM. Well, you could look at interest rates and discount into the future. Obviously those who are claiming benefits are going to be trying to do it. But if the Senator is trying to say that the world is imperfect, that you are never going to have certainty as to whether the industry claiming protection has a plan that is going to work, or whether they are just simply trying to get protection because they do not want to compete, and that it is going to be difficult to estimate on the other side, he is correct.

But that ought not to change our determination to give the President the ability to look at all the facts and, based on his best judgment, determine if relief is going to create more jobs than we lose, before making his decision so this amendment does not say that he can not grant relief, even if you lose more jobs than you gain. It simply allows him to look at that in making the determination. I think that is so eminently reasonable that I cannot understand why anyone would oppose it.

Mr. BRADLEY. I thank the Senator. I was trying to clarify that we are talking about apples and apples, not apples and oranges.

The parallel time period is very important, because if 1,000 jobs were saved in a 3-year period, we do not want to figure the jobs lost over a 50-year period. The Senator has clarified and stated that his intention is parallel time periods, and I thank him for that clarification.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. BENTSEN. Mr. President, I think the amendment has some problems and concerns, because you get into the different types of jobs, different values of jobs.

The Senator from Texas has made some good points, and I am willing to take the amendment to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

The amendment (No. 458) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 459

(Purpose: To express the sense of the Senate that the prohibition on the importation of Soviet furskins should remain in effect)

Mr. DURENBERGER. Mr. President, I send an amendment to the desk on behalf of myself, Senators SYMMS, PROXMIRE, HATCH, BAUCUS, KASTEN, MCCLURE, BOSCHWITZ, GARN, SHELBY, EXON, STEVENS, LUGAR, MURKOWSKI, HELMS, WIRTH, BURDICK, and DIXON, and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to setting aside the pending amendments?

Without objection, the amendment will be stated.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. DURENBERGER], for himself and others, proposes an amendment numbered 459.

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

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

The amendment is as follows:

At the end of subtitle B of title VIII, add the following:

SEC. . SOVIET FURSKINS.

(a) FINDINGS.—The Senate finds that—

(1) the United States has prohibited the importation from the Union of Soviet Socialist Republics of ermine, fox, kolinsky, marten, mink, muskrat, and weasel furskins since 1952;

(2) fur farming in the United States takes place on nearly 3,200 unsubsidized family farms primarily located in Wisconsin, Minnesota, Utah, Idaho, Washington, Oregon, Iowa, Illinois, Ohio, New York, Pennsylvania, Montana, Nebraska, and Alaska;

(3) all Soviet furskins are produced on State-controlled fur farms where all production costs are subsidized by the Soviet government;

(4) American fur farmers produced approximately 4.2 million mink furskins in 1984 at an estimated unsubsidized cost of production of $30 per mink;

(5) the Soviet Union, the world's largest producer of furskins, produces between 12 and 15 million pelts annually at a cost of less than $15 per mink;

(6) subsidies by the Soviet government could enable the Soviet State-controlled farms to drive down the domestic price of American furskins, and in the process, drive American fur farming families out of business; and

(7) if the United States lifts the prohibition on Soviet furskins, the United States fur deficit will rise.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the prohibition on the importation into the United States of furskins that are products of the Union of Soviet Socialist Republics should remain in effect, and that the Senate Conferees on the Omnibus Trade Act of 1987 should seek deletion of Section 815 of the Trade and International Economics Policy Reform Act of 1987.

Mr. DURENBERGER. Mr. President, this amendment expresses the sense of the Senate that the 35-year-old prohibition on the importation of certain Soviet furskins should remain in effect.

This resolution is necessary because the House trade bill would lift this embargo. And it is my hope that the Senate conferees will hold firm in their opposition to lifting the embargo.

Since 1952, the Soviet Union has been barred from exporting several types of furskins to the United States, including mink pelts. I believe that any action to lift the ban at this time would have severe economic consequences for the nearly 3,200 American family fur farmers and would contribute to the Nation's $170 billion trade deficit. Moreover, allowing the Soviets to export these furskins to the United States would encourage the Soviet Government to continue to hunt whales whose meat is used for fur animal feed in the Soviet Union.

Most American fur farms are located in the northern tier of States stretching from Massachusetts to Washington. Wisconsin, Minnesota, Utah, Idaho, Washington, Oregon, Iowa, Illinois, Ohio, New York, and Pennsylvania are among the largest producers of furskins. However, since fur farmers are substantial purchasers of eggs and the byproducts of fish, poultry, and beef industries, fur farms represent a primary outlet for many of these agricultural products.

American fur farmers produced approximately 4.2 million mink furskins in 1984. It is estimated that the average U.S. cost of production per mink in 1984 was approximately $30. By contrast, the Soviet Union, the world's largest producer of furskins, is estimated to produce between 12 and 15 million pelts annually at a cost of less than $15 per mink.

The reason Soviet furskins pose such a serious threat to United States fur farmers is that all Soviet furskins are produced on state-controlled fur farms where all production costs are subsidized by the State. Employee housing on such farms is provided by the Government, and fish feed for the animals is obtained from the Soviet Government-owned fishing trawler fleet. Through such subsidies, the Soviet state-controlled farms are clearly in a position to drive down the domestic price of American furskins, and in the process, drive American fur farming families out of business.

I would suggest to you that if this embargo is lifted, the immediate result will be a flood of Soviet furskins into the United States at prices far below commercial market levels. Some would suggest that the Soviets will likely be selling these products in the United States at dumped prices.

Mr. President, when we considered the trade bill in the Senate Finance Committee the experts from the Department of Commerce convinced us that we should not subject nonmarket economies such as the Soviet Union to the American countervailing duty laws because it is impossible to determine subsidies in such economies because everything is subsidized. And the experts told us of the extraordinary difficulty they have in trying to develop a so-called constructed sales prices to determine if imports from nonmarket economies such as the Soviet Union are being dumped in the United States.

You can be sure that if we lift this embargo, the small fur farmers of America will be forced to expend tens of thousands of dollars in a convoluted and complex dumping investigation. Is it our purpose here to enrich the pockets of the dumping attorneys in Washington at the expense of the small fur farmers of America?

Although the United States exports more than 55 percent of its mink pelts, we are a net importer of mink.

Just in the last 2 years, the U.S. net trade deficit in mink exceeded $64 million. If the United States ends the Soviet fur embargo, this trade deficit is certain to rise.

Finally, Mr. President I would note that since the Soviet Union does not have sufficient beef byproducts to use as feed for fur animals, the Soviets rely heavily on fish byproducts as animal feed. The Soviet estimate that nearly 9 percent of the feed composition for their fur animals is derived from marine animals, including whales.

For some time, the United States has been trying to encourage other countries to end commercial whaling, since whales have been placed on the endangered species list. Because the Soviets rely on whale meat for animal feed, I think it would undermine our international efforts to end commercial whaling if the United States were to lift the ban on Soviet furskins.

Mr. President, there is little or no legislative history to the action that the House took, and that is the reason why we have proposed this sense-of-the-Senate resolution.

Legislation to lift the embargo was introduced in the 99th Congress at the request of the administration. There were no hearings in the Senate. It was never introduced in the 100th Congress, neither in the House nor the Senate. So there have been no hearings on the issue in either body.

It was included, apparently, as a miscellaneous tariff matter in markup on the House side—no notice, no debate, no discussion. This, despite the fact that at the end of the 99th Congress, we had a prolonged discussion with the Secretary of Commerce on this very subject.

So I would suggest, Mr. President, that the House action is really antithetical to good trade policy in this country. It has no place, particularly on this bill that we are trying to carve out some good trade policy with.

I urge all of my colleagues to support our amendment to remove it.

Mr. President, I ask unanimous consent that Senator PRESSLER and Senator MELCHER be added as cosponsors of the amendment.

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

Mr. GARN. Mr. President, I rise today to add my support for the amendment offered by my colleague, Senator DURENBERGER, related to the importation of Russian furskins. This amendment is a sense of the Senate resolution instructing the Senate conferees to the Omnibus Trade Act of 1987 to request the repeal of section 815 of the House trade bill.

As my colleagues may know, section 815 of the House trade bill lifts the 35-year-old embargo that currently exists on the importation of seven kinds of Soviet furskins into the United States. Two of these types of furskins—mink and fox—have been raised for many years on private ranches in Utah. The Utah Agricultural Statistics book for 1986 indicates that 487,500 mink pelts were produced in Utah, making Utah the third leading State in the Nation in total mink production and second nationally in the total number of mink farms in one State. Lifting the embargo will have serious negative effects on Utah ranchers and on the mink industry in my State.

I am very concerned about the possible effects lifting the embargo will have on the domestic mink industry. Figures provided by the industry reveal that 56 percent of the U.S. production is exported. The importation of Russian mink into the United States has the potential to eliminate the domestic market from access by U.S. fur producers.

At the same time, the costs to American farmers to raise one mink is significantly more than the costs associated with raising mink in Russia, which are subsidized by the Government. It costs nearly $30 to raise one

mink in the United States; it costs just over half of this amount in Russia. Once again we have the situation where a U.S. industry could lose a hold on its domestic market to another country where production costs are lower and, more importantly, subsidized by a foreign government.

The Utah mink industry is stronger today than it has been in recent memory, having rebounded from several depressing years and now representing a $50 million industry for the State. The Fur Breeders Agricultural Cooperative in Midvale, UT consists of owners and operators of 273 fur ranches scattered throughout northern Utah and southern Idaho. The cooperative was organized in the 1930's and represents up to three generations of families that have been engaged in this type of production. The feed volume supplied to the cooperative's members was nearly 93 million pounds last year and consisted mainly of animal, fish, and poultry byproducts. The cooperative also utilizes cereal products and thereby supports other American agricultural products such as wheat and corn. It markets to its members an annual amount of approximately $1.25 million in fur ranch supplies, practically all of which is the result of American industry. The cooperative obviously plays a vital role in assisting many ranchers with their basic necessities as well as providing indirect support to other agricultural products.

Mr. President, lifting the embargo on Soviet furskins is an effort to improve trade opportunities between American and Soviet firms. I applaud these efforts. However, I believe the House provision is insensitive to the possible effects these new trade opportunities would do to the domestic mink industry. Fur farming is an important member of America's general agricultural economy and Utah's specific agricultural economy. The Utah Farm Bureau has indicated that a lifting of the embargo as contained in the House bill would dramatically affect this industry in Utah. The industry continues to suffer from the free importation of low cost mink and fox furskins from several free world sources. It has also been restricted in world markets due to high costs of production. For these reasons, I believe the embargo on Soviet furskins should be maintained and that the Senate should go on record opposing section 815 of the House trade bill.

Mr. President, I express appreciation to Senator DURENBERGER for his efforts on this issue, and I encourage my colleagues to support this resolution.

Mr. HATCH. Mr. President, today I join with other Senators in proposing an amendment which states that it is the sense of the Senate that the Senate conferees on the Omnibus Trade Act of 1987 give highest priority to continuing the present treatment on the importation of Soviet furskins.

Since 1952, the Soviet Union has been barred from exporting several types of furskins to the United States, including mink, fox, ermine, muskrat, kolinsky, marten and weasel pelts. Although Americans export more than 55 percent of our mink pelts, we are a net importer of mink. In the last 2 years, the U.S. net trade deficit in mink exceeded $64 million. This trade deficit is certain to rise if the United States ends the Soviet fur embargo. They have free access to all other markets, but we cannot sell even one furskin in Russia.

Most American fur farms are located in the Northern United States. Wisconsin, Utah, Minnesota, Idaho, Washington, Oregon, Iowa, Illinois, Ohio, New York, and Pennsylvania are among the largest producers of furskins. Our furbearing animals thrive on agricultural byproducts that are unfit for human consumption, and which would probably go unused if not for the demand created by fur farming. In the production of mink pelts, Utah farmers use scrap fish, reject eggs, packing house and poultry waste products and cereal valued at approximately $13.5 million annually.

The top U.S. furs are the best in the world, but most of a fur farm's production falls into lower grade categories. Only 500,000 of all mink pelts produced in the United States in 1986 fit into the best-grade, Blacklama, category that have the richest color with no flaws.

Quality black mink pelts, including the blacklama, amount to about 55 percent of a year's production while a slightly lower grade accounts for 30 percent to 40 percent of all pelts.

This lower-grade category is vital for economic survival of a fur ranch, and this is where the Soviets would compete most forcefully. The Soviet Union is the world's largest producer of mink pelts, selling 11 million of 16 million a year, compared with approximately 4.5 million from United States ranches.

There are about 200 family-owned fur farms in Utah, employing approximately 1,600 people. In 1986, 900,000 mink pelts were produced in Utah, the value of which in today's market would be nearly $43 million. I believe that any action to lift the ban at this time would have severe economic consequences for the nearly 3,200 American family fur farmers across America and would contribute to the Nation's $170 billion trade deficit.

Soviet furskins pose a serious threat to United States fur farmers. Their production costs are substantially lower than those in our country, due in large measure to Soviet Government subsidy. The Soviet state-controlled farms are clearly in a position to drive down the domestic price of American fur skins, and in the process, drive American fur farming families out of business.

Mr. President, I urge my colleagues to support this amendment. I yield the floor.

NEED TO CONTINUE BAN ON SOVIET FUR TRADE

Mr. PROXMIRE. Mr. President, I am pleased to cosponsor Senator Durenberger's amendment that urges the continuation of the 36-year-old ban on Soviet furs. Should we be foolish enough to end the ban on importing Soviet furs, we will, in effect, be supporting the state run Soviet fur industry to the fatal detriment of our own fox and mink fur farmers from Massachusetts to Oregon.

Currently, 2,400 American fur farmers produce 4.2 million mink pelts. Sales of these pelts generated $120 million and enabled many small, family-operated fur farms to eke out a living. If we allow the Soviets to introduce their furs into our country, domestic output could be cut in half, driving American families into bankruptcy. Mr. President, is this any way to help the family farm?

In this trade bill, we are trying to achieve trade relations which are based on two important principals. Simply put, trade must be both free and fair. Those who are advocating freer fur trade with the Soviet Union are forgetting the "fairer" part of the Senate's intent in this legislation. We must remember that Soviet furs are produced on Government-owned farms. The workers are housed in state-owned and subsidized housing. The animal feed is obtained by Government fishing fleets. Is this fair competition for our small, unsubsidized, family-owned fur farms? Is this the type of free trade that we are looking for? I do not believe it is.

I urge my colleagues to support this resolution to maintain a ban on Soviet furs. We all believe in the benefits of increased trade. However, allowing Soviet furs into the United States is not a case of free and fair trade—it is a case of stupid trade.

The PRESIDING OFFICER. Is there further debate?

The Senator from New Jersey.

Mr. BRADLEY. Mr. President, the amendment is acceptable on this side.

Mr. PACKWOOD. Mr. President, the amendment is acceptable on this side.

Mr. BRADLEY. All things considered Soviet minks are not things that I think we ought to import.

We will accept the amendment.

The PRESIDING OFFICER. With that profound comment the question is on agreeing to the amendment of the Senator from Minnesota.

The amendment (No. 459) was agreed to.

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

Mr. BRADLEY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CALL OF THE ROLL

Mr. BYRD. Mr. President, the managers have been doing a very good job working on amendments during the last hour and a half. Several amendments will be disposed of and a good many of the Senators I think were off the Hill and were planning to be back by 7:30 and the managers are ready to continue with the bill. I think about the best thing to do is have a live quorum and have the Sergeant at Arms request the attendance of absent Senators, have a vote and get Senators back so that we can then proceed with further action on amendments.

So with that I suggest the absence of a quorum and it will be a live quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 18]

Bentsen	Cohen	McClure
Breaux	Daschle	Rudman
Byrd	Heflin	

The PRESIDING OFFICER. A quorum is not present.

Mr. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, 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.

VOTE

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia that the Sergeant at Arms be instructed to request the attendance of absent Senators.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Tennessee [Mr. GORE], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Arkansas [Mr. PRYOR], the Senator from Illinois [Mr. SIMON], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Missouri [Mr. BOND], the Senator from Missouri [Mr. DANFORTH], the Senator from Washington [Mr. EVANS], the Senator from Kansas [Mrs. KASSEBAUM], and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

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

The result was announced—yeas 74, nays 15, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—74

Adams	Ford	Melcher
Armstrong	Fowler	Metzenbaum
Baucus	Garn	Mikulski
Bentsen	Glenn	Mitchell
Bingaman	Graham	Moynihan
Boren	Grassley	Murkowski
Bradley	Harkin	Nunn
Breaux	Hatch	Packwood
Bumpers	Hatfield	Pell
Burdick	Heflin	Reid
Byrd	Heinz	Riegle
Chiles	Helms	Rockefeller
Cochran	Hollings	Roth
Cohen	Humphrey	Rudman
Conrad	Inouye	Sanford
Cranston	Johnston	Sarbanes
D'Amato	Kasten	Sasser
Daschle	Kennedy	Shelby
DeConcini	Kerry	Simpson
Dixon	Leahy	Thurmond
Dodd	Levin	Trible
Dole	Lugar	Warner
Domenici	Matsunaga	Wilson
Durenberger	McCain	Wirth
Exon	McClure	

NAYS—15

Boschwitz	McConnell	Specter
Chafee	Nickles	Stevens
Gramm	Pressler	Symms
Hecht	Proxmire	Wallop
Karnes	Quayle	Weicker

NOT VOTING—11

Biden	Gore	Simon
Bond	Kassebaum	Stafford
Danforth	Lautenberg	Stennis
Evans	Pryor	

So the motion to instruct was agreed to.

The PRESIDING OFFICER. With the addition of those voting who did not answer the quorum call, a quorum is present.

Mr. BYRD. Mr. President, I apologize to all Members for having a vote on having the Sergeant at Arms instructed to ask absent Senators to be present, but I felt that this was the only way to get Senators here and to see if we could get some amendments up. I would hope that amendments would now be called up.

I would like to inquire whether any Senator is prepared to call up an amendment.

Do we have any Members on this side?

Mr. DASCHLE. Sir, at this time I do not. We are trying to work out some technicalities which we have not finished with at the moment.

Mr. BAUCUS. Mr. President, I have an amendment on which we are trying to work out a time agreement. The amendment has to do with giving the President discretion to allow exporting agricultural products to Cuba, on a cash basis.

I am in a position to agree to a time agreement. I do not think he is.

Mr. BYRD. Mr. President, I believe the Senator from Connecticut indicated he would not agree to a time agreement on that particular amendment.

Mr. WEICKER. To respond to the distinguished majority leader, I had indicated I would not agree to a time agreement on any amendment dealing with Cuba. This is the second amendment I have heard of, one by the distinguished Senator from Montana and one by the Senator from Florida, and I would not agree to any time limit on amendments dealing with Cuba.

Mr. BYRD. I think it is pretty clear to me and it should be to the Senator from Montana that there is not going to be any time agreement on his amendment.

Mr. BAUCUS. Mr. President, if I might mention to the Senator from Connecticut, the nature of this Senator's amendment I think would be 180 degrees from the nature of the amendment on Cuba to be offered potentially by the Senator from Florida. I am wondering if the Senator from Connecticut would still not agree to a time agreement.

Mr. WEICKER. Responding to my distinguished colleague from Montana, I appreciate his efforts in trying to work out a time agreement with the distinguished Senator from North Carolina when it comes to his amendment as it deals with Cuba.

I am not prepared, as much as I am very affectionate toward the distinguished Senator from North Carolina, to have him act as a traffic cop on amendments dealing with Cuba. Therefore, whether the Senator works out an agreement with the Senator from North Carolina is of no matter to the Senator from the State of Connecticut.

I think when it comes to this matter we rather best address a large subject on which heretofore the ground rules have been pretty well established by those who support the administration policy as compared to those who disagree with it. I think we can tackle the subject as a whole rather than in a piece-by-piece fashion, and therefore I appreciate the efforts of the distinguished Senator from Montana.

No doubt on the substance I would probably have little disagreement, but as a matter of procedure I am unwilling to have the flow of legislation channeled only through the good of-

fices of the distinguished Senator from North Carolina.

Mr. BYRD. Mr. President, what is the intention of the Senator from Montana?

Mr. BAUCUS. Mr. President, I do not really see the purpose of bringing up my amendment at this time. It would just take the time of the Senate and I know the chairman of the Finance Committee would like to dispose of as many Finance Committee amendments as he possibly could.

I think we would be better served if I do not offer the Cuba amendment at this time in view of the comments of the Senator from Connecticut.

Mr. BYRD. Well, the Senator from Connecticut is exercising his rights and I am not so sure that he will not exercise them tomorrow just as he will tonight, and at some point, if the Senator has to call up his amendment, he just has to call it up.

Mr. BAUCUS. Mr. President, I understand the concern. I think in the meantime I might be able to work out some private agreement relative to the amendment to conserve time.

Mr. BYRD. Very well.

Mr. President, I ask unanimous consent that the amendment by Mr. BUMPERS be laid aside temporarily, that Mr. ARMSTRONG may call up an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered

AMENDMENT NO. 460

(Purpose: To place an aggregate limitation on the trade adjustment assistance program of $400,000,000)

Mr. ARMSTRONG. Mr. President, I may be slow on the trigger, but I know an open invitation to offer an amendment when I hear one. As I was leaving the Chamber a few minutes ago, the Senator from Oregon, the Republican manager of the bill, said, "Hey, how about offering your trade adjustment assistance amendment?"

And so I dashed over to my office and returned with the amendment in question, which I think, Mr. President, should occupy the body for only a very brief time—first, because it is a very simple amendment and, second, because I intend to explain it in such unequivocal and simple terms that I am confident it will quickly be adopted with a voice vote.

With that brief word of introduction, I do send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. ARMSTRONG] proposes an amendment numbered 460.

Mr. ARMSTRONG. 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 section 286(d) of the Trade Act of 1974, as added by section 217(b) of the bill, strike out paragraph (3) and insert in lieu thereof the following:

"(3) If the Secretary of Labor and the Secretary of Commerce, in consultation with the Secretary of the Treasury, determine that the total amount of funds necessary to carry out chapters 2 and 3 for the fiscal year will exceed $400,000,000, the Secretary of Labor and the Secretary of Commerce shall, notwithstanding any provision of chapter 2 or 3, make a pro rata reduction in the assistance provided under chapters 2 and 3 to ensure that all workers and firms eligible for assistance under chapter 2 or 3 receive some assistance under chapter 2 or 3 and that the total amount of the expenditures made in providing such assistance does not exceed $400,000,000.

In paragraph (1) of section 287(b) of the Trade Act of 1974, as added by section 278(b) of the bill—

(1) strike out "or" at the end of subparagraph (A),

(2) strike out the period at the end of subparagraph (B) and insert in lieu thereof ", or", and

(3) insert at the end thereof the following new subparagraph:

"(C) the percentage that is sufficient to provide $400,000,000 of revenue in any fiscal year.

Mr. ARMSTRONG. Mr. President, I feel a certain poignant sense of futility about offering this amendment, not because it is unworthy, not because it may not be adopted, but because the President is going to veto this bill anyway. And so as we slog through this hour after hour, I find myself wondering whether or not it is really our task to try to prefect in small degree a piece of legislation which is already so dreadfully flawed that the President is, I think, essentially certain to veto it.

But I have come to the conclusion that I do want to offer this amendment because if the President vetoes this bill, as I expect he will, and if the veto is sustained, as I am confident it will be, then we will have set the stage for a second round of negotiations in which a responsible piece of trade legislation can be adopted.

I would be hopeful that in the second round, 1 month, or 2 months, or 3 months from now, when we really get down to serious business about the trade legislation, we would take a long, hard look at a new program which was inserted in this called trade competitiveness assistance. This is a new program which the Finance Committee dreamed up and inserted in this bill to help take care of workers whose jobs have been lost as a result of foreign imports.

We are all familiar I think with the current law which is a program called trade adjustment assistance in which the theory is that by providing some extra aid we permit workers to transition from an industry which is sunsetting or from a company which is unable to compete in international markets and therefore is forced to lay off or terminate its employees.

The notion of this in a sense is not unreasonable, but its actual functioning has not proven to be too reassuring.

Well, the new program, the so-called trade competitive assistance, builds on this idea. However, unlike the TAA Program, under which the funding was appropriated, this new program to help displaced workers is going to be funded by an across-the-board import fee at a rate sufficient to provide the necessary funding for the new TCA Program.

Now, that is the real departure we have. We are laying down on imported goods, up to 1 percent at least, a new fee up to 1 percent of the value, and that money will then be used to pay for the Trade Competitiveness Assistance Program.

When this was under consideration in the committee I asked about how much this program was going to cost. I was given a somewhat reassuring answer that the TCA Program of assistance to displaced workers would cost in round figures $300 million a year.

I was about to sort of let this thing slip past; after all, when there are billions of dollars on the table, it is pretty hard to focus on every $300 million item. But I could not help inquiring, what about the future? Would it only cost $300 million the next year and $300 million the year after that, $300 million the year after that, and so on? And I was assured by counsel—and I have not heard it disputed since—that $300 million is in fact the highest amount that it is estimated the TCA Program will cost at any point projected into the future.

So I was just ready to go back to sleep on this issue until I inquired of the sponsors of this how much would be raised by a 1-percent tariff on imported goods. And it turns out that it is not $300 million; it is $4 billion.

Now, Mr. President, that is the heart of my concern. In a different time and place I might argue whether or not the TCA Program was necessary and desirable, and I have real doubts that this is the best way to help persons whose jobs are lost or who are displaced as a result of imported merchandise. But that is not why I am here tonight.

I am here to say that if one thinks that the TCA Program is a good program—and I have some doubts about it—then certainly it will be wise to decide how much we are going to spend for it.

I am not interposing my judgment and saying we ought to spend $200 million, or $250 million, or $275 million. The highest figure that has been

suggested as the total projected cost of this is $300 million. So I suggested in committee that we should put a cap on it at $300 million. There was so much resistance to that that I said, "What about $400 million?" That is the amendment I bring tonight.

Mr. President, for us to fail to put some cap on this, to say there is some outer limit beyond which we do not want to automatically go without bringing it before Congress for consideration, I think invites fiscal irresponsibility. It invites the size of the program to expand from $300 million, to $400 million, to $500 million, to $600 million, to $1 billion, to $2 billion, to $3 billion, and even up to $4 billion; because if there is a financing mechanism in place, an automatic mechanism which will provide up to $4 billion a year, there is not a Senator who can believe—surely, not one of us in this Chamber or anyone else who thinks about this—that the cost will be controlled at much less than $4 billion if the money is there, if the money is readily available.

My amendment, very simply, says let us put a ceiling of $400 million a year on this program, and if it looks like it is going to go over $400 million, the funds will have to be distributed on a pro rata basis; and if it looked like that was going to pinch, that it was going to prevent the program from fulfilling its intended need, the sponsors would have to come back to Congress and ask for some amendment or some adjustment in the amount of the program.

Mr. President, I think I have attracted the interest of at least two of my colleagues who will want to speak in support of this measure, or in some other way comment on it, but I should like to point out another reason why it would be a good idea to adopt this amendment.

This whole proposition is probably GATT illegal. I do not know for sure whether it is; nobody does; but the experts say it is. Our trading partners, therefore, are entitled under GATT to adopt a retaliatory tariff. I would like to hold the general level of that tariff retaliation as low as possible—to $300 million or $400 million—and not go up to $2 billion or $3 billion; or, under the present legislation, it could to up to $4 billion a year.

It is a big penalty for our exporters who are trying to sell in overseas markets to think that they would have to pay up to $4 billion a year in retaliatory tariffs imposed by other nations.

Aside from the fact that it is harmful to international trade—and this provision in the bill is harmful to American competitors—it makes it less competitive; it makes it harder for us to sell in international markets and invites retaliation. What we have in this bill is a provision which taxes the companies that are succeeding, that are able to export, that have found markets overseas. It makes it more difficult for them to do business, by inviting a retaliatory tariff in order, in effect, to subsidize those industries in this country which are unable to compete in the international market.

At a time when the issue is competition, when we are tyring to make it possible for our companies to sell overseas, to create new job opportunities, to open up international trading, it appears to me that we ought not do this, but certainly we ought to be careful about the extent to which we do it.

It is for that reason that I suggest the $400 million cap, and I hope my colleagues will see it that way. Since that exceeds the highest amount estimated, surely there is no harm, and there might be much good, in adopting such a limitation.

Mr. MOYNIHAN. Mr. President, I once again congratulate the distinguished Senator from Colorado on an able argument which he has presented before, to the Committee on Finance.

This measure, which I have the honor to be associated with, together with the distinguished Senator from Delaware, who will be speaking shortly, is a bipartisan measure. This matter was discussed carefully and earnestly; and, by more than a 2-to-1 margin, a bipartisan margin, the Committee on Finance decided to proceed as it has.

I make two points: First, trade adjustment assistance—which is to say, providing some transition for workers who lose their jobs in the aftermath of changes in tariff schedules—has been part of our trade expansion efforts for a quarter century.

I had the honor, the experience, of being involved in the long-term cotton textile agreement which President Kennedy needed to bring about the acceptance a quarter century ago of what became the Kennedy round of tariff reductions under GATT, which had great consequence. A quarter century later, we are on this floor to enable this President and his successor to carry forward another GATT round.

We ask the President to negotiate this trade adjustment fee arrangement in the GATT round. We want the fee to be GATT legal, and we certainly wish to see it negotiated under the GATT. We think it is a reassurance to American workers who have supported this program for a quarter century that this time their trade adjustment assistance will not be subject to the vagaries of appropriations by this Congress.

In the last round, the Tokyo round, the American labor movement supported that round of tariff reductions with the understanding that we would have this provision. An agreement was made—if I may use that word—in the Finance Committee, with the American labor movement, and we reneged on that agreement.

This provision, which the distinguished Senator from Colorado does not approve of—but the Senator from Delaware, my able and learned friend, has joined in presenting it as a bipartisan measure, first to the committee and now to this Chamber—is a guarantee for American workers. We think it is a proper thing, we think it is a necessary thing, and I hope the measure will be sustained.

Mr. President, I yield the floor.

Mr. ROTH. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Colorado.

I fear that the end result of that amendment is to effectively gut what we seek to do through trade adjustment assistance.

Before addressing the specific amendment of the distinguished Senator from Colorado, I think it is very important in today's debate that we focus on what we are trying to accomplish. What we seek to do through trade adjustment assistance is to help those individuals who are hurt by trade.

Now, the purpose of maintaining an open trading system is that most people will benefit from trade. Trade brings most people here and around the world a higher standard of living, lower prices, and a more diverse choice of available products.

Still there is no question that some people are hurt by trade, and let me point out that this is true in fact in times of trade surpluses as well as trade deficits, in time of general prosperity as well as in recessions.

Trade deficits or surpluses do not necessarily correlate with employment.

In 1975 we had a major recession with many people out of work. Yet that year we ran a trade surplus. In the last few years, we have all seen our trade deficit reach unprecedented levels. Yet during this same period millions of jobs were created in this country.

I might point out this has been the experience of my own State. In Delaware recently, we have been particularly fortunate. Last year the unemployment rate in Delaware was 4.2 percent for the year. In April, the most recent months for which data is available, Delaware unemployment was 2.9 percent, the second lowest unemployment rate in the Nation. But the fact is that despite this low unemployment rate, workers in Delaware from the steel, autos, and textile industries as well as others, have received assistance under the trade adjustment assistance program.

Mr. President, I believe it is critically important that we seek to help those people hurt by trade, who lose their

jobs to imports. First, I would point out it is Government policy which results in these job losses, so there is a way to distinguish this situation from others. In other words, because of the conscious, deliberate policy of the Federal Government, some people are hurt. So it seems to me we do have a special responsibility to them.

Second, as the distinguished Senator from New York, with whom I have been very pleased to work in promoting trade adjustment has also mentioned, I would point out that in 1962, before the Kennedy round of trade negotiations, it was agreed by the Government to make a commitment to assist workers who lose their jobs to imports.

Now, I do not insist that because you once make that kind of commitment, it has to be kept forever and a day. But the basic reasons for that commitment in the 1960's are as true today as they were then. I am sure my distinguished friend and colleague, Senator MOYNIHAN, would agree that trade adjustment assistance is just as relevant under current conditions as it has been at any other time.

Third, I would point out the need for help is great today.

Fourth, it is most important to understand that by helping those hurt by trade, we can help sustain the benefits which trade brings to most Americans.

As I have already pointed out, I have been pressing for many years to strengthen assistance to workers who lose their jobs to imports. I would point out that as a result of this effort and with the strong support of the Senate Finance Committee, as well as both Houses of Congress, we saved the Trade Adjustment Assistance Program.

The program had expired in December 1985, and in March 1986, we were successful in the budget reconciliation bill in restoring the program with some of the improvements that Senator MOYNIHAN and I had heretofore proposed. I might say, as a matter of record, it is the second time I saved the trade adjustment program, for back in the 1970's, President Carter likewise proposed the termination of this program. It seems to be a disease of the White House to oppose trade adjustment assistance.

Mr. MOYNIHAN. Mr. President, will the distinguished Senator yield for a comment?

Mr. ROTH. I am happy to yield.

Mr. MOYNIHAN. He is exactly right. He has done this under two Presidents of different parties.

Mr. ROTH. I thank the distinguished Senator for his comment.

Now the bill before us includes major reforms to trade adjustment assistance that I was pleased to propose, not only with my good friend Mr. MOYNIHAN, but also with Mr. HEINZ, Mr. CHAFEE, and Mr. SYMMS, and I would point out that these reforms were reported unanimously by the Senate Finance Committee as part of the budget reconciliation package in 1985 and they were passed by the House and Senate several times during that reconciliation debate.

So there is nothing new about what is proposed here. It has been considered by the Senate on several occasions. Unfortunately, these major reforms were not in the final compromise on budget reconciliation with the administration.

Now the changes to TAA that I have been pressing are few in number but they are critically important. This legislation does not propose a complete revamping of the Trade Adjustment Assistance Program. In fact, all benefits now available to workers under TAA, additional unemployment compensation, known as trade readjustment allowance, job search, and job relocation allowances would continue. But, Mr. President, there is a most important new eligibility requirement and an important new benefit. The new eligibility requirement is that any worker receiving benefits must be enrolled in or have completed a retraining program, in other words, what we seek to do by trade adjustment is to give those who lose their jobs the opportunity to be retrained so that they can find other jobs of value. In doing so we, of course, provide trade adjustment allowance which provides compensation during that period of study or training.

But it is important to understand that one of the significant changes in this legislation is that in order to get the trade adjustment allowance the worker who has lost his job must be involved in a retraining program.

The new benefit would provide up to $4,000 for retraining for each worker. There would be certain exceptions to this requirement if it was found that training was not appropriate for an individual.

Now, Mr. President, this legislation is financially sound. We have incorporated as part of the proposal the means of paying for these reforms. My bill would fund trade adjustment assistance through a small fee on imports. CBO estimates the necessary fee to be less than one-tenth of 1 percent. But we do provide in the bill for a fee that is capped at 1 percent of import value.

Now, why do we propose a fee in excess of current needs?

Mr. President, there is a very important reason, because what we intend is for our negotiators at the next round of international trade negotiations in the GATT to negotiate the imposition of a fee of 1 percent or less.

Now, if we took the proposal of the distinguished Senator from Colorado and capped the fee at $400 million, it would mean that at a later date if we were spending more money than that, not only would we have to go to the Senate, but we would also have the need to go back to GATT and secure permission there.

So what we are proposing is that the administration negotiate the right to impose a 1-percent fee on imports even though at this time it is expected that the program with the reforms would cost less than one-tenth of 1 percent.

(Ms. MIKULSKI assumed the chair.)

Mr. ROTH. Madam President, I would point out also that this legislation is fiscally responsible because the benefits secured under it are not only paid by this import fee, but the fee is capped in the bill. No more benefits can be paid out than were actually secured in the trust fund resulting from the small fee on imports.

Let me point out also that I disagree that this fee is going to handicap American trade. In the first place, I am persuaded that other countries are going to need the same kind of fee for their workers who are adversely impacted by trade. For that reason, I feel confident that our negotiators at GATT will be successful in obtaining agreement that this kind of a fee can be imposed.

Madam President, I would point out that this legislation, including the 1-percent fee, has the full support of the Industrial Union Department of the AFL-CIO. In a letter to me from Howard Samuel, he says that the committee provisions of independent funding for TAA through a tax on imports of up to 1 percent by value is essential to the TAA program's ability to fulfill its mandate. Maintaining this source of funding is really our only assurance that the refurbished program will be able to meet the challenge of assisting the rapid reemployment and retraining, where necessary, for these workers who have lost their jobs through no fault of their own.

I have a similar letter from the United Steel Workers of America. I would also point out that the National Retail Merchants Association has endorsed legislation, including the fee.

Frankly, in closing at this stage, let me say I think there is no provision more important in the current trade bill than that on trade adjustment assistance.

As I said, if we really want to proceed on a course of an open trading system, I think it is critically important that we help those who are impacted negatively by trade. And to me it is perfectly fair, it is perfectly equitable, to expect those who benefit from the open trading system to pay a little more, as I say, just one-tenth of 1 percent, for the advantages they are gaining.

To me this is sound legislation. It is fiscally responsible. I think it is important to point out, Madam President, not only will this legislation pay the cost of training, which is new, but it will also pay all the other costs of the Trade Adjustment Program so that, in effect, it will help reduce the budget deficit over a 3-year period. Over a 3-year period, it would save roughly $500 to $600 million to the Federal Government.

The reason I say that is that the Trade Adjustment Assistance Program is now funded at about $150 million annually from general revenues. Under my legislation, these benefits would no longer be paid for by general revenues. This legislation would decrease the budget deficit by $172 million in 1990, $177 million in 1991, and $182 million in 1992. So for these reasons, Mr. President, I would urge the Senate to reject the amendment proposed by the Senator from Colorado.

Mr. PACKWOOD. Madam President, I rise to support the amendment of my good friend from Colorado. For the life of me, I cannot think of a valid argument against the amendment.

First, the argument is that is GATT illegal, and I think it probably is, but the authors of the provision in the bill would say, "Mr. President, you go to GATT to see if you can negotiate it legal." My hunch is he may succeed in that. What that will amount to is each of us putting tariffs on each others' exports to fund a program we would otherwise fund out of the budget.

That is protectionism, I would call it. They will raise their prices on their exports, we will raise our prices on our exports. Maybe we will all be happy we are making each other support each others' programs.

But that is if the President is able to negotiate it legal. At least in the House bill, this user fee, if you want to call it that—I will call it a tariff—does not go into effect unless GATT finds it legal. That is the first argument.

I think the President ultimately may succeed in getting all of our trading partners to all agree that we will all tax each others' exports. There is an unfortunate protectionist fervor growing throughout the world and growing in this country. I can, unfortunately, see the world coming to that conclusion.

Let us go to the second argument of the amount of money involved. I supported the Senator from Colorado in the committee. I think he would have been willing to go to any rational amount of cap that the most wondrous supporters of this bill would have thought they could have spent. I remember saying $500 million, $600 million, $400 million; let us put some figure on it.

There was no one in the committee, there was no witness, there was no person I heard of who talked about this that said it was going to cost over $300 million.

So the Senator from Colorado offered a cap of $400 million a year, beyond the most wondrous wishes of any amount that could ever be spent, the proponents say. And yet, at the very same time, they place a 1-percent limit on the tax that can be levied, which will raise $4 billion, when we cannot conceivably, to quote them, spend over $300 million.

Now, why? Well, I can see two things happening. One has been mentioned by the Senator from Colorado. This money can be only used for trade adjustment assistance, but there is still a potful of potential taxation that will produce $4 billion. And anything we can find under the rubric of trade adjustment assistance will be eligible for this.

That reminds me a bit of the old social service program we had in the midseventies where the Federal Government agreed to pay 90 percent of all the State's social service cost and they began to define highways and streetlights as social service programs and we were paying 90 percent.

