HOUSE OF REPRESENTATIVES—*Wednesday, September 23, 1987*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Remember, O gracious God, all those who look to You for nurture and grace. We especially recall those who are in need of Your healing power and the renewed strength that You can give. We place before You our petitions for health and strength and peace, for ourselves and those we love. May our hearts be open to the blessings that You freely give to body, mind, and soul and may Your spirit remain with us always. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. HEFLEY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HEFLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 307, nays 85, answered "present" 1, not voting 41, as follows:

[Roll No. 331]

YEAS—307

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Applegate
Archer
Atkins
AuCoin
Baker
Barnard
Bateman
Bates
Beilenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Campbell
Cardin
Carper
Chapman
Chappell
Clarke
Clinger
Coelho
Coleman (MO)
Coleman (TX)
Combest
Conte
Conyers
Cooper
Coyne
Crockett
Darden
Daub
Davis (MI)
DeFazio
DeLay
Dellums
Derrick
DeWine
Dicks
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Duncan
Durbin
Dwyer
Dyson
Early
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Frank
Frenzel
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gilman
Glickman
Gonzalez
Gordon
Gradison
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Hefner
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kolter
Konnyu
Kostmayer
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Lott
Lowry (WA)
Lujan
Luken, Thomas
MacKay
Madigan
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McDade
McEwen
McHugh
McMillen (MD)
Mica
Miller (CA)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Patterson
Pease
Pelosi
Pepper
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Richardson
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Savage
Sawyer
Saxton
Scheuer
Schneider
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Snowe
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Sweeney
Swift
Synar
Tallon
Tauke
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Weldon
Wheat
Whitten
Wise
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron

NAYS—85

Armey
Badham
Ballenger
Bentley
Bilirakis
Bliley
Boehlert
Brown (CO)
Buechner
Bunning
Burton
Chandler
Cheney
Clay
Coats
Coble
Coughlin
Courter
Crane
Davis (IL)
Dickinson
DioGuardi
Dreier
Emerson
Fields
Gallegly
Gekas
Gingrich
Grandy
Gregg
Hansen
Henry
Herger
Inhofe
Ireland
Jacobs
Kolbe
Kyl
Lagomarsino
Leach (IA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lowery (CA)
Lukens, Donald
Lungren
Mack
Marlenee
Martin (IL)
McCandless
McGrath
McMillan (NC)
Michel
Miller (OH)
Moorhead
Parris
Pashayan
Penny
Rhodes
Ridge
Roberts
Rogers
Roukema
Saiki
Schaefer
Schroeder
Sikorski
Skeen
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Stangeland
Stump
Sundquist
Swindall
Thomas (CA)
Vucanovich
Walker
Weber
Whittaker
Wolf
Young (AK)
Young (FL)

ANSWERED "PRESENT"—1

Goodling

NOT VOTING—41

Anthony
Aspin
Bartlett
Barton
Biaggi
Boner (TN)
Boxer
Callahan
Carr
Collins
Craig
Daniel
Dannemeyer
de la Garza
Dingell
Dowdy
Dymally
Edwards (OK)
Ford (TN)
Gephardt
Gibbons
Hawkins
Hayes (IL)
Hunter
Kasich
Kemp
Kleczka
LaFalce
Lancaster
Latta
Livingston
McCurdy
Meyers
Mfume
Oberstar
Owens (NY)
Roemer
Spence
Tauzin
Williams
Wilson

□ 1015

Mr. GRAY of Pennsylvania changed his vote from "nay" to "yea."

Mr. SMITH of Texas changed his vote from "present" to "nay."

So the Journal was approved.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. MICA. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICA. Mr. Speaker, will there be 1-minute speeches today?

The SPEAKER. The Chair will announce that 1-minute speeches have been postponed until the conclusion of legislative business today. Today the House will take up the continuing resolution and we should like to conclude that in ample time that we might properly observe the high religious holidays which begin at sundown this evening. Therefore, any 1-minute speech requests will be postponed

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

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until the conclusion of legislative business.

Mr. MICA. I thank the Speaker.

CONTINUING APPROPRIATIONS, 1988

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 270 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 270

Resolved, That upon the adoption of this resolution it shall be in order to consider section 302(f) of the Congressional Budget Act of 1974, as amended (Public Law 93-344, as amended by Public Law 99-177), to the contrary notwithstanding, the joint resolution (H.J. Res. 362) making continuing appropriations for the fiscal year 1988, and for other purposes, in the House. Debate on the joint resolution shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. The amendments printed in section 2 of this resolution shall be considered to have been adopted, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except one motion to recommit.