We are going to have unemployment compensation, trade adjustment assistance, workers compensation, revenue sharing, all come out of there.

There is one other alternative, and I can see it coming as we get into reconciliation or elsewhere. We pass the 1-percent fee. Now we say the 1-percent fee is only to be used to advance trade adjustment assistance. But let us say the program is only costing $300 million a year, but we have the authority in law to go to 1 percent, and we get into a bind and we need $3 billion in taxes. All we have to do is take off the provision that this has to be used for trade adjustment assistance and without ever changing the law we have another $3 billion of taxes collected for whatever purpose we need.

Now, I am not saying the proponents of this amendment had any nefarious ideas in mind. The Senator from Delaware has been pushing this for a long time. I know he is very sincere about trade adjustment assistance. The same with the Senator from New York, Senator MOYNIHAN.

But if all they want is trade adjustment assistance, and if all of this could conceivably cost, under the most extraordinary of expectations, is $300 million a year, where is the harm in putting a cap of $400 million a year on the program?

I honestly, Madam President, cannot think of a valid argument against the amendment of the Senator from Colorado and I hope that the Senate would adopt it.

Madam ARMSTRONG. Mr. President, will the Senator yield to me before he yields the floor?

Mr. PACKWOOD. I am happy to yield.

Mr. ARMSTRONG. I just want to thank him for his statement. I am grateful, of course, for his support and hope, in due course, that we will adopt the amendment.

But, I had a related thought that I would just like to try out on the Senator from Oregon.

Has the Senator ever been to the great ice cream store out at the shopping center, the one, you know, where they wear the striped coats and they have the clowns and balloons. It is a favorite spot, especially with the kids, and also with adults who like ice cream and banana splits and other kinds of ice cream? Has he ever been there?

Mr. PACKWOOD. I do not know if I have been to that one. I have been to the one that has all the flavors, since I like good ice cream.

Mr. ARMSTRONG. The reason this particular retail establishment comes to mind, it is one where my family and I have visited a number of times. They serve practically everything. They serve hot fudge sundaes, they serve banana splits, they serve every exotic kind of ice cream treat that you can imagine.

But they have one particular thing which is so enormous that only those who are really extravagant, and, honestly, those who really eat to excess, would order such a thing. It is a giant tub of ice cream, covered with every known topping.

And every little while, some foolhardy customer will order this thing. When they do, then the whole kitchen staff comes running out to the dining room. One of them has a siren which he sets off and another has bells and some others have whistles and one of them has a slide whistle and they make a big racket and the lights flash and everybody applauds.

The thing I was thinking of, Madam President, was maybe we ought to have that kind of a celebration here every time the Senate adopts a new entitlement program, just to commemorate the occasion, because this is what this is, this is a new entitlement program.

You know the people who adopted entitlement programs in the past invariably estimated their costs at some miniscule amount. When I suggest that the cost of this particular entitlement program might rise above $300 million or above $400 million, that it might go to $1 billion a year on $2 billion, or it might go as high as $4 billion, since that is the amount of the pool of money that will be made available by the 1-percent import fee, I just want to make the point that this is not just some crazy pipe dream or some imagination but is in fact about the kind of ratio that has been borne out in the past when we have created self-

financing, unfunded, unappropriated permanent entitlement programs.

I have not made those provisions for tonight, but I just wonder: May I ask the Senator from Oregon, does he not think that some sort of commemoration of that kind of event would be in order?

Mr. PACKWOOD. Not only a commemoration but now that you describe the large tub of ice cream—years ago in Portland, I think it was right after World War II, there was a place like that and if you ate it all you got it for nothing. They had pictures over the years of the people that attempted to eat it all. All but three got sick, and I think only three finished, and I think that is roughly the odds we are going to have of this bill staying within $300 million. We will have this huge dish of ice cream and we are all going to get sick, and we are not going to digest it, but we are going to try to eat it.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Madam President, I will resist all the puns and metaphors that would be available to the Senator from New Jersey after the colloquy between the Senator from Colorado and the Senator from Oregon concerning ice cream and ice cream sodas, and will, instead, try to talk about the amendment of the Senator from Colorado, which I hope the Senate will reject.

A couple of years ago I served on a panel that was convened by the Director General of GATT. The charge of the panel was to look at the world trading system and devise some suggestions as to how to keep it open; and how to resist the lurch toward protectionism.

I was the only politician on that panel. There were seven of us. I was the only American.

One of the individuals on the panel was an Indonesian who happened to be the Minister of Industry and Trade and happened to be at another time in his career the Finance Minister.

In the course of our sessions, which would take place over 8 or 12 hours at a time while we went back and forth about the trading system, he got into a very lengthy description about the problem in Indonesia to get industries that are no longer competitive phased out and moved to the next higher level of development. In other words, how to move to higher value industries.

In the course of the conversation his description of the difficulty in Indonesia to get industries to upgrade and move on to higher value-added production sounded very similar to the problems that we confront in this country with industries that have become uncompetitive.

In the course of these discussions, what became clear to me was that the world economy as a whole, in order to grow, must embrace change. But change, for some people, is invigorating. For other people it produces fear and they resist change, so that if you want to have the highest growth possible you have to deal directly with those individuals who are fearful of change.

That means you have to direct your attention to the human result of open trade, which is inevitably some people losing their jobs. That is the origin of this provision in the bill: for people who are going to lose their jobs because of change, because of open trade, to have some means to get over the rough times to another job in another industry.

We believe, the proponents of this provision in the bill, that trade adjustment assistance can help them do that. This particular trade adjustment assistance provision is in the form of a $4,000 voucher which would allow the displaced worker to go to another firm and ask for skills upgrading training and spend that voucher in part to offset the cost of the other firm's retraining efforts for a new job in higher value-added production.

I do not think that the proponents of the amendment of the distinguished Senator from Colorado would dispute that that is the goal of trade adjustment assistance or that facilitates open trade and resists protection.

We then come to the question: Well, how will we finance it? The argument that we should finance it by an import fee rests on the memory of that minister from Indonesia and the complaints that he made about modernizing his own economy. The argument is that a fee on imports that can be used for adjustment promotes open trade. It does not retard open trade. It is not protectionist; it promotes open trade. Therefore let us go to GATT, let us determine if the fee can be negotiated in the GATT. And my hunch is it will become GATT legal and, indeed, other countries would have the option to place an import fee on our exports to their country. But the result would be less protection in the world.

The Senator from Colorado asks: well, why not make it a $400 million cap as opposed to a 1-percent fee? The reason is that if you are going to go to GATT you need a standard that can be applied internationally and you need to make sure that a country in Europe or Asia or South America is not going to say: "to handle our import process, we need 10 percent."

The reason for a percent fee is to have an international standard. The $400 million looks like it might take care of the program this year, or maybe even next year. It might in a deep recession, be insufficient to take care of the program and thus require the Congress to act. But, as always in recessions, we act in a delayed manner and as more workers lose their jobs they come to Congress and demand more protection.

So I would argue that this amendment has been thought through in terms of its purpose for adjustment and that the funding mechanism has a direct relationship to our goal which is to have an open trading system worldwide.

Mr. President, I would hope that we would reject the amendment of the Senator from Colorado.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Madam President, I understand the concern of the Senator from Colorado, and I do not like an open-ended entitlement either. But you do not have it open-ended. You have a 1 percent cap on it.

I listened to my distinguished friend from Oregon saying he could not imagine any kind of a circumstance where you would spend over $300 million. Well, I certainly can.

I looked at what the retraining applications were in 1986 and you had about 7,700 employees. I looked at what the applications were back in 1981, the depth of a recession, and you had approximately 21,000. Those are the kinds of variables that you run into in this kind of a situation.

How does the CBO make its estimate? It makes a static analysis. We have seen that time and time again, static analysis, without considering some of the variables that happen in human behavior. You look at a recession coming to us again, and you see once more great numbers of people applying for retraining and you want to take care of them. You want to make them productive citizens of our society. You want to make us world competitive in trade.

Look at another problem that can face you, the problem of inflation. If we have recurring inflation and the kinds of numbers that we have had in some years past, the cost of these programs is going to escalate. But by the same token the 1 percent as attached to the trade that is coming in will reflect some of that inflation and take care of that kind of a situation. But if you get yourself into a cap of this kind of a limitation, then I think you run into trouble.

So I think this gives you the kind of flexibility that you need for retraining and that is why I go along with the decision of the committee.

This particular issue was debated at length within the committee and the amendment at that time lost on a vote of 13 to 6.

I would urge that the committee be supported on that and that the amendment be rejected.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I strongly concur with the comments of the chairman of the Finance Committee and would urge that this amendment be rejected. I would simply make the comment that in the trade bill, one of the Finance Committee goals was to stimulate retraining of workers and helping our industry adjust so we could become more competitive.

Under the philosophy of section 201, to become competitive as a country, we cannot provide relief simply because for the asking. Industry must have a plan that they are going to follow to become competitive. For the first time, the Finance Committee bit the bullet and got tough about getting companies to be more competitive in the future. But it does not help if they become more competitive, if they invest in new machinery, et cetera., if, in turn, our displaced workers are not being retrained. It was not so many years ago, under another administration, that we had hundreds of thousands of people getting assistance under the TAA Program. This year, only 11,000 will receive such assistance. As the Senate Finance Committee chairman pointed out, times change. Adjustment requirements can be very large. I think that in the future our requirements for retraining will be enormous as our economy adjusts.

I want to offer one example which does not necessarily directly relate to trade adjustment assistance but which does indicate the problem we face.

There is a rather remarkable series of buildings in Gaithersburg, MD, known as the National Bureau of Standards. If you take the time to go out there, you will see something called the automated factory of the future. There is a computer talking to a robot which, in turn, talks to machine tools. You see very few workers on the floor.

This is what they are already doing in Japan. Factories like this are becoming common in Japan. It is beginning in this country, but it has not gotten very far yet. There are approximately 120,000 factories across this country where machine tools, could be operated in such a fashion but at present, the workers are still using older equipment.

Those plants are going to be automated gradually, over the next 5, 10, or 20 years, as we move to the factory of the future. There will be a lot of machinery, but very few workers. Hundreds of thousands of workers are going to be laid off—good workers, who have worked 15, 20, 25 years, putting their kids through colleges, paying off mortgages, people in their 40's, 50's, and early 60's, who will be without a job because the world is following a new technological path where, if you cannot compete either as an industry or as an individual, you are out of a job. That is our future unless we face it now.

Trade adjustment assistance S. 490 helps us face that future with the ability to make the necessary adjustments. Part of that ability is financial. I do not think that will use the full 1-percent import fee. But to put a cap of $400 million when the world is moving rapidly, change is coming quickly, and displacement will be considerable in this country, would be a serious mistake. We have to have this kind of financial flexibility.

We need to keep the financial flexibility in this bill. We want our workers to be retrained and to become competitive, just as we have built into this bill section 201 to assist injured industries to adjust to competition. We need to do that, and this bill is designed to do that job. I hope the amendment of the Senator from Colorado fails.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER (Mr. FORD). The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I rise in opposition to the amendment sponsored by my colleague and friend, the Senator from Colorado. I do so for two reasons.

The first reason is that there is an objective that I think we all share. That objective is to create a climate in this country where the change that we need, that is forced upon us by events, by the march of technology, by progress, that change which is strongly linked both statistically and in every other way with both a dynamic economy and with heavy economic growth—that change, when the law of economics dictates it, is facilitated.

We talk a lot about free markets and we believe in free markets. We believe in the free enterprise system.

We believe that markets that operate with the highest degree of freedom from intervention operate best, and that is the greatest good to the greatest number.

One of the most contentious kinds of frictions in our free market system is what happens when people lose their jobs for reasons, at least insofar as they are concerned, that were not their fault.

Indeed it may very well be a cause from somebody else, because of a government subsidy in a foreign country or the failure of our Government to attack the protectionist practices of other couutries—any variety of reasons like that where someone is losing their job due to an action taken in another country over which they feel they have very little control and where they are on the receiving end.

We are unable to litigate every job lost as to whether or not it is because of a fair or unfair trading practice. We have tried to address as many unfair trading practices as we can. That was the purpose of the 1974 Trade Act. That was the purpose of the 1979 Trade Act. That is the purpose of this trade act, and it will be the purpose of any other trade act we pass because we know one thing: No matter how good an act we pass, we will not be able to stop all the unfair trade practices, and even if we did there would still be considerable economic dislocation as other people try to obtain a temporary success at our expense.

What we do know is after we have done our best job in combating unfair trade, after we have taken our best shot at trying to minimize the pain of adjustment, there are going to be casualties because that is the nature of economic give and take, or economic warfare, if you prefer.

We ought to recognize that to the person whose job, future, homes and dreams are on the block, they are in an extreme situation and under our political system if we do not find a way to address their reasonable expectations they will come to us, and they will say, "Help."

It is not the nature of our political system, and it is not the nature of the individual Senators or Congressmen to say, "You have asked for help; sorry, we are just going to ignore you."

The question, therefore, since we do not tell our constituents to get lost when they ask for help, is what is the best and most responsible kind of help to give them.

Now, we have a history in this country of not only trying to help with individual problems, but we have responded rather significantly, I might add, in ways that we think are going to protect people's jobs by restricting imports.

I come from a State that is a beneficiary of the voluntary steel restraint program that the President announced back in 1984, and it has been significantly helpful, although not as helpful as many of us would have hoped. But I will say this: it is protection for the steel industry. People who do not think it is justified are not going to like it, and people who believe there should be no protection will obviously be frustrated every time an industry comes to this body and successfully seeks what they consider to be a protectionist solution.

Steel is not the only industry that has won some measure of protection. The Multifiber Arrangement consists of a worldwide market sharing agreement to restrict apparel and textiles from low-wage producers going to developed countries. You can argue whether or not that is good, whether or not that is bad, but if you are a purist when it comes to free trade, you do not like that and, if you are a purist

on free trade, you should want to discourage it.

The same is true on autos, probably the largest industry in the United States. We have had auto quotas. We call them voluntary agreements that we have nothing to do with; they are negotiated with the Japanese who, after all, have the major share of auto imports in this country—7 straight years of protection for the largest industry in the United States.

If you wanted to take a very pure view, the President of the United States earlier this year, with a great deal of fanfare, announced both a retaliation and protection for semiconductors, hardly an old line industry.

What I am saying, Mr. President—and I could go on and on with the list of industries that have sought and won protection either from the White House or from the Congress—is unless we have a policy that takes care of the casualties of a free trade policy, we are going to have exactly what the people who are skeptical about the extent of our commitment to the trade adjustment assistance program are saying. We will have in effect more protectionism, not less, if we do not make an adequate commitment.

Now, the Senator from Colorado has proposed a $400 million annual cap on the trade adjustment assistance, and $400 million is a lot of money. If we were to pile it up, it would look like a lot of money because it is a lot of money. But we ought to ask ourselves, what does $400 million annually in the trade adjustment assistance program buy? What kind of help does it provide to workers?

I do not know how much more training costs are going to increase between now and 1992, which is the date through which the amendment of the Senator from Colorado is effective. But I do know that the average cost per person now enrolled—now enrolled, not next year—in the trade adjustment assistance program is $4,000. And a little, very modest mathematics will show that $4,000 divided into $400 million is 100,000 people. In an economy where there are 110 million people employed, 100,000 people is a drop in the bucket.

One out of every seven jobs in the United States, one out of seven, or nearly 18 million jobs out of that 110 million jobs is trade related. About 15 percent of our gross national product is trade related. We have $400 billion worth of imports, $230 billion worth of exports, a total of some $630 billion in an economy approaching $4 trillion. About 15 percent.

What we have with one out of every seven jobs trade related, if we adopt the ceiling proposed by the Senator from Colorado, is a way to protect only a tiny fraction of all those people who are employed in trade, whose jobs will be affected adversely by what happens in trade.

Look at it another way. We have about 6 million unemployed persons on our unemployment roles as we count them. We have a lot more people who are discouraged workers who we do not count. About 1.7 million of those, a little less than 25 percent, are so-called dislocated workers. I suspect a very large fraction of those dislocated workers have lost their jobs not just because of technological change in this country, not just because businesses fail, new businesses start, not just because industries come and industries go, or levels of skill change. A substantial number, a good many more than 100,000 of the 1.7 million displaced workers have become displaced because of trade. One hundred thousand promises every year, no more than that, between now and 1992 simply is not a significant or big enough promise in a land where maybe 18 million jobs are trade related.

What the Senator from Colorado would have us do, therefore, is say to people, "Look, we can't make a promise to you beyond the lucky 100,000 that we take care of." If we do that, Mr. President, what is going to happen is that all the other people who think that their job might be jeopardized by a free and fair trade policy are going to say, "I don't want that policy. I want more protection."

Mr. President, we all agree that protectionism for protectionism's sake is bad. It is a bad policy. And yet it seems to me that were we to agree to the amendment of the Senator from Colorado by retracting, the promise that we all know we ought to make in principle to people as a means of easing their transition back into the work force in some productive job—trade assistance, of course, pays for retraining, reemployment—what we would be doing is asking for more trouble, more protectionism and a less dynamic economy.

Sometimes, as they say, you have to spend a little money to make a lot more. I think the trade adjustment assistance program is not only a good investment in people, I think it is a good investment in America for the sake of America.

I urge the rejection of the amendment of the Senator from Colorado.

Mr. BENTSEN. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ARMSTRONG. Mr. President, unless the Senator from New York or the Senator from New Jersey or someone else wishes to speak, I was just going to try to sum up and draw the debate to a close.

There has been a good and interesting discussion about a lot of subjects during the last hour, about protectionism and free trade, about human needs, about change, and even the fear of change which many people feel about whether or not we should or should not enter into voluntary agreements to restrain trade.

None of that, of course, really has a great deal to do with the amendment which is pending. The amendment which is pending simply says that until 1992 the amount spent on this new entitlement program shall be capped at $400 million a year.

Mr. President, it is important to keep in mind where that number came from; because when the Senator from Oregon asked the question, "Why would anybody want to go above this?" I do not think some Senators understood. That is not the number the Senator from Oregon thought up. It surely is not the number the Senator from Colorado thought up. Here is how we got the number $400 million.

We were sitting around the table, and suddenly somebody in the Finance Committee noticed that there was a new entitlement program in there.

Somebody asked, "What in the world is this going to cost?" The backers of it and the staff said it is going to cost $300 million.

I said, "No. I mean in the future what is it going to cost? What is the highest estimate out into the future?" Three hundred million dollars. That was the number that was given to us. That is not my number at all.

The reason why I suggested $400 million is to provide a margin of safety. I am skeptical of this program. I made that plain. But I am not arguing the case of whether we need such a program or the program suggested by the administration, which thinks this whole thing is not the way to solve the problem.

I am not arguing the basic premise. I am saying that there should be some dollar amount we set as the commitment to a new program, whether you think it is a worthy program or not.

For the first 45 minutes of this debate, I thought we would never join the issue, that we would be skating around it and we would never come to a conclusion. But in the last few minutes, we have really identified the problem; because when I raised this amendment in committee, basically I was ridiculed for suggesting that it could go as high as $4 billion.

The notion that somehow we were setting in place a tariff mechanism which would bring in $4 billion, and this money would be deposited in a trust fund and this might tempt spending on such a scale, was dismissed as an excessive dread of spending. I was accused of suffering from

fiscal acrophobia. That is a fear of high spending.

In the last few minutes, the Senator from Texas, the Senator from New Jersey, and the Senator from Pennsylvania have shifted the ground of the debate exactly to the opposite point which was made in support of this proposal in committee. They are saying $400 million is too cheap; it is not enough money.

So, that is really the issue, and that is the only point I wanted to make. If you think a $4-billion program of this kind is justified, fine; vote down the amendment. If you think we ought to at the outset limit it to $400 million and leave it to a future Congress to raise it above that, vote for the amendment. I hope enough Senators will see it as prudent and thoughtful to put some limit on it.

If there is any Senator who is undecided, who might be swayed by another number, I am willing to negotiate. I would take $450 million, $500 million, $600 million, $1 billion.

If you want a truly unlimited program, fine; let us vote down the amendment. If you think at some point we ought to give concrete expression to our pious declarations that we care about the balance of trade and about how much things cost, then a good place to start with a new program, a new entitlement, would be to cap it at $400 million a year.

Mr. MOYNIHAN. Mr. President, I believe we have had an excellent debate.

Mr. PACKWOOD. Mr. President, I think we are about to vote. I would like to say one thing for the record.

I think the majority leader was unduly blamed for a vote earlier this evening. I was the one who suggested a window from 6 p.m. to 7:30 p.m. The Republicans had some functions tonight which I thought would be over, and by schedule should have been over. They ran late, as functions often do in Washington, and I think there was some ill feeling because of the vote, and we had to produce absent Members, and that was my fault.

Mr. MOYNIHAN. Mr. President, I am sure the majority leader would wish to respond.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Oregon for his very gracious remarks. I apologize if there was any misunderstanding created by me. But I believe that the Senator from Oregon has stated the matter correctly so far as we understood, and I thank him very much.

Mr. BUMPERS. Mr. President, the only way this country can regain its competitive edge is to adjust more rapidly and smoothly to changes in the international marketplace.

The Trade Adjustment Assistance Program—particularly as it is refined and targeted in this bill—can help. It can discourage rigidity and it can encourage flexibility on the part of our workers.

When a worker is laidoff, he or she often will respond with shock. He or she may hold out false hopes of being rehired. He or she may deny that times have changed.

The TAA Program may help to give that worker the means and the confidence to move on into the future. This is both smart and humane.

The amendment encourages change and that is the best approach we can take. It's the opposite of protectionism, which denies and avoids change.

This amendment will deny us the flexibility in funding the T.A.A. program which we need and I oppose it for that reason.

Mr. LEVIN. Mr. President, I will vote against the Armstrong amendment which would set a cap of $400 million on the amount that could be appropriated to pay for the Trade Competitiveness Assistance Program established by this bill.

I am well aware of the need for restraint in government spending, and I understand that this amendment is in part an attempt to take account of that need. But the Finance Committee bill, according to the committee report, provides that the across-the-board tariff by which the program is paid for would be set at a level sufficient to pay for the TCA Program—and not more than that. A 1 percent uniform tariff—the maximum tariff allowable under the bill—would bring in $4 billion. But the bill doesn't require us to raise $4 billion each year. Instead the bill provides that the tariff would be adjusted as necessary to fund the TCA Program. This implies flexibility for future years, a flexibility that may well be needed if our Nation suffers another recession, with its attendant plant closings and layoffs. It does not imply a license to spend freely, as the supporters of this amendment have suggested.

Because I believe that this is a good and valuable program, providing needed retraining benefits for workers laidoff due to imports—and because I believe that the funding mechanism adopted by the Finance Committee does not make the program open ended but rather flexible—I must oppose this amendment.

Mr. MOYNIHAN. Mr. President, I believe we are ready to vote on the matter.

Mr. ARMSTRONG. Mr. President, could we withhold that for a minute?

To my surprise, there was a little expression of interest about perhaps compromising on a number. So, perhaps if the Senator from Oregon and the Senator from New York would like to speak a moment and we have a quorum call, I would like to consult.

I am serious in saying that $400 million is not a magic number to me. It is the principle of an uncontrolled new entitlement program. I would be glad to compromise at another number, if there are those who could be persuaded.

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

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

Mr. ARMSTRONG. Mr. President, alas, I am saddened to report that while there was some interest in compromising this matter at a higher figure, there was not enough to really justify it.

The truth of the matter is that the issue is fairly drawn between those who would like to place a cap on it at some level and those who disagree. I was willing to go as far as $1 billion, simply to establish a principle of an annual limit. It is a choice between a new entitlement program that could cost $4 billion or some limitation.

I thank all Senators, and I hope some of them will vote "aye."

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Washington [Mr. ADAMS], the Senator from Delaware [Mr. BIDEN], the Senator from Tennessee [Mr. GORE], the Senator from Arkansas [Mr. PRYOR], the Senator from Illinois [Mr. SIMON], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

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

Mr. SIMON. I announce that the Senator from New Hampshire [Mr. HUMPHREY] and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

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

The result was announced—yeas 39, nays 53, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—39

Armstrong	Gramm	Nickles
Bond	Hatch	Packwood
Boschwitz	Hatfield	Pressler
Chiles	Hecht	Proxmire
Cochran	Heflin	Quayle
D'Amato	Helms	Rudman
DeConcini	Hollings	Simpson
Dole	Karnes	Stevens
Domenici	Kassebaum	Symms
Durenberger	Lugar	Trible
Evans	McClure	Wallop
Exon	McConnell	Warner
Garn	Murkowski	Wilson

NAYS—53

Baucus	Fowler	Mikulski
Bentsen	Glenn	Mitchell
Bingaman	Graham	Moynihan
Boren	Grassley	Nunn
Bradley	Harkin	Pell
Breaux	Heinz	Reid
Bumpers	Inouye	Riegle
Burdick	Johnston	Rockefeller
Byrd	Kasten	Roth
Chafee	Kennedy	Sanford
Cohen	Kerry	Sarbanes
Conrad	Lautenberg	Sasser
Cranston	Leahy	Shelby
Danforth	Levin	Specter
Daschle	Matsunaga	Thurmond
Dixon	McCain	Weicker
Dodd	Melcher	Wirth
Ford	Metzenbaum	

NOT VOTING—8

Adams	Humphrey	Stafford
Biden	Pryor	Stennis
Gore	Simon	

So the amendment (No. 460) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. BENTSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

Would the Senate come to order? The Chair asks the Senators to please come to order. The Chair is not going to recognize the majority leader until the Senate comes to order. It just extends the evening session as long as the Senators do not accede to the wish of the Chair.

The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the Chair for doing its duty and the duty is to secure order and maintain order without a point of order being made from the floor.

Mr. President, what I am trying to do at this moment is to ascertain what amendment may yet be called up tonight; what amendments we may be able to get time agreements on; and what amendments we may be able to start with tomorrow and get some idea of how many amendments there are remaining because it is conceivable, I suppose, there might be action on this bill tomorrow.

I wish to add that if the Senate completes action on this trade bill and on an extension of the debt limit by the close of next Wednesday evening, the Senate would not come back on next Friday, which would mean that there would be, after close of business next Wednesday, there would be no sessions on Thursday, Friday, Saturday, Sunday, and Monday.

So we need to know where we are going, how much work remains to be done and to try to establish some sequence in which we will call up amendments.

I wonder if there would be any amendments that we can dispose of this evening?

Mr. Metzenbaum?

Mr. METZENBAUM. Mr. Leader, I have two amendments that I am prepared to call up. It is my understanding that they are acceptable.

Mr. BYRD. Very well, we could certainly do those amendments. I would hope the manager is willing.

Mr. Riegle?

Mr. RIEGLE. Mr. Leader, we are putting the finishing touches on an amendment that will be offered by Senator DANFORTH and myself and others in the leadership on the issue of trade barriers in other countries. That is being finished and put in final legislative form and, if it is completed before we finish tonight, that might well be an amendment we could lay down tonight if we can achieve a time agreement on it and vote on it sometime early tomorrow.

Mr. BYRD. Mr. President, I am not sure we can achieve a time agreement on that amendment. Mr. DOLE and I hope we will be in a position to jointly sponsor that amendment with the able Senator from Michigan [Mr. RIEGLE] and the equally able Senator DANFORTH and staffs working on this amendment. It is my hope, I have discussed this with Mr. DOLE, that we would get consent that that amendment be ordered laid down tonight and the Senate would not have to remain in session to permit that being done.

We are working on that. There is some reason to believe that we may be able to lay that down tonight.

Beyond that amendment, are there other amendments?

Senator DOLE?

Mr. DOLE. There is an amendment—as I understand it, we will get a time agreement. We wanted something laid down tonight. We would go to voting after 40 minutes of debate. It is on a tobacco export amendment to be offered by Senator CHAFEE. It would be to strike that provision in title XXI allowing export promotion programs for tobacco; there would be a 40-minute—20 minutes on a side at 10 a.m. Senator FORD would be recognized and move to table that amendment so that it would be something we would have a vote on at 10 o'clock.

If the motion to table fails, then, of course, there is no time agreement. It is much like the Angola amendment that we were working on this morning.

Mr. BYRD. Mr. President, I would like to put that request at this time so that Members will at least have that amendment to begin with tomorrow.

I am reading from the memo that the distinguished Republican leader has in his hand.

I ask unanimous consent that on an amendment to be offered by Mr. CHAFEE to strike the provision in title 21 allowing export promotion programs for tobacco to be operated at cost to the CCC there be 30 minutes equally divided for debate this evening, if they wish to take it; to provide further that at 9:30 a.m. tomorrow the Senate will resume the amendment by Mr. CHAFEE with debate thereon to be limited to 40 minutes to be equally divided in accordance with the usual form, and that at 10 minutes after 10 a.m. tomorrow, Mr. FORD be recognized to offer a motion to table without any intervening motion or point of order; if the motion to table is not agreed to, the amendment not be under any time limitations or amendment restrictions.

The PRESIDING OFFICER. Is there objection?

Mr. DECONCINI. Mr. Leader, could the Senate vote at 10:30, or not before 10:30?

Mr. BYRD. That would be agreeable to me. We would have the vote on the tabling motion. Mr. FORD will be recognized at 10:30 to make his tabling motion and the vote will occur without any quorum call or any intervening motion or point of order.

Mr. DECONCINI. I thank the leader.

The PRESIDING OFFICER (Mr. BREAUX). Is there objection?

Mr. DOLE. Mr. President, I will not object, but in reading the agreement, "recognized to offer a motion to table without any intervening action." I think that was changed to "without any motion or point of order" which might permit somebody to offer an amendment at that point.

Mr. BYRD. Without any intervening motion, point of order, or amendment.

Mr. DOLE. Yes.

The PRESIDING OFFICER. Is there objection to the request? If not, without objection, it is so ordered.

Mr. BYRD. Mr. President, do we have any other volunteers?

Mr. DOLE. I have cased this side pretty well.

Mr. NICKLES. I have a sense-of-the-Congress resolution which will not require a rollcall vote.

Mr. BYRD. Would the Senator identify the nature of it?

Mr. NICKLES. I will be happy to. It deals with expressing the sense of the Congress regarding beef exports to South Korea.

Mr. BYRD. Would the Senator suggest a time limitation of 10 minutes?

Mr. NICKLES. 10 minutes is fine.

Mr. BYRD. Would there be any objection to a 10-minute time limitation?

Mr. BENTSEN. Mr. President, I see no objection to that.

Mr. BYRD. There is no objection by the manager.

Mr. MURKOWSKI. Mr. President, it is my intention to proceed at an approprate time with an amendment on the reflagging, concerning U.S. flagging of existing tankers. I gather it will be appropriate to bring that up tomorrow?

Mr. BYRD. The Senator is certainly within his right if he can get consent

from the other side to call it up. There is nothing to keep him from calling up his amendment at some point.

Mr. MURKOWSKI. That would be my intention.

Mr. BYRD. I thank the distinguished Senator for asking.

Mr. President, I ask unanimous consent that on the sense-of-the-Congress resolution by Mr. NICKLES, there be a time limitation of 10 minutes to be equally divided in accordance with the usual form, that no amendments thereto be in order and no motion to recommit, whether with instructions or otherwise.

The PRESIDING OFFICER. Is there objection? If not, without objection, it is so ordered.

Mr. BYRD. Mr. President, are there other amendments?

Did the distinguished Republican leader have an amendment he wished to call up at some point?

Mr. DOLE. Yes, I will have an amendment related to Iran and the use of Silkworm missiles and a possible embargo. I am discussing that, I might say, with the distinguished majority leader. That would probably come tomorrow after the other amendments we have been working on. I am advised that the amendment he referred to earlier, also referred to by Senator RIEGLE and Senator DANFORTH, has not yet been drafted. We would like the opportunity, of course, to go over it with the staff on both sides.

I wonder if we might proceed with the tobacco amendment and make ours in order following that.

Mr. BYRD. I would be happy to do that. I would like to proceed with the drafting of that amendment, complete the drafting tonight, and have an order that it be entered. My staff is available. All staffs are available, I think, who are involved in that. I would rather we get an order that it be in order after the vote on the tabling motion by Mr. FORD, regardless of how that vote comes out, that the next amendment be the amendment by Messrs. BYRD, DOLE, RIEGLE, and DANFORTH, to let that be the next one.

Mr. DOLE. Could the majority leader, before he gets an order, give us a chance to go over the drafting? We might have some misunderstanding on a word to two. They are going to be working, I assume, an hour or 2 this evening on it. We could order that the first thing in the morning.

Mr. CHAFEE. I would like to make it clear that there would not be any time limitation.

Mr. BYRD. That is correct. If we get the order, that would be the next amendment. That, as I understand it, is the only remaining big amendment. If we have a problem with it, we can modify it, hopefully.

Mr. DOLE. I think maybe we could agree that as long as the two leaders agree, if there was any misunderstanding we could work that out.

Mr. BYRD. All right.

Mr. President, I ask unanimous consent that on tomorrow, immediately following the vote on the motion to table by Mr. FORD, regardless of the outcome of that motion, the amendment that is being drafted, to be cosponsored by Senators BYRD, DOLE, RIEGLE and DANFORTH, and any other Senator who wants to join, be the next order of business before the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Reserving the right to object. That would be after consultation and agreement with the leadership?

Mr. BYRD. Absolutely.

The PRESIDING OFFICER. Is there objection?

Mr. CHAFEE. Where would that leave the amendment that I might have? Where will we be then?

Mr. BYRD. It would be still out there to be disposed of before this bill passes. It falls in the category of the Gramm amendment, the Byrd-Moynihan amendment, the Bumpers-Hatfield amendment. It is in the same category. It has to be disposed of in one form or another.

Mr. President, let me venture out on an uncharted manmade lake.

I ask unanimous consent that the amendment by Mr. BUMPERS be temporarily laid aside to allow for the disposition of the amendments, the tobacco amendment—up to the tabling motion point, and the disposition of the tabling motion—the joint-sponsored amendment of the two leaders et al, the Nickles amendment, and there were some amendments that could be disposed of this evening, I believe they could be accepted; there would be no rollcall votes on them.

May I ask the distinguished Senator from Arkansas, is there any objection to my taking that amendment down, with the understanding that before this bill is disposed of, his amendment, like the others that we have in the same category, will have to be disposed of one way or the other?

Mr. BUMPERS. The Senator is saying temporarily laying the Bumpers amendment aside?

Mr. BYRD. Temporarily laying it aside.

The PRESIDING OFFICER. Is there objection to the request of the majority leader?

If not, it is so ordered.

Mr. BYRD. Mr. President, there will be no more rollcall votes.

I thank all Senators.

AMENDMENT NO. 461

(Purpose: To express the sense of Congress regarding the elimination of Korean beef import barriers and the potential impact of such action on U.S. beef producers and Korean consumers)

Mr. NICKLES. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment of the Senator from Oklahoma? Hearing none, the clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for himself and others, proposes an amendment numbered 461.

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:

At the appropriate place, insert the following new section:

SEC. . UNITED STATES ACCESS TO THE KOREAN BEEF MARKET.

(a) FINDINGS.—The Congress finds that—

(1) the 1986 United States trade deficit with the Republic of Korea as $7,600,000,000;

(2) the Republic of Korea has banned high quality beef imports since May 1985;

(3) this beef import ban is in contravention of Korea's General Agreement on Tariffs and Trade obligations and impairs United States right under such agreement;

(4) Korea imposes an unreasonably high 20 percent ad valorem tariff on meat products; and

(5) if the Korean beef import ban were removed, the United States due to comparative advantage, could supply a significant portion of Korean beef import needs, thereby increasing profit opportunities for the United States beef industry while benefiting Korean consumers.

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

(1) the Republic of Korea should take immediate action to fulfill its obligations under the General Agreement of Tariffs and Trade and permit access to its market by United States beef producers;

(2) the United States Trade Representative should enter into negotiations to gain greater access to the Korean market for United States beef; and

(3) such negotiations, in addition to greater market access, should address the high tariffs set by the Republic of Korea and the means in which imported beef is distributed in Korea.

Mr. NICKLES. Mr. President, I have sent this amendment to the desk on behalf of myself and Senators BAUCUS, WALLOP, WIRTH, MCCLURE, DECONCINI, GRASSLEY, SYMMS, HEFLIN, BURDICK, KARNES, EXON, HATCH, SIMPSON, DOMENICI, ADAMS, GRAHAM, WILSON, GARN, CONRAD, BINGAMAN, PRESSLER, HECHT, HARKIN, BENTSEN, and LEAHY.

This amendment is supported by the Oklahoma and National Cattlemen's Association.

The trade balance between the United States and Korea is heavily in favor of Korea. The United States maintains a relatively open and free trade policy for imports of Korean goods while they have banned high-quality beef imports since May 1985. The United States was the leading supplier of Korea's high-quality beef imports, capturing most of the $5 million quota allowed in early 1985.

Korea's Ministry of Agriculture and Fisheries has indicated it does not intend to approve any imports until prices and incomes improve. This import ban contradicts Korea's obligations under the General Agreement on Tariffs and Trade and impairs United States' GATT rights. Additionally, Korea imposes an unreasonably high 20 percent ad valorem tariff on meat products.

If the Korean beef import ban were removed, United States cattlemen could supply a significant portion of Korean beef import needs, thereby increasing profit opportunities for the United States beef industry while benefiting Korean consumers.

Mr. President, explosive markets lie in a state of dormancy in Korea and Japan. A separate measure addresses our demand for liberalization of the Japanese beef import market. Each year the Japanese and Koreans sell Americans billions of dollars of cars, electronic equipment, and other products. At the same time, United States cattlemen are being denied the chance to sell them American beef.

This is an important issue to my State. Oklahoma ranks fifth in beef production in the United States. Last year's beef production from the State's 65,000 ranchers was valued at $1.05 billion, virtually unchanged from 1985.

Given the current economic situation of American farmers and ranchers, Congress cannot tolerate the continuation of Japan's and Korea's market-blocking tactics. This will not only help ranchers in my State of Oklahoma, but will aid in the effort to increase profit opportunities for all United States cattlemen while benefiting Japanese and Korean consumers. With this in mind, I urge my colleagues to join in support of this legislation.

I think a strong statement by the Senate—there has already been a similar resolution passed in the House—stating our strong support for opening markets in South Korea for our cattle industry is very much needed and will help them in their efforts.

Mr. LEAHY. Mr. President, will the Senator from Oklahoma yield?

Mr. NICKLES. I will be happy to yield.

Mr. LEAHY. Mr. President, I too support the amendment of the Senator from Oklahoma. I think it makes a great deal of sense. I believe it is important to emphasize that the United States is not going to stand still while other countries maintain unreasonable trade practices.

I ask unanimous consent to be included as a cosponsor of the amendment.

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

Mr. BENTSEN. Mr. President, having examined the resolution, I am very much in support of it. I think it makes a contribution. There is no objection to it from the manager of the bill on this side.

The PRESIDING OFFICER. The question occurs on agreeing to the amendment of the Senator from Oklahoma.

The amendment (No. 461) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 462

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment by the Senator from Ohio?

If not, the clerk will report the amendment of the Senator from Ohio.

The legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 462.

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

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

The amendment is as follows:

1. After line 24, page 72, insert the following:

(f) In the event that the Commission submits to the President a report required under subsection (a), which includes an affirmative determination under subsection (b)(1), the Commission may submit to the President, in addition to the report of the Commission, any findings or conclusions relevant to whether a merger or acquisition by members of the domestic industry, which is the subject of the report, would assist the domestic industry to make a positive adjustment, including:

(1) the extent of foreign competition relevant to a determination of the competitive effect of an acquisition or merger;

(2) the degree to which an acquisition or merger is likely to assist the domestic industry in making a positive adjustment by reducing costs, promoting efficiency or increasing sales; and

(3) the effect on domestic competition and American consumers.