SEC. 2. AMENDMENT 1.—On page 2, line 17, strike the ";" and insert the following: ", notwithstanding section 502(a)(1) of the National Security Act of 1947;".

AMENDMENT 2.—On page 3, at the end of line 15 strike the ";" and insert the following: ": *Provided*, That the authority available as of September 30, 1987, shall be continued to allow the obligation and expenditure of previously appropriated funds in section 206 for supporting, monitoring, and managing the activities provided for under section 206 in fiscal year 1987: *Provided further*, That in order to strengthen and continue the peace process in Central America, not to exceed the current rate of $2,650,000 per month shall be available only for humanitarian assistance and its support, management, and monitoring in accordance with the provisions of title II of the Military Construction Appropriations Act, 1987;".

The SPEAKER. The gentleman from Florida [Mr. PEPPER] is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. PEPPER. Mr. Speaker, House Resolution 270 provides for the consideration of House Joint Resolution 362 in the House. The 1 hour of debate is to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. Section 302(f) of the Congressional Budget Act is waived against consideration of the joint resolution. Section 302(f) prohibits consideration of measures that would cause the appropriate subcommittee level ceiling to be exceeded.

Section 2 of House Resolution 270 contains two amendments that are considered as having been adopted upon adoption of the rule. The first of these amendments would waive section 502 of the National Security Act to permit obligation and expenditure of funds appropriated under the continuing resolution for U.S. intelligence activities. This is required because the Congress has not completed action on the Intelligence Authorization Act for fiscal year 1988, which would continue the basic underlying authority for intelligence activities.

The second amendment provides $3.5 million in humanitarian assistance for the Nicaraguan Contras for the duration of the continuing resolution. The amendment provides funding only for humanitarian assistance and its support, management, and monitoring in accordance with current restrictions. It is reflective of a bipartisan agreement that was reached by the House leadership and should be supported. Mr. Speaker, as I said, the rule provides that upon the adoption of the rule, these two amendments are considered as having been adopted. The rule also provides for one motion to recommit.

Mr. Speaker, House Joint Resolution 362 makes continuing appropriations at current levels for all operations of Government until November 10, 1987. The current rate of operations includes funding provided for in the 13 appropriations bills contained in Public Law 99-591 as well as the fiscal year 1987 supplemental appropriations bills. The only exception to this funding level is that foreign operations programs are funded at current levels or the rate provided for in the budget estimate, whichever is lower. The joint resolution also contains language which continues the current terms and conditions which are in effect during this current fiscal year for the duration of the resolution. The continuing resolution also provides that the funds are made available until November 10, 1987, or until the regular annual appropriations bills are enacted. Upon enactment of the regular appropriations bills, the provisions of the continuing resolution disengage and the regular appropriations bills then become the funding device. Mr. Speaker, this is a clean continuing resolution providing funding at current levels and free from extraneous matters. As such, it deserves our support.

□ 1030

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Federal Government's fiscal year ends 1 week from today. Not a single 1 of the 13 general appropriations bills has been signed into law. As a matter of fact, not a single one of the general appropriations bills has even passed the Senate, though all but three have passed the House.

We have come to the point where we have to act promptly in order to prevent a shutdown by Government agencies. The bill made in order by this rule will continue the current level of funding until November 10, 1987, or until the enactment of the regular appropriations bills, whichever comes first. No extraneous provisions are included in the continuing appropriation.

There is only one major item currently being funded which is not continued by this continuing resolution. That is funding for the Contras in Nicaragua.

However, Mr. Speaker, while the continuing resolution itself does not contain funding for the Contras, this rule does include an amendment providing $3.5 million in nonmilitary aid to the Nicaraguan Contras. That amendment will be deemed to have been adopted when this rule is passed.

Mr. Speaker, this Contra funding is the result of a bipartisan agreement and I support it. Since the money is for nonmilitary aid, it is consistent with the current peace initiative.

Mr. Speaker, it would have been better to have had all the general appropriations passed so that there would have been no need for a continuing resolution. But it is too late for that now. We must proceed to adopt this continuing resolution so that the Federal Government can continue to function after September 30. By agreeing to this continuing resolution we will give ourselves approximately 40 additional days to complete the necessary action on the general appropriations bills. Mr. Speaker, I support this rule so that the House can get down to the business of passing the continuing resolution.

Mr. Speaker, before we adopted the House and Senate budget process our fine Committee on Appropriations had the general appropriations bills on the floor, the bills were passed and they went to the Senate and they were passed and the President signed them or vetoed them, but in the end all of them were passed into law.

I think our budget caused the irresponsible delays that we are facing now and it is no fault of the Committee on Appropriations.

So I would advocate strongly that we do away with the House and Senate budget process without delay.

Mr. Speaker, I yield 6 minutes to the distinguished minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, I certainly support this rule, self-executing one that it is, and in support of what it does, as the gentleman so ably represented a few moments ago, continuing all the expenditures of the Government at its current level until the date of November 9.

Mr. Speaker, I would like to use just a few moments that I have here to say a few words about the assistance to the democratic resistance in Nicaragua. As you know, such assistance was originally excluded from the continuing resolution and that riled up my dander because, frankly, I thought it sent exactly the wrong signal at the wrong time.

Speaker WRIGHT and the Democratic leadership agreed with the Republican leadership that such aid, in nonlethal forms, should be part of the CR.

That is where we are.

But it is important to know where we are going as well.

We have all read in the newspapers and seen on television the Sandinista regime's latest moves.

They have allowed La Prensa to open. The Catholic radio station can operate. They are preparing to declare a unilateral cease-fire.

The question about all of this is: What does it all mean?

Is it a legitimate and sincere beginning to a process of democratization? Or is it yet another tactical ploy by Marxist-Leninists?

The history of Marxist-Leninist regimes leaves no alternative to serious analysts than to say we view these moves with scepticism, with caution, with prudence—but also with a tiny bit of hope.

But hope doesn't make freedom happen. Real substantive progress in the real world makes freedom happen.

We cannot be satisfied with the forms of democratization.

We must demand the substance.

And in this case, the substance of democratization in Nicaragua demands that the Sandinistas know they still have the democratic resistance to worry about.

Without the democratic resistance, the Sandinistas would never have come to the bargaining table.

The democratic resistance and its ability to remain a force in this peace process in my judgment is absolutely vital.

And that is why aid in the CR is vital. Not just for the Contras—but for the last, fragile hope of justice, freedom, and peace in Nicaragua.

Consider the following:

The new Nicaraguan Constitution, written by a Sandinistas-dominated Constituent National Assembly, specifically mentions the "Sandinista Popular Army" the armed forces totally under the ideological and political control of the ruling Sandinistas Party.

How can there be true popular pluralism in a state in which there is a constitutional provision about an army dominated by one specific political party?

I am glad to note that the Washington Post yesterday or the day before, for the first time that I can recall, mentioned that specifically in a nationally recognized editorial comment of a dominant newspaper in this country. And the media have not focused enough attention on that specific subject.

Can we realistically hope the Sandinista popular army will lose its ideological character in the brave new world of the agreement?

Is there anyone in this Chamber who believes the Sandinista Party is going to allow the army to be controlled by another party or to be at the service of the nation, regardless of who is elected?

No other country in Central America has an army of this character. It is the military arm of the vanguard Marxist-Leninist party. It is this ugly little fact that destroys the beautiful theory some might have about the Sandinistas' good faith.

The fate of freedom in Central America and in Nicaragua especially is at a crisis point. If we in the Congress allow ourselves to be deluded and deceived by the recent moves of the Sandinistas, I think we will regret it as long as we live.

The aid we provide to the democratic resistance in the CR is not going to change the balance of forces by any stretch of the imagination. It is not going to threaten the Sandinistas.

What it will do is to put the United States of America on record of not abandoning an ally just because certain forms of democratization have been temporarily agreed to by a Marxist-Leninist government.

If we withdraw our hand by refusing these funds, it will be a slap heard round the world, a slap in the face to those in Nicaragua this Congress voted to help a year ago.

I say we take a slow, cautious, step-by-step, skeptical, yet open, approach to the recent events in Nicaragua.

But at the same time we have to keep our commitment to those we armed and funded and sent into battle.

The spirit of the democratic resistance is Nicaraguan—but as in so many other cases, the spirit may be willing but the ability to be a political force is weak.

Let us not let that happen to our friends in Nicaragua.