The President may request the Attorney General or Federal Trade Commission, as appropriate under the circumstances, to consider the report, findings and conclusions of the Commission in considering enforcement action with respect to a merger or acquisition within the domestic industry, provided that the consideration of the submission by the Commission shall not be a subject of judicial review, and provided further that nothing in this section shall be construed as modifying the antitrust laws, including the Federal Trade Commission Act, or their application to mergers and acquisitions within the domestic industry.

2. Strike lines 8-12, p. 79 and line 1, p. 80 through line 8, p. 81.

Mr. METZENBAUM. Mr. President, this amendment strikes a provision in the bill creating a new antitrust exemption.

This first provision was never considered by the Judiciary Committee. It raises serious antitrust problems without offering any benefits.

This provision won't save jobs. It won't promote efficiency. It won't reduce the trade deficit. Instead, it will have opposite effect.

I urge the Senate to strike this provision to allow more thorough consideration by the Judiciary Committee.

The provision now in the bill does the following:

If the ITC finds a domestic industry is hurt by imports, the President can order an exemption from standard merger laws applicable to other industries. It creates a special, more permissive merger standard to allow an industry to consolidate.

The Reagan administration proposed this idea last Congress, but even it dropped it this year. It is a bad sign if this administration, no friend of the antitrust laws, abandoned the idea.

Furthermore, even the administration proposal last year was not so bad. It provided that, if an antitrust exemption is allowed, no other import relief is available. The current provision allows an antitrust exemption in addition to import relief. The result is to bar imports and at the same time allow massive mergers.

The whole idea of weakening the antitrust laws to reduce the trade deficit is suspect. The case has simply not been made.

A Federal Trade Commission study in 1985 concluded that weakening the antitrust laws to reduce the trade deficit would not save jobs; it would not increase competitiveness; instead, would make us less competitive.

The idea of import relief is to provide temporary protection; but mergers are permanent, not temporary. Allowing industries to shrink to two or three companies will hurt American consumers and make us less efficient.

The Judiciary Committee should have an opportunity to review this proposal closely.

The chairman and ranking minority member have expressed concerns in a letter dated June 25, 1987, to the chairman of the Finance Committee. I ask unanimous consent to include this letter in the RECORD.

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

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, June 25, 1987.

Hon. LLOYD BENTSEN,
Chairman, Committee on Finance, U.S. Senate, Washington, DC.

DEAR LLOYD: We have only just had an opportunity to review the report of the Finance Committee on S. 490, the Omnibus Trade Act of 1987. We congratulate you for your efforts in developing such comprehensive legislation.

There are two areas, however, which particularly fall within the antitrust expertise of the Judiciary Committee over which we have great concern. First, proposed modifications of Section 201 of the Trade Act of 1974, as reported by the Committee, would require firms or entire industries to submit "adjustment plans" in order to be eligible for import relief. As described in the Committee report, the plans would set forth "objectives and specific steps that members of the industry, both firms and workers, would undertake to improve the ability of the industry to compete with imports" after relief is terminated. Factors to take into consideration include research and development or marketing strategies, productivity improvements, diversification, capitalization and labor/management relations. In other words, the full range of competitive options available to either an individual business or an industry are to be part of the so-called "interactive process" of developing industry adjustment measures.

While this concept is intriguing, we believe that the kind of joint discussions and planning which would, by the very nature of the process, take place among direct competitors, is violative of the letter and intent of our most basic antitrust laws. Although the intention of these provisions is to improve the competitiveness of American firms in the face of unfair foreign trade practices, the inevitable effect would be to curtail competition at home. The kinds of domestic cartels which could result from such collaboration represent a grave risk to the welfare of American consumers. If anything, some feel we have gone too far in relaxing the enforcement of our antitrust laws in the name of competitiveness. The measures incorporated in this legislation would effectively nullify the Sherman Act, the statutory cornerstone of our laws against monopolization and other restraints of trade.

The link between trade law reform and antitrust policy was considered by the Judiciary Committee in hearings held a few weeks ago. At that time, we heard testimony from some of the nation's foremost experts on the competitiveness of American industry. Most conveyed the same message: there is no evidence that firms will compete more effectively aboard if the antitrust laws are weakened at home. International competitiveness does not derive from consolidation or collaboration but from strong domestic rivalry. There is little to be gained and a great deal at risk if the antitrust laws are discarded in the quest for enhanced American competitiveness against our trading rivals.

We are similarly concerned about the provisions of S. 490 which expand the import relief remedies available under Section 204 to include industry antitrust exemptions. The 1984 Merger Guidelines promulgated by the Department of Justice, as well as current case law, take international competition into account in determining whether a proposed domestic merger is anticompetitive. Testimony at the Judiciary Committee hearings revealed that few mergers are blocked if international competition in domestic markets is strong. Some believe that the relaxation of antitrust enforcement toward mergers has already gone too far. Beating competitors through superior quality, productivity and innovativeness is a far better approach and ultimately is the only way that industries adversely impacted by foreign competition will survive and prosper.

It is important that the full import of these proposals be understood. These two issues ought to be considered by the Judiciary Committee separately from the debate on the omnibus trade bill. However, it would be appropriate for the staff of the Judiciary Committee to work with you and the Finance Committee staff in explaining the impact of these proposals on the antitrust laws and in developing modifications which might address some of our most urgent concerns.

We look forward to hearing from you.

Best regards,

STROM THURMOND,
Ranking Member.
JOSEPH R. BIDEN, Jr.,
Chairman.

Mr. METZENBAUM. I would support the ITC providing views to the Justice Department and the Federal Trade Commission.

This substitute provides that, if the ITC makes a determination that a domestic industry has been injured, the ITC can forward findings and conclusions to antitrust agencies regarding factors relevant to merger analysis.

This report can include the ITC's views regarding the extent of foreign competition and the possibility that merger can enhance competitiveness.

The antitrust agencies will have the benefit of these views in deciding on enforcement actions.

Under the substitute no exemption can be ordered by the President and there is no change in existing antitrust standards.

However, the antitrust agencies would have useful analysis to consider as they deem appropriate and ITC's findings are, of course, not binding on the agencies or the courts.

It is my understanding that the managers of the bill are prepared to accept the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. BENTSEN. Mr. President, in this situation this amendment is one that relates to the actions that can be taken under section 201 and industries applying for antitrust exemptions to assist in a positive adjustment. Under the committee bill, if the ITC recommended such actions the President would direct expedited consideration of applications for antitrust exemptions.

Now, the Senator from Ohio has raised some concern that we might be impeding or undermining existing antitrust procedures with this particular provision. That was certainly not the intent of the committee. But the Senator has offered an amendment that continues to allow the ITC to consider and report to the President any findings relevant to considering whether a merger or acquisition would assist the injured industry to make a positive adjustment. The President could then direct the Attorney General or the Federal Trade Commission to consider this information in regard to those mergers and acquisitions.

I think that is a useful clarification to the committee's position and I have no objection to it.

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

The amendment (No. 462) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 463

(Purpose: To clarify regulatory review provisions of Sec. 204 as added by Sec. 201)

Mr. METZENBAUM. Mr. President, on behalf of myself, Senators BURDICK, LEAHY, STAFFORD, MITCHELL, and CHAFEE, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment? If not, the clerk will please report the amendment of the Senator from Ohio.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM], for himself and others, proposes an amendment numbered 463.

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

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

The amendment is as follows:

On page 79, line 16, delete the words "for alteration, easing, or elimination of" and insert in their place "to modify".

On page 81, lines 15-16, delete the words "for alteration, easing, or elimination of" and insert in their place "to modify".

On page 82, line 1, strike "(I)".

Strike on page 82, lines 5-10.

Replace the comma on line 4, page 82 with a period.

On page 82, strike subparagraph "(C)" and insert in lieu the following: "(C) if the determination made by the head of the department or agency under (B)(ii) is affirmative, the head of the department or agency may—

"(i) take any appropriate action that is within the scope of the authority of the head of the department or agency,

"(ii) recommend that the President take any appropriate action that is not within the scope of the authority of the head of the department or agency, but is within the scope of the authority of the President or of any other head of a department or agency of the executive branch, and

"(iii) recommend to the Congress that legislation be enacted to effect any action that is not within the scope of the authority of the President or of any head of a department or agency of the executive branch."

On page 83, delete lines 14-22, and insert in their place:

(E) Nothing in this act—

(1) suspends, repeals, or modifies the provisions of any Federal law regarding the considerations, standards, requirements, or prohibitions in existing law regarding the promulgation, modification, or repeal of any Federal regulatory requirement;

(2) alters the standard for modifying any Federal regulatory requirement;

(3) affects the amount or type of evidence needed to modify any Federal regulatory requirement;

(4) alters the standard or scope of judicial review of agency action modifying any Federal regulatory requirement; or

(5) otherwise expands or contracts the scope of the authority of the President or any agency or department official.

Mr. METZENBAUM. Mr. President, section 204 could be interpreted as allowing the waiver of any Federal regulation if a firm is a member of industry seriously injured by foreign competition.

This would be a very broad change in current law. Such a waiver might cover Occupational Safety and Health [OSHA] regulations. Regulations concerning the dumping of toxic waste. Regulations preventing discrimination on the basis of skin color, national origin, creed, or sex. Fair Labor Standards Act regulations, or regulations concerning consumer protection.

It could also be read to allow the total elimination of these regulations in the name of competitiveness. It is important to be competitive—but it is also important to protect lives, the environment, and the equality of all persons.

The proponents of this provision claim it is not meant to make any changes in current law—only to highlight the ability to seek the modification of a regulation.

This amendment clarifies this intent. It highlights the ability under current law to seek modification of agency action. But it also makes clear that no change is intended in the type of modification possible or the process by which modification occurs. In particular, the amendment makes clear there is no change in any legal standard for adopting, modifying, or eliminating a regulation and that there is no change in the standard of judicial review or the factors that the courts will consider.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. BENTSEN. Mr. President, as a former member of the Committee on Environment and Public Works, I share very much the concerns and the objectives of the distinguished Senator from Ohio and the distinguished Senator from North Dakota [Mr. BURDICK], a cosponsor of the amendment.

Frankly, that was not the intent of the committee. In all candor, I question that it reads that way. But if there is thought that it does and the Senator's amendment strengthens it, I am happy to accept the amendment.

Mr. METZENBAUM. I thank the Senator.

I yield to the Senator from North Dakota.

Mr. BURDICK. Mr. President, this amendment offered by Senator METZENBAUM makes clear that current regulatory review and relief procedures will apply in the context of providing import relief to eligible industries.

It is my understanding that the authors of this title did not intend that this provision be used to excuse any industry from compliance with health, safety, environmental, or civil rights regulations. As written, however, that could be the effect. Strict interpretation of this section could have serious implications for carefully constructed programs designed to protect the public and the environment.

If an affirmative determination for import relief is made, the President is authorized to direct regulatory agencies to consider and respond to petitions for regulatory relief in an expedited process.

This amendment simply makes clear that all applicable administrative procedures will continue to apply to actions taken as the result of the expedited review.

A second important component to this amendment strikes the exemption from disclosure under the Freedom of Information Act accorded all actions taken under the regulatory relief provisions. It would be a grave mistake to conceal these actions from the public.

I urge my colleagues to support this amendment to assure that the protections provided by law and regulation are not circumvented.

I, of course, support the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment (No. 463) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. METZENBAUM. Mr. President, I thank the manager and the comanager of the bill for their cooperation.

Mr. BYRD. Mr. President, I ask the distinguished acting Republican leader if he has any further statement or any further business to transact tonight.

Mr. CHAFEE. No. I inform the distinguished majority leader that we do not, and the only thing left now would be to proceed with the Chafee amendment and lay that down.

Mr. BYRD. If the Senator would like to proceed to do that now.

Mr. CHAFEE. I would.

The PRESIDING OFFICER. The Senator from Rhode Island.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of S. 1420.

AMENDMENT NO. 464

(Purpose: To remove the section relating to uniform treatment of commodities under agricultural export programs)

Mr. CHAFEE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for himself, Mr. STAFFORD, Mr. BRADLEY, Mr. HATFIELD, Mr. BINGAMAN, Mr. SIMON, and Mr. GARN, proposes an amendment numbered 464:

On page 538, strike out lines 1 through 19.

Mr. CHAFEE. Mr. President, this is an amendment to strike from the trade bill a costly and ill-considered provision relating to the export of tobacco. Joining me as cosponsors are Senators STAFFORD, BRADLEY, HATFIELD, BINGAMAN, SIMON, and GARN. The amendment has the support of the American Cancer Society, the American Heart Association, the American Lung Association, and the U.S. Department of Agriculture.

The provision which we seek to remove would require the Federal Government to absorb any losses resulting from the export of tobacco under an export subsidy program. It was added as a so-called technical amendment during committee consideration—when in reality it makes a substantial and costly change in U.S. tobacco policy.

Its effect is to get the Federal Government back into the business of subsidizing tobacco—specifically, tobacco exports. This flies directly in the face of the policy we adopted in 1982—namely, that the tobacco program should be run at no net cost to the taxpayer.

This change would cost the American taxpayer $39 million over the next 5 years, according to the Congressional Budget Office, and up to $200 million according to the Department of Agriculture. Thus, it is in direct conflict with the existing requirement that the tobacco program be run at no

cost to the Federal Government—the so-called no-net-cost system.

The no-net-cost system, as I mentioned, was adopted by Congress in 1982, in response to increasing concern that the Federal Government should not be subsidizing tobacco. Under no-net-cost, any losses associated with the tobacco price support program are paid out of a special fund to which tobacco producers contribute.

The new tobacco provision which is in this provision that is here and came through the Agriculture Committee would change this by shifting the cost of one portion of the tobacco program, namely, export subsidies, back to the taxpayer. Its proponents maintain that this simply puts tobacco on the same footing as other commodities that have an export subsidy. It is important to remember, however, that Congress deliberately distinguished tobacco from other commodities, by putting it into this no-net-cost system which does not apply to any other commodities and this move, the no-net-cost came at the request of supporters of the tobacco program.

The no-net-cost plan was the tobacco interests' end of a compromise under which the tobacco price support program would continue, but tobacco growers would have to pay its costs themselves. That was a 1982 compromise. The new tobacco export provision in the trade bill is an effort to sidestep that requirement—the latest in a series of attacks on the no-net-cost system.

Last year, as my colleagues will remember we bailed out the tobacco program, at a cost that will exceed $1 billion before all is said and done. I and 33 other Members of the Senate opposed that plan, but we were defeated. Now we are once again being asked to weaken the no-net-cost requirement in what is starting to look like a never-ending process.

Mr. FORD. Mr. President, will the Senator yield at this point for a question?

Mr. CHAFEE. I wonder if the Senator will be good enough to permit me to finish?

Mr. FORD. If the Senator will leave us alone, we will leave him alone, and we will go from there.

Mr. CHAFEE. If this provision were to become law, we could anticipate great pressure on the Federal Government to use every export subsidy tool at its disposal to get rid of huge stocks of surplus tobacco. In addition to the Export Enhancement Program [EEP] and the Targeted Export Assistance [TEA] Program, there is title I of Public Law 480, the Food for Peace Program. Under this program, developing countries can buy U.S. commodities at highly favorable terms.

Now, I think we recognize that here in the United States we are doing everything we can to reduce—and this is not solely the public, this is the Federal Government as well—as a result of the Surgeon General's uncontradicted reports—we are doing everything we can to reduce the consumption of tobacco. And so the question arises: What are we doing subsidizing exports into countries which can least afford the costly health effects of tobacco?

Now I certainly hope that we are not going to get back into this business of subsidizing tobacco, that the taxpayers do that. So I ask my colleagues for their support.

Mr. President, Congress has made its intent clear: the taxpayer should not be subsidizing tobacco.

This provision—namely the provision that was inserted in the agriculture part of this trade bill—if it were to remain there would be a sharp departure from that stated intent, namely, the intent that the taxpayer should not be subsidizing tobacco.

If we leave this in, it would start us down the costly and ill-advised path of subsidizing the export of tobacco, a substance that has clearly proven to be hazardous to health.

Now, is this really something that we want to embark upon with no consideration and no debate?

Those who were here from the Agriculture Committee can correct me if I am wrong. It is my understanding that there was no debate on this in the committee, that it was not totally understood, and that it was adopted quickly.

It would start us down the costly and ill-advised path of subsidizing the export of tobacco—a substance that has been proven hazardous to the health. Is this really something we want to embark on—with no consideration and no debate?

I certainly hope not, and I call on my colleagues for their support.

Mr. McCONNELL. Mr. President, will the Senator yield? I gather he was asking about the action in the Agriculture Committee. I am glad to fill him in.

Mr. CHAFEE. If I might continue there will be adequate time to respond.

The trade bill's tobacco export provisions move us in exactly the wrong direction. They are ill-conceived, hastily considered, and should be removed from the bill.

I want to thank the Chair.

The PRESIDING OFFICER. Who yields time?

The Senator from North Carolina.

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

I shall take only a minute or so and will then yield and allow my colleagues to address this matter.

Mr. President, this is a kick the tobacco farmer in the seat of the pants amendment. It is inspired by the lobbyists who crowd the outer reaches of the Chamber here. It is a spiteful thing that is aimed at tobacco farmers who have children to educate and feed and house and clothe, just like everybody else.

All we are asking is that these farmers be treated like every other farmer no matter what the commodity they grow.

To set the record straight, this amendment was considered by the Agriculture Committee. It was cosponsored by Senator McCONNELL, Senator FOWLER, and myself. It was accepted unanimously and added to the agriculture title of the trade bill. It is strictly technical in nature and I can tell you that the USDA is not opposed to it because they understand fairness at the U.S. Department of Agriculture.

Simply said, Mr. President, denying the tobacco farmers the same export tools that are available for every other agricultural commodity does not discourage foreign countries from purchasing tobacco. It only encourages other countries to purchase elsewhere.

The only people who will be hurt by this amendment are the small farmers in the United States.

Our amendment was unanimously agreed to by the full Agriculture Committee, because tobacco farmers need the export tools available to all other farmers. Tobacco from Mali and Tanzania and Zimbabwe enter the EEC duty free. The EEC also has a quota for purchasing 135 million pounds of flue-cured tobacco at preferred duty rates, much of which is included in tobacco grown in India. Export subsidies for tobacco are used in Argentina, the EEC, Korea, and Canada.

So what the Senator from Rhode Island proposes to do in this amendment is to help the growers in all the other tobacco producing countries of the world and kick the American tobacco farmers in the seat of the pants, and I say that is wrong.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island has 6 minutes left, and the Senator from North Carolina has 10 minutes and 30 seconds.

Mr. McCONNELL. Mr. President, will the Senator from North Carolina yield?

Mr. HELMS. Yes, I yield to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. McCONNELL. Mr. President, in response to the observations and suggestions of my friend from Rhode Island I would say I was in the Agriculture Committee the day the distinguished Senator from North Carolina offered his amendment. As I recall the meeting was rather well attended. It certainly was unanimous. There was no lack of understanding of the amendment. The Senator from North Carolina explained the amendment to

everyone who was there. The amendment was quite simply to treat tobacco as we do other commodities when it comes to export enhancement.

It was clearly understood and it was completely unanimous.

So I do not think there was any lack of awareness on the part of the members of the Agriculture Committee of what we were doing.

The issue as the distinguished Senator from North Carolina pointed out is the tobacco growers of America versus the tobacco growers everywhere else. You know you could eliminate the tobacco program, you could defeat the Helms amendment and there would still be tobacco out there in the world. That may not make my friend from Rhode Island very happy but in fact tobacco is a legal crop, it is grown in this country, and grown in other countries, and smoked widely throughout the world.

The issue is whether we are going to get a share of those markets. This is supposed to be a trade bill. This is supposed to be a bill in which we are reaching out to gather a new market abroad.

We grow the finest tobacco in the world in America. There is no consumer rejection of our product abroad. It is just extremely and highly discriminated against.

The amendment of the Senator from North Carolina to provide export enhancement opportunities for this product as we have for other commodities is simple justice and that is what it is and it gives 150,000 growers in Kentucky and 100,000 or so in North Carolina or more a chance to have a future growing a legal crop for foreign markets in which cigarette smoking is very, very prevalent.

I thank my friend from North Carolina for offering this amendment in committee and am confident we will prevail.

Mr. HELMS. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I yield such time as the distinguished Senator from Kentucky may require.

I might add that both Senators from Kentucky have been so helpful to America's tobacco farmers every time their interests have been threatened in this Chamber. And I will say to my friend from Kentucky, that the tobacco program is working. As a matter of fact, the program will save the taxpayers $450 million in the next 2 years.

I yield to the Senator such time as he may require.

The PRESIDING OFFICER. The Senator from North Carolina has 9 minutes 40 seconds remaining.

Mr. FORD. Mr. President, I thank my distinguished friend from North Carolina.

I say to my distinguished friend from Rhode Island, his arguments tonight are no different than the arguments he has made before. He is just against tobacco. And whatever he can do, along with those who support his position, he will do, and he will continue to do until such time as he and I both leave the Senate. And I hope that is a long time, I say to Senator CHAFEE, before we leave the Senate. But, this fight will continue.

And it is ironic that we cannot find something that belongs to the State of Rhode Island that we could, each time a bill comes up, to add to something or to knock something in the State of Rhode Island. I suspect that there will be a great deal of research done and I suspect that the distinguished Senator from Rhode Island is going to have to start defending some of these amendments that will be appearing from time to time as it relates to his individual State. I suggest when we start looking for money to balance the budget, we might find some products that are manufactured or grown in his State that will begin to have and feel the fire that he is trying to place on tobacco. And that is not a threat, Mr. President. That is a promise.

Mr. President, I rise in opposition to the pending amendment to the trade bill. This amendment strikes language that would allow us to promote exports of tobacco and tobacco products. By so doing, it strikes at the heart of the agricultural provisions of our trade bill. These provisions are designed to revive this Nation's farm economy by enhancing export markets for all commodities. This amendment would tell the world that we still aren't ready to resist unfair trade practices across the board. And that, Mr. President, would tell the world that we still don't have a very strong commitment to the principle of fair trade.

I think we can agree that farm-export programs can help us overcome the farm recession, which has been caused in part by a disastrous drop in farm exports. We can see that our export programs already are contributing to a promising upturn in those exports.

In this trade bill, we are expanding export enhancement and targeted export assistance for farm commodities. That is what it is all about—farm commodities; a legal crop. And, as the distinguished Senator from North Carolina said, if we stop the production of tobacco in this country, the free tariff tobacco will be imported into this country, except our country has said we are trying to help our domestic growers. And to protect what we have here, we will have tobacco grown. As my colleague said, it will be here, people are going to be smoking and the distinguished Senator from Rhode Island is not going to stop that.

We recognize that American farmers are the most productive and the most innovative in the world. And we are trying to promote exports of the U.S. farm commodities to countries that have erected unfair trade barriers, unfairly subsidized their own farm exports or otherwise victimized our farmers.

Mr. President, if we believe that this approach is right for the rest of agriculture, why is it not right for tobacco? Why is it not right for tobacco? Why should we single them out? A commodity, a group that has said to this country and to this Government, "We are going to try to pay our fair share. No net cost." You name some other commodity that is doing the same thing. They are getting better treatment under this bill, based on what the distinguished Senator from Rhode Island would do, than that group that is trying and attempting to pay their own way.

Why should our tobacco growing communities be left out of this very program we are trying to expand in this bill? Do we want to adopt this amendment and invite other countries to say that fair trade does not extend to tobacco? I say no, and I hope the Senate will say no.

We want to keep this bill intact by applying it to all commodities that can benefit from its provisions. By ignoring one aspect of the farm economy, we can only weaken the whole and undermine our efforts to achieve a more favorable balance of trade.

It is an irony that tobacco growers could be deprived of the benefits of this bill simply because they agreed a few years ago to start paying for their own price-support program. Clearly, this turn of events would defy common sense. But let me explain how it came about under this puzzling and ill-conceived amendment.

In our efforts to stabilize markets, we use Government loans to pay support prices to farmers whose leaf doesn't bring such prices in annual auctions. This leaf is pooled by grower associations and later sold to repay the loans. If pool sales fail to satisfy the loans, we are required to use money collected from farmers and tobacco companies to make up the losses, leaving no net cost to the Government.

So, Mr. President, our problem lies in an unfortunate perception, as the distinguished Senator from Rhode Island has, of our no net cost law. That perception is that growers must pay for losses on price support loans even if those losses come from selling tobacco at reduced prices in export promotion programs.

Tobacco associations can't be expected to take part in such programs with the idea of billing growers for losses incurred in foreign sales.

With any other commodity, such losses are treated as part of the Feder-

al cost of export promotion. That's obviously the way it should be with tobacco. And that's why we must make it clear that export promotion costs won't be treated as losses on tobacco loans. Mr. President, I urge my colleagues to vote against the pending amendment to strike this clarifying language. I ask this in the name of fairness and, above all, in the name of agricultural recovery and an improved balance of trade for this entire Nation.

The PRESIDING OFFICER. The Senator from North Carolina has 4 minutes 13 seconds remaining, and the Senator from Rhode Island has 6 minutes 19 seconds remaining.

Mr. THURMOND. Mr. President, will the Senator yield to me?

Mr. HELMS. I yield to the distinguished Senator from South Carolina such time as he may require.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, it seems to me it would be very unfair to treat tobacco differently than the way any other crop is treated. That is all this is about.

The United States exports about 35 to 40 percent of its domestic crop, valued at between $2 and $3 billion. That is a lot of exports that we have in tobacco. That brings in a lot of money here. Tobacco makes a positive contribution of about $2 billion of the U.S. balance of payments each year. Now that means a great deal. If we go singling out tobacco, then it certainly means that we are going to harm our balance of trade situation.

Tobacco happens to be the number one money crop in South Carolina, and that means a lot to our people. Most of them are small farmers. They do not make much money, but they support their families. Anything we do here is going to affect the little farmer back in the different States of the Nation.

The industry employs over 1 million people in this country and it does help with the economy. It helps with the balance of trade and it gives employment to 1 million people. I think we make a great mistake here to single it out and say we are going to treat tobacco different from any other crop when it can help with the balance of payments just the same as any other crop. I would hope that the Senate would not adopt this amendment.

The PRESIDING OFFICER. The Senator from Rhode Island has 6 minutes and 19 seconds remaining.

Mr. CHAFEE. Mr. President, the point I want to make here is that, first of all, it has been determined by the Federal Government that smoking is hazardous to one's health. That is a fact. That is why it is required that there be labeling on cigarette packages, to notify the public, and the ads say that as well. That is the first point.

The second point, Mr. President—no one has argued this here tonight—is that tobacco, pursuant to an agreement made in 1982, is to be handled as a no net cost to the taxpayer. That is the way the agreement was and that is the way the program has operated.

Now, this is something different. This is a new program. This is a program where tobacco is attempting to be treated like other commodities. And yet the decision in the past has been that tobacco not be treated like other commodities.

Tobacco, as I pointed out, is not entitled to the export enhancement programs that I listed and the targeted export assistance program in title I of Public Law 480.

So what is being attempted here in this bill is to put tobacco in a situation where it has not been at the cost and expense of the taxpayer. That is what is wrong with this provision, Mr. President.

So I would hope that my colleagues would support me in this endeavor and, as the schedule calls for, there will be a motion to table in the morning and I would hope that my colleagues would vote against the motion to table.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Rhode Island has 4 minutes and 15 seconds remaining.

Mr. CHAFEE. I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Rhode Island yields back the remainder of his time.

Mr. CHAFEE. I would like to make that contingent upon the Senator from North Carolina yielding back the remainder of his time.

The PRESIDING OFFICER. Will the Senator from North Carolina yield back the 2 minutes remaining?

Mr. HELMS. Yes, Mr. President.

The PRESIDING OFFICER. The remainder of time has been yielded back. There is no time remaining. Debate on the Chafee amendment will resume tomorrow morning at 9:50.

The Senator from North Carolina.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

PERSIAN GULF—FLAGGING

Mr. SPECTER. I voted in favor of cloture because I believe it is important for the Senate to act on the important issues involving the Persian Gulf at the earliest possible time. The administration is now proceeding with its program for "flagging." Accordingly, if the Senate's position is to have any affect on U.S. policy, we must act promptly.

I am concerned that the administration's action in "flagging" may involve the United States in hostilities which will not have the support of the American people. We have learned the bitter lesson from Vietnam that the United States cannot carry on protracted military action without public support.

In my judgment, the American people do not understand or support the plan to "flag" ships in the Persian Gulf. I base that conclusion on what I perceive to be the national public mood including extensive discussions in open house/town meetings in Pennsylvania. During the past 6 weeks, I have held 12 such meetings. The relatively few comments in opposition to our policy are not necessarily significant, but what is significant is the lack of awareness of United States policy in the Persian Gulf among the interested citizens who attend such meetings.

There are valid arguments in support of a forceful United States position in the Persian Gulf including the undesirability of creating a vacuum for the U.S.S.R. to fill and the abhorrence of allowing Iran to dictate what sea lanes will be open.

To proceed with "flagging" the United States may be faced with a forceful response from Iran to which we may retaliate and so the escalation begins. Our experience in Lebanon suggests that we should anticipate what we are prepared to do to make a military action successful before we start down that road. We should formulate a policy which the Congress and the American people understand and support. While I appreciate the desirability of keeping Iran in suspense as to what our action will be, the collateral costs are too high.

I have doubts about the necessity for "flagging" as a prerequisite to limiting Soviet influence in the Persian Gulf. The administration has implied that the Soviets would protect Kuwaiti ships if we did not, but evidence for that proposition is necessary before we can act upon it. While we cannot make a public assessment of what the Soviets will do if hostilities with Iran escalate, we must take the potential Soviet response into account in any action we take in the Persian Gulf.

I question whether United States action to date has been sufficiently vigorous to get the support of our allies for our Persian Gulf policy. While assertions have been made by the administration that our allies are supporting our approach, there is little hard evidence to support that conclusion. The Japanese and some of our NATO allies are the principal

beneficiaries of Persian Gulf oil. They have similar interests to ours in keeping those sea lanes open and in maintaining stability in that region. But to what extent are they willing to actively and concretely support our policy? The Congress and the American people are entitled specific answers to those questions.

Some of my colleagues contend that we must support the administration now that the President has announced the policy of "flagging." A similar argument had substantial force after the President had deployed the marines in Lebanon. But here, the policy of flagging has not begun. Moreover, if any policy by the President must be upheld by Congress because it has been articulated, then at what point can the Congress effectively express itself when the practice is for the President to proceed on his own? Of course, the President has the authority and right to proceed without consulting Congress in advance, but similarly Congress has the right to disagree with the President's action.

It is obviously difficult to decide on the correct United States policy in the Persian Gulf. The law gives the President extensive authority on the matter, but the Congress also has a significant voice under the War Powers Act where U.S. personnel are likely to be subjected to hostilities.

I have suggested to the Secretary of State that our policy in the Persian Gulf should be clearly articulated and have urged that the President communicate with the American people the administration's views on our key interests there, the action we are prepared to take and the sacrifices which may be involved in exercising our leadership role in that important region. In my judgment, that clear expression of U.S. policy and public support are indispensable prerequisites to placing the American flag on ships to be protected by the U.S. Navy. To take that course, we should understand the risks and decide, as a nation, that we are prepared to see the action through. On this state of the record, it is my judgment that we are not adequately prepared for that course of conduct.

JAPANESE BEEF TRADE RESOLUTION

Mr. NICKLES. Mr. President, 4 years ago, the United States and Japan negotiated the current United States-Japanese beef agreement which allowed for increased United States access to the Japanese beef market. This agreement expires March 31 of next year. That is why I am joining with Senator BAUCUS, Senator WALLOP and several other colleagues in offering legislation insisting on the removal of Japanese beef trade barriers.

In April of this year, United States Trade Representative Clayton Yeutter and Secretary of Agriculture Richard Lyng went to Japan as a first step toward liberalization of the Japanese beef market. The administration and United States cattlemen are united in their call for elimination of Japanese quotas and tariffs on United States beef imports. Through the legislation my colleagues and I offer, the Congress can formally join in this market opening effort.

Today, Japan's 113 million population has an average per capita annual beef consumption of approximately 10 pounds compared to average United States per capita annual consumption of 70 pounds. Clearly, Japan is the largest potential export market for United States cattlemen.

However, in 1986, Japan's beef import quota allowed a maximum of only 58,400 metric tons of high-quality United States beef imports. The Japanese Livestock Industry Promotion Corp., a quasi-governmental corporation, imports about 90 percent of Japan's beef and subjects imports to a 25-percent ad valorem tariff. This arm of the Japanese Government controls beef prices and made $140 million in profits buying and selling United States beef in 1985. LIPC makes an estimated 30 percent profit on imports. The remaining 10 percent of beef imports is traded through private handlers and is slapped with a 60-percent effective duty.

Mr. President, on behalf of U.S. cattlemen, I urge my colleagues to support our legislation.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

An in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting a nomination, which was referred to the Committee on Armed Services.

(The nomination received today is printed in the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 3:09 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 558. An act to provide urgently needed assistance to protect and improve the lives and safety of the homeless, with special emphasis on elderly persons, handicapped persons, and families with children.

The enrolled bill was subsequently signed by the President pro tempore (Mr. STENNIS).

At 4:44 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolutions, without amendment:

S.J. Res. 85. Joint resolution to designate the period commencing on August 2, 1987, and ending on August 8, 1987, as "International Special Olympics Week" and to designate August 3, 1987, as "International Special Olympics Day;" and

S.J. Res. 138. Joint resolution to designate the period commencing on July 13, 1987, and ending on July 26, 1987, as "U.S. Olympic Festival-'87 Celebration," and to designate July 17, 1987, as "U.S. Olympic Festival-'87 Day."

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 441. An act for the relief of the heirs of M. Sgt. Nathaniel Scott, U.S. Army, retired, deceased;

H.R. 525. An act for the relief of John M. Gill;

H.R. 712. An act for the relief of Lawrence K. Lunt;

H.R. 945. An act for the relief of Allen H. Platnick;

H.R. 1134. An act for the relief of Whiteworth Inc., of Gardena, CA;

H.R. 1275. An act for the relief of Joyce G. McFarland;

H.R. 1386. An act for the relief of Marsha D. Christopher;

H.R. 1387. An act for the relief of O. Edmund Clubb; and

H.R. 1477. An act for the relief of Beulah C. Shifflett.

The message also announced that pursuant to section 204 of Public Law 98-459, the Speaker appoints Ms. Mary Burdge of Spokane, WA, from the private sector, as an additional member of the Federal Council on the Aging on the part of the House.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 441. An act for the relief of the heirs of M. Sgt. Nathaniel Scott, U.S. Army, retired, deceased; to the Committee on the Judiciary.

H.R. 525. An act for the relief of John M. Gill; to the Committee on the Judiciary.

H.R. 712. An act for the relief of Lawrence K. Lunt; to the Committee on the Judiciary.

H.R. 945. An act for the relief of Allen H. Platnick; to the Committee on the Judiciary.

H.R. 1134. An act for the relief of Whiteworth Inc., of Gardena, CA; to the Committee on Finance.

H.R. 1275. An act for the relief of Joyce G. McFarland; to the Committee on the Judiciary.

H.R. 1386. An act for the relief of Marsha D. Christopher; to the Committee on the Judiciary.

H.R. 1387. An act for the relief of O. Edmund Clubb; to the Committee on the Judiciary.

H.R. 1477. An act for the relief of Beulah C. Shifflett; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute and an amendment to the title:

S. 724: A bill to amend the Federal Aviation Act of 1958 to advance the scheduled termination date of the Essential Air Service Program, and for other purposes (Rept. No. 100-104).

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Report to accompany the bill (S. 1452) to amend the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisors Act of 1940 to make certain technical, clarifying, and conforming amendments, to authorize appropriations to the Securities and Exchange Commission, and for other purposes (with additional views) (Rept. No. 100-105).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary:

Larry J. McKinney, of Indiana, to be United States District Judge for the Southern District of Indiana;

Charles F. Rule, of the District of Columbia, to be an Assistant Attorney General; and

David F. Levi, of California, to be United States Attorney for the Eastern District of California for the term of four years.

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. MELCHER (for himself, Mr. INOUYE and Mr. BURDICK):

S. 1475. A bill to establish an effective clinical staffing recruitment and retention program, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. DANFORTH (for himself and Mr. BOND):

S. 1476. A bill to designate the Federal Record Center at 9700 Page Boulevard, Overland, MO, as the "SSG Charles F. Prevedel Building"; to the Committee on Environment and Public Works.

By Mr. BINGAMAN:

S. 1477. A bill to amend title 5, U.S. Code, to authorize alternative personnel management systems for scientific, technical, and acquisition personnel in the Federal Government, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BAUCUS:

S. 1478. A bill to designate certain National Forest System lands in the State of Montana for release to the forest planning process, protection of recreation value, and inclusion in the National Wilderness Preservation System, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BOSCHWITZ (for himself and Mr. BOND):

S. 1479. A bill to provide funds and assistance to Farm Credit System institutions, to protect borrower stock, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MOYNIHAN:

S. Res. 246. A resolution to honor Irving Berlin for the pleasure he has given to the American people through almost a century of his music; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MELCHER (for himself, Mr. INOUYE, and Mr. BURDICK):

S. 1475. A bill to establish an effective clinical staffing recruitment and retention program, and for other purposes; to the Select Committee on Indian Affairs.

RECRUITMENT AND RETENTION WITHIN THE INDIAN HEALTH SERVICE

Mr. MELCHER. Mr. President, today I am introducing a bill on behalf of myself and Senators INOUYE and BURDICK to address the critical problem of staff recruitment and retention within the Indian Health Service. A large number of doctors, nurses, and technicians have left the Indian Health Service seeking better pay and working conditions. It is a crisis now.

The Indian Health Service must have more doctors before the year ends or sick, injured, and diseased Indians will not have treatment at Indian Health Service clinics and hospitals. Indian patients will then be referred to off-reservation hospitals and medical clinics. That will be worse for the patients, moving them far from their homes, and will be worse for the Treasury, costing much more. In addition, nurses are scarce and the shortage increasing.

In February, the Office of Technology Assessment [OTA] study, "Clinical Staffing in the Indian Health Service," chronicles in detail the shortage of IHS staffing now and the inability to function in the near future.

Presently there is a 10 to 15 percent staff shortage nationwide in the IHS, and areas where the shortage is much worse. In Montana, the IHS has been unable to fill nursing vacancies on the Fort Belknap and Blackfeet Indian reservations and is using circuit nursing services. Under this service, temporary nurses spend short periods—6 weeks or so—at an IHS clinic and are then rotated to another facility. These services are more expensive and not as effective as full-time permanent nursing staff and certainly should not be an alternative IHS should rely upon for staffing.

Why has this clinical staffing shortage occurred? The IHS is at present critically dependent upon the National Health Service Corp [NHSC] to staff its programs. Under the NHSC program, medical students are provided with scholarships in return for a specific period of obligated service in an area which has a shortage of medical staff. This program, coupled with the former Public Health Service alternative to the military draft has worked reasonably well for IHS over the years. One continuing problem, however, has been that NHSC physicians usually only stay for the period of obligated service—usually 2 years—and then leave. This creates a high turnover within the system and causes grave basic problems in the continuity of quality health care for Indian patients at IHS clinics and hospitals.

The stark numerical decline in NHSC scholarships in 1980 of 6,000 to less than 50 in 1986 is a severe crisis.

The result is a crippling effect on IHS staffing. OTA estimates that the number of NHSC physicians available to IHS will be a handful next year and there will be almost none available in 1991 and thereafter.

Other factors have always impeded IHS recruitment and retention: the geographic and rural isolation of reservations; poverty and other economic conditions on reservations; low IHS salaries and poor facilities; and uncertainty about appropriations and consistency within the IHS itself.