So, Mr. Speaker, I want to say again that I appreciate very, very much the consideration that the Democratic leadership has given to this Member and those of us who have these strong feelings, recognizing full well that to upset the balance there at this juncture.

We want to keep the playing field out there as level as we possibly can. For the moment I think it certainly is justified to provide this assistance and its deliverability and I hope Members will support the rule and support the resolution.

Mr. PEPPER. Mr. Speaker, I yield such time as he may consume to the able gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR of Michigan. Mr. Speaker, this legislation, as the gentleman from Illinois and my distinguished chairman have pointed out, will provide $3.5 million in aid to the Contras.

I want it to be clear to everybody that this is strictly limited to food, to clothing, to medicines, a very small amount to family assistance.

I also want to take exception to the term humanitarian aid. I do not believe we should call this humanitarian aid although clearly the bill states it. Humanitarian aid, according to the Geneva Convention, is reserved for noncombatants.

By right, such aid should be provided through an international humanitarian organization.

I think the process to getting Members in this body to understand that distinction should have begun, I think, a long time ago, but obviously at some point it has to be discussed and let us begin today.

I also want to point out that passage of this legislation should not be taken as a sign of support for the Contras or for this administration's policy in Central America. The policy, in my mind and in the minds of most Members of this body, has been a failure. In my view our action today should be more properly seen as providing the Contras with the means to disengage at the proper time, which I think is coming very soon, from the conflict in Nicaragua. It is not a sign that the war will continue, but, rather, it is time for the war to end in an orderly fashion. This legislation is proposed in the spirit of fairness and reconciliation. It should be emphasized that this legislation is an effort to avoid a bitter partisan battle that would be disruptive to the peace process in Central America. That process is moving forward.

The Nicaraguans, as has been stated twice already on the floor this morning, have appointed a reconciliation commission with Cardinal Obando y Bravo as its chairman.

□ 1045

They have announced that they will allow the Catholic radio station to come on the air, as well as other radio stations that have been off the air, and that they will allow La Prensa to reopen and will lift press censorship. Just yesterday they proposed a cease-fire that will allow the reconciliation commission which is headed by Cardinal Bravo to explore a further broadening of the cease-fire with the Contras.

I think we must put ourselves and our full energies behind the movement for peace in Central America which is

abundantly real at this time. When President Arias was here yesterday in the Rayburn Room, he was asked by his critics, "What will you do if peace fails?"

He responded with a challenge by saying, "What will you do if it will succeed?"

Mr. Speaker, we must begin planning for peace. Peace is breaking out, and it is real. That is happening not only in Nicaragua; we learned yesterday of a significant event in El Salvador where Duarte has agreed to meet on October 4 with the leaders of the FLN, the guerrillas in El Salvador.

Members of this body who have traditionally supported aid to the Contras must face the reality of peace. It will happen. It is now happening. The administration is prepared to ask for an additional $270 million for aid to the Contras. Such a request would be a major escalation of the war.

By our actions today, we send a clear message that the time for the war is over, and that we accept the challenge to move forward to end the war in an orderly, humane, fair fashion.

Mr. Speaker, I ask every Member of this body in the next 30 days to help us as much as they possibly can to make that reality happen so we can get on with the important business of helping people rebuild their lives in this war-torn region.

Mr. QUILLEN. Mr. Speaker, I reserve the balance of my time.

Mr. PEPPER. Mr. Speaker, I yield 3 minutes to the able gentleman from Massachusetts [Mr. MOAKLEY].

Mr. MOAKLEY. Mr. Speaker, I would like to associate myself with the remarks of the chief deputy whip, Mr. BONIOR. He has eloquently outlined this fragile agreement. Let me also take this opportunity to commend the Speaker for his strong efforts on behalf of peace in Central America.

I, like many of my colleagues have received literally hundreds of calls from constituents who oppose Contra aid. I represent the Ninth Congressional District in Massachusetts—and 98 percent of the calls that have come into my office during the last few days have been against any additional aid to the Contras, no matter what the form. My constituents are concerned that any further aid will only prolong the conflict.

Mr. Speaker, I have always opposed Contra aid—and I still do. I have viewed United States intervention in Nicaragua as one of the saddest chapters in recent history. But, for my part, I do not see this as a pro-Contra vote. I view it, like my colleague from Michigan, as a means to help extricate the Contras from Nicaragua and the war.

Mr. Speaker, I do have reservations.