Unless the crises is resolved, now, the medical care for the 1 million Indians served by IHS will be so seriously hampered that a national disgrace will unfold. The health care status of American Indians is already significantly lower than other Americans, and consequences which would result from a severe shortage of clinical staff.

I believe that Indian health care is a trust responsibility of the Federal Government which compels the Congress to address the critical problem of clinical staff shortages in IHS. If we do not resolve this problem, the delivery of heath care will virtually come to a halt. There will be great suffering among a population that most urgently needs health care. This situation will compound other problems within IHS and could very well set the stage for a dismantling of the Indian Health Service.

The bill I am introducing today is an integrated and long-term approach to address the problems. Recruitment is only part of the answer because we

also need to focus on retaining existing IHS medical staff for longer periods of time. The bill includes both immediate short-term solutions and long-term strategies.

Many provisions of the bill implement recommendations made by OTA. In addition, field staff from IHS and tribal health programs provided recommendations about the practical application of the bill. Finally, Dr. Emory Johnson, former director of the Indian Health Service, lent his expertise in preparing the bill.

The basic component is a loan repayment program which would authorize IHS to recruit students in their final year of professional school for service in those areas where the IHS has shortages. For each year of service, IHS would repay a certain amount of student loans. The bill would also authorize the following activities: Providing grants for tribal demonstration projects in recruitment and retention; providing training on Indian history and culture to IHS clinical staff; maintaining and expanding the Indians in medicine program; providing incentives for existing clinical staff to stay with IHS; clarifying that tribes who contract for IHS services qualify under the Federal tort liability for malpractice purposes; requiring IHS to investigate the possibility of using foreign medical graduates; and finally, it establishes an in-house review panel to evaluate IHS policy and procedure.

Enacting a bill with these provisions is urgently needed this year. An emergency situation for IHS staffing has already surfaced in many areas and a wholesale calamity is at hand. Shortages of physicians and nurses is already happening and the staff situation will be at a disaster within 48 months unless corrected.

I urge my colleagues to support this important legislation so that it will be enacted into law this year in time to avert the impending crises. This bill must be considered and passed by Congress within the next few months. I ask unanimous consent that it be printed in the RECORD.

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

S. 1475

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

TITLE I—LOAN REPAYMENT PROGRAM

INDIAN HEALTH SERVICE LOAN REPAYMENT PROGRAM

SEC. 101. (a) The Secretary, acting through the Service, shall establish a program to be known as the Indian Health Service Loan Repayment Program (hereafter in this Act referred to as the "Loan Repayment Program") in order to assure an adequate supply of trained physicians, dentists, and nurses for the Service (and for health facilities and health programs maintained by any Indian tribe, tribal organization, or urban Indian organization under a contract entered into with the Secretary) and, if needed by the Service or by such Indian tribe, tribal organization, or urban Indian organization) podiatrists, optometrists, pharmacists, clinical and counseling psychologists, graduates of schools of public health, graduates of schools of social work, graduates of programs in health administration, graduates of programs for the training of physicians assistants, expanded function dental auxiliaries, nurse practitioner (within the meaning of section 822 of the Public Health Service Act (42 U.S.C. 296m)), and other health professionals.

(b) To be eligible to participate in the Loan Repayment Program, an individual must—

(1) be enrolled as a full-time student and in the final year of a course of study or program in an accredited (as determined by the Secretary) educational institution in a State which is approved by the Secretary pursuant to the provisions of this title; or

(2) in a graduate training program in a course of study approved by the Secretary pursuant to the provisions of this title; or

(3) have a degree in medicine or other health profession which is approved by the Secretary pursuant to the provisions of this title.

(c) An individual applying for the Loan Repayment Program must be eligible for, or hold, an appointment as a commissioned officer in the Service or be eligible for selection for civilian employment by the Service.

(d) An applicant for the Loan Repayment Program must submit an application to participate in the Loan Repayment Program, and must sign and submit to the Secretary, at the time of the submission of such application, a written contract (described in subsection (h)) to accept repayment of educational loans and to serve (in accordance with this subtitle) for the applicable period of obligated service in the Indian Health Service.

(e) In disseminating application forms and contract forms to individuals desirng to participate in the Loan Repayment Program, the Secretary shall include with such forms a fair summary of the rights and liabilities of an individual whose application is approved (and whose contract is accepted) by the Secretary, including in the summary a clear explanation of the damages to which the United States is entitled under section 104 in the case of the individual's breach of the contract.

(f)(1) The Secretary shall only approve applications under the Loan Repayment Program that are made by individuals whose training is in a health profession or specialty determined by the Secretary to be needed by the Service.

(2) In determining which applications under the Loan Repayment Program to approve, the Secretary shall extend a preference to Indians.

(g)(1) An individual becomes a participant in the Loan Repayment Program only upon the Secretary's approval of the individual's application submitted under subsection (c) and the Secretary's acceptance of the contract submitted by the individual under subsection (c).

(2) The Secretary shall provide written notice to an individual promptly upon the Secretary's approving, under paragraph (1), of the individual's participation in the Loan Repayment Program.

(h)(1) In the written contract referred to in this subtitle between the Secretary and an individual, the Secretary shall agree to——

(a) pay loans in behalf of the individual in accordance with the provisions of this title, and accept the individual into the Service.

(b) In the written contract (referred to in this subtitle), the individual shall agree to—

(1) accept loan payments for the purposes described in this title; and

(2) in the case of an individual who is enrolled in an accredited institution as a full-time student or in a graduate training program, the individual shall agree to—

(A) maintain enrollment in the course of study until the individual completes the course of study or training; and

(B) while enrolled in such course of study or training, to maintain an acceptable level of academic standing (as determined under regulations of the Secretary by the educational institution offering such course of study or training); and

(C) to provide certification to the Secretary of the degree or diploma awarded to the individual in the health profession approved by the Secretary; and

(D) to serve for a time period (hereafter in this title referred to as the "period of obligated service" equal to 2 years or such longer period as the individual may agree to serve in a health program maintained by—

(i) the Service, or

(ii) any Indian tribe, tribal organization, or urban Indian organization under a contract entered into with the Secretary,

to which the individual is assigned by the Secretary;

(2) a provision that any financial obligation of the United States arising out of a contract entered into under this subtitle and any obligation of the individual which is conditioned thereon, is contingent upon funds being appropriated for loan repayments under this subtitle and to carry out the purposes of this subtitle;

(3) a statement of the damages to which the United States is entitled, under section 104 for the individual's breach of the contract; and

(4) such other statements of the rights and liabilities of the Secretary and of the individual, not inconsistent with the provisions of this subtitle.

(j)(1) A loan repayment provided for an individual under a written contract under the Loan Repayment Program shall consist of payment, in accordance with paragraph (2), on behalf of the individual of the principal, interest, and related expenses on government and commercial loans received by the individual for—

(A) tuition expenses;

(B) all other reasonable educational expenses, including fees, books, and laboratory expenses, incurred by the individual; or

(C) reasonable living expenses as determined by the Secretary.

(2) For each year of obligated service that an individual contracts under subsection (f) to serve, the Secretary may pay up to $25,000 on behalf of the individual for loans described in paragraph (1).

(k) Notwithstanding any other provision of law, individuals who have entered into written contracts with the Secretary under this section, while undergoing academic training, shall not be counted against any employment ceiling affecting the Department.

(l) The Secretary shall, by not later than March 1 of each year, submit to the Congress a report providing—

(1) the number, and type of health profession training, of individuals receiving loan

payments under the Loan Repayment Program;

(2) the educational institution at which such individuals are receiving their training or have completed their training;

(3) the total number of applications filed under this section during the preceding year;

(4) the number of such applications filed with respect to each type of health profession;

(5) the total number of contracts described in subsection (f) that are entered into during the preceding year;

(6) the number of such contracts entered into during the preceding year with respect to each type of health profession; and

(7) the amount of loan payments made in the preceding year.

RECRUITMENT

SEC. 102. (a) The Secretary may conduct at schools of medicine, osteopathy, dentistry, and, as appropriate, nursing and other schools of the health professions and at entities which train allied health personnel, recruiting programs for the Loan Repayment Program.

(b) Section 214 of the Public Health Service Act (42 U.S.C. 215) shall not apply to individuals during their period of obligated service under the Loan Repayment Program.

OBLIGATED SERVICE UNDER CONTRACT

SEC. 103 (a) Each individual who has entered into a written contract with the Secretay under section 101 shall provide service in the full-time clinical practice of such individuals' profession in the Indian Health Service for the period of obligated service provided in such contract.

(b)(1) If an individual is required under subsection (a) of this section to provide obligated service, the Secretary shall, not later than 90 days before the date described in paragraph (4), determine if the individual shall provide such service as a commissioned officer in the Regular or Reserve Corps of the Public Health Service or as a civilian employee of the Indian Health Service, and shall notify such individual of such determination.

(2) If the Secretary determines that an individual shall provide obligated service to the Indian Health Service as a commissioned officer in the Public Health Service or a civilian employee of the Indian Health Service, the Secretary shall, not later than 60 days before the date described in paragraph (4), provide such individual with sufficient information regarding the advantages and disadvantages of service as such a commissioned officer or civilian employee to enable the individual to make a decision on an informed basis. To be eligible to provide such obligated service as a commissioned officer in the Public Health Service, an individual shall notify the Secretary, not later than 30 days before the date described in paragraph (4), of the individual's desire to provide such service as such an officer. If an individual qualifies for an appointment as such an officer, the Secretary shall, as soon as possible after the date described in paragraph (4), appoint the individual as a commissioned officer of the Regular of Reserve Corps of the Public Health Service.

(3) If an individual provided notice by the Secretary under paragraph (2) does not qualify for appointment as a commissioned officer in the Public Health Service, the Secretary shall, as soon as possible after the date described in paragraph (4), appoint such individual as a civilian employee of the Indian Health Service.

(4)(A) With respect to an individual receiving a degree from a school of medicine, osteopathy, psychology, or dentistry, the date referred to in paragraphs (1) through (3) shall be the date upon which the individual completes the training required for such degree, except that the Secretary shall, at the request of such individual, defer such date until the end of the period of time (not to exceed 3 years or such greater period as the Secretary, consistent with the needs of the Service, may authorize) required for the individual to complete an internship, residency, or other advanced clinical training. With respect to an individual receiving a degree from a school of optometry, podiatry, or pharmacy, the date referred to in paragraphs (1) through (3) shall be the date upon which the individual completes the training required for such degree, except that the Secretary shall, at the request of such individual, defer such date until the end of the period of time (not to exceed 1 year or such greater period as the Secretary, consistent with the needs of the Service, may authorize) required for the individual to complete an internship, residency, or other advanced clinical training. No period of internship, residency, or other advanced clinical training shall be counted toward satisfying a period of obligated service under this subtitle.

(B) With respect to an individual receiving a degree from an institution other than a school referred to in subparagraph (A), the date referred to in paragraphs (1) through (3) shall be the date upon which the individual completes his academic training leading to such degree.

(C) With respect to an individual who has received a degree in medicine, osteopathy, psychology, dentistry, or other health profession and has completed graduate training, the date referred to in paragraphs (1) through (3) shall be the date on which the individual enters into a contract with the Secretary under section 101.

(c) An individual shall be considered to have begun serving the period of obligated service on the date such individual is appointed as an officer in a Regular or Reserve Corps of the Public Health Service under subsection (b)(2) or is appointed as a civilian employee of the Indian Health Service under subsection (b)(3).

BREACH OF CONTRACT

SEC. 104. (a) An individual who has entered into a written contract with the Secretary under section 101 and who—

(1) is enrolled in the final year of a course of study and fails to maintain an acceptable level of academic standing in the educational institution in which the individual is enrolled (such level determined by the educational institution under regulations of the Secretary) or voluntarily terminates such enrollment or is dismissed from such educational institution before completion of such course of study, or

(B) in enrolled in a graduate training program, fails to complete such training program,

in lieu of any service obligation arising under such contract shall be liable to the United States for the amount which has been paid on his behalf under the contract.

(b) If (for any reason not specified in subsection (a)) an individual breaches his written contract under section 101 by failing either to begin such individual's period of obligated service in accordance with section 103 or to complete such period of obligated service, the United States shall be entitled to recover from the individual an amount determined in accordance with the following formula:

$$A=2z\,(t-s/t)$$

in which 'A' is the amount the United States is entitled to recover, 'z' is the sum of the amounts paid under this subtitle to, or on behalf of, the individual and the interest on such amounts which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States, 't' is the total number of months in the individual's period of obligated service, and 's' is the number of months of such period served by him in accordance with section 103 of this title. Any amount of damages which the United States is entitled to recover under this subsection shall, within the 1-year period beginning on the date of the breach of the written contract (or such longer period beginning on such date as specified by the Secretary for good cause shown), be paid to the United States.

(c)(1) Any obligation of an individual under the Loan Repayment Program (or a contract thereunder) for service or payment of damages shall be canceled upon the death of the individual.

(2) The Secretary shall by regulation provide for the partial or total waiver or suspension of any obligation of service or payment by an individual under the Loan Repayment Program (or a contract thereunder) whenever compliance by the individual is impossible or would involve extreme hardship to the individual and if enforcement of such obligation with respect to any individual would be unconscionable.

(3) Any obligation of an individual under the Loan Repayment Program (or a contract thereunder) for payment of damages may be released by a discharge in bankruptcy only if such discharge is granted after the expiration of the 5-year period beginning on the first date that payment of such damages is required.

REPORTS

SEC. 105. The Secretary shall submit to the Congress on July 1 of 1988, and of each succeeding year, a report on the number of providers of health care who will be needed for the Indian Health Service during the 3 fiscal years beginning after the date the report is filed and—

(1) the number of scholarships, if any, the Secretary proposes to provide under the National Health Service Corps Scholarship Program during such 3 fiscal years, and

(2) the number of individuals for whom the Secretary proposes to make loan repayments under the Loan Repayment Program during such 3 fiscal years.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 106. There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this title.

TITLE II—OTHER RECRUITMENT AND RETENTION PROVISIONS

TRAVEL EXPENSES FOR RECRUITMENT

SEC. 201. (a) The Secretary, acting through health professionals seeking positions in the Service (including individuals considering entering into a contract under section 101) and their spouses for actual and reasonable expenses incurred in traveling to and from their places of residence to an area in which they may be assigned for the purpose of evaluating such area with regard to being assigned in such area.

(b) There are authorized to be appropriated for each fiscal year $100,000 for the purpose of carrying out the provisions of this section.

TRIBAL DEMONSTRATION RECRUITMENT AND RETENTION PROGRAM

SEC. 202. (a) The Secretary, acting through the Service, shall award grants to Indian tribes and tribal organizations for the purpose of enabling the Indian tribes and tribal organizations to develop and test, in cooperation with the Service, innovative techniques to recruit, place, and retain health professionals.

(b) The Secretary shall prescribe such regulations as are necessary to carry out the provisions of this section.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

TRIBAL CULTURE AND HISTORY

SEC. 203. (a) The Secretary, acting through the Service, shall establish a program under which all employees of the Service who serve particular Indian tribes shall receive educational instruction in the history and culture of such tribes and in the history of the Service.

(b) To the extent feasible, the program established under subsection (a) shall—

(1) be carried out through tribally-controlled community colleges, and

(2) be developed in consultation with the affected tribal government, and

(3) include instruction in Native American studies.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

INMED PROGRAM

SEC. 204. (a) The Secretary is authorized to provide grants to colleges and universities for the purpose of maintaining and expanding the Native American health careers recruitment program known as the "Indians into Medicine Program" (herein after in this section referred to as "INMED") as a means of encouraging Indians to enter the health professions.

(b) In addition to maintaining the INMED program at the University of North Dakota, the Secretary shall provide grants to at least two additional universities or colleges for the purpose of expanding the INMED program model.

(c) the Secretary shall develop regulations for the competitive awarding of the grants established in this section provided that the universities applying for such funds agree to provide a program which—

(1) provides outreach and recruitment for health professions to Native American communities including elementary, secondary and community colleges located on Indian reservations which will be served by the program,

(2) incorporates a program advisory board comprised of representatives from the tribes and communities which will be served by the program,

(3) provides summer preparatory programs for Native American students who need enrichment in the subjects of math and science in order to pursue training in the health professions,

(4) provide tutoring, counseling and support to students who are enrolled in a health career program of study at the respective college or university, and

(5) to the maximum extent feasible agree to employ qualified Native American staff for the program.

(d) By no later than the date that is 3 years after the date of enactment of this Act, the Secretary shall submit a report to Congress on the program including recommendations for expansion or changes to the program.

(e) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

ADVANCED TRAINING AND RESEARCH

SEC. 205. (a) The Secretary, acting through the Service, shall establish a program to enable health professionals who have worked for the Service for a substantial period of time to pursue advanced training or research at medical schools, or other professional schools or facilities, in areas of study for which the Secretary determines a need exists.

(b) The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section.

ADDITIONAL INCENTIVES FOR HEALTH PROFESSIONALS

SEC. 206. (a) The Secretary shall provide the incentive special pay authorized under section 302(b) of title 37, United States Code, by reason of section 208(a) of the Public Health Service Act (42 U.S.C. 210(a)), to—

(1) commissioned medical officers in the Regular and Reserve Corps of the Public Health Service who are assigned to positions for which recruitment or retention of personnel is difficult in the Indian Health Service, and

(2) civilian medical officers of the Service who are assigned to positions for which recruitment or retention of personnel is difficult.

(b) The Secretary shall establish and update on an annual basis a list of positions (other than medical officers) of health care professionals employed by or assigned to the Service for which recruitment or retention is difficult.

(2)(A) The Secretary shall pay a bonus to any person who is employed in or assigned to, a position in the Service included in the list established by the Secretary under paragraph (1)(b).

(B) The Secretary may not exceed $2,000 in total bonus payments made under this section to any employee within any 1-year period.

(c) The Secretary shall establish programs to allow the use of flexible work schedules, and compressed work schedules, in accordance with the provisions of subchapter II of chapter 61 of title 5, United States Code, for health professionals employed by, or assigned to, the Service.

(d) Notwithstanding any provision of law, no limitation imposed on amounts of premium pay paid for overtime shall apply to any individual employed by, or assigned to, the Service. The rate of overtime pay for such individual shall be computed as provided in section 5542 of title 5, United States Code.

RETENTION BONUS

SEC. 207. (a) The Secretary shall pay a retention bonus to medical officers employed by or assigned to the Service either as a civilian employee or member of the Commission Corps who—

(1) has satisfied one of the following criteria:

(A) has completed three years of employment with the Service; or

(B) has completed any service obligation incurred as a result of—

(i) acceptance of any Federal scholarship program; or

(ii) any Federal education loan repayment program.

(b) enters into an agreement with the Service for continued employment for a period of not less than 1 year.

(c) The Secretary shall establish specific rates for the retention bonus which shall provide for a higher annual rate for multiyear agreements than for single year agreements but in no event shall the annual rate be less than $12,000 per annum nor shall the annual rate be more than $25,000 per annum.

(d) The retention bonus for the entire period covered by the agreement in paragraph (2) shall be paid at the beginning of the agreed upon term of service.

(e) Any physician failing to complete the agreed upon term of service, except where such failure is through no fault of the individual, shall be obligated to refund to the government the full amount of the retention bonus for the period covered by the agreement plus interest as determined by the Secretary after consultation with the Secretary of the Treasury.

FOREIGN MEDICAL GRADUATE DEMONSTRATION PROJECT

SEC. 208. (a) The Secretary shall establish a 3-year demonstration project in the Indian Health Service which utilizes foreign medical graduates to assist in the delivery of health care in IHS hospital facilities.

(b) The Secretary shall conduct the demonstration project at not less than 2 IHS hospitals which have the staff capability to provide orientation, training and supervision to the foreign medical graduates selected to participate in the demonstration project.

(c) The Secretary shall develop a program which provides orientation, training and supervision to the participants in the demonstration project which—

(1) assesses the abilities of each foreign medical graduate participating in the demonstration project,

(2) provides individualized orientation and training to each participant, and

(3) provides individualized work assignments based upon the individual's training, experience and capabilities, and which are under the supervision of an IHS medical officer, and

(4) prepares each participant to obtain a license as a physician assistant.

(c) The Secretary shall select at least 10 individuals to participate in the demonstration project who satisfy the following criteria—

(1) had been licensed to practice medicine in his or her country of origin;

(2) had practiced medicine in his or her country of origin for at least 5 continuous years;

(3) are proficient in the oral and written use of the English language;

(4) have obtained citizenship or status of permanent residents of the United States; and

(5) originate from countries which are friendly with or allied with the United States.

(d) By the date that is no later than 3 years after enactment of this Act, the Secretary shall submit a report to Congress on the demonstration project which shall include recommendations for maintaining and expanding the demonstration project as a means of enabling the Service to more effectively deliver health care.

(e) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

REPORT ON RECRUITMENT AND RETENTION

SEC. 209. (a) The Secretary of Health and Human Services shall establish an advisory panel composed of—

(1) 10 physicians or other health professionals who are employees of, or assigned to, the Indian Health Service, and

(2) 3 representatives of tribal health boards, and

(3) 1 representative of an urban health care organization

for the purpose of conducting an investigation of administrative policies and regulatory procedures which impede the recruitment or retention of physicians and other health professionals by the Indian Health Service.

(b) By no later than the date that is 18 months after the date of enactment of this Act, the advisory panel established under subsection (a) shall submit to the Congress a report on the investigation conducted under subsection (a), together with any recommendations for administrative or legislative changes in existing law, practices, or procedures.

EARLY RETIREMENT

SEC. 210. Section 8336(j)(1)(B) of title 5, United States Code, is amended by striking out "December 21, 1972" and inserting in lieu thereof "December 5, 1979."

DEFINITIONS

SEC. 212. For purposes of this Act—

(a) The term "the Secretary" means the Secretary of Health and Human Services.

(b) The term "the Service" means the Indian Health Service of the Department of Health and Human Services.

(c) The term "Indian", "Indian tribe", "tribal organization", and "urban Indian organization" have the respective meanings given to such terms by section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1603).

By Mr. DANFORTH (for himself and Mr. BOND):

S. 1476. A bill to designate the Federal Record Center at 9700 Page Boulevard, Overland, MO, as the "SSG Charles F. Prevedel Building;" to the Committee on Environment and Public Works.

SSG CHARLES F. PREVEDEL BUILDING

● Mr. DANFORTH. Mr. President, today I am introducing legislation to name an Army Personnel and Record Center in Overland, MO, after Sgt. Charles F. Prevedel. Mr. President, Sgt. Charles F. Prevedel, like thousands of other young Americans, fought in the Vietnam war, making enormous sacrifices for his country. However, unlike so many others, this sergeant never returned home and there has been no record of his death. Until quite recently, our country seemed to have forgotten these men who are classified as "missing in action." Currently, there are over 2,400 MIA's from the Vietnam war, 18,000 from World War II, and 8,000 from the Korean conflict. In my own State of Missouri, 51 people may still be serving our country in Vietnam. By naming this building after Sgt. Charles F. Prevedel, I hope that Americans will continue to recognize the sacrifices that each of these men have made and may continue to be making for the honor of our country. We must not forget these men who have given so much to their country.●

By Mr. BINGAMAN:

S. 1477. A bill to amend title 5, United States Code, to authorize alternative personnel management systems for scientific, technical, and acquistion personnel in the Federal Government, and for other purposes; to the Commitee on Governmental Affairs.

FEDERAL SCIENCE, TECHNOLOGY, AND ACQUISITION REVITALIZATION ACT

Mr. BINGAMAN.Mr. President, I am introducing a bill today which I believe is urgently needed to improve the Federal agencies' ability to recruit and retain the top-quality people they need to carry out their scientific and technical research programs and their acquisition programs. I am pleased to note that a companion bill is being introduced in the House by my friend from Michigan, Congressman HERTEL.

This bill responds to several concerns that have been raised in the past, and which still very much hold true today, about the quality of the people which the Federal Government is currently attracting and retaining in these critical fields. What I am proposing today is to permit Federal agencies to establish personnel management systems for their scientific, technical and acquisition employees similar to those currently utilized at the Naval Weapons Center in China Lake, CA, the Naval Ocean Systems Center in San Diego, CA, and at the Government-owned contractor-operated laboratories of the Department of Energy, Department of Defense, and NASA. This would be done under regulations issued by the Office of Personnel Management.

The Civil Service Reform Act of 1978 allowed the Navy to develop a merit-based personnel management system at their two California laboratories. I think that there is very broad agreement that these demonstration projects under the 1978 legislation have been very successful. In 1983, a White House Science Council Panel chaired by David Packard reviewed the Federal laboratories. One of the Panel's key recommendations was to broaden the China Lake personnel management approach to all Government laboratories and all Federal science and engineering personnel.

The Packard Panel very carefully documented the problems which the Federal Government was facing in attracting the scientists and engineers it needed to carry out our important research programs and to administer the $50 billion a year Federal research effort. The Packard Panel felt that if we could attract and retain better people in these critical jobs, we could significantly improve the Federal science and engineering work force's contribution both to our national security and to our economic competitiveness in world markets.

In response to the panel's recommendations, I introduced legislation in the last Congress to permit the Federal agencies to adopt alternative personnel management systems based on the China Lake model for their science and engineering personnel.

After that legislation was introduced, the President's Blue Ribbon Commission on Defense Management, again chaired by Mr. PACKARD, recommended last spring that the China Lake approach be applied not only to the Defense Department's scientists and engineers, but also to its acquisition personnel. Subsequent to that recommendation, I worked with Senator QUAYLE and the Packard Commission staff to modify my legislation. As a result, a provision was included in the fiscal year 1987 defense authorization bill reported by the Senate Armed Services Committee, which would have authorized the Defense Department to set up an alternative personnel management system for its science, engineering and acquisition personnel.

I regarded this provision as a first step in a process of Government-wide personnel management reform. I wanted to see the concept extended to science, engineering, and acquisition personnel in other agencies as rapidly as possible. But I felt at the time that Congress should respond to the urgings of the Packard Commission to start with vitally needed reform at the Defense Department. I thought that this first step would be a catalyst for action in other agencies, and thus that any advantage DOD accrued in recruiting and retaining scientists, engineers, and acquisition personnel would be short-lived.

Unfortunately, that provision was struck from the defense authorization bill as a result of a floor amendment offered by Senator STEVENS, then chairman of the Civil Service Subcommittee of the Governmental Affairs Committee. The principal argument against the amendment offered at that time was that it did not provide for a comprehensive approach to solving the many problems which today beset the civil service system. Also, concerns were raised about the Department of Defense potentially gaining a competitive advantage compared to other federal agencies in recruiting key scientific, technical and acquisition personnel.

The bill which I am introducing today differs from last year's approach on the defense authorization bill primarily in that it does apply to all Federal agencies. DOD will have no advantage over other agencies. It is still

not a comprehensive approach to the entire civil service reform problem. To be honest, I do not know how to structure that comprehensive solution. The personnel management approach which I believe will work for scientists, engineers, and acquisition personnel because of the positive track record at China Lake and elsewhere may not be appropriate for other civil service personnel. But perhaps this bill offers a first step toward a more comprehensive solution.

Mr. President, I believe the legislation is particularly timely because of the competitive challenge we are facing from abroad in many high technology fields. We clearly must strive to get the maximum value for every dollar we put into our Federal research enterprise. That can only be done if we have the best possible people managing those programs and carrying out that research. It is equally clear that, as we continue to deal with the problem of reducing our massive Federal deficit, we need to have the most efficient possible Federal acquisition system—a goal I might note we are very far from today. And to do that, we are going to need better acquisition personnel, especially in the Defense Department, which has by far the largest Federal acquisition program.

Mr. President, let me say just a few words about some of the key provisions in the bill. First of all, the main goal of this bill is to provide Federal managers more flexibility in managing their scientific, technical and acquisiton personnel. The classification of positions would be greatly simplified. Performance would be made the primary determinant pay in lieu of longevity. The agencies are allowed a great deal of flexibility in designing the specifics of their alternative personnel management systems to best serve their unique needs. For example, flexibility is provided for agencies to establish alternative personnel management systems on an occupational basis or an organizational basis. That means that an agency can choose to cover scientists, engineers, and acquisition personnel occupational group by occupational group, or organization by organization, provided the primary function of the organization is science, engineering or acquisition. In testimony last year before the Congress, arguments were put forward for both approaches. Under the bill I am introducing today, the decision on that question is left to the agencies.

Another key feature of the bill will also force Federal personnel managers to face hard choices as they manage their scientists, engineers and acquisition personnel. The bill provides that the alternate personnel management systems shall be implemented on a cost-neutral basis. That means that overall, the pay of the employees under the alternative personnel management system should be no higher than it would have been had the current civil service system remained in effect for these employees. The bill provides a great deal of flexibility for Federal managers in the pay area, but that flexibility will in fact only be available to the extent that hard tradeoffs are made.

If a manager wishes to increase pay to attract and retain top quality scientists, engineers, and acquisition employees, the total number of such employees will have to be decreased through attrition, or the pay of less productive employees in those categories will have to be frozen. I do not see this as a hardship for the Federal agencies or for the professional employees involved. Obviously such cost neutrality is an absolutely necessary feature of this legislation in today's budget environment. Last year we had very strong testimony from Mr. Packard that there was room in the Federal science, engineering and acquisition system to make such tradeoffs, and that we should attempt to move to a higher quality, if somewhat smaller, work force in these areas.

Let me also emphasize that this bill provides employees under alternative management systems with appeal rights comparable to those they currently enjoy in the civil service system. While I want Federal managers to be in a position to make the sort of tradeoffs I have discussed, employees obviously do need protection against arbitrary and capricious decisions.

Mr. President, let me conclude by emphasizing the urgency that we take action in this area. over a year has passed since the Packard Commission, in discussing personnel reform within the Defense Department, stated that its "recommendations in this critical area can and should be acted upon quickly and are of the highest priority." I believe that the problem is every bit as critical at NASA and other civilian agencies. Yet, the only action taken by the last Congress in this area was the initiation of a small China Lake-like demonstration project at the National Bureau of Standards in the Commerce Department. We can and must do better in this Congress. By doing so we will make a critical improvement in the effectiveness of our Federal acquisition system at a time of great budget stringency and we will increase the productivity of our Federal science and engineering enterprise at a time when we are facing ever stronger challenges from abroad. I hope my colleagues will give this bill serious consideration in the months ahead.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

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

S. 1477

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 "Federal Science, Technology, and Acquisition Revitalization Act of 1987".

SEC. 2. AUTHORITY TO ESTABLISH ALTERNATIVE MANAGEMENT SYSTEMS FOR SCIENTIFIC, TECHNICAL, AND ACQUISITION PERSONNEL.

(a) IN GENERAL.—(1) Title 5, United States Code, is amended by inserting after chapter 55 the following new chapter:

"CHAPTER 56—ALTERNATIVE MANAGEMENT SYSTEMS FOR SCIENTIFIC, TECHNICAL, AND ACQUISITION PERSONNEL

"Sec.
"5601. Purposes.
"5602. Definitions.
"5603. Establishment.
"5604. Provisions of an alternative personnel management system.
"5605. Designations of covered positions.
"5606. Employment authority.
"5607. Special provisions relating to pay and benefits.
"5608. System approval; oversight.
"5609. Transition provisions.
"5610. Continuing professional qualification.

§ 5601. Purposes

"The purposes of this chapter are—

"(1) to enable the Federal Government to attract, retain, motivate, and improve the skills of scientific and technical employees of the Government and of the Federal Government acquisition work force;

"(2) to improve the quality of scientific, technical, and acquisition activities of the Federal Government and the quality of laboratories operated by the Federal Government; and

"(3) to improve the overall ability of the Federal Government to perform scientific and technical activities and to conduct its acquisition programs more efficiently.

"§ 5602. Definitions

"For the purposes of this chapter—

"(1) 'acquisition employee' means an employee assigned to perform duties relating to acquisitions, including an employee serving in a managerial or supervisory capacity who—

"(A) has considerable knowledge in acquisition program management, contracting, business management, financial management, production, logistics, quality assurance, or a related field; or

"(B) has completed or is currently pursuing a baccalaureate degree at an institution of higher education in an acquisition-related discipline;

"(2) 'agency' has the same meaning as provided in section 5721(1) of this title, except that the term does not include the government of the District of Columbia;

"(3) 'alternative personnel management system' means an alternative personnel management system established under section 5603 of this title;

"(4) 'Director' means the Director of the Office of Personnel Management;

"(5) 'employee' has the same meaning as provided in section 2105 of this title, but does not include a prevailing rate employee (as defined in section 5342(a)(2) of this title);

"(6) 'pay structure' means a range of basic pay consisting of minimum and maximum rates;

"(7) 'scientific and technical employee' means an employee, including an employee serving in a managerial or supervisory capacity—

"(A) who—

"(i) is required to have an advanced level of knowledge in one of the mathematical, computer, physical, or natural sciences or in chemical, electrical, mechanical, or other engineering and is usually expected to have acquired such advanced level of knowledge in an extensive program of specialized academic instruction and study in an institution of higher education (rather than in a program of general academic education, a program of apprenticeship, or a program of training in the performance of routine mental, manual, mechanical, or physical activities); and

"(ii) is engaged in the performance of work which consistently requires the exercise of discretion and judgment and is of such character that the output or other result of such work cannot be standardized in relation to any period of time; or

"(B) who has completed an extensive program of specialized academic instruction and study described in clause (A)(i) and is performing related work under appropriate direction or guidance to qualify under appropriate direction or guidance to qualify the employee as a scientific and technical employee described in clause (A);

"(8) 'senior scientific, technical, and acquisition employee' means a scientific and technical employee, acquisition employee, or other employee of an agency organization referred to in secion 5603(b)(2) of this title who is covered by an alternative personnel management system and is serving in a position in an agency equivalent to a position in the Senior Executive Service (as determined by the head of that agency), but does not include an employee whose position is required to be filled by an appointment by the President, by and with the advice and consent of the Senate; and

"(9) 'special award' means a nonmonetary award or a lump-sum monetary payment which is awarded on the basis of tangible savings or intangible benefits realized by the Federal Government as a result of special actions or services performed by the recipient outside normal job responsibilities, including suggestions and inventions, a scientific achievement, or an act of heroism.

§ 5603. Establishment

"(a) Under regulations prescribed by the Director in section 5604 of this title, the head of each agency may establish an alternative personnel management system or systems in that agency to carry out the purposes stated in section 5601 of this title.

"(b) The alternative personnel management systems in an agency may be established—

"(1) on an occupational basis to promote—

"(A) high quality performance by scientific and technical employees and acquisition employees of that agency; and

"(B) high levels of retention of such employees;

"(2) on an organizational basis to promote—

"(A) high quality performance by all agency employees who are serving in positions in agency organizations selected by the head of that agency which perform scientific, technical, or acquisition missions of that agency and whose performance is critical to the performance of those missions; and

"(B) high levels of retention of such employees; or

"(3) on both an occupational basis and an organizational basis to promote high quality performance by and high levels of retention of such employees.

"§ 5604. Provisions of an alternative personnel management system

"(a) The Director shall prescribe regulations for the operation of each alternative personnel management system established under section 5603 of this title.

"(b) In prescribing regulations for the operation of an alternative personnel management system, the Director shall provide for—

"(1) equal rates of pay for substantially equal work performed by employees under that system; and

"(2) pay distinctions under that system which reflect (A) substantial differences in skills, effort, responsibilities, and working conditions, and (B) performance appraisals.

"(c) The regulations prescribed pursuant to subsection (a) shall—

"(1) require—

"(A) the establishment of job evaluation plans which—

"(i) reflect internal job alignment determined on the basis of the level of skill, effort, responsibility, and working conditions required to perform the job; and

"(ii) recognize labor market factors as the primary basis for setting pay; and

"(B) the evaluation of jobs pursuant to such plans;

"(2) include procedures for the head of an agency—

"(A) to establish for positions of scientific and technical employees, acquisition employees, and other employees of agency organizations referred to in section 5603(b)(2) of this title, pay structures which (i) are competitive with pay structures applicable to similar positions outside the Federal Government, and (ii) reflect job evaluations made under a job evaluation plan established under clause (1); and

"(B) to adjust such pay structures annually;

"(3) provide for the rate of basic pay of an agency employee to be set and adjusted within pay structures based on such factors as the head of that agency may prescribe, including—

"(A) the experience and achievement of the employee;

"(B) labor market factors;

"(C) the position of such employee in a pay range before the rate of basic pay is changed;

"(D) job responsibilities;

"(E) rates of pay for similar jobs outside the Federal Government; and

"(F) consistent with section 5334 of this title, changes in positions or types of appointments;

"(4) provide for supervisory and managerial pay differentials (which shall be considered part of basic pay only for the purposes of chapters 81, 84, and 87 of this title and subchapter III of chapter 83 of this title);

"(5) include methods for determining appropriate total pay and benefits for an employee which are consistent with the purposes of this chapter and provide for consideration of such factors as those described in clause (3);

"(6) ensure that the total cost of the pay (including pay differentials) and benefits of personnel covered by an alternative personnel management system does not exceed the total cost of pay and benefits that such personnel would receive under the systems of pay and benefits that would apply to such personnel if they were not covered by the alternative personnel management system;

"(7) include a performance appraisal system which—

"(A) provides for peer comparison and ranking of agency employees when considered appropriate by the head of that agency;

"(B) affords appeal rights comparable to those afforded under chapter 43 of this title; and

"(C) is otherwise in accordance with section 4302 of this title;

"(8) authorize lump-sum performance awards and special awards not to exceed $25,000 under this chapter (which shall not be considered part of basic pay for any purpose);

"(9) authorize other forms of performance recognition determined appropriate by the head of the agency that is providing the recognition;

"(10) provide special direct hire procedures for recruiting personnel;

"(11) establish a Senior Scientific, Technical, and Acquisition Personnel Service and authorize the head of each agency to designate senior scientific, technical, and acquisition employees of that agency to be members of such Service; and

"(12) provide for an employee development program or programs.

"(d) The regulations prescribed under subsection (c)(11) for the operation of Senior Scientific, Technical, and Acquisition Personnel Service shall provide for benefits comparable to those provided for—

"(1) members of the Senior Executive Service under section 6304 of this title, relating to the accumulation of annual leave;

"(2) career appointees of the Senior Executive Service under section 3396(c) of this title, relating to sabbaticals;

"(3) career appointees in the Senior Executive Service under section 4507 of this title, relating to presidential rank awards;

"(4) newly appointed members of the Senior Executive Service under section 5723 of this title, relating to payment of the appointee's travel and transportation expenses to the appointee's duty station;

"(5) candidates for Senior Executive Service positions under section 5752 of this title, relating to payment of travel expenses of candidates for preemployment interviews; and

"(6) career appointees in the Senior Executive Service under section 3392(c) of this title, relating to retention of pay and benefits by an employee in such Service who receives a Presidential appointment to a position outside such Service.

"§ 5605. Designations of covered positions

"(a)(1) The head of an agency may designate the scientific and technical positions, the acquisition positions, and other positions held by employees of agency organizations referred to in section 5603(b)(2) of this title to be covered by an alternative personnel management system.

"(2) Each employee serving in a position at the time the position is designated to be covered by an alternative personnel management system shall be given written notice of the designation in accordance with procedures prescribed by the Director.

"(b)(1) The head of an agency may designate, under an alternative personnel management system, certain scientific and technical positions, certain acquisition positions,

and certain positions held by employees of agency organizations referred to in section 5603(b)(2) of this title as positions which require specially qualified scientific and technical employees, specially qualified acquisition employees, or other specially qualified employees. Such positions may include managerial and supervisory positions.

"(2) The number of agency positions that may be designated under paragraph (1) may not exceed the number equal to 5 percent of the total number of positions covered by all alternative personnel management systems in that agency.

"§ 5606. Employment authority

"(a) Except as otherwise provided in this chapter, the procedures for the selection and appointment of any individual for a position of employment under an alternative personnel management system shall be consistent with the procedures that would apply to the selection and appointment of an individual for that position under other Federal civil service laws.