I must confess that I am very uneasy about the role the CIA is playing in this. I would much prefer an international agency like the Red Cross to administer any aid. But, I have been given assurances that the accounting procedures are sufficiently stringent to guarantee compliance with congressional intent. This means only food, medicine, boots, and a small amount of family assistance can be provided—nothing else.

I am also frustrated that the term "humanitarian" is used to describe this aid. The Geneva conventions and protocol stipulate very clearly what constitutes humanitarian aid—and this action does not meet the definition. I would have preferred the term "nonlethal aid" or "logistical aid." This may sound like a minor point—but, on the contrary, misuse or political exploitation of the term humanitarian erodes the integrity of genuine humanitarian aid, and adds further dangers to the work of bona fide aid providers in conflict situations. In the future, we must be aware of this fact and use the appropriate terminology when describing various forms of aid. Too many lives are at risk for us to continue to be careless.

Mr. Speaker, this has been a difficult decision for me. I would strongly oppose this if I felt that it would prolong the violence or dismantle the delicate peace process. I have been assured by individuals in the leadership, whom I trust and respect, that it will not. In fact, yesterday, the chief architect of the Central American peace initiative, President Arias, gave his support to this limited, nonlethal aid package.

After hearing President Arias speak in this Chamber yesterday, I am optimistic that there is a real chance for peace in Central America. My prayers are with him.

I urge my colleagues to vote for this rule.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I would not want the legislative history on this rule to get completely out of the perspective that those of us who favor Contra aid see it from. The fact is that when President Arias was before Congress yesterday, he talked about not just peace breaking out but freedom breaking out. He made it clear that there can be no real peace in Central America without freedom, and on November 7 we will have a test as to whether or not the Sandinista Communists in Nicaragua have in fact given freedom to the people of that country. If there is no freedom as of the first part of November, then there is going to have to be continued resistance.

We ought not view the money here as being money which is phasing out the Contra movement if freedom has not been given a chance in Nicaragua. We ought to recognize that we are going to have a responsibility to that resistance at the point where the question of freedom arises.

Every one of us hopes that we have a peace process in place, and that at the end of that peace process the prople throughout Central America will be guaranteed not only an end to hostilities but a restoration of freedom.

Mr. Speaker, when that happens, then we will have no further need for the money, and we hope that is the final result.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Speaker, I thank the distinguished ranking Member, the gentleman from Tennessee, for his willingness to allow me to speak on this matter for 3 minutes.

Mr. Speaker, here it is, the first CR. This is a nice, innocent, clean CR. It is only three pages long, and it continues to fund at current levels for the most part. All it does is admit our failure to meet our own deadlines and give us more time to pass the 13 regular appropriation bills.

But if the past is any guide, by the time we are finished the CR will be several hundred pages long. It will appropriate for unauthorized programs, it will include legislative language, and it will probably underfund a few important accounts, thereby guaranteeing a supplemental. And if the past is any guide, it will include most of the $600 billion of total discretionary funding for fiscal year 1988.

I am committed to seeing that this kind of CR does not happen.

The House has passed 10 separate appropriation bills, and there is no reason we cannot pass the remaining 3, if not on time, at least separately. There is no excuse for not doing so.

The report accompanying the CR says:

> The Committee continues to be dedicated to the principle of financing Federal programs under the traditional authorization and appropriations process which includes individual appropriations bills. Therefore, it will continue its efforts to get regular bills enacted as soon as possible.

I assume this language not to be mere boilerplate but sincerely meant. As I have told the Appropriations Committee chairman, my chairman, I will take his words at face value and will do everything I can to see that the intent is carried out.

Mr. Speaker, I urge the Members to join me in giving the Appropriations Committee their assistance and in holding the Appropriations Committee to doing its job. It is time that we stopped the omnibus continuing resolution, the huge, ugly appropriation bill that we pass every year. We can force the process to do what it is in-

tended to do, lay those bills on the President's desk for action one at a time. We have given ourselves some additional time to do so.

Now it is time to say we will have no omnibus CR this year. The work of the committee must be carried out.

Mr. WEISS. Mr. Speaker, I oppose the recommended rule for this legislation. I was surprised and disappointed to hear that the rule includes an unusual provision to provide $3.53 million in humanitarian aid to the Contras, and permits the CIA and the Department of Defense to distribute those funds, as well to distribute the money remaining from the amount appropriated last year for the Contras.

Mr. Speaker, this provision is totally unnecessary and flies in the face of the accord reached last month in Guatemala City. Everyone knows that the Contras are not going to perish for lack of funds in the next month and a half. There is still plenty of money left from the $100 million appropriated last year to sustain the Contras until the nations in the region have a chance to implement the peace plan. The only saving grace is that the Central American leaders are determined not to permit this proposal to slow down the peace process.

Nevertheless, to include Contra aid in the continuing resolution at the present time sends exactly the wrong signal to the leaders of the nations of Central America who are negotiating for peace in the region. It is wrong for the House of Representatives to do this the day after President Arias appeared in this very Chamber to ask for our help in bringing an end to the bloody wars that have caused such suffering and loss of lives in Central America. President Arias spoke eloquently about his nation's commitment to peace, and asked the United States to join him in working to implement the Guatemala accord. He declared that: "War signifies the failure of politics. Let us restore faith in dialog and give peace a chance."

Because the humanitarian aid for the Contras is such a tiny portion of the total funding in the continuing resolution, funding which affects every domestic and foreign assistance program of the U.S. Government, it is not possible to vote against the continuing resolution itself. That is why the rule is so objectionable and why it should not be adopted.

I urge my colleagues to give peace a chance. Join me in opposing the recommended rule for this legislation.

Mr. QUILLEN. Mr. Speaker, I urge the adoption of the rule and the passage of the bill.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. PEPPER. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WHITTEN. Mr. Speaker, pursuant to the rule just adopted, I call up the joint resolution (H.J. Res. 362) making continuing appropriations for the fiscal year 1988, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore (Mr. COELHO). Under the rule, the gentleman from Mississippi [Mr. WHITTEN] will be recognized for 30 minutes and the gentleman from Massachusetts [Mr. CONTE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississppi [Mr. WHITTEN].

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution, House Joint Resolution 362, and that I may include extraneous and tabular material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require. Mr. Speaker, the resolution that we bring before you today continues what is essential. It is necessary to continue the orderly operations of the Government into the new fiscal year—which begins October 1, 1987. While this is 7 calendar days away, there are only 2 legislative days between now and October 1 on which votes have been scheduled in the House.

STATUS OF APPROPRIATION BILLS

The House has passed the following 10 appropriations bills for fiscal year 1988:

Energy and water development on June 24;

Interior and related agencies on June 25;

District of Columbia on June 26;

Legislative branch on June 29;

Commerce, Justice, and State on July 1;

Transportation and related agencies on July 13;

Military construction on July 14;

Treasury-Postal Service on July 15;

Labor-Health and Human Services-Education on August 5; and

HUD-Independent Agencies on September 22.

The committee reported the foreign assistance appropriation bill on August 6 and it is awaiting floor action.

Hearings were completed on the rural development, agriculture, and related agencies appropriations bill on April 8, and on the defense appropriations bill on May 7. These bills are awaiting further action.

To date the Senate has not passed any of the appropriation bills. Because of this, the outlook is that it will require some time beyond October 1 for these bills to be handled in conference.

A termination date of November 10, 1987, is therefore proposed in the continuing resolution in order to allow time for further regular congressional action on the 1988 appropriations bills. It is essential that this resolution be passed.

This is a very straight forward continuing resolution. There are no special provisions and no special funding levels for any programs. The resolution simply carries the Government forward at the current level until November 10 or until appropriation bills are enacted. It is a clean resolution.

PHILOSOPHY OF THE RESOLUTION

Provides a reasonable level of interim funding to allow for continued operation of Government programs until final decisions about bills are made—the current level.

Is of relatively short duration—41 days.

Automatically disengages when regular annual bills are enacted.

Contains no extraneous provisions which more properly should be considered with regular bills.