"(b)(1) Notwithstanding any other provision of law, except as provided in paragraph (2), an individual's examination for employment under an alternative personnel management system is complete, and selection for appointment to a position covered by that system is final, only when the individual has satisfactorily completed (in accordance with regulations prescribed by the Director) a 3-year probationary period of service.

"(2) An employee who has satisfactorily completed a total of 3 years of service in the competitive service, excepted service, or Senior Executive Service and, during such 3-year period, has completed any probationary period of service applicable to such employee, shall not be required to complete the probationary period of service under paragraph (1).

"(c) The head of an agency may appoint a person to an agency position designated under section 5605(b) of this title without regard to provisions of law requiring competitive examinations.

"§ 5607. Special provisions relating to pay and benefits

"(a) Under regulations prescribed pursuant to section 5604 of this title, the head of an agency may—

"(1) classify the positions of employees covered by an alternative personnel management system in that agency; and

"(2) set and annually adjust the pay and other benefits of such employees so as to be competitive with pay and other benefits provided personnel employed in similar positions outside the Federal Government.

"(b)(1) Except as provided in paragraph (2), the rate of basic pay of an individual employed under an alternative personnel management system may not exceed the rate of basic pay for level IV of the Executive Schedule under section 5315 of this title.

"(2)(A) The head of an agency may prescribe the maximum rate of basic pay for an agency position designated under section 5605(b) of this title without regard to the pay structure otherwise applicable to such position pursuant to section 5604(c)(2) of this title. The head of that agency shall prescribe such rate at a level which is competitive with the rates of pay for personnel employed in similar positions outside the Federal Government, including, in exceptional cases individually approved by that head of an agency, the rates of pay of scientific and technical personnel at national research laboratories of the Federal Government operated by persons or organizations other than the Federal Government.

"(B) The maximum rate of basic pay prescribed for an employee under subparagraph (A) may not exceed the maximum rate of basic pay prescribed for the head of a laboratory referred to in such subparagraph, except that the maximum rate of pay prescribed shall be at least equal to the rate of basic pay for level IV of the Executive Schedule under section 5315 of this title.

"(c) Notwithstanding sections 1341, 1342, 1349 through 1351 of title 31 and the provisions of subchapter II of chapter 15 of such title, whenever the rate of basic pay for level IV of the Executive Schedule is increased pursuant to section 5318 of this title or section 225 of the Federal Salary Act of 1967 (81 Stat. 642; 2 U.S.C. 351 et seq.), the rates of basic pay of scientific and technical, acquisition, and other employees serving in positions covered by an alternative personnel management system in an agency may be adjusted by the head of that agency if appropriate (as determined by the head of that agency) to maintain rates of basic pay of such employees at levels competitive with rates of basic pay paid scientific, technical, acquisition, and other personnel employed in similar positions outside the Federal Government.

"(d) A lump-sum performance award or special award authorized under this chapter may be paid to an employee without regard to any other provision of law limiting either the amount or the rate of basic pay that an employee may receive in a single year.

"(e) The rate of basic pay payable to an employee serving in a position on the day before the position becomes covered by an alternative personnel management system may not be reduced by reason of the position being covered by such system.

"§ 5608. System approval; oversight

"(a) The Director shall review each alternative personnel management system proposed to be established by the head of an agency under section 5603 of this title and determine whether the system meets the requirements of law and the regulations issued under this chapter.

"(b) The Director shall, on a continuing basis, monitor the establishment and administration of each alternative personnel management system under this chapter to ensure compliance with the provisions of this chapter, other applicable provisions of law, and the regulations prescribed under this chapter.

"§ 5609. Transition provisions

"(a) The Director shall prescribe procedures for converting positions to an alternative personnel management system.

"(b) The Director shall prescribe procedures for converting positions covered by an alternative personnel management system to the General Schedule, the performance management and recognition system under chapter 54 of this title, the Senior Executive Service, or another appropriate personnel management system in the event the alternative personnel management system is terminated.

"§ 5610. Continuing professional qualification

"(a) The head of each agency shall regularly review the level of professional competence of the scientific and technical work force of that agency and the acquisition work force of that agency. The head of each agency shall take appropriate actions for the improvement of such work forces, including actions to provide for additions to or modifications of the critical occupational skills needed by such work forces, if appropriate.

"(b) The head of each agency shall regularly review the professional training needs of acquisition personnel of that agency, including any need for postgraduate education.

"(c)(1) The head of each agency shall establish an appropriate acquisition training program to ensure that acquisition personnel of that agency receive adequate professional training. The training program shall be managed and funded by that agency.

"(2) Under a program established under paragraph (1), an employee in an agency may be selected and assigned for training for a purpose described in section 4107(c) of this title. The agency may pay the cost of such training directly or may reimburse an employee for the cost of such training.".

(2) The table of chapters at the beginning of part III of such title is amended by inserting after the item relating to chapter 55 the following new item:

"56. Alternative Management Systems for Scientific, Technical, and Acquisition Personnel ..... 5601".

(b) REQUIREMENT FOR ISSUANCE OF REGULATIONS.—The Director of the Office of Personnel Management shall issue regulations under chapter 56 of title 5, United States Code (as added by subsection (a)(1) of this section), not later than 180 days after the date of the enactment of this Act.

SEC. 3. CONFORMING AMENDMENTS

(a) EXCEPTION FROM THE COMPETITIVE SERVICE.—Section 2102(a)(1) of title 5, United States Code, is amended—

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

(2) by inserting "and" at the end of subparagraph (C); and

(3) by inserting after subparagraph (C) the following new subparagraph:

"(D) positions designated under section 5605(b) of this title.".

(b) EXCLUSION FROM DEFINITION OF "PREFERENCE ELIGIBLE".—Section 2108(3) of such title is amended by striking out "or the General Accounting Office," and inserting in lieu thereof "the General Accounting Office, or the Senior Scientific, Technical, and Acquisition Personnel Service referred to in section 5604(c)(11) of this title;".

(c) INAPPLICABILITY OF SPECIAL EMPLOYMENT AUTHORITY FOR SCIENTIFIC AND PROFESSIONAL PERSONNEL.—Section 3104(b) of such title is amended to read as follows:

"(b) The provisions of subsection (a) of this section shall not apply to any Senior Executive Service position (as defined in section 3132(a) of this title) or to any position designated under section 5605(b) of this title.".

(d) EXCLUSION FROM THE SENIOR EXECUTIVE SERVICE.—Section 3132(a) of such title is amended—

(1) by striking out "or" at the end of paragraph (2)(E)(ii);

(2) by inserting "or" at the end of paragraph (2)(E)(iii); and

(3) by adding at the end the following:

"(iv) any position in an agency covered by an alternative personnel management system established under section 5603 of this title;".

(e) PROHIBITION OF CERTAIN ADVERSE PERSONNEL ACTIONS DURING PROBATIONARY PERIOD.—Section 4303(f) of such title is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof: ", or"; and

(3) by adding at the end the following new paragraph:

"(4) the reduction in pay, the reduction from one pay range to another, or the removal of an employee who, pursuant to section 5606(b) of this title, is serving a probationary or trial period under an initial appointment to a position covered by an alternative personnel management system established under section 5603 of such title.".

(f) ELIGIBILITY FOR CERTAIN PERFORMANCE AWARDS.—Section 4501(2) of such title is amended—

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

(2) by inserting after subparagraph (B) the following:

"(C) an individual employed by an agency in a scientific and technical or acquisition position covered by an alternative personnel management system established under section 5603 of this title; and".

(g) INAPPLICABILITY OF POSITION CLASSIFICATION SYSTEM.—Section 5102(c) of such title is amended—

(1) by striking out "or" at the end of paragraph (27);

(2) by striking out the period at the end of paragraph (28) and inserting in lieu thereof "; or"; and

(3) by adding at the end the following new paragraph:

"(29) employees covered by an alternative personnel management system established under section 5603 of this title.".

(h) INELIGIBILITY FOR PAY RETENTION RIGHTS.—Section 5363 of such title is amended by adding at the end the following new subsection:

"(d) Subsections (a) through (c) of this section shall not apply to an individual covered by an alternative personnel management system established under section 5603 of this title. The pay retention rights applicable to such individual shall be the pay retention rights, if any, prescribed by the Director of the Office of Personnel Management pursuant to chapter 56 of this title.".

(i) EXCEPTION TO A LIMITATION ON PAY FIXED BY ADMINISTRATIVE ACTION.—Section 5373 of such title is amended—

(1) by striking out "or" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; or"; and

(3) by adding at the end the following new paragraph:

"(5) chapter 56 of this title.".

(j) INELIGIBILITY FOR CERTAIN RIGHTS IN ADVERSE ACTION CASES.—(1) Section 7501(1) of such title is amended to read as follows:

"(1) 'employee' means an individual in the competitive service—

"(A) who is not serving a probationary or trial period under an initial appointment; or

"(B) who is serving in a position other than a position covered by an alternative personnel management system established under section 5603 of this title and has completed 1 year of current continuous employment in the same position or similar positions under other than a temporary appointment limited to 1 year or less; and".

(2) Section 7511(b) of such title is amended—

(A) by striking out the period at the end of paragraph (2) and inserting in lieu thereof: "; or"; and

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

"(3) who is serving a probationary period pursuant to section 5606(b) of this title in a position covered by an alternative personnel management system established under section 5603 of such title.".

SEC. 4. GENERAL ACCOUNTING OFFICE REVIEW AND EVALUATION

(a) The Comptroller General of the United States shall review and evaluate alternative personnel management systems established under chapter 56 of title 5, United States Code (as added by section 2 of this Act).

(b)(1) Not later than 5 years after the date of enactment of this Act, the Comptroller General shall transmit to the Congress and to the Office of Personnel Management a report on the review and evaluation carried out under subsection (a).

(2) The report required by paragraph (1) shall include an evaluation of the implementation and operation of the alternative personnel management systems referred to in subsection (a), an assessment of the acceptability of the systems to employees and managers of the Federal Government, and such recommendations for changes or improvements in the systems as the Comptroller General considers appropriate.

By Mr. BAUCUS:

S. 1478. A bill to designate certain National Forest System lands in the State of Montana for release to the forest planning process, protection of recreational value, and inclusion in the National Wilderness Preservation System, and for other purposes; to the Committee on Energy and Natural Resources.

MONTANA NATURAL RESOURCES PROTECTION AND UTILIZATION ACT

● Mr. BAUCUS. Mr. President, years ago my family settled north of Helena amidst the rugged landscape of Lewis and Clark Counties. Like many of their generation, my grandparents were solid, hard working people. They were challenged by the land and possessed an unwavering desire to build a good life for their family in Montana.

Today the true grit and pride of those early Montanans prevails. What makes us Montanans is the land. What makes us Montanans is Montana.

Montanan's feelings about the land run wide and deep. We love this land because it touches our lives in so many different ways. We are blessed with a State of uncommon beauty rich in natural resources. Both the beauty and the resources are important to Montanans.

These may seem to be competing values: The beauty of our land and our need to develop economically. That doesn't have to be.

For over a decade a fierce debate has raged on about how to reconcile these powerful issues: How to use the land, and how to preserve it.

Yet this is not a debate that has winners and losers. For if we do not make a decision, the only loser will be Montana.

Natural resources will remain unaccessible, tourism and commodity industries won't be able to plan for the future. Our economic development will be held hostage by our own indecision.

For over a decade, farmers, business people, government officials, loggers, campers, miners, snowmobilers, Indians, ranchers, rangers, and river runners each have lodged strong opinions on the future of our vast, roadless lands.

During the course of the debate three separate bills have been introduced in Congress, seven public hearings have been held in Washington and Montana, hundreds of man-hours have been invested in studies, thousands of pages of testimony have been recorded and read, and millions of words have been spoken.

The intensity and length of the debate is a reflection of us—of our concern for Montana and our commitment to our beliefs.

Well, we've debated long enough. Frankly, it's time to put this fight to an end. Montana wants a decision.

It's time to acknowledge that we can preserve our State's magnificent beauty without sacrificing Montana's economic opportunities.

It's time to put this issue to rest.

The wilderness debate has been a Montana debate. The issues that affect Montanans have been discussed by Montanans. We, in Washington, must make the final decisions. But those decisions won't be made without the advice and comments of many Montanans.

Therefore, today we must pull together for Montana's future.

I introduced legislation to strike a balance between responsible development of our national resources and necessary protection of fragile wilderness.

My legislation is a solid proposal that accomplishes two major goals:

It designates as wilderness nearly 1.3 million acres of Montana's most fragile and scenic lands;

And, it releases more than 4 million acres in the national forests for multiple use management—for mining, logging, oil and gas exploration and development, and recreation.

In preparing this bill I've sought the guidance of many concerned people. I've tried to craft a responsible compromise.

This bill will have little if any effect on Montana's available timber supply and respects legitimate mining claims. This bill allows continued exploration for minerals and oil in several important areas, including a promising new platinum deposit. And this bill tries hard to meet the needs of scores of Montanans who want our State preserved for future generations.

We have in Montana the greatest resource for tourism and recreation of the lower 48 States. Our Nation is

hungry for wide-open spaces, clean air, and natural splendor. We are positioning ourselves well to capitalize on an important growth industry—tourism and recreation.

No single issue will be as important to our State, to our families, and to our future as the decisions we make on how we use our State's resources.

No single issue in my 12 years in Congress has been as intensely emotional as this one.

No single issue has generated more mail to my office than this one.

And no single issue cries out more for decisive leadership.

I did not run for office to hide from difficult decisions. On one side of this issue are people fighting for 2 billion acres of new wilderness, on the other side are those who want no new wilderness.

We have to find common ground.

What Montana needs now is not another decade of debate, another decade of disagreement, or another decade of indecision. What we need now is some security in knowing how we're going to chart our economic development.

Our timber industry needs to know what areas will be available for logging. Our oil and gas industry needs to know where exploration and development will be permitted. Our mining industry, which is showing some new vitality, must have assurance that its growth can continue in appropriate areas.

And all of us need to know that the land we love will be protected for generations to come.

We can't achieve prosperity in an atmosphere of indecision and confrontation. We can only reap the benefits of Montana's richness after we decide how best to use our resources.

This issue demands strong leadership. We have to be honest with ourselves—Montana needs a wilderness bill if Montana is to move forward.

I have thought about this issue long and hard. It is not going to be easy, but the questions before us will only become more difficult with time and indecision. Taking no action is not an option.

In short, this is not a bill about wilderness, or a bill about jobs. It is a bill about Montana's future. And I for one think that future is bright. Not everyone will be satisfied with what we do.

Our views are as wide and vast as our State. But our love for Montana is the same.

I'm calling today on everyone who has any interest in Montana's wild and scenic lands to work together to settle the wilderness issue. That includes conservationists, recreationists, industry people, the Forest Service, and all of us in the delegation. Let's resolve differences—put the debate behind us—and get on with the challenge of Montana's future.●

ADDITIONAL COSPONSORS

S. 11

At the request of Mr. CRANSTON, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 11, a bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Adminsitrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; and for other purposes.

S. 74

At the request of Mr. GRAMM, the names of the Senator from Kentucky [Mr. FORD], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 74, a bill to amend the Internal Revenue Code of 1986 to allow a charitable contribution deduction for certain amounts paid to or for the benefit of an institution of higher education.

S. 465

At the request of Mr. METZENBAUM, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 465, a bill to amend chapter 44, title 18, United States Code, to prohibit the manufacture, importation, sale or possession of firearms, not detectable by metal detection and x-ray systems commonly used at airports in the United States.

S. 567

At the request of Mr. DECONCINI, the names of the Senator from Kentucky [Mr. FORD], and the Senator from California [Mr. CRANSTON] were added as cosponsors of S. 567, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 849

At the request of Mr. CHAFEE, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 849, a bill to establish guidelines for timely compensation for temporary injury incurred by seaman on fishing industry vessels and to require additional safety regulations for fishing industry vessels.

S. 1009

At the request of Mr. MATSUNAGA, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 1009, a bill to accept the findings and to implement the recommendations of the Commission on Wartime Relocation and Internment of Civilians.

S. 1081

At the request of Mr. BINGAMAN, the name of the Senator from Florida [Mr. CHILES] was added as a cosponsor of S. 1081, a bill to establish a coordinated National Nutrition Monitoring and Related Research Program, and a comprehensive plan for the assessment of the nutritional and dietary status of the U.S. population and the nutritional quality of the U.S. food supply, with provision for the conduct of scientific research and development in support of such program and plan.

S. 1109

At the request of Mr. HARKIN, the name of the Senator from Florida [Mr. CHILES] was added as a cosponsor of S. 1109, a bill to amend the Federal Food, Drug, and Cosmetic Act to require certain labeling of foods which contain tropical fats.

S. 1188

At the request of Mr. SYMMS, the names of the Senator from Louisiana [Mr. BREAUX], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 1188, a bill to amend the Internal Revenue Code of 1986 to allow certain associations of football coaches to have a qualified pension plan which includes cash or deferred arrangement.

S. 1309

At the request of Mr. CRANSTON, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 1309, a bill to ensure economic equity for American women by providing retirement security, making quality dependent care available, ending discrimination in insurance and commercial credit, providing equal employment opportunity and pay equity, protecting welfare of spouses of persons institutionalized under the Medicaid Program, and for other purposes.

S. 1366

At the request of Mr. KENNEDY, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1366, a bill to revise and extend the programs of assistance under title X of the Public Health Service Act.

S. 1369

At the request of Mr. ROCKEFELLER, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 1369, a bill to strengthen the technological literacy of the Nation through demonstration programs of technology education.

S. 1397

At the request of Mr. CRANSTON, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 1397, a bill to recognize the organization known as the Non

Commissioned Officers Association of the United States of America.

S. 1402

At the request of Mr. KENNEDY, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1402, a bill to amend title VIII of the Public Health Service Act to establish programs to reduce the shortage of professional nurses.

S. 1408

At the request of Mr. CHAFEE, the names of the Senator from Pennsylvania [Mr. HEINZ,] and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of S. 1408, a bill to amend the Immigration and Nationality Act to waive the continuous residence requirement under the legalization program for spouses and children of qualified legalized aliens.

S. 1464

At the request of Mr. CRANSTON, the names of the Senator from Montana [Mr. BAUCUS], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 1464, a bill to amend title 38, United States Code, to provide eligibility to certain individuals for beneficiary travel payments in connection with travel to and from Veterans' Administration facilities.

AMENDMENT NO. 448

At the request of Mr. MURKOWSKI, his name was withdrawn as a cosponsor of amendment No. 448 proposed to S. 1420, a bill to authorize negotiations of reciprocal trade agreements, to strengthen U.S. trade laws, and for other purposes.

AMENDMENTS SUBMITTED

OMNIBUS TRADE AND COMPETITIVENESS ACT

BUMPERS (AND OTHERS) AMENDMENT NO. 450

Mr. BUMPERS (for himself, Mr. HATFIELD, and Mr. ADAMS) proposed an amendment to the bill (S. 1420) to authorize negotiations of reciprocal trade agreements, to strengthen United States trade laws, and for other purposes; as follows:

At the appropriate place in the bill add the following:

"Sec. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 89-day period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

HATFIELD (AND OTHERS) AMENDMENT NO. 451

Mr. HATFIELD (for himself, Mr. BUMPERS, Mr. ADAMS, and Mr. WEICKER) proposed an amendment to amendment No. 450 proposed by Mr. BUMPERS (and others) to the bill (S. 1420) supra; as follows:

In the pending amendment, strike out all after the word "Sec." and insert in lieu thereof the following:

"Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 90-day period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

HECHT AND ADAMS AMENDMENT NO. 452

Mr. HECHT (for himself and Mr. ADAMS) proposed an amendment to the bill (S. 1420) supra; as follows:

At the appropriate place, insert the following:

(a) STUDY OF MARKET ORIENTATION OF CHINA.—The Secretary of Commerce shall undertake a study regarding the new market orientation of the People's Republic of China. The study shall address, but not be limited to—(1) the effect of the new orientation on Chinese market policies and price structure, and the relationship between domestic Chinese prices and world prices; (2) the extent to which United States trade law practices can accommodate the increased market orientation of the Chinese economy; and (3) the possible need for changes in United States antidumping laws as they apply to foreign countries, such as China, which are in transition to a more market-oriented economy. The Secretary of Commerce shall submit to the Congress within one year after the date of the enactment of this Act a report on the study required under this section.

BRADLEY (AND OTHERS) AMENDMENT NO. 453

Mr. BRADLEY, (for himself Mr. MATSUNAGA, Mr. DODD, and Mr. PACKWOOD) proposed an amendment to the bill (S. 1420) supra; as follows:

On page 74 beginning on line 2, strike the period and insert "or (c) would disproportionately burden the poor."

PELL (AND OTHERS) AMENDMENT NO. 454

Mr. PELL (for himself, Mr. HATCH, Mr. STAFFORD, and Mr. KENNEDY) proposed an amendment to the bill (S. 1420) supra; as follows:

On page 670, beginning with line 1, strike out through line 7 on page 671.

On page 671, between lines 7 and 8, insert the following:

SUBTITLE B—DRUG-FREE SCHOOL PROGRAM

SEC. 2531. TECHNICAL AMENDMENT.

(a) WITHIN STATE ALLOCATIONS.—The second sentence of section 4124 of the Drug-Free Schools and Communities Act of 1986 is amended to read as follows: "From such sum, the State educational agency shall distribute funds for use among areas served by local or intermediate educational agencies or consortia on the basis of the relative enrollments in public and private, nonprofit schools within such areas.".

(b) EFFECTIVE DATE.—(1) The amendment made by subsection (a) of this Act shall take effect October 27, 1986.

(2) Notwithstanding paragraph (1), a State educational agency may allot fiscal year 1987 funds to local and intermediate educational agencies and consortia under section 4124(a) of the Drug-Free Schools and Communities Act of 1986 on the basis of their relative numbers of children in the school-aged population.

On page 688, line 9, strike out "or lease".

On page 701, between lines 3 and 4, insert the following:

SUBTITLE C—MISCELLANEOUS HIGHER EDUCATION PROVISIONS

SEC. 2821. INSURANCE PREMIUM RULE.

(a) GENERAL RULE.—(1) Section 428(b)(1)(H) of the Higher Education Act of 1965 is amended to read as follows:

"(H) provides for the collection of a single insurance premium which—

"(i) shall be applied uniformly to all loans; and

"(ii) is not less than 0.5 percent nor more than 3 percent of the principal amount of the loan (and, in the case of a multistate guaranty agency, may be set for each State for which it has received advances under section 422, with a single uniform rate set for the balance of the activity of the guaranty agency),

by deduction proportionately from each installment payment of the proceeds of the loan to the borrower, and insures that the proceeds of the premium will not be used for incentive payments to lenders;".

(2) Section 428(b)(1) of such Act is amended—

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

(B) by redesignating subparagraph (U) as subparagraph (V); and

(C) by inserting after subparagraph (T) the following new subparagraph:

"(U) provides that, notwithstanding subparagraphs (S) and (T), a guaranty agency may after 60-days notice cease to guarantee loans for students at an otherwise eligible institution if the cumulative default rate of loans from such institution in repayment exceeds 25 percent of the amount insured by the guaranty agency which holds the preponderance of the value of the loans outstanding at such institution, unless the guarantor is the designated State guaranty agency in the State where the eligible institution is located and insures loans for the lender of last resort in that State under subsection (j); and".

(b) EFFECTIVE DATE.—(1) The amendments made by subsection (a)(1) of this section shall take effect with respect to loans made on and after 30 days after the date of enactment of this Act.

(2) The amendments made by subsection (a)(2) of this section shall take effect 90 days after the date of enactment of this Act.

SEC. 2822. UNITED STATES INSTITUTE OF PEACE.

Section 25 of the Higher Education Technical Amendments Act of 1987 is amended by striking out "Section 1703" and inserting in lieu thereof "Section 1705(b)(3)".

On page 687, line 5, after "Director" insert a comma and the following: "to such extent and in such amounts as provided in advance by appropriation Acts,".

On page 732, line 4, before the period, insert a comma and the following: "vocational educational centers and community colleges"

On page 732, line 12, strike out "and".

On page 732, line 15, strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 732, between lines 15 and 16, insert the following:

"(C) the need to foster flexibility and assist students in meeting the challenge of a changing work place.".

On page 733, after line 24, insert the following:

"(13) Stressing basic remedial skills in conjunction with training and automation literacy, robotics, computer-aided design, and other areas of computer-integrated manufacturing technology.".

On page 13, in the table of contents, strike out the item relating to subtitle B of title XXV and section 2521 and insert in lieu thereof the following:

"SUBTITLE B—DRUG-FREE SCHOOLS PROGRAM

"Sec. 2531. Technical amendment.".

On page 14, in the table of contents, after item "Sec. 2811." insert the following:

"SUBTITLE C—MISCELLANEOUS HIGHER EDUCATION PROVISIONS

"Sec. 2821. Insurance premium rule.

"Sec. 2822. United States institute of peace.".

GRAMM (AND OTHERS) AMENDMENT NO. 455

Mr. GRAMM (for himself, Mr. DOLE, Mr. WILSON, Mr. FOWLER, Mr. DURENBERGER, and Mr. BOSCHWITZ) proposed an amendment to the bill (S. 1420) supra; as follows:

On page 73, line 24, strike "or" and insert in lieu thereof or

(B) would disproportionately burden United States agriculture with regard to exports, employment, or income, or"

DOMENICI AMENDMENT NO. 456

Mr. DOMENICI proposed an amendment to the bill (S. 1420) supra; as follows:

On page 655, between lines 7 and 8, insert the following:

SEC. 2305. PROGRAM FOR THE COORDINATION AND JOINT SUPPORT OF MATHEMATICS, SCIENCE, AND ENGINEERING INSTRUCTION AUTHORIZED.

(a) IN GENERAL.—The title II of the Act is amended by adding at the end thereof the following new section:

"COORDINATION OF MATHEMATICS, SCIENCE, AND ENGINEERING EDUCATIONAL ACTIVITIES

"SEC. 214. (a) The Secretary shall coordinate the activities conducted under this Act (particularly section 212 of this Act) and under any other Act relating to the improvement of mathematics, science and engineering instruction with similar activities assisted by the National Science Foundation and by the Department of Energy.

"(b)(1) In carrying out the provisions of this seciton the Secretary shall—

"(A) examine the opereations of programs conducted for the improvement of instruction in mathematics, science, and engineering and the facilities used in instruction conducted or assisted by the National Science Foundation and by the Department of Energy; and

"(B) evaluate and identify opportunities for the joint support, using the resources available to the Department of Education, with the activities being supported or conducted by the National Science Foundation or the Department of Energy.

"(2) The Secretary may, in carrying our programs identified and evaluated under subsection (a) of this section, with the approval of the Director of the National Science Foundation of the Secretary of Energy, or both, provide for the joint use of funds in order to improve the instruction in mathematics, science, and engineering.".

(b) SPECIAL RULES.—(1) Section 206 of the Act is amended by adding at the end thereof the following new subsection:

"(g) Each State educational agency receiving assistance under this Act may use the apportionment made under this section for creative programs designed to carry out any activity which the State education agency is otherwise authorized to carry out under this Act in cooperation with similar activities conducted or assisted by the National Science Foundation or by the Department of Energy, or both. In carrying out the provisions of this subsection, the State educational agency shall examine ways to enhance the impact of the resources and educational programs conducted by national laboratories and science centers run or supported by the National Science Foundation or the Department of Energy. The State educational agency may use funds apportioned under this section to participate in any program or activity having a similar purpose supported or conducted by the National Science Foundation or by the Department of Energy, or both.".

(2) Section 207 of the Act is amended by inserting at the end thereof the following new subsection:

"(e) Each State agency for higher education receiving assistance under this Act may use the apportionment made under this section for creative programs designed to carry out any activity which the State agency for higher education is otherwise authorized to carry out under this Act in cooperation with similar activities supported or conducted by the National Science Foundation or by the Department of Energy, or both. In carrying out the provisions of this subsection, the State agency for higher education shall examine ways to enhance the impact of resources and educational programs conducted by national laboratories and science centers run or supported by the National Science Foundation or the Department of Energy. The State agency for higher education may use funds apportioned under this section to participate in any program or activity having a similar purpose supported or conducted by the National Science Foundation or by the Department of Energy, or both.".

(c) EVALUATION AND REPORT.—Title II of the Act is further amended by adding at the end thereof the following new section:

"EVALUATION AND REPORT

"SEC. 215. (a) The Secretary shall evaluate the coordination and joint support of educational programs and activities conducted pursuant to this Act or any other Act supported or conducted by the Secretary for the improvement in the instruction of mathematics, science, and engineering with the National Science Foundation or with the Department of Energy, or both.

"(b) The Secretary shall not later than two years after the enactment of the Education for a Competitive America Act prepare and submit to the Congress a report on the evaluation required by subsection (a) of this section together with a statement of plans and proposed activities designed to carry out the objective described in subsection (a).".

On page 13, in the table of contents, after item "Sec. 2304" insert the following:

"Sec. 2305. Program for the coordination and joint support of mathematics, science, and engineering instruction authorized.".

DOLE (AND OTHERS) AMENDMENT NO. 457

Mr. DOLE (for himself, Mr. EXON, Mr. KARNES, Mr. NICKLES, Mr. DASCHLE, Mr. PRESSLER, Mr. WALLOP, and Mr. SIMPSON) proposed an amendment to bill (S. 1420) supra; as follows:

On pages 538, between lines 19 and 20, insert the following new section:

SEC. . GRANTS FOR PRIVATE SECTOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.

"(a) IN GENERAL.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1458A (7 U.S.C. 3292) the following new section:

"SEC. 1458B. GRANTS FOR PRIVATE SECTOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.

"(a) IN GENERAL.—The Secretary shall establish and carry out a program to make grants to existing private sector international trade development centers in the United States for the operation of the centers to enhance the exportation of United States agricultural commodities and agricultural industrial, and other products.

"(b) MATCHING FORMULA.—The grants shall be based on a matching formula of Federal and non-Federal shares of fundings that is determined by the Secretary, except that, over the 5-year period beginning on the date of enactment of this section, the Federal share of the grants shall average 50 percent.

"(c) ALLOCATION OF FUNDS.—

"(1) ELIGIBILITY.—To be eligible to receive a grant under this section, an organization must be an existing, nonprofit private sector international trade development center that is located in a predominantly agricultural State, as determined by the Secretary.

"(2) PREFERENCE.—In making grants under this section, the Secretary shall give preference to accredited world trade centers organized on a multi-State regional basis that focus on trade promotion in economically distressed inland States without major deep water ports.

"(d) USE OF FUNDS.—

"(1) IN GENERAL.—The centers may use funds provided under this section—

"(A) to enhance the exportation of United States agricultural commodities and agricultural, industrial, and other products, with particular emphasis on actual marketing, implementing business transactions, and providing technical assistance to local businesses; and

"(B) carry out other activities relating to the exportation of United States agricultural commodities and agricultural, industrial, and other products as the Secretary may approve.

"(2) AUGMENTATION OF PROGRAMS.—The centers shall use funds provided under this section to augment, not duplicate, existing efforts by State and local trade development entities.

"(3) LIMITATIONS.—

"(A) CAPITAL PURCHASES.—No more than 15 percent of the funds provided to a center under this section may be used for capital purchases.

"(B) REAL PROPERTY.—None of the funds provided to a center under this section may be used to purchase real property, except that this subparagraph shall not prohibit a center from using the funds to lease office space.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 to carry out this section during the 5-year period beginning on the date of enactment of this section.

"(f) TERMINATION.—The authority provided in this section shall terminate 5 years after the date of enactment of this section.".

(b) CONFORMING AMENDMENT.—The table of contents of the Food and Agriculture Act of 1977 (7 U.S.C. prec. 3101) is amended by inserting after the item relating to section 1458A the following new item:

"Sec. 1458B. Grants for private sector international trade development centers.".

GRAMM AMENDMENT NO. 458

Mr. GRAMM (for himself, Mr. DOLE, Mr. DURENERGER, Mr. WILSON, and Mr. BOSCHWITZ) proposed an amendment to the bill (S. 1420) supra; as follows:

On page 73, between lines 24 and 25 insert the following:

"(C) such action would result in a loss of United States jobs greater than the number of jobs preserved or created by such action, or".

DURENBERGER (AND OTHERS) AMENDMENT NO. 459

Mr. DURENBERGER (for himself, Mr. SYMMS, Mr. PROXMIRE, Mr. HATCH, Mr. BAUCUS, Mr. KASTEN, Mr. BOSCHWITZ, Mr. MCCLURE, Mr. SHELBY, Mr. GARN, Mr. EXON, Mr. STEVENS, Mr. LUGAR, Mr. MURKOWSKI, Mr. WIRTH, Mr. HELMS, Mr. BURDICK, Mr. DIXON, Mr. PRESSLER, and Mr. MELCHER) proposed an amendment to the bill (S. 1420) supra; as follows:

At the end of subtitle B of title VIII, add the following:

SEC. . SOVIET FURSKINS.

(a) FINDINGS.—The Senate finds that—

(1) the United States has prohibited the importation from the Union of Soviet Socialist Republics of ermine, fox, kolinsky, marten, mink, muskrat, and weasel furskins since 1952;

(2) fur farming in the United States takes place on nearly 3,200 unsubsidized family farms primarily located in Wisconsin, Minnesota, Utah, Idaho, Washington, Oregon, Iowa, Illinois, Ohio, New York, Pennsylvania, Montana, Nebraska, and Alaska;

(3) all Soviet furskins are produced on State-controlled fur farms where all production costs are subsidized by the Soviet government;

(4) American fur farmers produced approximately 4.2 million mink furskins in 1984 at an estimated unsubsidized cost of production of $30 per mink;

(5) the Soviet Union, the world's largest producer of furskins, produces between 12 and 15 million pelts annually at a cost of less than $15 per mink;

(6) subsidies by the Soviet government could enable the Soviet State-controlled farms to drive down the domestic price of American furskins, and in the process, drive American fur farming families out of business; and

(7) if the United States lifts the prohibition on Soviet furskins, the United States fur deficit will rise.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the prohibition on the importation into the United States of furskins that are products of the Union of Soviet Socialist Republics should remain in effect, and that the Senate Conferees on the Omnibus Trade Act of 1987 should seek deletion of Section 815 of the Trade and International Economic Policy Reform Act of 1987.

ARMSTRONG AMENDMENT NO. 460

Mr. ARMSTRONG proposed an amendment to the bill (S. 1420) supra; as follows:

In section 286(d) of the Trade Act of 1974, as added by section 217(b) of the bill, strike out paragraph (3) and insert in lieu thereof the following:

"(3) If the Secretary of Labor and the Secretary of Commerce, in consultation with the Secretary of the Treasury, determine that the total amount of funds necessary to carry out chapters 2 and 3 for the fiscal year will exceed $400,000,000, the Secretary of Labor and the Secretary of Commerce shall, notwithstanding any provision of chapter 2 or 3, make a pro rata reduction in the assistance provided under chapters 2 and 3 to ensure that all workers and firms eligible for assistance under chapter 2 or 3 receive some assistance under chapter 2 or 3 and that the total amount of the expenditures made in providing such assistance does not exceed $400,000,000.

In paragraph (1) of section 287(b) of the Trade Act of 1974, as added by section 218(b) of the bill—

(1) strike out "or" at the end of subparagraph (A),

(2) strike out the period at the end of subparagraph (B) and insert in lieu thereof ", or", and

(3) insert at the end thereof the following new subparagraph:

"(C) the percentage that is sufficient to provide $400,000,000 of revenue in any fiscal year.

NICKLES (AND OTHERS) AMENDMENT NO. 461

Mr. NICKLES (for himself, Mr. WALLOP, Mr. BAUCUS, Mr. WIRTH, Mr. MCCLURE, Mr. DECONCINI, Mr. GRASSLEY, Mr. SYMMS, Mr. HEFLIN, Mr. BURDICK, Mr. KARNES, Mr. EXON, Mr. HATCH, Mr. SIMPSON, Mr. DOMENICI, Mr. ADAMS, Mr. GRAHAM, Mr. WILSON, Mr. GARN, Mr. CONRAD, Mr. BINGAMAN, Mr. PRESSLER, Mr. HECHT, Mr. HARKIN and Mr. LEAHY) proposed an amendment to the bill S. 1420, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . UNITED STATES ACCESS TO THE KOREAN BEEF MARKET.

(a) FINDINGS.—The Congress finds that—

(1) the 1986 United States trade deficit with the Republic of Korea was $7,600,000,000;

(2) the Republic of Korea has banned high quality beef imports since May 1985;

(3) this beef import ban is in contravention of Korea's General Agreement on Tariffs and Trade obligations and impairs United States rights under such agreement;

(4) Korea imposes an unreasonably high 20 percent ad valorem tariff on meat products; and

(5) if the Korean beef import ban were removed, the United States, due to comparative advantage, could supply a significant portion of Korean beef import needs, thereby increasing profit opportunities for the United States beef industry while benefiting Korean consumers.

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

(1) the Republic of Korea should take immediate action to fulfill its obligation under the General Agreement of Tariffs and Trade and permit access to its market by United States beef producers;

(2) the United States Trade Representative should enter into negotiations to gain greater access to the Korean market for United States beef; and

(3) such negotiations, in addition to greater market access, should address the high tariffs set by the Republic of Korea and the means in which imported beef is distributed in Korea.

METZENBAUM AMENDMENT NO. 462

Mr. METZENBAUM proposed an amendment to the bill (S. 1420) supra; as follows:

1. After line 24, page 72, insert the following:

(f) In the event that the Commission submits to the President a report required under subsection (a), which includes an affirmative determination under subsection (b)(1), the Commission may submit to the President, in addition to the report of the Commission, any findings or conclusions relevant to whether a merger or acquisition by members of the domestic industry which is the subject of the report would assist the domestic industry to make a positive adjustment, including:

(1) the extent of foreign competition relevant to a determination of the competitive effect of an acquisition or merger;

(2) the degree to which an acquisition or merger is likely to assist the domestic industry in making a positive adjustment by reducing costs, promoting efficiency or increasing sales; and

(3) the effect on domestic competition and American consumers.

The President may request the Attorney General or Federal Trade Commission, as appropriate under the circumstances, to consider the report, findings and conclusions of the Commission in considering enforcement action with respect to a merger or acquisition within the domestic industry, provided that the consideration of the submission by the Commission shall not be a subject of judicial review, and provided further that nothing in this section shall be construed as modifying the antitrust laws, including the Federal Trade Commission Act, or their application to mergers and acquisitions within the domestic industry.

2. Strike lines 8–12, p. 79 and line 1, p. 80 through line 8, p. 81.

METZENBAUM (AND OTHERS) AMENDMENT NO. 463

Mr. METZENBAUM (for himself, Mr. BURDICK, Mr. LEAHY, Mr. STAFFORD, Mr. MITCHELL, and Mr. CHAFEE) proposed an amendment to the bill (S. 1420) supra; as follows:

On page 79, line 16, delete the words "for alteration, easing, or elimination of" and insert in their place "to modify".

On page 81, lines 15-16, delete the words "for alteration, easing, or elimination of" and insert in their place "to modify".

On page 82, line 1, strike "(I)".

Strike on page 82, lines 5-10.

Replace the comma on line 4, page 82 with a period.

On page 82, strike subparagraph "(C)" and insert in lieu the following: "(C) if the determination made by the head of the department or agency under (B)(ii) is affirmative, the head of the department or agency may—

"(i) take any appropriate action that is within the scope of the authority of the head of the department or agency,

"(ii) recommend that the President take any appropriate action that is not within the scope of the authority of the head of the department or agency, but is within the scope of the authority of the President or of any other head of a department or agency of the Executive Branch, and

"(iii) recommend to the Congress that legislation be enacted to effect any action that is not within the scope of the authority of the President or of any head of a department or agency of the Executive Branch."

On page 83, delete lines 14-22, and insert in their place:

(E) Nothing in this Act—

(1) suspends, repeals, or modifies the provisions of any Federal law regarding the considerations, standards, requirements, or prohibitions in existing law regarding the promulgation, modification, or repeal of any Federal regulatory requirement;

(2) alters the standard for modifying any Federal regulatory requirement;

(3) affects the amount or type of evidence needed to modify any Federal regulatory requirement;

(4) alters the standard or scope of judicial review of agency action modifying any Federal regulatory requirement; or

(5) otherwise expands or contracts the scope of the authority of the President or any agency or department official.

CHAFEE (AND OTHERS) AMENDMENT NO. 464

Mr. CHAFEE (for himself, Mr. STAFFORD, Mr. BRADLEY, Mr. HATFIELD, Mr. BINGAMAN, Mr. SIMON, and Mr. GARN) proposed an amendment to the bill (S. 1420) supra; as follows:

On page 538, strike out lines 1 through 19.

SENATE RESOLUTION 246—TO HONOR IRVING BERLIN

Mr. MOYNIHAN submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 246

Whereas Mr. Berlin emigrated from Russia with his family to the United States in 1893 and became a resident of New York City;

Whereas Mr. Berlin began as a young boy singing on the streets of New York and worked all his life to become one of the most successful musical composers and publishers in American history;

Whereas Mr. Berlin had his first hit song in 1909, and wrote his first musical in 1916;

Whereas Mr. Berlin has composed the music and lyrics for over 900 songs, 19 Broadway musicals, and 18 films;

Whereas Mr. Berlin received the Congressional Gold Medal from President Eisenhower for his famous song "God Bless America" in 1955;

Whereas Mr. Berlin's music has been imprinted in the hearts and minds of Americans for over 70 years with songs such as, "White Christmas" and "There's No Business Like Show Business";

Whereas Mr. Berlin has contributed the proceeds from many of his songs to such esteemed organizations as the Army Emergency Relief Fund and the Girl and Boy Scouts of America; and

Whereas Mr. Berlin will be 100 years old on May 11, 1988, and deserves a national acknowledgment of appreciation for three quarters of a century of his talent: Now, therefore, be it

Resolved, That it is the sense of the Senate that Irving Berlin be recognized for his tremendous musical accomplishments and for the pleasure he has given to the American people.

● Mr. MOYNIHAN. Mr. President, I rise today to submit a resolution to honor Irving Berlin. Irving Berlin, who turned 99 years old this past May, has captured the hearts of the American people for over three-quarters of a century. While I realize that it is unusual to introduce a resolution honoring a living person, I believe that Irving Berlin deserves a national acknowledgment of our appreciation for his talent.

Mr. Berlin emigrated from Russia with his family at the age of 5, and became a resident of the Lower East Side of New York City. His father died when he was 8 years old and Mr. Berlin was forced to leave school to contribute to the support of his family. Because of his love for singing and music, Mr. Berlin began his career singing on the streets and collecting whatever change he could get. At the age of 17, Mr. Berlin obtained a job as a singing waiter at the Pelham Cafe in downtown New York. It was during his stint at the Pelham Cafe that Mr. Berlin's talent was first recognized and he was commissioned to write what would be his first hit song in 1909, "Dorando." His career escalated from there to make him the success he has become today.

Mr. Berlin is simply a musical genius. He has written the music and lyrics for over 900 songs, 19 musicals, and 18 movies. He had his first hit in 1909, wrote his first musical in 1916, and has not stopped writing since. As recently as 1962, he came out with the musical "Mr. President."

The number of hits Mr. Berlin has had is astounding. He has written songs such as "Oh, How I Hate to Get Up in the Morning," "Cheek to Cheek," and "Puttin' on the Ritz," among others. He has also written the scores for "Annie Get Your Gun," and "Top Hat." But perhaps the song he has received the most recognition for is "God Bless America," for which he received the Congressional Gold Medal from President Eisenhower in 1955. This song has become our unofficial national anthem.

Most astounding is that Mr. Berlin achieved all of this without ever having learned to read music.

Irving Berlin has entertained America with his songs for over three quarters of a century. His music has become symbolic of the American spirit just as his life is symbolic of the American dream—he is a success in the field he loves. Mr. Berlin has brought pure pleasure to the American people through his music. For this, Irving Berlin deserves national recognition. I urge my colleagues to support this measure.●

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will hold an oversight hearing on the Commodity Futures Trading Commission on Thursday, July 16, 1987, at 10 a.m. in SR-332. For further information, please contact John Podesta of the committee staff at 224-2035.

SUBCOMMITTEE ON NUTRITION AND INVESTIGATIONS

Mr. LEAHY. Mr. President, I wish to announce that the Subcommittee on Nutrition and Investigations of the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on the payment limitation issue on Tuesday, July 21, 1987, at 10 a.m. in SR-332. For further information, please contract Bob Andros of Senator HARKIN's staff at 224-3254.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. WARNER. 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, July 9, 1987, to consider the nomination of Martha O. Hesse to be Chairman of the Federal Energy Regulatory Commission.

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

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. WARNER. Mr. President, I ask unanimous consent that the Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Thursday, July 9, 1987, to conduct a hearing on the Office of Government Ethics' Review of the Attorney General's financial disclosure.

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

COMMITTEE ON THE JUDICIARY

Mr. WARNER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on July 9, 1987, to hold a business meeting.

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

COMMITTEE ON FINANCE

Mr. WARNER. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on July 9, 1987, to hold a hearing on part B of the Medicare Program.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. WARNER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 9, 1987, at 2:30 p.m. to receive a classified briefing on a possible arrangement with Egypt for the M-1 Abrams tank.

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

Mr. WARNER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 9, 1987, to hold a hearing on ambassadorial nominations.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. WARNER. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on July 9, beginning at 2 p.m., to conduct a hearing on the President's nomination of Kenneth C. Rogers to be a member of the Nuclear Regulatory Commission for the term of 5 years expiring June 30, 1992.

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

SUBCOMMITTEE ON ANTITRUST, MONOPOLIES, AND BUSINESS RIGHTS

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Monopolies, and Business Rights of the Committee on the Judiciary, be authorized to meet during the session of the Senate on July 9, 1987, to hold a markup on S. 443 and S. 844.

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

ADDITIONAL STATEMENTS

BUDGET SCOREKEEPING REPORT

● Mr. CHILES. Mr. President, I hereby submit to the Senate the budget scorekeeping report for this week, prepared by the Congressional Budget Office in response to section 308(b) of the Congressional Budget Act of 1974, as amended. This report was prepared consistent with standard scorekeeping conventions. This report also serves as the scorekeeping report for the purposes of section 311 of the Budget Act.

This report shows that current level spending is under the budget resolution by $0.3 billion in budget authority, but over in outlays by $15.9 billion.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 7, 1987.

Hon. LAWTON CHILES,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1987. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent budget resolution, Senate Congressional Resolution 120. This report meets the requirements for Senate scorekeeping of Section 5 of Senate Concurrent Resolution 32 and is current through July 1, 1987. The report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended. At your request this report incorporates the CBO economic and technical estimating assumptions issued on January 2, 1987.

Since my last report, Congress has completed action on H.R. 1827, making supplemental appropriations for 1987, changing budget authority, outlays, and loan levels in fiscal year 1987.

With best wishes,
Sincerely,

EDWARD M. GRAMLICH,
Acting Director.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 100TH CONGRESS, 1ST SESSION AS OF JULY 1, 1987

[Fiscal year 1987—in billions of dollars]

	Current level [1]	Budget resolution S. Con. Res. 120	Current level ± resolution
Budget authority	1,093.0	1,093.4	−.3
Outlays	1,010.9	995.0	15.9
Revenues	833.9	852.4	−18.5
Debt subject to limit	2,278.2	[2] 2,322.8	−44.6
Direct loan obligations	42.2	34.6	7.7
Guaranteed loan commitments	140.6	100.8	39.8

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The current statutory debt limit is $2,320 billion.

FISCAL YEAR 1987 SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, 100TH CONGRESS, 1ST SESSION AS OF JULY 1, 1987

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			833,855
Permanent appropriations and trust funds	720,451	638,771	
Other appropriations	542,890	554,239	
Offsetting receipts	−185,071	−185,071	
Total enacted in previous sessions	1,078,269	1,007,938	833,855
II. Enacted this session:			
Water Quality Act of 1987 (Public Law 100-4)	−4	−4	
Emergency Supplemental for the Homeless (Public Law 100-6)	−7	−1	
Surface Transportation and Relocation Act (Public Law 100-17)	10,466	−80	2
Technical Corrections to FERS Act (Public Law 100-20)	1	1	
Prohibit entrance fees at the Statue of Liberty Monument (Public Law 100-55)	1	1	
Total enacted this session	10,457	−83	2
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses:			
SBA Program and Authorization Amendments (H.R. 2166)	−43		
Supplemental Appropriations, 1987 (H.R. 1827)	4,212	3,018	
Total conference agreements	4,169	3,018	
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Special milk	2		
Veterans compensation	93		
Readjustment benefits	9		
Federal unemployment benefits and allowances	33	33	
Advances to the unemployment trust funds [1]	(3)	(3)	
Payments to health care trust funds [1]	(224)	(224)	
Medical facilities guarantee and loan fund	5	4	
Payment to civil service retirement and disability-fund [1]	(33)	(33)	
Coast Guard retired pay	3	3	
Total entitlements	145	40	
Total current level as of July 1, 1987	1,093,039	1,010,913	833,857
1987 budget resolution (S. Con. Res. 120)	1,093,350	995,000	852,400
Amount remaining:			
Over budget resolution		15,913	
Under budget resolution	311		18,543

[1] Interfund transactions do not add to budget totals.

Note.—Numbers may not add due to rounding.

U.S. RELATIONS WITH ISRAEL

● Mr. BOSCHWITZ. Mr. President, I ask to have printed in the RECORD an article by Steven Spiegel that appeared in Orbis, entitled "U.S. Relations With Israel: The Military Benefits." It is one of the most comprehensive and best written articles I have read on the military benefits provided by our strategic relationship with Israel. It details the many ways Israel has repaid the assistance we provide. As only two examples, much of what we know about advanced Soviet weaponry we have learned from equipment captured by Israel. For that matter, much of what we know about the

combat capability of sophisticated American arms we have learned from Israel's actual experience. As well, Israel has saved the U.S. defense industry millions in research and development by improving and refining our weapons.

Many of my colleagues point to our shared values with Israel and our joint commitment to democracy. Those aspects are indeed important and I believe enduring. But it is also important to realize that our assistance has a practical side and is in fact an economic and strategic bargain for this country. I heartily recommend this article to my colleagues. I am sure that after reading it they will agree with me what a bargain our strategic relationship with Israel really is.

The article follows:

U.S. RELATIONS WITH ISRAEL: THE MILITARY BENEFITS*

(By Steven L. Spiegel)

Discussions of the relationship of the United States to Israel regularly concentrate on one of two axes. Supporters of a closer relationship between the two nations focus on the moral obligation to a people that lost one-third of its number to the Nazis, the attraction of Israel as a Western-style democracy, and the importance of a reliable ally in a turbulent and unstable but crucial region of the world. Many in the national security bureaucracy believe that Israel has a right to exist in peace, but argue that an intimate relationship with Jerusalem is detrimental to U.S. interests. According to this view, the Israeli connection alienates Arab regimes, which would otherwise maintain closer cooperation with the United States to protect oil fields and supply routes. They argue that the Arabs would otherwise coordinate more closely with Washington's efforts to thwart Soviet expansion and to block the enhanced power of radical regimes. Advocates of this perspective often place the reasons for Soviet successes in the Middle East at Israel's doorstep. Many who take this position believe that the connection of the United States with Israel prevents the establishment of U.S. bases in the area. They argue that vulnerable conservative Arab regimes are afraid to associate too closely with the chief superpower sponsor of the Jewish state lest their radical Arab opponents retaliate against them.

In the 1980s, with the fall of the shah and the advent of the Reagan administration, it became fashionable for many politicians to begin talking about Israel as a "strategic asset." The meaning of this slogan was never clear, but it seemed to suggest that in an unstable region Israel's reliability and military prowess were advantages to U.S. interests in the area. Thus, Ronald Reagan claimed in an article in the Washington Post in the summer of 1979, "The fall of Iran has increased Israel's value as perhaps the only remaining strategic asset in the region on which the United States can truly rely."

Israel's ill-fated experience in Lebanon might have been expected to affect its reputation adversely, but as evidenced by the flowering of the Israeli-American relationship after 1983, America's own debacle in that tragic nation and the growing threat of international terrorism reversed the lessons drawn. At least to those who already held the position, Lebanon reinforced the notion that Israel is an advantage in a highly complex and dangerous region.

These discussions of the U.S. relationship to Israel have generally been conducted within the context of the Middle East. Yet Israel has had recurring experiences in the conduct of conventional warfare and the development of conventional arms. These experiences are applicable to U.S. interests. Instead of viewing Israel within the context of the Arab-Israeli dispute, this article will examine how Israel affects U.S. interests when seen in the global military context, which might yield important lessons for the ongoing debate concerning American conventional strategy.

Israel can be viewed in the global military context from five perspectives: its intelligence techniques, the implications of its battlefield experiences, the combination of a tight defense budget and a penchant for innovation, the effect of its activities on the calculations of Soviet planners, and the impact of its military performance on the reputation of U.S. arms.

ISRAEL'S INTELLIGENCE TECHNIQUES

Israel intelligence, widely regarded as the best in the Middle East, has consistently demonstrated its expertise and daring. American intelligence services have cooperated with their Israeli counterparts for more than three decades. Shared information has enabled the United States to save on training, deploying fewer intelligence operatives and utilizing fewer facilities.

On numerous occasions, Israeli intelligence has scored important coups regarding both the Middle East and the Soviet bloc. It is believed—and with good reason—that the Israelis have eyes and ears in most every Arab nation. Before 1967, for example, they successfully infiltrated one of their members into a high-ranking position with the Syrian government. Israeli agents also managed to convince an Iraqi air force officer to fly his never-studied-in-the-West MIG-21 to Israel. In the summer of 1977, the recently elected Begin government warned Anwar Sadat about an effort by Libyan-backed conspirators to overthrow him. The Israelis have also provided repeated secret warnings to the Saudis and have passed warnings to King Hussein about reputed plots to assasinate him.[1] As early as the mid-1950s, a former aide of Allen Dulles quotes him as saying, during an evaluation of "amateur" actions of Arab intelligence services, that Israel's intelligence operation was the "only one on which we can count. Not against the Arabs, of course, but against our common target, the Russians." In testimony to this statement, Mossad gained a copy of the famous Khrushchev speech to the Soviet Central Committee in 1956.[2]

Israel has long been at the forefront of the battle against international terrorism. Years ago the upper echelons of the Palestine Liberation Organization were penetrated.[3] In the Lebanon War, Israel captured a treasure of documents about terrorist activities worldwide. In 1985 it warned Italy that one of its cruise ships might be hijacked, and then taped radio transmissions from the ship when the *Achille Lauro* was later seized. When the hijackers were about to be flown out of Egypt, Israel's monitoring of radio communications enabled it to provide the United States with such data as when the plane would take off and what the registration number on its tail was. This supplement to American information was crucial in facilitating identification of the plane in the skies over the Mediterranean, which led to its being forced down in Sicily.[4]

Despite the continued popularity of cloak-and-dagger tales, in the 1980s intelligence gathered by electronic devices rather than by human spies has become central to the collection of intelligence data. Israel has become not only a provider of information, but also an important developer of instruments designed to collecting intelligence data. The Israelis have helped devise intelligence systems with U.S. corporations like Boeing, Sylvania, RCA, E-systems, Beechcraft, and 21st Century Robotics. In each of these cases, Israeli sponsorship saves dollars, because the Israelis assume the development costs, after which the United States either adopts the already refined product or benefits from the information acquired. For example, the Israelis spent over $100 million developing a small plane, "the Guardrail V," which serves as a tactical intelligence system. This effort saved the U.S. Army $70 million. On some systems the Israeli contributions to their own intelligence-gathering capabilities has implications for U.S. operations in other regions. An intelligence balloon developed by Israel for more than $100 million is now being used by the United States to monitor activities inside Cuba. Indeed, one expert estimates that 60 to 70 percent of high technology intelligence equipment developed in Israel is also being used by the U.S. intelligence community.

Israeli experiences contribute in other ways. In March 1985, the Israel Defense Forces (IDF), the U.S. Army, and NASA began testing the Wasp remote control mobile robot for antidemolition tasks. During the Summer Olympic Games in Los Angeles, an Israeli intrusion detection system (DTR) was used on the fences that protected the world's athletes.[5]

THE IMPLICATIONS OF ISRAEL'S BATTLEFIELD EXPERIENCES

The Israelis cannot contribute to such areas as strategic weapons systems or aircraft carrier technology, but Israel is the only nation recently to fight repeatedly on the front line against the authentic electronics, aircraft, and artillery of the Soviet Union. The lessons learned cannot be purchased, developed or simulated. The advantage Israel offers is not only data but experience, technique, and tactics that—with the rapidly changing technology of modern warfare—cannot be gained elsewhere.

The Israelis have provided crucial information about the latest Soviet weaponry, especially because much of the equipment recently gained by Damascus from Moscow is similar to that possessed by the Warsaw Pact nations and the Soviets themselves. One of the more spectacular items that Israel gained from the Egyptians in the 1969-1970 War of Attrition included an entire Soviet radar station. Similarly, the U.S. defense community learned many lessons from Israel's experiences in the 1973 war. Because weapons systems are designed according to performance objectives, Israeli military experiences reinforce and often contribute to research and development activities in the United States. In 1975, Dr. Malcolm Currie, then director of defense research and engineering, testified before Congress:

"The war has provided much evidence which helps to clarify our perspective on our own R&D programs. . . . For the most part, the war confirms that the United

Footnotes at end of article.

States has been on the right track in developing and acquiring weapons. In some cases, the war has clarified our understanding and this has led . . . to acceleration of certain programs or assignment of high priority to certain characteristics in ongoing programs." [6]

In this manner the Israeli experience in the 1973 war highlighted the importance of antitank systems, air-to-air combat (the continued role of dogfighting in aerial conflict), and electronic jammers.[7]

Similarly, the Israelis helped the United States acquire knowledge about Soviet equipment and how American weapons performed in combat with that equipment. Initially in 1973, the Israelis were vulnerable to some of the new Soviet surface-to-air missiles used by the Arabs. This situation, although difficult for Israel, became a tactical bonanza for the United States: "The Israelis, using our equipment, learned to deal with those systems. . . . The intelligence we have obtained from that conflict will enable us to modify our electronic jammers and so on to take better account of what we know about the surface-to-air missile." [8] The myriad of specific details shared over the years have been similarly important, especially during involvement of the United States in Southeast Asia.

In the 1982 Lebanon War, the Israelis were able to inspect electronic equipment from the remains of several MiG-23s and one MiG-25, which has been shot down, providing the basis for adjusting operational tactics and improving American weaponry to counter equipment of Soviet design.[9] The Israelis also devised a method of destroying the T-72 tank, the Soviets' main battle tank, which is the principal weapon on which the Warsaw Pact relies for an offensive in Europe and which was hitherto considered difficult, at best, to penetrate. They did so by the relatively simple means of developing a modified 105mm shell that pierced the tank's composite armor.[10] Development of ways to protect their own men and to penetrate Soviet tanks was one important outcome of Israel's wars.

After the Yom Kippur War, six Soviet T-62s were sent to the United States; one was to be disassembled, one sent to Fort Knox, one sent to a location near Washington, and three used as "aggressors" for exercises. Israel's recent innovations and successes in antitank weaponry prompted the armies of several Western states (Canada, West Germany, Denmark, Sweden, and Switzerland) to adopt Israeli ammunition.[11] The Lebanon War also highlighted the vulnerability of light-armor vehicles and the need to provide improved protection systems.

In Europe, military experts have identified two other major Israeli innovations from the 1982 war, which will assist NATO commanders in the continent's defense. The first deals with packages of add-on armor that are attached to tanks and reduce the vulnerability of the vehicle to antitank missile and rocket fire. Second, and of greater importance, the Lebanon War provided lessons in the use of antitank helicopters deployed for extensive use in combat. This use has encouraged NATO defense planners, who are designing a 4.5 ton antitank helicopter for mass deployment in the 1990s along the Russian front, armed with a "fire and forget" missile with a range of 4,000 meters. This weapon is being developed to compensate for the lack of all-weather and day/night capabilities, some of the deficiencies in antitank helicopters discovered by the Israelis during the Lebanese engagement.[12]

As illustrated by these cases, Israeli experiences affect the timing and direction of large sections of the conventional research and development programs of the United States, thereby reducing expenditure on faulty programs. By demonstrating the relative utility or weaknesses of established weapons and revealing the latest innovations of the Soviets, years are saved by enabling unnecessary American programs to be terminated early and others to be initiated long before their importance might have been realized. Thus, the Israeli experience in the 1967 war strengthened the case for a highly maneuverable air superiority fighter, helping the development of the F-16. The 1973 war highlighted the new significance of electronic warfare, leading to intensified development of such weapons as air-to-ground, antiship, ground-to-air missiles, and electronic countermeasures. Both wars, in retrospect, demonstrated the continued viability of tanks, whose future utility many has questioned. For example, Israeli experiences significantly influenced the development of the M-1, the latest American main battle tank (MBT).[13]

Israeli combat experiences have led to (1) decreased use of searchlights, (2) increased use of thermal sights for night fighting, (3) greater use of tanks and armored personnel carriers (APCs) in tandem, (4) improvements in command, control, and communications facilitating the coordination of air, land, and sea operations down to the unit level, (5) use of electronic warfare in reconnaissance units, and (6) enhanced air-to-air missiles and electron countermeasures.[14]

It is not that the U.S. armed forces copy Israeli systems and approaches; each respective army and air force has its own particular concerns. Rather, the Israelis have identified problems and influenced solutions. They are affected by their experiences, especially because many technical challenges cannot be addressed conceptually until they are discovered in combat. It is the Israeli sharing of experiences gained and lessons learned which is especially valuable. In this period, when wars are shorter and attrition rates are progressively higher, the power of weapons has been enhanced and increased mobility is essential.

A particularly dramatic example of the value of Israeli experiences short of actual battlefield conditions occurred in 1975, when the Israeli army High Command began receiving reports that something was wrong with a critical type of ammunition its troops were using in training exercies. Upon investigation, the High Command discovered that Israeli-manufactured shells where operating adequately but that the majority of Israeli shells came from the United States and most of the ammunition was not performing. When informed, U.S. officials were incredulous but were ultimately convinced that, indeed, the American-manufactured munitions were not functioning properly. Finally, U.S. experts discovered that adjustments were required in most American shells that were in stockpile worldwide and immediately set about correcting the problem.

The process, however, took several months, until the new shells could be supplied. During this period the Israelis were placed in a dangerously exposed position in the event of an Arab attack, as had happended just two years earlier. The United States would have been similarly inhibited if a Warsaw Pact attack had occurred in Europe or a crisis had emerged in Korea. The Western powers were left without an effective way of confronting an armored onslaught both in the Middle East and in Europe. Only the Israelis had discovered the problem in the first place.[15]

It is obviously not in the interest of the United States or of Israel for periodic wars in the Middle East to occur. However, once conflicts have been initiated and battles have been fought, there is no reason—despite an aversion to war in both nations—not to admit the value for the United States in terms of the enhanced credibility of U.S. arms, the lessons learned, and the lost credibility of Soviet weapons.

THE COMBINATION OF A TIGHT DEFENSE BUDGET AND A PENCHANT FOR INNOVATION

The Israeli penchant for technological innovation helps to offset the effects of their tight defense budgets and creates intriguing solutions to conventional defense problems at lower costs. This propensity for innovation and their technical expertise helps to explain Israeli military successes. The persistent Arab-Israeli conflict, in conjunction with the nation's small population, creates an environment in which many of the most talented and able personnel in Israel must serve in the military. The need for reserves provides an additional large pool of civilian scientists, mechanics, and engineers who are acquainted with the technical requirements of the military. Because of the pressures of living with hostile neighbors, the Israeli public supports the military and its needs to an extent not found in other contemporary Western societies. Israel is the only Western nation where military requirements are seen as absolutely necessary by all strata of society. Consequently, there is a degree of cooperation between the military, civilian, scientific, and academic communities that is unparalleled in the West. This situation dramatically improves Israel's technological capacities, especially because a high percentage of Israel's civilians have military experience. Many in the defense-scientific area work on improving weapons that they will later use in combat.

In general, Israeli research and development procedures are quicker and cheaper than those in the United States—in part because the hard-pressed Israelis cut corners and are more flexible, since they live under the perception of imminent danger; in part because their small size limits inhibiting regulations; and in part because their small budgets impose greater cost constraints. Improvisation and shortcuts are the Israeli specialty, and they operate on a quick-reaction crisis basis that permits crash programs not possible with standard peacetime procedures in the United States. Therefore, the U.S. armed forces can and have benefited from Israeli developments whose licenses are later sold to U.S. companies for larger production. Recent examples include various types of mine- and obstacle-clearing equipment in which Israel is particularly advanced, the American SMAW (shoulder-launched multipurpose assault weapon) warhead matched with an Israeli-designed B-300 rocket launcher purchased by the Marines from McDonnell Douglas as an antifortification device, and newly developed air filters for helicopters to keep out sand particles and preserve the engines (an example of the dangers of working without filters is exemplified by the disastrous rescue raid over Iran in April 1980). A Counter Obstacle Vehicle for use by the Army Corps of Engineers is being developed in the United States to Israeli technical specifications in an unusual joint project. In cooperation

with a Pennsylvania-based company, BMY, the Israelis are also assisting in the development of a Heavy Assault Bridge for the United States' newest main battle tank, the M-1.[16]

Israeli innovations have a wide application. The Israeli air force, faces a complex challenge. When an Israeli fighter takes off, the pilot does not know whether he will confront Soviet, European, or American equipment in hostile hands. This complicated threat drives Israeli developers and designers to search constantly for improvements and refinements and to produce or conceive of new operational systems because of the diversity of the challenges they face. Necessity forces them always to probe the fringes of the latest technical limits, to look forward to the next war rather than backward at the last one. Because of the close integration of Israeli inventors with U.S. corporations, the United States inevitably benefits in its larger programs from sharing Israeli concepts and ideas, helping American developers to enhance the future operational capability of U.S. weaponry by pressing for higher requirements.

American arms are generally the most sophisticated produced by any nation. There are still several examples of Israeli modifications of existing U.S. weaponry adopted by the U.S. armed forces. The following pattern has occurred repeatedly: (1) The Israelis receive permission to purchase an American weapon, for example, the F-15. (2) They then deal directly with the company producing the weapon. The Israeli team may request particular features in which the Pentagon is not interested, or it may be offered features the Defense Department was not prepared to develop. Often the Israelis are informed that if they will pay the research and development costs to build the feature for themselves, the American company will include the item in their model of the weapon. (3) The Israelis then approve the company proposal, the item is developed, and they deploy it. (4) Once the weapon has been built with the feature that the Israelis paid to have developed, the Pentagon may adopt it for versions of the weapon procured for American use. A few recent examples of this process include the conformal fuel tanks on the F-15, leading edge slats for the F-4E Phantom, an external fuel tank for the M-113A, modification of the M-109 self-propelled 155mm artillery piece, a Head-UP Display and a weapons delivery system for the A-4N Skyhawk, bomb racks for the F-16, certain types of FLIR night vision equipment, and a digital weapons delivery system for the F-4 Phantom.[17]

Similarly, Israeli experiences have become important to the improvement of U.S. equipment, potentially saving American lives and certainly cutting costs. Just realizing that a problem exists with a piece of equipment may be more critical than providing a solution. Several examples follow:

Israeli aircraft are operated under far more severe conditions than those of other nations; they suffer "fatigue damage" much earlier. When the Israelis expend funds refining their American-built aircraft, this knowledge is passed on to the United States. The same can be said for the operation of American air-to-air and air-to-ground missiles.

Because of budgetary constraints, the Israelis are forced to operate American planes more efficiently at lower cost than the United States itself, thereby providing ample lessons to be learned on maintenance and readiness.

Israel discovered problems in the fuel pumps of the F-100, the engines for the F-15 and F-16, and it provided American engineers with ideas on how to deal with the difficulties. In all, the Israelis have made *twenty seven substantial recommendations for changes in the F-15.*

The Israelis learned from combat use of the M-60 tank before the October 1973 war that its hydraulic fluid was highly flammable, thereby increasing casualties. This discovery led to the adoption of measures to prevent such casualties in the future. Over the years, Israel has made *114 modifications of the M-48 and M-60 main battle tanks,* many of which (such as improvements on tank air cleaners and the development of new cupolas for the M-48) have been adopted by the U.S. Army. Israel has also developed many of the armored protection systems in the British and other NATO armored vehicles, which in turn has influenced U.S. tanks.

The ideas of General Israel Tal, father of the Israeli Merkavah MBT, have influenced the further development of German, Swedish, and American tanks and armor tactics.[18] His main emphasis is on making the survivability of the crew the first priority, accomplished by increasing the vehicle's mobility and by leaving as small a target area exposed as possible.

The Israelis have successfully developed dry-clad storage for their tanks so that they can be kept in storage for years and can still be used quickly in a crisis.

When the United States built two new airfields in the Negev to replace Israel's Sinai facilities (returned to Egypt in April 1982), it became clear that Israeli methods were cheaper once Israeli developments in airfield construction were shared with the Army Corps of Engineers.

When the U.S. Army built a new combat training center at Fort Irwin near Barstow, California, the facilities and programs were based generally on Israeli methods.

Other Israeli innovations and advanced maintenance and repair technologies have been transferred to the United States, as well as to other nations from which Israel purchased weapons. Israel Aircraft Industries (IAI) has developed metallurgical heat treatments that increase the lifetime of turbine engine blades by reducing blade "creep," which is the slow deformation of these crucial jet engine components. In addition, the Israelis developed improved fuel-nozzle rings for the A-4 Skyhawk using electron beam welding techniques developed by IAI. These state-of-the-art maintenance adaptations have found their way into U.S. companies, including Pratt & Whitney, one of America's largest and most important jet engine manufacturers.[19]

During the Franco-Israeli entente, the Israelis made several modifications of French-made Fouga Magister jet-trainers and of the Mirage 3 combat aircraft. IAI improvements of the Fouga included plastic aircraft components and a radio compass for improved navigation capabilities; both features were innovations in military aircraft. These modifications turned the trainer into an attack and ground-support aircraft, several of which saw extensive action during the 1967 Arab-Israeli war. New avionic components were installed in the Mirage-3, improvements which were adopted by the French in their Mirage-5.[20]

The 1982 war revealed the utility of remotely piloted vehicles (RPVs). The Israelis had been the first in the world to deploy mini-RPVs as an antimissile system operationally and successfully. They also demonstrated that intelligence could be gained during battle more cost-effectively and at a dramatically lower risk to the lives of airmen.

By contrast, in 1976 the American RPV program was almost terminated because of early vehicle losses. Originally, the RPV was developed in the United States as an expendable warplane that would not need a pilot. Experts predicted unmanned aircraft capable of "dogfighting" by remote control and "carrying out strikes in support of ground troops with pinpoint precision."[21] Out of the 986 RPVs once built, however, only thirty-three still existed in the United States by 1982, and all those were is storage. Yet Israel's use of the mini-RPV in Lebanon has renewed United States interest in its own RPV programs. In fact, the most advanced American model, the Aquila, did not complete its first successful test flight with a stabilized TV camera until April 1984. A sense of urgency also surrounds the development of an effective American RPV; testimony indicates that the Soviet Union is already into its second generation of pilotless drone development.[22]

In addition to its having been battle-tested, the Israeli mini-RPV is far cheaper than the American Aquila, whose development cost, once estimated at $350 million, is now anticipated to cost the American taxpayer $2.17 billion. In stark contrast to this cost overrun of over 600 percent, the Tadiran Mastiff cost about $15 million to develop. The IAI's Scout is priced at less than $5 million for a system of five mini-RPVs, including spare parts and training.[23] Obviously, the American RPV, when completed, will be far more sophisticated, but it will also be far more expensive, and it is not yet available.

It is not Israel's development of the RPV so much as the unique way it was put to use that is of greatest significance. It is evident that the U.S. defense community did not conceive of using RPVs against Soviet missile emplacements. At most they perceived the RPV to be a reconnaissance craft or unmanned attack platform. Israel's use of the RPV will be a technique incorporated by the U.S. armed forces to their benefit. Indeed, one Technical Committee paper concluded that unmanned vehicles are now seen as offering a partial solution to many U.S. and NATO problems confronting the numerical superiority to the Warsaw Pact's military. Although the more expensive Aquila will be more complex than the Israeli RPVs, the utility of the latter to the U.S. military is demonstrated by the decision of the U.S. Navy to purchase them for maritime use. The Mastiff was used by the U.S. Marines for battlefield reconnaissance in Lebanon from the amphibious assault ship USS *Guam.*[24]

Israel's military ingenuity has impressed the U.S. Navy so much that in April 1985 the two nations entered an agreement to jointly develop a number of weapons systems, with the United States assisting Israel to pursue several projects. These include a new ship-to-ship missile, electronic decoys, submarines, and a corvette (the SAAR 5).[25] The navy also appreciates the performance of Israeli-designed piloted aircraft; it has leased twenty-five Kfir C-1s for its "Adversary and Aggressor" aircraft program. The Israeli aircraft will play the role of high performance Soviet fighters in combat simulations with navy interceptors. Israeli pilots are also in the United States training

U.S. pilots and passing on the fruits of their experiences.[26]

The Israelis are particularly adept at improving older weapons, making it worthwhile to keep them in production. This saves the United States new development costs and facilitates exports to nations that cannot buy the latest models. They also have contributed to maintaining competition in bids for Pentagon contracts, thereby keeping costs down by providing contracts to companies for particular types of equipment. Without these contracts, several companies would have removed themselves from a particular type of work, limiting the field of future competitors and costing American jobs. For example, Israeli improvements on the M-48 have made these thirty-year-old, Korean War-vintage tanks still reliable weapons platforms. According to Gerald Steinberg, "The Israelis have equipped the M-48s with new diesel engines, larger 105-millimeter guns, new armor, computers, laser range finders, and night-vision infrared systems. With these additions, the "obsolete" M-48 is superior to the newer U.S. M-60, and in many respects it is equivalent to the improved M-60A3 still used by the U.S. Army."[27]

In several other areas, Israeli innovative techniques are useful. The Israelis have pioneered in military medicine, providing means of saving lives in emergencies in an arena where the United States has had less recent experience. Israel's new fighter aircraft, the LAVI, which is being developed in conjunction with several American firms, especially Grumman, has aroused controversy in both nations. Yet, Israel's ability to undertake the project suggests the comparatively advanced state of its technical capabilities. Given the close and growing level of cooperation with the United States, any new technologies that emerge from this enterprise will necessarily be shared. Similarly, in 1986 Israel formally became part of the Strategic Defense Initiative program.

In sum, Israel is constantly feeding information back to American defense contractors and military services about the strengths and weaknesses of defense equipment, which leads to frequent changes in American systems. The information is also utilized so that the company involved is able to maintain the same or similar production lines, thereby lowering costs. Renovation of production lines can be extremely expensive, particularly if a major change is involved. Thus, by assisting in the prevention of major renovations, Israel helps individual American firms save funds that can be reinvested in research and development activities.

THE EFFECT OF ISRAEL'S ACTIVITIES ON THE CALCULATIONS OF SOVIET PLANNERS

Since Israel is both the most effective military power in the Middle East and closely aligned with the United States, Soviet planners must take into account the deficits created thereby. Israel regularly embarrasses clients using Soviet weaponry, provides intelligence to the West on the performance of these weapons, and provides practical assessments of Soviet bloc arms when they are captured.

As a further problem for the Soviets, the Israelis have even been particularly successful in modifying and upgrading captured Soviet tanks. Hundreds of Soviet T-54 and T-55 tanks captured during the 1967 war have been converted into totally new vehicles, improved sufficiently enough that one military analyst bluntly wrote, "No doubt, given the opportunity, both Soviet and Arab tank crews would gladly exchange their original tanks for the Israeli model." Among the improvements are enhanced firepower, upgraded powerpack, and greater regard for human engineering.[28]

An especially dramatic event occurred in 1982, when Israel proved that there was a means of breaking the antiaircraft missile wall that the Soviets thought they had developed against Western air forces. This development is bound to have cost Moscow heavily. Assuming the Soviets wished to keep their air defense concept viable, they would have had to make major adjustments and improvements in their entire air defense system, including changing production lines and developing new equipment. Of all of Israel's defeats of the Arabs, this victory is the most costly to the Soviets in technical terms because of the sophistication of the weaponry involved and the challenge to an entire defense concept. Since this system is similar to the Warsaw Pact air defense system currently deployed in Eastern Europe, the Israeli achievement affects the conventional balance between the United States and the Soviet Union as well. An impression of weakness in the Soviet air defense system revealed by Israel's action in Lebanon is reinforced by the apparent numerous errors made by Soviet personnel, which presumably led to the shooting down of Korean Air Lines Flight 007 in September 1983.

One Central Intelligence Agency estimate suggests that the Soviets regularly spend about 12 percent of their overall defense budget on air defense systems (primarily missiles, guns, and associated radar)—more than they spend on their strategic forces. Adding the cost of the MiG-21 and MiG-23 interceptors, which are part of the Soviet air defense complex, produces a total of about 20 percent of their entire defense budget—about the same as their navy.[29] That such a substantial percentage of their defense operations should be compromised must be seen as nothing less than a major blow to vital Soviet defense concerns. In this light, it is understandable that high-ranking Soviet intelligence and air defense experts began to swarm over Syria after June 1982. The initial batteries of SAM-2, -3s, -6s, -7s, and -9s were augmented first by SAM-8s and then, after the Israelis destroyed these, by the longer-range SAM-5s and short-range SAM-13s after the war. This time they were operated at first by larger numbers of Soviet technicians.[30]

This overwhelming evidence of the significance of Israeli technical victory has been met with three augments, all decrying its importance. The first is that the Israelis operated with impunity because they were in combat with the Syrians, not the Soviets. This is undoubtedly true, but the Syrians had been trained by Soviet advisers. Moreover, not counting Afghanistan, which is hardly comparable, the Soviets have not had serious combat experience in a major operational role (with the exception of "volunteers" in Korea) since World War II. In August 1970, when the Israelis surprised five jets piloted by Soviets near the Suez Canal, they were all summarily shot down. The Syrians, for their part, fought well in October 1973. They certainly acquitted themselves well on the ground. It would have been more difficult for the Israelis against the Soviets, but there is no reason to believe that the final results would have been different. The Syrians should not be underestimated.[31]

A second argument used against the significance of the military results of Israel's attack on Syria's missiles in Lebanon is that the Syrians do not receive first-line Soviet equipment. If the stand on the Soviet vs. Syrian personnel is debatable, this position is misleading. Between 1974 and the spring of 1982, the Soviets shipped arms worth $30 billion (not counting approximately 20 percent extra for auxiliary subsystems, spare parts, etc.) to the Arab states—primarily Syria, Iraq, Libya, Algeria, South Yemen, North Yemen, and, until 1975, Egypt. Actual deliveries included 8,800 tanks, 5,000 armored personnel carriers, 3,000 military pieces, 180 surface-to-surface missile launchers (including the Frog-7 and the Scud B), 1,300 combat aircraft (not including transports), 300 helicopters, 370 antiaircraft batteries of all kinds, and 90 naval vessels (including 46 missile boats, of which more than 75 percent were for use in the Mediterranean). These were not out-of-date weapons; rather, the Arab nations have been supplied with a more advanced mixture of hardware by the Soviets than many of their own units. Previously, the Soviets sent equipment that was five years old; now they are sending material that is perhaps two years old.[32]

Except for the first echelon of Soviet troops and the East Germans, the Arabs have regularly been the first to receive the latest in Soviet weaponry. For example, the second and third echelon units in the Soviet Union (mainly reserves) are still to a large extent equipped with T-54 and T-55 tanks, as are most East European countries (Poland and Czechoslovakia both produce the T-54 and the T-55). These are not good enough for the Syrians, who rely primarily on the T-62 and the T-72. Arab nations received the SAM-6s, -7s, and -8s before the East Europeans (except the East Germans). The SAM-5 was first deployed outside the Soviet Union in Syria. The Soviets only later deployed SAM-5s in Eastern Europe. Syria is today phasing out the MiG-21, which is still the backbone of the Soviet Tactical Airforce. In addition to possessing MiG-25s and -27s, it is about to receive the MiG-29. The 5,000 armored personnel carriers delivered to the Arabs from 1974 to 1982 would have enabled the Soviets to equip twenty to twenty-five divisions. many divisions in the Soviet Union today are still equipped with trucks.[33]

The problem the Soviets face is that they send much of their first-line equipment to the Arab states—otherwise, they cannot continue to compete politically or economically with the West in the Middle East. The Arabs are very quick to blame their poor military showing on Soviet equipment. In order to convince the Arabs that they are receiving weapons comparable to those received from the West by the Israelis, Moscow compensates by sending the latest materiel. This explains why the Arabs receive the most advanced weaponry earlier than such regular Soviet customers as North Korea and Cuba. Although they take cash when they can get it, the Soviets often agree to barter deals and even ship prior to payment. They prefer to be paid, but they will settle for influence; arms shipments constitute the main attraction they represent to those Arab states still prepared to align with them.

If the Soviets did not deliver thousands of weapons to the Arabs, they would still produce and supply them in greater quantity to their own units and to the East Europeans. In this case, they would not confront the risk of broken intelligence secrets, which is inevitable once they send weapons

to the Middle East. Therefore, the argument that the Syrians suffered from inferior equipment in 1982 simply is not accurate. In most cases, the Israelis face the same type of equipment the United States would face in a conventional war with the Soviet Union, a condition that has intensified as a result of the even greater sophistication of the arms delivered to Syria since the June 1982 Lebanon conflict.

The most convincing argument against the significance of the war's developments from the West is that now the Soviets are forewarned of the deficiencies in their systems and they can adjust accordingly. The West, in turn, will have to counter these adjustments.[34] The argument is deceptive. First, it assumes that the Israeli-Syrian confrontation represented an East-West conflict. However, battlefield conditions in the Middle East are not similar to other arenas of East-West confrontation. For example, cloud cover is extremely rare in the Middle East; this is not the case in most other major crisis areas (particularly Europe and the Korean peninsula). The weapons used against the SAM sites in the Bekáa Valley were also built to Israeli specifications and did not precisely equal American systems. Similarly, the Israelis did not use all available American systems, so that several could not have been compromised. The Israelis were also able to learn what types of tactics to use in specific situations, which will help both the IDF and the U.S. armed forces in the future.

Indeed, the actions taken by the IDF indicate that they constantly change their tactics and approaches, so any information the Soviets may have gained from the battles of 1982 is now obsolescent. The Soviets are trying to determine how the Israelis were able to totally defeat their SAM umbrella through the deployment since 1982 of tactical electronic intelligence (ELINT) helicopters along the Syrian-Israeli border. They have installed in Syria improved countermeasure equipment and satellite links to Moscow, and they have deployed special teams to operate radar and communication links. They have also attempted to upgrade Syrian command, control, communications, and intelligence (C^3I) performance. These moves suggest that the Soviets have not been quite sure how to deal with Israeli advancements and consequently have used traditional Soviet tactics in order to deal with the threat.

It will take several years for the Soviet Union to prepare appropriate new systems and to make extensive renovations in existing systems. This process is very expensive and will rely on stagnant data, frozen in the tactics and technology of June 1982. While the Soviets alter their air defense system based on the lessons of 1982, the Israelis and the Americans are also adjusting. Even worse from the perspective of Soviet planners, one of their systems was breached. They can try to make it less vulnerable, but it is easier for the West to adjust to these changes than for the Soviet Union to develop them. Besides, since Israel exposed her secrets to the United States as well, the United States also now knows how to penetrate the system.

Thus, both sides learned valuable lessons in Lebanon, but the Western powers still have the advantage. Since the information is shared, only the Israelis and the Americans know why the Soviet equipment was soundly defeated. The Soviets are reduced to adapting, guessing, and hoping that the technical personnel they sent to Syria after June 1982 produced adequate answers. To the extent that they must renovate their air defense umbrella instead of expanding into new arenas or improving offensive weapons, the Western position is strengthened, both because of reduced Soviet offensive readiness and because of reduced Western costs to counter new Soviet equipment.

The 1982 war affected U.S. and Soviet fortunes in opposite directions. The credibility and reputation of Soviet arms were seriously damaged. It will take a major new confrontation for them to recoup lost prestige, which may be one reason they sent SAM-5s and twelve SS-21 surface-to-surface missile launchers to Syria, and why they continue to subsidize Assad's armed forces heavily. In this regard, they are rumored to be about to deliver SS-23s, SAM-11s, and SAM-14s. In addition, the failure of Soviet arms, especially the air defense umbrella, affects adversely the confidence of Soviet and East European military planners in the reliability and capabilities of their equipment.

On the other hand, the United States has gained immeasurably. The technical victory was a boost to the reputation of the reliability of American-made arms. For example, the much-maligned TOW antitank weapon had a 72 percent kill rate (99 hits out of 137 fired) in Lebanon in the hands of the Israelis, while the Cobra helicopter proved to be a highly effective antitank weapon as well.[35] In Europe, the Israeli performance alters the psychological atmosphere by proving the efficacy of American technology and raising nagging doubts for the armies of the Warsaw Pact.

In another unexpected area the Israelis also affect Soviet calculations. Although not noted for its naval prowess, Israel has become a major surface power in the eastern Mediterranean. Since relinquishing the Sinai in April 1982, the Israelis have concentrated the bulk of their Aliyah, Reshef, and Saar III missile boats off Israel's west coast. Coupled with her powerful air force, the IDF effectively dominates the seas for the 250-300 nautical miles off the Israeli shoreline. This area represents 12.5 percent of the Mediterranean, including ports and other facilities of crucial importance to the United States and the Soviet Union.

Israel is also becoming progressively important to the operations of the Sixth Fleet: to the maintenance of U.S. ships and aircraft and to the use of Haifa as a port of call for shore leave for American servicemen. These opportunities assume added importance in the light of worsening relations with Greece.

Since late 1983, officials from both nations have been meeting on a regular basis to discuss combined planning joint exercises, and prepositioning of U.S. equipment in Israel. Joint antisubmarine exercises have been held in the Mediterranean, and medical exercises have been held to simulate the evacuation of U.S. forces from navy ships to Israeli hospitals. The two nations have reached agreements concerning the use of Israeli facilities in emergencies.[36]

Despite the Reagan administration's naval buildup, combat vessels that were once routinely a part of the Sixth Fleet have been diverted to other theaters of operation. The single carrier that usually operates with the Sixth Fleet does not give the United States naval superiority in the Mediterranean because of the Soviets' dramatic buildup in surface combatants and long-range bombing capabilities. In addition to their Mediterranean squadron, the Soviets can utilize forces from their Black Sea fleet. This capability was demonstrated during the October 1973 war, when the Soviet squadron grew from 52 vessels to 95 warships (including 51 combatants) in one month. By contrast, even if the U.S. deployed a two-carrier American battle group it would have no more than 35 ships, only 19-22 of which would be combatants.[37]

The presence of Israel compensates for the diminution of American forces. For example, a few years ago it was reported that a U.S. Navy investigation determined that Israel's air force was capable of destroying the entire Soviet Mediterranean fleet.[38] Secretary of Defense Caspar Weinberger has stated that "the Soviets would dearly love control over the Middle East's resources and strategic choke points, but Israel stands determinedly in their way."[39]

Because the Israeli presence bolsters diminishing U.S. capabilities, the Soviets would have to hesitate before committing their Black Sea fleet's estimated 100 Tu-16 Badger, Tu-22 Blinder, and Tu-26 Backfire bombers to conflict with the West in the Mediterranean. Even the dozen Forger attack aircraft from the Soviet's only aircraft carrier, the *Kiev*, would hardly be a match for the American F-14s and Israeli F-15s and F-16s.[40] Since Israeli as well as American forces must be taken into account if the Soviet air force wishes to entertain operational activities in the vicinity, it must expend much greater forces, and its preparatory expenses must be a great deal higher, to confront not only the normal U.S. air cover over the Sixth Fleet, but the Israeli air force as well.

THE EFFECT OF ISRAEL'S MILITARY PERFORMANCE ON THE REPUTATION OF U.S. ARMS

Arms sales represent an ironic example of the effect of Israel's military successes. Since the War of Attrition in 1969-1970, Israel has advertised the proficiency of U.S. weaponry in combat. This process has been expanded considerably as a consequence of the Lebanon War in 1982.

U.S. arms sales worldwide from 1972 to 1982 nearly tripled from about $6.8 billion to $19.6 billion in constant 1982 dollars. Washington's efforts to strengthen regional proxies and reduce America's military commitments abroad, led to an expansion of military transfers after the late 1960s. After the 1973-74 oil crunch, arms sales were also seen as a way to recycle the petrodollars paid to oil producers back into the American economy. Consequently, by 1982, Arab states accounted for 50 percent of U.S. sales worldwide, compared with 11 percent in 1972. Sales increased tenfold, from $0.7 billion to $7.8 billion annually in the ten years in constant 1982 dollars.[41]

Even though Israel's American supporters have occasionally been able to restrain arms sales to Arab states, these sales have flourished. Ironically, Israeli weapons capability makes American arms attractive to Arab nations, precisely because the Israelis have succeeded so well with them. Even several of the weapons systems improved by the Israelis have been sold to Arab nations by the United States. Modifications in F-15s and F-16s suggested by the Israelis were then incorporated in the models sent to Arab countries. The conformal fuel tanks for the F-15 have been sold to the Saudis; E-Systems has had sales to Saudi Arabia and Egypt of equipment to which Israel contributed; about thirty helicopters with Israeli-improved designs have been sold to Jordan; and the updating of the Jordanian Centurion by Teledyne-Continental is based on Israeli improvements. An Israeli-improved

version of the A-4 Skyhawk was sold to Kuwait after that nation insisted on receiving a version that contained the Israeli improvements.[42]

Even when wars are not being fought, the Israeli reputation for military prowess means that when they purchase a system the reputation of that weapon is enhanced. For example, the Japanese debated for more than a year whether to purchase the Grumman E-2C Hawkeye, the airborne command and control system that the Israelis used so effectively in the Lebanon War. After Israel decided to purchase it, the Japanese made their affirmative decision. Since the Lebanon War, Singapore and Egypt have purchased the Hawkeye, and several nations have expressed interest—including South Korea, Spain, Switzerland, and Australia; there have been reports that the Malaysian and Pakistani governments may also be interested. Grumman officials have estimated that this could lead to the sale of twenty to thirty planes abroad, meaning up to $4 billion in sales, including the ground support and training facilities.[43]

It is well known in the U.S. defense filed that many nations secretly send representatives to Israel to discuss weapons purchases. In the case of the Hawkeye, Grumman gained at the expense of the British equivalent, the Nimrod. What the Israelis once did for the French Mirage, they now accomplish for American aircraft such as the F-16 at the expense of the Mirage-2000. Once the Israelis purchased the MD-500 helicopter (which they had helped to improve), the Jordanians, South Koreas, and Kenyans moved to purchase it at the expense of the German-made BO-106 and the Franco-British Gazelle.

Why do so many nations seek F-16s? Because the Israelis have demonstrated their effectiveness from Osiraq to Tunis. Egypt, South Korea, Greece, Venezuela, Pakistan, and Turkey ordered them after the Israelis. Following long frustrations in attempts to sell its F-20 Tigershark, Northrop now wants Israel to co-produce the F-20 in order to make it more salable.[44]

The model of Franco-Israeli cooperation when France was Israel's major arms supplier in the 1950s and early 1960s is particularly instructive for understanding contemporary events. Israel's success with French aircraft facilitated French overseas sales, perhaps accounting for a reduction in the assembly-line price of French aircraft by one-third. In many instances, Israel helped modify equipment, a service it performs for the United States today. For example, by adopting the Israeli suggestion that a cannon should be added to the original Mirage design for low-level defense, "France widened the appeal of the aircraft for Switzerland, South Africa, and Australia, which bought the Mirage on Israeli advice."[45] A "technological symbiosis" emerged between the French and the Israelis, and Israeli suggestions were repeatedly proven successful on the battlefield. Indeed, "Israeli pilots sent continuous performance reports and flight photos to the Dassault company, producer of the Super-Mystere, and . . . many of their recommendations—especially on radar, electronics, and the use of the 30mm cannon—were to find their way into the Mirage."[46]

By contrast with the previous French and the present U.S. relations with the Israelis, the Soviet Union's trade with the Arab nations (excluding arms) accounts for only 5 percent of those nations' exports and imports. Moscow's stock in trade is in arms, yet the reputation of these arms has plummeted as a result of the Lebanon War. For example, both Iraq and Peru openly questioned the adequacy of their Soviet-supplied weapons after the debacle in Lebanon.[47] Thus, while Israel enhances the reputation of American arms, it lowers the status of Soviet weapons.

CONCLUSION

Viewing the relationship of the United States and Israel from these five perspectives leads to the conclusion that the United States has interests in Israeli military performance and capability beyond exclusive concern for the Arab-Israeli balance of power. The intelligence-gathering capabilities of the Israelis are superior. The Israelis are important to the refinement and development of the American conventional deterrent. They improve American arms and advertise their superiority. Their combat experience yields important lessons. They simultaneously create serious problems for Soviet military planners, who must adjust whenever the Israelis capture or destroy their weapons in the Middle East. The Soviets must also take the growing Israeli importance in the Mediterranean into account.

In broader terms, the Israeli experience suggests the importance of innovation and technical expertise. Their ability to squeeze an impressive product out of a limited defense budget provides elements of a model for those who would reform the Pentagon's development and procurement systems.[48] Their quick-paced and original research and development approach offers room for study and for possible enhanced cooperation in those areas in which they specialize.

Israel is not an oversized military laboratory. Like any other ally, it is a country with distinctive credits and debits. Yet in evaluating the nature of the relationship between Washington and Jerusalem, the military aspect of the connection that transcends the Middle East cannot be ignored. As uncomfortable as it may seem to both supporters and opponents of Israel, that country's conventional military expertise is a fact of contemporary international politics.

*This paper was written while the author was a Visiting Fellow at The Washington Institute For Near East Policy.

[1] Sidney Zion and Uri Dan, "The Untold Story of the Mideast Peace Talks," *New York Times*, January 21, 1979; David Shipler, "Terror: Americans are Targets," *New York Times, November 4, 1985.*

[2] Wilbur Crane Eveland, *Ropes of Sand: America's Failures in the Middle East* (London: W. W. Stewart Steven & Co., 1980), p. 95, 308n; Khrushchev speech in Stewart Steven, *The Masterspies of Israel* (New York: Ballantine Books, 1980), pp. 115-16.

[3] Steven, *Masterspies*, Chapter 21.

[4] Shipler, "Terror."

[5] "Jerusalem Exhibit Looks at Terrorism: MAGAL Security Systems Ltd.," *Jane's Defence Weekly*, March 16, 1985, p. 437.

[6] *Department of Defense Appropriations for 1975: Hearing Before a Subcommittee of the House Committee on Appropriations*, 93rd Cong., 2nd sess., Part 4, 1975, p. 465.

[7] See, e.g., *Department of the Air Force: Hearing Before a Senate Subcommittee on Tactical Air Power of the Committee on Armed Services*, 93rd Cong., 1st sess., 1974, pp. 4244, 4247, 4249, 4309-4311.

[8] Testimony of John L. McLucas, former secretary of the air force, March 7, 1975, in *Department of Defense Appropriations for FY 1975: Hearings Before the Subcommittee on Appropriations*, 93rd Cong., 2nd sess., 1975.

[9] See Benjamin S. Lambeth, *Moscow's Lessons from the 1982 Lebanon Air War* (Santa Monica, Calif.: Rand Corporation, R-3000-AF, 1984), p. 13.

[10] The Israelis were successful in destroying nine T-72 tanks during the Lebanese campaign. For an in-depth discussion of the development and capabilities of the Merkava, see Peter Hellman, "Israel's Chariot of Fire," *Atlantic Monthly*, March 1985, pp. 81-95; and "Israel's Merkava: A National Enterprise," *Defense and Foreign Affairs Digest*, September 1984, pp. 13-17, 34.

[11] See W. Seth Canus, *U.S. Procurement of Israeli Defense Goods and Services*, AIPAC Papers on U.S.-Israel Relations, American Israel Public Affairs Committee (Washington, D.C., 1984) pp. 14-15, 37; Karl Schnell, "Experiences of the Lebanon War," *Military Technology*, July 1984, pp. 28-29.

[12] Schnell, "Experiences," pp. 28-30.

[13] *International Defense Review*, February 1982, p. 171; Gerald M. Steinberg, "The Israeli Arms Industry," Paper prepared for the Stockholm International Peace Research Institute, August 1984, p. 26.

[14] See Carus, *U.S. Procurement*, pp. 9-10.

[15] Author's confidential interview.

[16] See Walter Andrews, *Washington Times*, December 2, 1983, p. 4; *House Committee on Appropriations: Department of Defense Appropriations for 1983*, Part 7, pp. 477-480; *Near East Report*, November 4, 1983, p. 192; and Carus, *U.S. Procurement*, pp. 27-28. The B300/SMAW is a good example of the mutual benefit derived from U.S.-Israel industrial cooperation. See *Armed Forces Journal*, November 1983, p. 21; "Interview with Mr. Vincent L. Jones, President BMY," in *Military Technology*, VII, October 1983, p. 86; *United Press International*, February 24, 1983; *Defense and Foreign Affairs Daily*, July 29, 1983, p. 1; and "BMY: expanded operations," *Military Technology*, VII, April 1983, p. 95; "U.S. Awards Bridge Contract to Israel Military Industries," *Jane's Defence Weekly*, July 7, 1984, p. 1093; and *Armed Forces Journal International*, December 1984, pp. 64-66. For information regarding the anti-mine mechanical lift plow purchased by the U.S. Army for M-60 and M-1 tanks, see *International Defense Review*, 1985, p. 518; *Army Research & Development & Acquisition*, December 1984, p. 26.

[17] See Marcelle Size Kraack, *Encyclopedia of U.S. Air Force Aircraft and Missile Systems, Volume I: Post World War II Fighters, 1945-1973* (Washington, D.C.: Office of Air Force History, 1978), pp. 277, 280, 282; and Joshua Brilliant, *Jerusalem Post*, May 6, 1984, p. 1. In a related example, Israel's Elbit computers manufactures displays and flight control equipment used in 60 percent of the world's F-16s. *Jane's Defence Weekly*, July 7, 1984, p. 1122.

[18] See Hellman, "Israel's Chariot of Fire," p. 86. *Defense Update International* 56, p. 3. For details on the Israeli Merkava Mk-2 tank, see *International Defense Review*, "Merkava Mark 2: New Version of a Remarkable Israeli Tank," 1985, pp. 311-17. See also "Israel's New Hedgehog," *Defense and Foreign Affairs Weekly*, December 16, 1984, p. 1.

[19] Gerald M. Steinberg, "Recycled Weapons," *Technology Review*, April 1985, p. 35.

[20] Ibid.

[21] "Planes Without Pilots—Coming Defense Weapon," *U.S. News and World Report*, February 28, 1972, p. 56.

[22] Benjamin F. Schemmer, "Where Have All the RPVs Gone," *Armed Forces Journal International*, February 1982, p. 38; Greg Easterbrook, "The Army's $800,000 Model Airplane," *Washington Monthly*, July/August 1984, p. 15. For Soviet achievements in RPV technology see *Newsweek*, October 5, 1984, p. 17.

[23] Phillip J. Klass, "Israel Demonstrates Mini-RPV Utility," *Aviation Week and Space Technology*, October 2, 1982, p. 28; David M. Russell, "Israeli RPVs: The Proven Weapon System DOD will Not Buy," *Defense Electronics*, March 1983, pp. 86-94; Tom Bates, ed., "A Hero of Israel," *California Magazine*. The figures are from Michael Cieply, "Paper Planes," *Forbes*, September 26, 1983, p. 34; see also "How Israel, U.S. RPVs Compare," *Electronics*, October 6, 1982.

[24] See *Aerospace Daily*, "Navy to Request Shipboard RPVs," January 11, 1985, p. 57. See also *Aviation Week and Space Technology*, "Isrelis form New Firm to Develop Pioneer 1 for U.S. Navy Program," April 12, 1985, pp. 149, 151; *Aerospace Daily*, "Boeing, Lockheed, Northrop Press RPVs for Navy Use," April 4, 1985, pp. 195-196; *Jane's Defence Weekly*, "U.S. RPV Program Delay," March 16, 1985, p. 434. The committee referred to is the Technical Committee of the Association of Unmanned Vehicle Systems; the paper was published in February 1982. See Benjamin M. Elson, "Cost Factor Key to Unmanned Vehicles," *Aviation Weekly and Space Technology*, August 9, 1982, pp. 65, 67. The sale of Israeli drones to the United States Navy was first reported by the *New York Times*, "U.S. Buys

Israeli Pilotless Planes," May 24, 1984. For a sample of other discussions, see "United States Buys Israeli Mastiff RPVs," *Jane's Defence Weekly*, June 9, 1984, p. 900; "U.S. Navy Buys Israeli Drone," *Flight International*, June 2, 1984, p. 1486; *Aerospace Daily*, August 1, 1984, p. 170; "Navy Planning RPV Development," *Defense Electronics*, September 1984, p. 25; "Navy Jumps for a New Drone," *Navy News & Underseas Technology*, July 19, 1985, p. 6; "What's Ahead in Aerospace: Samson and Strike Composition," *Aerospace Daily*, August 12, 1985, p. 225; "Bringing 'em Back Alive," *Defense and Foreign Affairs Digest*, May 1984, pp. 24-27; "Great Potential for a Small Craft—Tadiran Mini-RPV," *Armada International*, December 1983; pp. 55-57, 60; "Israeli Drones Fly Circles Around U.S.," *Cleveland Plain Dealer*, August 5, 1984; "Lebanon Lessons Raise Interest in RPVs," *Aviation Week and Space Technology*, August 20, 1984, pp. 44-46; "RPV Unit Activated at Lejeune," *Marine Corps Gazette*, November 1984, p. 14.

In early January 1986, the U.S. Navy awarded AA1 Corp., the U.S. partner of Mazlat, Ltd. of Israel, a $25.8 million contract to build three Pioneer 1 short-range RPV systems. Each Pioneer 1 consists of eight RPVs one ground control station, two portable control stations, two remote receiving stations, a launcher and associated maintenance support equipment. See "AA1 Corp. Receives Contract for Three Navy RPV Systems," *Aviation and Space Technology*, January 13, 1986, p. 28.

[25] See "U.S.-Israel Deal," *Navy News and Undersea Technology*, April 26, 1985, p. 10; *Aviation Week and Space Technology*, April 29, 1985, p. 47; "Lehman Agreement with Isreal Is Said to Include Samson Decoy," *Aerospace Daily*, April 22, 1985, pp. 290-91.

[26] *Jane's Defence Weekly*, August 13, 1985, p. 302. The $68 million contract with Isreal Aircraft Industries includes establishment of a support base at Oceana, Virginia, maintenance, and regular inspections. The U.S. Navy has redesignated the Kfir the F-21A. See Department of Defense News Release, April 15, 1985, p. 1; *Aviation Week and Space Technology*, "Israelis Forming U.S. Support Base for Navy's Leased Kfir Fighters," April 1, 1985, p. 57.

[27] Steinberg, "Recycled Weapons," p. 35.

[28] *Defense Update International* 56, "New Life for the T-55," p. 27; *Military Technology*, "The S Tank—An Upgraded T-54/55," February 1985, pp. 46-48.

[29] See International Institute for Strategic Studies, *Military Balance 1982/83* (London, 1983), p. 312; and National Foreign Assessment Center, "Estmating Soviet Defense Spending: Trends and Prospects," Central Intelligence Agency, SR 78-10121, June 1978.

[30] One of the reasons the Soviets augmented the Syrian antiaircraft system with SAM-5s was to boost sagging SAM sales. See "The SAM-5; Shifting the Middle East Air Defense Balance, 1963-83," *Air Defense Artillery Magazine*, April 1984, pp. 9-10. See also, "USSR Hands Over SAM-5," *Jane's Defence Weekly*, May 25, 1985, p. 401; "Syria Receives SA-13s" *Flight International*, January 19, 1985, p. 6.

[31] For testimony concerning American pilots' superiority to Soviet pilots see "Department of Defense Appropriations," 3rd ses., Part 1, 1983, p. 97. For skill of Israeli pilots, see Lambeth, *Moscow's Lessons*, pp. 28-29.

[32] Figures from author's confidential interview. For information regarding Soviet arms shipments to the Middle East, see *Stockholm International Peace Research Institute Yearbook* 1983, pp. 361-69. U.S. government figures for 1975-1982 show Soviet shipments of 7,040 tanks and self-propelled guns, 7,670 pieces of artillery, 9,450 APCs, 2,520 combat aircraft, 900 helicopters, 102 surface combatants (including 49 Guided Missile Boats) and over 15,000 surface-to-air missiles. See Kevin G. Nealer et. al., "Unconventional Arms Policy: Selling Ourselves Short: Promotion of Foreign Military Sales to the Developing World Under the Reagan Administration," Prepared for the Senate Democratic Policy Committee, Senate Special Publications, No. 25948-3, 1983, p. 85. As the Soviets do not reveal these details of their weapons transactions, statistics which cover dollar-value of Soviet arms export are estimations which should not be considered as precise reports of Russian arms export activity. Figures concerning numbers of weapons delivered also represent compilations of inexact data.

The Arms Control and Disarmament Agency estimates that between 1979 and 1983 the Soviet Union transferred $29.4 billion in weapons to its Arab clients. This total includes Libya ($5.8 billion), Algeria ($3.2 billion), Iraq ($7.2 billion), and Syria ($9.2 billion). See "World Military Expenditures and Arms Transfers, 1985," U.S. Arms Control and Disarmament Agency, ACDA Publications, April 1985, pp. 131, 134.

[33] Ibid., 1983, pp. 361-69; see also Lambeth, *Moscow's Lessons*, pp. 12-23.

[34] Anthony Cordesman, "Syrian-Israeli C³I: The West's Third Front?" *Armed Forces Journal International*, March 1984, pp. 51, 87-90. For an effective counter to Cordesman, see Lambeth, *Moscow's Lessons*.

[35] Schnell, "Experiences," p. 30.

[36] Robert C. McFarlane, Speech to the Hadassah National Convention, San Francisco, August 28, 1984; and "U.S. and Israeli Interests Are Critical to Peace in the Middle East," ROA National Security Report, *The Officer*, January 1985, pp. 9-12; Vice-President George Bush, Speech at Yeshiva University, December 15, 1985.

[37] Clarence A. Robinson, "U.S. Retains Edge in Mediterranean Sea," *Aviation Week and Space Technology*, January 17, 1977, p. 48; the Robinson article refers to a technical rather than a numerical superiority. See also Bruce W. Watson, *Red Navy at Sea: Soviet Naval Operations on the High Seas, 1956-1980* (Boulder, Colo.: Westview Press, 1982), pp. 101-19.

[38] *Near East Report*, March 14, 1979, p. 50, based on news item reported by Ted Koppel on ABC News.

[39] See Caspar Weinberger, Speech to the American Jewish Congress, May 13, 1984, citied in *Washington Post*, May 14, 1984.

[40] John Moore, ed., *Jane's Fighting Ships 1982-1983* (London: Jane's Publishing Co., 1982), p. 460.

[41] *Foreign Military Sales, Foreign Military Construction Sales, and Military Assistance Facts, as of September 1981*, Data Management Division, Comptroller, Defense Security Assistance Agency, Washington, D.C. 1981, pp. 1-2.

[42] Carus, *U.S. Procurement*, p. 17.

[43] EW Won the Bekaa Valley Air Battle," *Military Electronics/Countermeasures*, January 1983, p. 106; "Elta Plays a Decisive Role in the EOB Scenario," ibid, pp. 135-37, Author's interview with Grumman officials.

[44] F. Clinton Berry, Jr., "The Revolutionary Evolution of the F-16XL," *Air Force Magazine*, November 1983, p. 52.

[45] Sylvia K. Crosbie, *The Tacit Alliance: France and Israel from Suez to the Six Day War* (Princeton: Princeton University Press, 1974) pp. 109-111, 216; *Aviation Week and Space Technology*, May 29, 1967, pp. 84-91, See also Steinberg, "Recycled Weapons," pp. 8-9.

[46] Crosbie, *Tacit Alliance*, pp. 155-57.

[47] On the effect of the Lebanon War of 1982 on Soviet arms sales, see Lamberth, *Moscow's Lessons*, p. 12, Ernest Conine, "Red Faces in the Kremlin: Soviet Arms Failures in Lebanon Could Lead to Danger," *Los Angeles Times*, October 4, 1982.

[48] Steinberg "Recycled Weapons."●

FREEDOM OF THE PRESS IN NICARAGUA

● Mr. ARMSTRONG. Mr. President, one of the most difficult problems the Senate faces when it addresses the issue of aid to the democratic resistance in Nicaragua is the lack of accurate information. As my colleagues know, press freedom is nonexistent in Nicaragua since La Prensa was shut down by the Sandinista government last year. Even one-page leaflets must be cleared through the government censors before publication.

Regardless of these circumstances, La Prensa has remained a symbol of freedom to the people of Nicaragua because its directors and employees continue to work for freedom of the press against enormous odds.

When the Senate debates the issue of aid later this year, we should keep in mind the words of Violeta Chamorro, publisher of La Prensa, as they appeared in the Washington Post on Monday. She said, "* * * this newspaper, even shut down, represents the Nicaraguans' hope of one day being able to express themselves freely again."

Clearly, the implication is that without freedom of the press, there is little chance of other freedom in Nicaragua—a circumstance that none of us wishes to see, but perhaps can be avoided by keeping the pressure on the Sandinista government to permit freedom of the press in Nicaragua. Only with a free press, will we be able to make informed decisions about Nicaragua.

I ask that Violeta Chamorro's article be printed in the RECORD.

The article follows:

THE SILENCE IN NICARAGUA

(By Violeta Chamorro)

MANAGUA.—The Sandinista government, not satisfied with having arbitrarily brought about the closure last year of the daily newspaper La Prensa for an indefinite period, has continued a series of aggressions against the newspaper which I think the whole world should know about.

In a note dated March 26, but for some unexplained reason not sent until April 13, the Labor Ministry ordered us to pay in full the wages of all the workers, whose work contracts inevitably were suspended—strictly in line with the current Labor Code—at the same time the newspaper was suspended on June 26, 1986.

It should be noted that La Prensa, on the decision of its directors and for humanitarian reasons, seeking to ease as much as possible the unemployment brought about by the Sandinista government, continued paying the wages for two months beyond the June 26 closure.

As can be imagined, La Prensa, after 10 months of receiving not one cent in income, has severe liquidity problems—despite which it has kept on a skeleton staff, in case it might be able to publish again.

To pay those costs, in the absence of any revenue, the directors of La Prensa have had to sell off some of the assets. Amid the pressure for the paper to meet its obligations, The Sandinista government now is trying to liquidate it completely to bankrupt La Prensa.

"Why this now?" ask the noble Nicaraguan people, all of whose freedoms—such as freedom of expression—have already been battered. Very simple. The closure of La Prensa was not done for this or that reason proclaimed by the Sandinistas (without their specifying one), but because this newspaper, even shut down, represents the Nicaraguans' hope of one day being able to express themselves freely again.

That is why for the "Sandinista Front" even the hopes of an innocent people in their tragedy have to be killed.

But despite all the outrages, we are continuing day in and day out to seek means to reestablish our right to appear again before the Nicaraguan public and respond to its demand to be able to be informed openly and impartially—and not solely in line with the local and international policy of the Sandinista government, as it is now by the revolutionary government's media. We do this because we consider it our strong moral obligation to hold on to the defense of the

Nicaraguans' rights at this historic moment in my country.

Based on that conviction, during the 77th World Interparliamentary Conference in Managua April 27, La Presna sought to raise its voice again and claim before representatives from around the world its rights to once again freely inform the Nicaraguan people about what is happening in this country.

To make our message known, La Prensa published a poster-style sheet bearing the newspaper's logo and calling for worldwide solidarity against the Sandinista government's decision to keep it silenced.

The poster had as a background an enlarged photograph of my late husband, the martyred editor of La Prensa, Pedro Joaquin Chamorro Cardenal. It declared that in Nicaragua there is no freedom and therefore no democracy, and that it cannot be said a parliamentary system exists here, such as is known in all the democratic nations of the world.

Our greeting was circulated at the World Interparliamentary Union conference, having been sent to the embassies of the various countries represented there.

The result was that on April 30 a platoon of 30 armed soldiers under the command of Capt. Oscar Lozo, from the Nicaraguan Interior Ministry's State Security, broke into the newspaper's plant and temporarily detained several La Prensa employees including directors. All were subjected to police interrogation and threats of being hauled off to jail for having published the poster.

Three hours later, the State Security military squad withdrew, after searching the entire building and seizing plates, film and other material used to print the poster. Many of the printed posters were also seized, along with thousands of wastage sheets.

The newspaper was also left with the threat of further action, supposedly stemming from the state of emergency in the country, under which the publication even of a one-sheet flyer is prohibited if its text has not been checked and approved by the Interior Ministry.

With these two Sandinista government actions against us, which I denounce herewith through my Inter American Press Association colleagues, I wish only to carry out a mission that I have taken upon myself: to explain to the world the defenselessness of the Nicaraguans in the principal struggle of this century—the ideological struggle. My mission is to make those who do not live in Nicaragua feel the ominous significance of the silence that has fallen over our Nicaraguan people, after having bled, after a heroic fight for their freedom, a fight in which I lost my loved one.

Nevertheless, I believe it is also my obligation to assert that despite the Sandinistas' flagrant injustice to La Prensa, bulwark and barometer of democracy in Nicaragua, the reaction from the free world—the great world press and the leaders who call themselves democrats—has been little.

What concerns me in this coolness is that all the debate is over whether armed struggle is good or bad. I, and La Prensa, do not want—and have never wanted—to take part in that discussion. It seems absurd to us that we look only at the here and now, and not ahead to the most dangerous outlook for our struggle in Nicaragua. We are fighting against a deceitful, seductive, false ideology that can trick exploited peoples. And against such a force we have no arms.

The barracks, the bulwark, of the ideological struggle in Nicaragua is La Prensa, but the loss of such a bastion does not seem to mean much to the free world.

The months go by and totalitarianism, with the outrage taken for granted, engages in new attacks against the people's right to be informed. The months go by and the new dictatorship continues taking positions and strangling a people's freedoms, won by blood and sacrifice.●

CHARLES GRAWEMEYER

● Mr. McCONNELL. Mr. President, I rise today to recognize and commend a truly remarkable man, Charles Grawemeyer, who has displayed vision and sensitivity, and has given of himself to make this Nation and world a better place to live.

Mr. Grawemeyer recently established two distinguished annual prizes to reward person's with creative and practical ideas in the fields of political science and education. Louisville's Courier-Journal and Lexington's Herald-Leader recently ran articles featuring this man's notable efforts, and I would like to take this opportunity to bring them to the attention of my distinguished colleagues.

Mr. Grawemeyer, with the University of Louisville, his alma mater, established there awards to recognize and encourage individuals to develop bold thoughts that, in a meaningful, positive sense, will work toward solving problems facing humankind. The University of Louisville Grawemeyer Award for Ideas Improving World Order and the University of Louisville Grawemeyer Award in Education, each worth $150,000, complement the University of Louisville Grawemeyer Award for Music Composition, created in 1985 to acknowledge internationally renowned composers.

It is possible that these awards may 1 day equal the Nobel awards in stature and prestige, and will be esteemed around the world for their recognition and association with the type of innovative thinking that enhances the quality of life in the international community of nations. I am very pleased that these awards are based in Louisville, and are connected with such a fine university and such a generous and visionary individual.

As the Courier-Journal notes, "Charles Grawemeyer's most recent gifts ignite the spirit and fill the mind with visions of great ideas." The progress of history and the elevation of culture ultimately depend on these great ideas, and, in recognizing those who too often go unheralded, Charles Grawemeyer has made a valuable, palpable contribution toward stimulating progressive thought. We should all be grateful to Charles Grawemeyer for his generosity, and for his efforts to make this a better world.

I ask that the articles to which I have referred be printed in the RECORD. I thank the Chair.

The articles follow:

[From the Lexington (KY) Herald-Journal, June 23, 1987]

MILLIONAIRE HOPES HIS GIFT WILL CREATE A BETTER WORLD

(By Mary Ann Roser)

LOUISVILLE.—At 74, H. Charles Grawemeyer is a self-made millionaire. The retired engineer is now spending his fortune to make the world a better place.

Grawemeyer, along with University of Louisville officials, announced yesterday he would provide two prizes of $150,000 each year as rewards for creative ideas in two fields—education and political science.

A prolific reader, Grawemeyer said one great idea can change the world.

"Maybe I'm bragging or being bold to think that's possible," he said. "If in the next 10 years we get just one good idea in both fields, it will be worth it."

The awards will be given for the first time this spring by U. of L., Grawemeyers' alma mater. He first handed out a $150,000 yearly cash award in 1985 for music composition, which has gone to three internationally recognized composers.

University officials hope the awards one day will rival a Nobel Prize. The music award already is being called "the Nobel Prize in music," U. of L. President Donald Swain said.

Grawemeyer wants to add two more $150,000 prizes, for a total of five. The next two probably would be in religion and psychology, he said.

Standing in front of the replica of Rodin's statute "The Thinker," Grawemeyer said, at the campus news conference that the awards, unlike the Nobel Prize, will recognize creative ideas, rather than individuals.

The education award will be given each year to the man or woman who has the best idea for improving teaching or the learning process. And the political science award will go to the person with the most outstanding idea that could lead to "more just and peaceful international relations."

"If we can find one good idea a year that will enhance world order, we will have made a monumental contribution to world peace and security and justice," said Paul Weber, a U. of L. political science professor.

Several years ago, when Grawemeyer was thinking about a major contribution to U. of L., Swain tried to convince him to donate directly to the school's music department. But the benefactor had a different vision.

Swain has been pleased by the results. "He thinks big," he said of Grawemeyer.

For his part, Grawemeyer said U of L put him on the road to success, and he wants to give something back, not only to the university, but to society as well.

"When I was able to accumulate more funds than I needed for our family needs, I sought out ways that I could contribute in a meaningful way to society in return for its goods to me," he said at the news conference.

He invested his money, and that income is what he is using to endow the prizes, which are payable in five annual installments of $30,000 each.

The son of a German immigrant shopkeeper, Grawemeyer was the fourth of six children. Born in Louisville, he attended the local public schools and studied chemical engineering at U of L's Speed Scientific School during 1930-34. He had hoped to go to an Ivy League school, but the Depression was in full swing, and Grawemeyer couldn't afford it.

"It was U of L or nothing," he said. "As it turned out, I have no regrets at all. Our Speed school here is just tops in the country. I didn't sacrifice anything."

After graduation, Grawemeyer wanted to travel the world, "bumming my way around." Instead, he took a job at a local paint company and later established a plastics plant in Shelbyville, Plastic Parts Inc. He became wealthy through his investments.

Grawemeyer, who served on the university's board of trustees, began thinking of ways to contribute to U of L. He now is retired but spends a great deal of time administrating the funds for the awards.

He also takes a U of L class every fall and spring semester to study the humanities—something he didn't do in engineering school.

Grawemeyer said he thought it was important to do something to promote the arts and humanities.

"I don't think the scientific world needs much help," he said in an interview. "They develop a new medicine, and it's millions and millions of dollars in return. But you develop a new idea in religion, and there's nothing you can get a job with, except maybe in a church."

Grawemeyer hopes that all five awards can be established in the next few years and grow above $200,000 each, comparable to the amount of a Nobel Prize.

The awards not only will inspire individuals and organizations around the world, but they will spotlight U of L, Swain said.

U of L will become known internationally, and "that's important in the world of ideas," Swain said.

U of L will be involved in screening award candidates, with the help of international experts.

Grawemeyer's wife, Lucy, said she thought the awards were a great way to recognize the university, along with recognizing achievement. She has no qualms about Grawemeyer endowing the awards, as opposed to leaving all his money to his three daughters and six grandchildren.

Mrs. Grawemeyer, 71, received a degree in fine arts from U of L and plays piano and organ. The couple's daughters play string instruments, and each one has performed in symphony orchestras. The daughters now are married and reside out-of-state.

The family has been very supportive of his U of L contributions, Grawemeyer said.

He is giving 90 percent of his money to U of L. That way, he can make the greatest impact on society, he said.

"Right or wrong, that's been my philosophy—to be a big duck in a little pond rather than a little duck in the ocean."

[From the Louisville (KY) Courier-Journal, June 24, 1987]

GIFTS TO IGNITE THE SPIRIT

Charles Grawemeyer's most recent gifts ignite the spirit and fill the mind with visions of great ideas. His generosity is making it possible for the University of Louisville to present annual prizes to persons who have developed ideas that could enhance the worldwide quality of life and education.

The two awards will be The University of Louisville Grawemeyer Award for Ideas Improving World Order and The University of Louisville Grawemeyer Award in Education. Each will be worth $150,000. They will be on the scale of the Nobel Prizes, but will honor ideas, rather than a body of work.

The kinds of ideas Mr. Grawemeyer and U of L officials seek are bold. Their premise is that throughout the world little-known people have ideas that could lead to major change if properly acclaimed by recognized scholars. The types of ideas they seek include a way to solve the Third World debt crisis, a mechanism for better regulating the balance of trade, or a feasible way of enhancing nutrition in the Third World.

In preparation for making the awards, U of L faculty will scout the world for promising ideas. In time, faculty members will select—and perhaps bring to the campus—internationally known experts to discuss the ideas, winnow the entries and nominate winners.

Mr. Grawemeyer and U of L officials hope the awards will bring fame to the university. Their aims are too modest—the awards should generate more than fame.

Like the University of Louisville Grawemeyer Award for Music Composition, the naming of recipients should become an event that annually puts Louisville on the international map in a positive way. The competition will bring a stream of world-renowned scholars to Louisville. And the opportunity to be around people of such intellectual achievement should make U of L a more attractive place to teach and entice students to think more creatively.

The community is grateful to Mr. Grawemeyer, whose devotion to U of L and capacity for thinking big know no bounds.●

ABM TREATY NEGOTIATIONS

● Mr. BOND. Mr. President, the Defense authorization bill continues to languish on the calendar because of the controversy surrounding the Levin-Nunn provision. The distinguished Senator from Indiana [Mr. QUAYLE] has written several informative letters which raise questions about the provision. Recently he circulated a letter providing information from the negotiations of the 1972 ABM Treaty. I believe it is important for all Senators as well as the general public to read these documents and consider the questions they raise and I therefore ask that they be inserted in the RECORD.

The letter follows.

U.S. SENATE,
Washington. DC, June 3, 1987.

DEAR COLLEAGUE: This is the third in a series of letters to explain why the Levin-Nunn provision (Section 233) should be dropped from the National Defense Authorization Act for FY 1988 and 1989.

Although proponents of this provision claim that the negotiating record supports their view, their analysis has extreme difficulty dealing with the attached documents.

The first of these is a declassified memorandum covering an exchange between Soviet negotiator A.N. Shchukin and our own negotiator, Paul Nitze. What is sketched in this December 10, 1971, exchange are the basics of the compromise the Reagan Administration itself claims was struck: No regulation of the testing or development of mobile futuristic ABM systems in exchange for a pledge to submit the issue of limiting their possible deployment before the Standing Consultative Committee.

The second document is a US/USSR Mini-Plenary Meeting memorandum dated December 30, 1971, in which Deputy Foreign Minister V.S. Semenov is cited at length arguing that the regulation of any futuristic ABM system was outside the scope of the negotiations. What Semenov urges here, again, sustains the Administration's position—that the Soviets only agreed to regulate futuristic ABM systems deployment and this only through the treaty's review and amending processes.

The last item is an excerpt from a study of the ABM negotiating history by ACDA's Historical Division, dated October 1972, which emphatically states that the American "future-systems provision" in Article V was not agreed to.

Each of these items is basically ignored by supporters of the Levin-Nunn provision. Each must be explained. Indeed, it's not enough for supporters of the narrow interpretation to claim their view is plausible, it must be compelling—compelling enough to enforce on the Soviets should they ever be caught violating the narrow interpretation themselves.

This case, however, has not yet been made. If you have any questions or would like to help oppose the Levin-Nunn provision, please feel free to contact me or my assistant. Henry Sokolski, at 224-5623.

Sincerely,

DAN QUAYLE,
U.S. Senator.

MEMORANDUM

Study of the ABM negotiating history by ACDA's Historical Division, dated October 1972, concluded that the Soviets had refused to agree on a ban on futures in Article V(1) during SALT V: They [the two sides] also agreed in article V to ban sea-based, air-based, space-based, and mobile land-based ABM systems, as well as automatic launchers; the American future-systems provision remained unagreed. (Fifth Session of SALT ix; see also *id.* at 115.)

Minister Semenov said that the Soviet Delegation has repeatedly asked what the U.S. side has in mind specifically under other ABM systems. This question has never been answered. He asked how then could an ABM treaty include a provision about whose content the sides do not have the vaguest notion? References had been made to the Outer Space Treaty and the Seabed Treaty. In the Soviet view these references were not convincing. The Outer Space and Seabed Treaties had as their subject obligations of a much more general nature than ABM systems. They dealt with a ban on emplacement in outer space and on the seabed of weapons of mass destruction, that is, nuclear, bacteriological, and chemical weapons. Could the sides include in an ABM Treaty the unknown without risk of making the treaty indefinite and amorphous? On December 10 the Soviet side had already noted the importance of avoiding the temptation to go beyond the scope of our negotiations. We should ask ourselves the question: By including other systems in an ABM Treaty, would we not be placing ourselves in the position that the people refer to in the saying "Go I know not where, bring I know not what?" The sides cannot and must not engage in discussion of questions not known to anyone. The task faced by the two sides is to erect reliable barriers against deployment of known ABM components in excess of the levels defined by the ABM Treaty. At the same time, the sides undertake obligations not to create a territorial ABM system and to limit ABM de-

ployments around capitals by the limitations contained in the draft treaty.

Minister Semenov then asked what would be done if something appears in the future that the sides should talk about. He believed that the draft ABM Treaty envisaged provisions on this score. Both sides recognize that the Treaty on limiting ABMs would be of unlimited duration. This does not preclude the possibility of supplementary and regular review when the need arises. Articles XIII and XIV, which are preliminarily agreed to, provide for such review. If it should appear necessary to supplement the ABM Treaty by a provision prohibiting or limiting other ABM components in addition to those now known, this can be done in accordance with the procedures provided for in the provision on review.

SALT VI—U.S./U.S.S.R. MINI-PLENARY MEETING NO. 10, SOVIET EMBASSY, 1100 HOURS, DECEMBER 20, 1971

Persons present: Ambassador Smith, Ambassador Parsons, Mr. Nitze, Dr. Brown, General Allison, Dr. Garthoff, Colonel FitzGerald, Mr. Krimer (Interpreter), Minister Semenov, Academician Shchukin, General Trusov, Mr. Grinevsky, Mr. Kishilov, Colonel Anyutin, Mr. Artemiev (Interpreter) and Mr. Novikov (Military Interpreter).

Minister Semenov said, in regard to other ABM systems, suppose that the draft treaty on limiting ABM systems had a provision of limiting systems other than those now known which use interceptors and launchers. What would result from such a provision? Undoubtedly, such a provision would create the grounds for endless arguments, uncertainties, and suspicions with all the undesirable implications for relations between the two countries. He asked if the sides could in working out a draft ABM Treaty advocate such a situation. He also asked if the goal of the two Delegations isn't just the opposite, that is, to reach agreement on limiting known ABM systems referred to in Article III of the draft ABM Treaty. Certainly such limitations on known ABM systems constitute a factor for relaxing international tension and curbing the race in strategic arms and limiting them. Such a responsible international document as a treaty on limiting ABMs must be precise as to the subject of the agreement to the maximum extent possible. This would ensure the viability of a treaty which has an important bearing on the national security of the sides.

Nitze said that the number of location of ABM components would be limited under Article III and other articles of the agreement. Specifically, in the case of an NCA defense, launchers and ABMs would be limited to 100. If a future system were to be deployed which performed the same function as existing launchers and ABMs, but without interceptor missiles, for example, the limit of 100 could be rendered meaningless. Shchukin suggested that were such future systems to reach a stage where they could be deployed, the question would be referred to the Standing Commission, through which the necessary regulations could be worked out.

Nitze said he wished to see whether he correctly understood what it was that Shchukin had said. Was he saying that the sides would agree in principle that the provisions of the agreement should not be undermined by the deployment of components capable of performing functions similar to ABM components; that, if such components reached a stage of development such that their deployment could be contemplated, the issue of the appropriate manner of their regulation would be referred to the Standing Comission; and that no such deployment would take place until such regulations had been agreed by Governments through the Standing Commission. Shchukin said that if it were necessary, they could agree to that, though it was not clear that he was holding out a commitment in the treaty to that effect.

MEMORANDUM OF CONVERSATION

Subject: SALT.

Participants: U.S.—Mr. Paul H. Nitze and Dr. Harold Brown. U.S.S.R.—Academician A.N. Shchukin.

Shchukin said he disagreed with Brown's statement on future systems. He thought general definitions where one couldn't even mention the specific system to which they applied were unhelpful. Brown referred to the general definition in the Outer Space Treaty. Shchukin responded, but in that case, one could specify systems which were within the meaning of "other weapons of mass destruction." These included chemical and bacteriological weapons. Brown said that, in fact, the use of such weapons from outer space was far from clear; similarly, one could specify systems which would be included within the general definition "future ABM systems." These would include lasers and particle accelerators.

Shchukin said he wished to get at the problem in another way; both sides agree that there should not be territorial defenses. The Soviet side has proposed specific language covering this in Article I; thus, the agreement would ban the deployment of future systems in a manner providing a territorial defense. If, however, new technology should make possible components carrying out the same tasks as existing components, but perhaps in a more efficient and less costly manner, why should those be prohibited? We are not prohibiting ABM components.●

TAKEOVERS

● Mr. GRAMM. Mr. President, I wanted to share with my colleagues an article by Irwin M. Stelzer, the director of the Energy and Environmental Policy Center of the John F. Kennedy School of Government, Harvard University. This article, which appeared in the June 1987 Edition of the American Spectator, presents an enlightened position on the current debate over corporate takeovers. I therefore ask that this article be printed in the RECORD.

The article follows:

THE TRUTH ABOUT TAKEOVERS—AND THE BEAUTY OF JUNK BONDS

(By Irwin M. Stelzer)

It has now been a full year since Dennis Levine decided to confess to the SEC about his insider trading activities, and about eight months since Ivan Boesky agreed to plead guilty to a variety of charges, and pay a $100 million fine. In between and since, other heads have rolled, with still more charges and arrests likely.

Despite the fact that these widely publicized arrests (who can resist a story about a tearful millionaire broker being dragged from his office in pin stripes and handcuffs?) created a public and congressional atmosphere not exactly favorable to the business community, the establishment leadership of America's corporations was delighted. Leaders of the National Association of Manufacturers and the Business Roundtable, long opposed to hostile takeovers, trooped to Washington to appear before their new allies, Senators Metzenbaum and Proxmire. Takeovers, testified the chairman of Schering-Plough, are "a sickness we must all work together to cure."

Not only must hostile takeovers be stopped, the leaders of corporate America contend, but the use of so-called junk bonds must be curtailed. "We are witnessing a real-life Monopoly game, still played with paper, but now called junk bonds," the chairman of Household International told the Senate Banking Committee. Only acquirers able to line up 100 percent of their financing before making a bid should be allowed to play the game, USX's chairman added, concluding in a tone that must have warmed populist hearts on the committee, "We need to find a way to eliminate the extravagant profiteering by the financial speculators, . . . takeover specialists, arbitragers, investment bankers and lawyers. . ."

The corporate establishment's effort to use the insider trading scandals as a lever to obtain anti-takeover legislation is understandable: they want to protect their jobs, perquisites, and easy lives. Certainly, there is little logic to their position. The recent arrests seem to show that the newly beefed-up and computerized surveillance systems are working well, catching the crooks. Supplemented by tighter internal controls on the number of people in each firm with access to sensitive information, and by the deterring effect of stiff sentences, the current system can be made sufficiently effective to keep violations of the law to a minimum.

Furthermore, takeovers have enormously and quite properly enriched shareholders. True, a few crooks have appropriated confidential information about such takeovers and used it to skim some of the profits. But to make takeovers more difficult would be to deprive shareholders of enormous legitimate profits in order to deprive insider traders of much smaller gains. This would be like closing the banks in order to foil an occasional robbery.

So the insider trading cases are not the real source of American business's discontent. That unhappiness springs from fear—terror—that a free market in companies will increase shareholders' ability to jettison nonperforming managers. Because managers are often beyond the control of widely dispersed shareholders, they have little incentive to maximize the return earned on the assets under their supervision. Lower earnings, corporate jets, and a quiet life seem to them a more desirable combination than the pressured existence of a profit-maximizer.

Enter the takeover artists, Boone Pickens, Lord Hanson, et al. Sensing that a company is not performing up to its potential, they seek control, with a view towards improving earnings of the target company, or selling off its constituent parts at prices that, in aggregate, exceed the pre-merger market value of the company as a whole. The very existence of these "predators," now backed by performance-oriented institutional investors and investment bankers prepared to market billions of dollars of so-called junk bonds, causes managers to work harder to increase returns to shareholders who, after all, own the company.

Enter also the LBO—the leveraged buyout. This is a technique whereby the managers of some underperforming division of a conglomerate buy that business, using borrowed money to finance their acquisition. About two-thirds of the approximately 300 LBO's announced in 1986 were just such transactions: division managers, often mortgaging their homes to raise their share of the needed capital, buying divisions of companies and thus acquiring a direct stake in improving the efficiency of these businesses.

Takeovers and LBO's rely heavily on "junk bonds," which explains corporate America's opposition to these debt instruments. These bonds have been attacked as "the peril behind the takeover boom," creating a "casino society" and an over-leveraged business community susceptible to collapse at the first sign of recession. This is nonsense. Junk bonds are not typically securities of companies that have fallen on hard times, although there are some such. Rather, they are generally IOU's of companies too small or too new to receive a technical "investment grade rating" by rating agencies.

As Drexel Burnham Lambert, the leading vendor of these securities, has pointed out: "Over 95 percent of all U.S. corporations with assets of more than $25 million, if they were to apply for a bond rating, would be rated below investment grade." This rating would be due to small size or lack of credit history, not to a lack of prospects. Indeed, these companies are often the most rapidly growing and innovative, and have been responsible for most of the new jobs created in America in the past decade. Long ignored by underwriters, they were forced to borrow from commercial banks, often at high rates. Junk bonds gave them a competitive alternative to the banks, prompting the latter to join their establishment brethren in the industrial sector in seeking restrictions on the use of such debt instruments.

Of course these newer, smaller firms must pay higher interest rates to borrow money than do older firms, since the danger of default is greater. But the risk of default has been more than offset by higher yields, leading most students of finance to conclude that net returns on junk bonds, after allowing for defaults, have been "very impressive." Morgan Stanley, in a 1985 study, found that the default rate on these bonds averaged 1.6 percent annually, about in line with the historic default rates for all corporate debt. And the 1986 junk bond default rate of 3 percent is still comfortably in line with the risk premium paid on these bonds.

Not only has the default rate been only a bit higher than blue chip bonds, and no higher than that on ordinary commercial loans made by banks, but it has had minimal effect because most of these bonds are held in large, diversified portfolios, by sophisticated professionals, quite capable of refusing to buy unattractive issues—witness the difficulties faced by Carl Icahn in refinancing TWA, by Ted Turner in raising money for his takeover of MGM-UA Entertainment Company, and by the managers of the retailer Macy's in obtaining funds for their eventually successful buy-out of that company.

So opposition to junk bonds is not based on fiscal prudence. It stems from banks' desire to eliminate a competitive source of borrowed funds, and establishment industrialists' desire to reduce threats to their jobs, and to make it more difficult for new competitors to obtain financing.

Before junk bonds became popular, notes the Federal Trade Commission, only large companies could play the takeover game. Restricting their use would "tilt the balance of power in favor of embattled target managements * * * and hamper the market forces that lead to the replacement of poor managements and the breaking up of inefficiently large or diversified companies."

Fortunately, opposition to takeovers and to junk bond financing is likely to prove ineffective in stopping efficiency-inducing takeovers. Despite the insider trading scandals, dealmakers—the U.S. equivalent of Gorbachev's less successful restructurers—continue to buy up and reorganize America's corporations. The value of such deals in 1986 almost reached 1985's record, according to Fortune. And on one day earlier this year, five major takeovers were announced, the largest being Chrysler's $1.5 billion proposed acquisition of American Motors Corporation.

While less overtly hostile than some of the big deals of 1985 and earlier years, these takeovers reflect the fact that the basic conditions prompting the restructuring of America's corporations are unchanged. The first of these is the failure of many managements to slim down their conglomerates, and to concentrate on businesses they understand.

When this slothful behavior forces the prices of their companies' stocks to fall below the value of the underlying assets, investors are saying that, in their view, those assets are worth more in the hands of other managers. This has provided and will continue to provide the Pickenses, Goldsmiths, Icahns, Hansons, and Perelmans with their opportunities. They can offer shareholders a premium for their stock, sell off portions of the companies to investors or managers who can run them better, and install their own teams to manage the core businesses more efficiently.

This was true before Levine and Boesky came to Wall Street and will remain true long after their departures, unless the business establishment cons Congress into passing anti-takeover legislation.

In the long run, these "corporacies" will continue to attract buyers who can more efficiently deploy their assets. The raiders will have little difficulty financing their takeovers and restructuring. Drexel Burnham Lambert did not successfully market billions of dollars of high-yield bonds only because its star, Michael Milken, is a super salesman. It succeeded because investors know a good thing when they see one: the return on these junk bonds is attractive even in light of their higher risk.

If Drexel does run into serious trouble with the Securities and Exchange Commission, First Boston and others will be delighted to increase their share of this lucrative market. Investors, aware that the default rate on these bonds has been more than offset by their attractive yields, and that risk can be diversified by holding a portfolio of these bonds, will continue to snap them up.

This leaves disinterested observers with two worries. The high levels of debt borne by the acquired companies may, they fear, cause those firms to concentrate on the short run. And it may make them more vulnerable to a business downturn.

Neither should be a serious concern. Shareholders are quite capable of taking the long view—witness the fancy prices they pay for the stocks of biotechnology and other high-tech companies.

They know that corporate debt is made to seem artificially high by the fact that it is stated in current dollars, while the value of assets such as plant and equipment is stated in historic preinflation dollars. Put them on a comparable basis, give appropriate weight to cash flow and earnings, and the apparently burdensome debt often becomes manageable. As Emory University's William Carney has pointed out, "Measured as a percentage of net worth, based on the replacement cost of assets, corporate debt at the end of 1984 was less than 60 percent of net worth—about where it was in 1958." All of this should make the strange new political alignments understandable. The supposedly conservative Republican administration has attacked entrenched managements. Richard Darman, who recently stepped down as deputy secretary of the Treasury, has called these businessmen "bloated, risk-averse, inefficient and unimaginative." Commerce Secretary Malcolm Baldrige blames a good part of America's trade deficit on the corporate establishment. "There is no one to blame," he says, "but American management—not labor, not government, but management." These critics of entrenched managers—they can only be found on the golf courses in the afternoons, according to Darman—want managers to remain under the raiders' pressure to perform or perish.

Supposedly liberal Democrats, on the other hand, are now siding with the business establishment. Senators Metzenbaum, chairman of the Antitrust Subcommittee, and Proxmire, chairman of the Banking Committee, are working with the Business Roundtable and the NAM to develop legislation to make hostile takeovers harder. For the sake of economic efficiency, let's hope these strange new bedfellows fail to consummate their marriage, or to produce legislation to permit corporate bureaucracies to resume the lush life of pre-raider days.●

STEEL INDUSTRY'S RESTRUCTURING DILEMMA

● Mr. HEINZ. Mr. President, on June 16 I spoke to the United Steelworkers gathered in Washington for their legislative conference and discussed with them the dilemma facing their industry—the need to reduce capacity but the inability to do so in the face of high closing costs. This is clearly a matter of vital interest to each steelworker, since jobs are at stake—even though the industry has already lost 56 percent of its workforce, but it is also a matter of great concern to the Government, because it is here that a substantial part of the financial liability will ultimately come to rest, whether we want it or not. As I have said on other occasions, Mr. President, in this situation, the Government's only real choice is whether to pay now or pay later. It will surely pay at some point, if not through participation in a restructuring program, then through the inevitable assumption of substantial pension liabilities when more companies go into chapter 11. Indeed, some $4 billion in pension liability has already been dumped on the Pension Benefit Guaranty Corp. by steel companies.

Making the true nature of this dilemma clear to the public, the admin-

istration, and the Congress is a formidable task, but a critical one. If I am right, and I believe most analysts as well as responsible administration officials agree with me, then the inevitability of the choice between paying now or paying later means that we must move promptly to analyze these options and to make the right choice—for the Government, for the industry, and for the workers.

This is a subject I will be addressing more frequently in the coming weeks, particularly as the administration begins to conclude its own work on the subject. I wish to bring to Senators' attention a recent article in "Industry Week" that explains the dilemma with a clarity few of us can muster, and my recent remarks to the United Steelworkers, which include my own proposed solution to this problem, which I will soon be introducing as legislation. I ask that the article and my remarks be printed in the RECORD.

The material follows:

CAN'T STAY, CAN'T LEAVE—HUGE "EXIT COSTS" MULTIPLY INDUSTRY'S WOES

(By Donald B. Thompson)

The U.S. steel industry inhabits a world of contradictions—dangerous contradictions.

But the CEOs of major steelmakers agree on the need to cut steelmaking capacity another 20 million tons—minimum. They already have achieved a 45% slash since 1974, to a current total of 112 million tons.

"It's fundamental that further restructuring of the domestic steel industry is essential if it is to achieve a position of acceptable competitiveness," says Frank W. Luerssen, chairman and CEO of Inland Steel Industries Inc., Chicago.

There are two problems with that:

Except for Inland and USX Corp.'s USS Steel division, steelmakers can't afford the "exit costs" of closing facilities that they can't afford to keep open.

Logically, capacity cuts should come from companies that have failed in the marketplace. That is not what is happening.

CIVIL WAR

Instead, steelmakers have gone into bankruptcy, but have not gone away. They still are competing for 100 million tons a year, along with imports, of steel business that is not enough to support everybody. They are able to compete courtesy of government subsidization, mainly in dumped pension costs.

It is, fumes the CEO of a still-solvent producer, "our greatest fear and frustration." Failed companies, in his viewpoint, should die.

David H. Hoag, president and CEO of LTV Steel, Cleveland, whose parent, LTV Corp., Dallas, is in Chapter 11, is sympathetic: "There's no question about it. It has them psyched." Is solvent firms' fear of Chapter 11 competitors justified? "Only if we cut prices," Mr. Hoag says, "which we have no intention of doing." LTV, it should be noted, has cut its share of capacity.

But a certain amount of "fear and frustration" remains among CEOs of solvent companies. The result is a sharp division about what steel—and its trade group, the American Iron & Steel Institute (AISI)—should do next.

One industry leader insists: "Chapter 11 and its nonmarket advantages may delay the day of reckoning, but over time the best-run companies will win in the market."

Until then, the bleeding is likely to continue. AISI reports that 1986 was the worst in history for the domestic industry, with losses of $4.2 billion—bringing the five-year total to $11.7 billion.

ON THE BRINK

If nothing changes, the odds are that more major steel producers will become bankrupt.

That's the conclusion of a report, "Government Policies and the Domestic Steel Industry," unveiled at the recent annual AISI meeting in Washington. Prepared by Putnam, Hayes & Bartlett Inc., Cambridge, Mass., it concludes:

"Excess capacity can be relieved only by a combination of increased demand, reduced imports, and the removal of exit barriers. There is comparatively little that individual steel producers can do to influence any of these areas. Therefore, in the absence of some government program, a continuation of the present situation and the bankruptcy of further producers is likely. Since increased demand is unlikely, at least in the short term, a sensible focus of any government program would be on policies to tighten the enforcement of trade laws, with respect to both direct and indirect exports, and policies to facilitate capacity reductions."

But the costs of shutting down—mostly pension costs and worker-shutdown benefits—are enormous. In 1983-85, the AISI report says, U.S. companies eliminated 17 million tons of capacity at total exit costs of $2.4 billion, or 47% of steel's pretax losses.

HANGERS-ON

This is what has come to be the scenario: Steel companies run out of cash, can't pay exit costs, and go into Chapter 11.

Pension costs are dumped on the federal Pension Benefit Guaranty Corp. (PBGC). About $4 billion to date has been dumped by 11 companies, with LTV Steel's $2.4 billion and Wheeling-Pittsburgh Steel Corp.'s $600 million the largest.

These bankrupt firms also renegotiate labor, raw-material, utility, and tax costs. That, AISI's report estimates, is worth on average $60 a ton in lower costs.

Such companies still invest. Wheeling-Pittsburgh is going ahead with a new steel sheet-coating line. LTV Steel has bankruptcy-court approval for $180 million in capital improvements at its Indiana Harbor (Ind.) Works. Facilities idled often are sold off, to be reborn as new and lower-cost competitors.

DOWNSIZING "CRITERIA"

Yet steel must downsize—but how?

Inland's Mr. Luerssen has presented "criteria" for downsizing that apparently solvent and nonsolvent firms can agree on: Restructuring measures must enhance competitiveness; they must not disadvantage more-efficient producers; closed facilities must be demolished, not be reborn to add to overcapacity; restructuring costs must place a minimum burden on taxpayers and have a minimum interference with market forces; restructuring funds are needed from the federal government; participating companies must use any restructuring "benefits" first for "human costs," then for modernization, never for expansion.

Overshadowing such suggestions: the huge deficit now confronting the PBGC from its paying steel pension costs (now 80% of its obligations) and, says Kathleen Utgoff, executive director, the real prospect of more to come of a size that could make the PBGC's collapse" a certainty."

Secretary of Labor William E. Brock adds: "There are substantial downsizes to every single proposal I've heard on this matter." The Administration, he says, has no interest in picking "winners and losers."

This is precisely the point steel CEOs are making in reverse: Market forces are not picking winners and losers. The government—through the bankruptcy code, pension law, and the PBGC—is superseding the market.

REMARKS OF SENATOR JOHN HEINZ, TO THE UNITED STEELWORKERS OF AMERICA, WASHINGTON, DC

It is truly an honor to address the National Legislative Conference of the United Steelworkers of America. Many of you are my friends and constituents from Pennsylvania. But I feel as though I know each of you.

Each of you here believes in a strong, productive, proud, and caring America. The banner of working people in this country—your banner—reads education and jobs, civil rights and women's rights, health care and retirement security. These enduring commitments—your commitments—mean a better America for all Americans.

Our ability to solve our problems, to make a better future for ourselves and our children is what sets Americans apart. It has been our strength and a beacon for the people of the world for more than 200 years.

Last month, over Memorial Day, I had an opportunity to visit the Soviet Union. I left Moscow just 2 days before the young West German landed in Red Square. I wish I could have congratulated him for having outwitted the world's largest air defense system. There were many Soviet citizens, of course, who found his journey to Moscow inconceivable. For them, the challenge is not how to get into the Soviet Union, but how to get out.

The Russian people themselves are wonderful people . . . but they have been cursed with the worst government of any developed nation on earth.

It is a nation where everything is in short supply: consumer goods, housing, privacy, and most of all, freedom. The only surplus in the Soviet Union is a human commodity—hostages. People who are imprisoned because they have been accused, tried, and convicted of doing things that we in America do, and take for granted—every day:

speaking our minds and criticizing our government;

organizing a community group to feed the unemployed;

reading the Bible and conducting Sunday school; and

joining or belonging to a union.

If any of us did what we are doing today in the Soviet Union, we would be on our way to Siberia tomorrow. And Lynn Williams and I would be doing 3-6 years at hard labor.

What I will never forget, what I hope that none of us ever forgets, is this: the freedom we have in this country, must be preserved, protected and defended. Of course, we must be preserved, protected and defended. Of course, we must be prepared to defend against external military threats. But we must also attack with equal vigor the threats here at home that deny the full measure of freedom—that to which all Americans have a right to including health safety and economic justice.

For a generation, our industries and our workers have been the undisputed champions of the world. We lifted the standard of living for all Americans and made our country the envy of all. We have been champions.

All championship teams share one strategy: when the game is on the line, put your best players into action.

Yet today, some 5 million industrial workers—steelworkers, autoworkers, textile workers, and others—have lost their jobs in recent years and are out of the action. In the steel industry there are half as many people working as there were 10 years ago.

Our first string is on the bench.

And why? Because this country has been flooded with imported steel as demand for domestic steel has flattened out. More than a quarter of a million steel jobs have been lost. The human costs have been staggering.

We are not a throw-away society, no matter what the fast food chains tell us. We strive to have more disposable income. We can not tolerate having disposable jobs.

Administration economists tell us new jobs have been created. They don't tell us that those new jobs pay 40 percent less than the ones we've lost. They don't tell us that our growing foreign debt is literally mortgaging our children's lives. My friends, we have to take bold action before working people in this country go from blue and white collar jobs to no collar.

Our trade and adjustment policies are failing. More importantly, they will continue to fail unless we change them. That is what the Congress will be debating within the next week, when we take up the trade bill.

The Senate trade bill is not everything I wanted-and certainly not everything you wanted—and certainly not everything you wanted—but it contains some items that will ing industries.

First, we have included a strong workers' rights provision sponsored by Don Riegle and myself.

Workers' rights also are human rights. This is an economic issue for some, but for me, as for you, it is a moral issue.

Second, we have imposed tough restrictions on the President's ability to deny import relief or not act against other countries' trade barriers. We've seen industry after industry denied relief because a foreign leader complained to the President or the State Department. Under our bill, American interests, not foreign interests, will come first.

Third, we have created a stronger trade adjustment assistance program.

The Finance Committee adopted Senator ROCKEFELLER's and my amendment first, to count a worker's most recent separation from work, rather than the first, in determining TAA eligibility; second to permit workers to receive more than the current maximum 104 weeks of training if they need it; and third to give workers one year to enter training. It is not just inexcusable to force workers to run a bureaucratic obstacle course in order to be retrained, it condemns first string workers to the sideline forever. In today's competitive marketplace allowing our most productive workers to be sent to the showers is tantamount to national economic suicide.

The trade bill does make important improvements in our trade law. But they will not be enough. Especially for steel. Because for steel the worst may be yet to come: more bankruptcies, more terminated pension plans, more plant closings, more jobs lost—more broken promises, because companies are turning to a new device, to chapter 11 of the bankruptcy code, to break those promises.

Going to chapter 11 to cut costs is like going to the butcher to lose weight. The companies come out looking leaner and trimmer, but all the important parts are hacked off and left behind. Potentially profitable plants are closed. Skilled workers are laid off. Retiree benefits are cut. Suppliers and their workers are jeopardized. Foreign and domestic markets are surrendered forever to the Japanese and others.

The problem is that, like lambs to the slaughter, steel companies are beginning to line up to follow one another through bankruptcy. It is not enough to simply make it harder for companies to duck their responsibilities through bankruptcy. Senator METZENBAUM and I are doing this—but it is not enough. We need to make it possible for the steel industry to reduce costs without going through chapter 11. We need to make it possible for steel companies to keep their promises to their workers and retirees.

We stand at an important crossroads. A rush to reorganize the steel industry in bankruptcy would be dangerous and inefficient—harmful to taxpayers, workers, and retirees. But without federal help some of the steel companies may have no choice. It is time to offer steel companies dragging their workers toward chapter 11 a more rational alternative. It is time to protect the futures of workers, retirees, families, and the steel industry from the lottery or bankruptcy courts.

And today I want to advance a plan to do this.

There are five principles on which I have based this plan, and should apply in any plan to assist the steel industry.

First, and most important, companies should restructure outside of bankruptcy. Bankruptcy is an all or nothing proposition. Companies in bankruptcy dump all of their obligations to retirees and creditors. The least efficient and most financially troubled producers get relief. The most efficient producers then find it harder to compete. Help for companies should be related to their costs and not to the aggressiveness of their bankruptcy lawyers.

Second, any solution should give retirees better benefit protection than they would get in bankruptcy. Right now, retirees' benefit cutbacks are paying most of the costs when companies go into bankruptcy. As little as one-third of steel retirement benefits may actually be insured by the Federal Government. The rest is unprotected. A final settlement may leave retirees with only 20 cents on every dollar owed them. This is no way to treat the people who built these companies and our country. They deserve better than this, and we, in Government, must see that promises made are promises kept.

Third, any Federal role should cost the Federal Government less than doing nothing. And doing nothing is expensive. Already two steel companies have dumped over $3 billion in unfunded pension obligations on the financially troubled Pension Benefit Guaranty Corp. Terminations by two more steel companies would more than double this amount. Eighty percent of the PBGC's total unfunded liability has come from steel plans—and this is only the beginning. If more steel companies go into bankruptcy, total costs to the Federal Government could run into the tens of billions of dollars.

Fourth, it must ultimately be the companies themselves that stand behind the promises they make. It is unfair to allow some companies to dump their retirement obligations, while others honor their commitments and end up paying for their competitors' pension liabilities as well. When companies return to profitability they should make good on their promises to retirees and not expect someone else to do it for them.

Fifth, Federal assistance should not become an incentive to shut down potentially profitable facilities and lay off workers.

I intend to introduce legislation consistent with these principles that will help the steel industry recover. It will encourage steel companies to continue their pension and health insurance plans. It will help retirees by providing Federal assistance to pay additional benefit costs created by the companies' adjustments.

My bill is called the Steel Industry Revitalization Act. It will assume responsibility for paying special supplemental and shutdown benefits in the steel industry and would be backed by stock warrants from the steel companies. Any supplemental pension obligations created within the last 5 years or within the next 2 in connection with a reduction in capacity in the steel industry could be transferred to the Federal plan. Participating companies would be required to continue paying their normal pension benefits to retirees.

The Steel Industry Revitalization Act will fully protect workers and retirees, prevent the chaotic adjustment of the steel industry, and discourage disastrous use of the bankruptcy courts to reorganize a vital industry. I hope you will study this plan carefully and will join with me to make it a reality. It is not just a matter of worker security, it is one of national security.

National security is not just a matter of so many weapons, so many missiles, so many rounds of ammunition. National security depends on a strong industrial base, it depends on a good education for all of our children; it depends on a workforce that's employed and providing for families and those less fortunate. And it depends on a secure retirement for those who spent their lives building up what we have today.

That's what it will take to keep America strong and free. That's what your union has always stood for. By fighting together we can help insure that hard won gains by working Americans will not be sacrificed in the name of false progress.

By working together, we can maintain our strong economic base and build for the future. We can invest in our most precious commodity—people—in our young people, our displaced workers, and our retirees. And by working together, we can ensure that America's interests are put first.

NAUM MEIMAN

● Mr. SIMON. Mr. President, the number of Soviet refuseniks wishing to emigrate from the Soviet Union is astounding. Today, the number nears 400,000.

As long as these individuals remain on Soviet soil they become pawns in their government's harassing activities. Their lives are in constant swing as their hopes for an exit visa are raised and then quickly lowered.

Each time these Soviet Jews apply for an exit visa they lose their jobs and become subject to religious and

political persecution. The Soviet Government still refuses to allow the Soviet Jews to study Hebrew or practice their religion.

Naum Meiman has been a Soviet refusenik for over a decade. He has experienced much fear and anguish during his struggle for freedom. His only desire is to emigrate to Israel and finally live in peace.

The Soviet Union is one of 35 nations that signed the 1975 Helsinki accords. Those agreements were seen as guaranteeing reunification of families and obligates the signatories to grant exit visas to all individuals wishing to leave. It is time for the Soviet Government to take action. I strongly urge the Soviet Union to allow Naum Meiman permission to emigrate to Israel.●

JOINT REFERRAL OF S. 1415

Mr. BYRD. Mr. President, I ask unanimous consent that S. 1415, a bill dealing with the settlement of Colorado Ute Indian water rights, be jointly referred to the Select Committee on Indian Affairs and the Energy Committee.

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

EXTENSION OF TIME FOR FILING FINAL REPORT OF SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION

Mr. BYRD. Mr. President, I ask unanimous consent, pursuant to section 9(a)(1) of Senate Resolution 23, that the date for the filing of the final report of the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition be extended until not later than October 30, 1987.

It is my understanding that this request has been cleared on the other side of the aisle.

Mr. CHAFEE. It has.

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

SCHEDULE FOR TOMORROW—UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD. Mr. President, this request has been cleared with the able Republican leader. I note that the distinguished Senator from Rhode Island [Mr. CHAFEE] is the acting leader.

I ask unanimous consent that the convening time of the Senate tomorrow, which is presently set for 8:30 a.m., be moved to the hour of 9:15 a.m.; that following the two leaders under the standing order, there be a period for morning business, not to extend beyond the hour of 9:50 a.m., and that Senators be permitted to speak therein for not to exceed 5 minutes each; that at the hour of 9:50 a.m., the amendment by Mr. CHAFEE be called up. This will comport with the order previously entered, which allows for 40 minutes of debate, after which, at 10:30 a.m., the distinguished Senator from Kentucky [Mr. FORD] will be recognized to make his tabling motion.

The PRESIDING OFFICER. Is there objection to the request of the majority leader? The Chair hears none, and it is so ordered.

Mr. BYRD. Mr. President, the Senate will come in at 9:15 tomorrow morning. The first rollcall vote will occur at 10:30 a.m. sharp. There will be rollcall votes throughout the day. Senators may expect a late session. It is still hoped that the Senate might be able to complete action on this bill tomorrow.

I thank all Senators for their patience today and for the good work that has been done.

Does the distinguished acting Republican leader have any further statement or further business he wishes to transact?

Mr. CHAFEE. I have no further statements. I thank the distinguished majority leader.

Mr. BYRD. I thank my friend, the distinguished Senator from Rhode Island [Mr. CHAFEE].

RECESS UNTIL TOMORROW AT 9:15 A.M.

Mr. BYRD. There being no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9:15 a.m., tomorrow.

The motion was agreed to, and, the Senate, at 10:52 p.m., recessed until Friday, July 10, 1987, at 9:15 a.m.

NOMINATIONS

Executive nomination received by the Senate July 9, 1987:

DEPARTMENT OF DEFENSE

Kathleen A. Buck, of Virginia, to be general counsel of the Department of Defense, vice H. Lawrence Garrett III.