LEVELS OF FUNDING UNDER THE RESOLUTION

Section 101 of the resolution provides interim funding at the current rate of operations, with one exception, when its at a reduced rate, and under the current terms and conditions in effect during fiscal year 1987 for the following 13 regular appropriations bills:

First, the Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, and section 1241(a)(1) of Public Law 99-198;

Second, the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1987, notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956 and section 701 of the United States Information and Educational Exchange Act of 1948, as amended;

Third, the Department of Defense Appropriations Act, 1987;

Fourth, the District of Columbia Appropriations Act, 1987;

Fifth, the Energy and Water Development Appropriations Act, 1987;

Sixth, the Foreign Assistance and Related Programs Appropriations Act, 1987, notwithstanding section 10 of Public Law 91-672 and section 15(a) of the State Department Basic Authorities Act of 1956: Provided, that the rate for operations shall not be in excess of the current rate or the rate provided for in the budget estimate, whichever is lower;

Seventh, the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1987;

Eighth, the Department of the Interior and Related Agencies Appropriations Act, 1987;

Ninth, the Departments of Labor, Health and Human Services, and Edu-

cation, and Related Agencies Appropriations Act, 1987, and section 101(n) of Public Laws 99-500 and 99-591;

Tenth, the Legislative Branch Appropriations Act, 1987;

Eleventh, the Military Construction Appropriations Act, 1987, except for section 206 of such act;

Twelfth, the Department of Transportation and Related Agencies Appropriations Act, 1987; and

Thirteenth, the Department of Treasury, Postal Service, and General Government Appropriations Act, 1987.

NO NEW STARTS

The resolution also prohibits any new starts (section 101(a)(2)) from beginning during this interim time period.

TERMINATION DATE

Section 102 of the resolution provides that funds made available by this resolution continue to be available until November 10, 1987, or until the enactment of the regular appropriations acts. When regular bills are signed into law, the provisions of the continuing resolution automatically disengage and the regular appropriations bills then become the funding device. This continuing resolution in no way precludes subsequent enactment into law of the regular appropriations bills.

CONCLUSION

Prompt enactment of this resolution will allow more time to work on the regular annual 1988 appropriations bills. We hope to clear as many of the regular bills as possible during the effective date of this resolution.

Mr. Speaker, I urge its adoption.

□ 1100

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague, the gentleman from Illinois.

Mr. PORTER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want to commend my chairman for having gotten 10 bills out to the floor and enacted by the House. That is certainly a far better record than over in the other body; but I wonder if the chairman could tell us during the next 45 days or so the timetable for getting the remaining three bills to the floor and acted on separately? When can we expect to get the agriculture bill, the defense bill and the foreign operations bill before the body?

Mr. WHITTEN. It is my hope, Mr. Speaker, that we will not be delayed. On agriculture, with which I am more closely identified, we are waiting to see what action we take on legislation now pending before the Congress. We have completed our action. We have been standing at the ready sign for some time.

On foreign aid, I have not discussed it with the subcommittee chairman and others, but we have been ready on that bill for some time, but have been waiting on the authorization committee to complete the authorization.

May I say as far as defense is concerned, there, too, we are waiting on the authorization committee and we are doing everything we can to expedite that.

May I point out that in the last week or 10 days the Senate has gotten busy. They have reported out of the full committee I believe five bills, with action on one more scheduled for today, so they are working on it and they are moving ahead.

So, the November 10 date is the date decided on by our leadership in conference with the Senate leadership as to the time they think we can have all this wound up.

Mr. PORTER. Mr. Speaker, if the gentleman will yield further, can I assume then from what the chairman has said that when the authorizations for those three bills have gone forward, that immediately we will then be offering the appropriation bills?

Mr. WHITTEN. May I say that in some cases they have gone forward very slowly with activity showing up in the last few days.

Mr. PORTER. Mr. Speaker, I thank the chairman very much.

Mr. WHITTEN. Mr. Speaker, I appreciate the fine service my colleague contributes to the committee.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is easy to describe what this continuing resolution does. It extends until November 10, 1987. It covers all programs, projects, and activities which were conducted in the current year and for which provision was made in the regular appropriation bills or in subsequent acts, such as the drug supplemental in the continuing resolution, and the regular supplemental.

The rate, with two exceptions, is the current rate under the current terms and conditions.

The first exception is foreign aid, where the rate is the current rate or the budget estimate, whichever is lower. The chairman of the subcommittee did not want to ask for a waiver of section 302(b), and I cannot blame him. I feel the same way.

There are no extraneous provisions, and the continuing resolution contains the usual prohibition on new starts. That is what this continuing resolution does; but I also recognize what this continuing resolution represents—a failure in our legislative process.

Here we are on September 23, with the start of the fiscal year 1 week away, and not a single appropriation bill has been signed into law. The other body has not passed one single appropriation bill, not one.

So, there you have it, a continuing resolution which is clean and has the support of the administration, but also symbolizes our inability to legislate in a timely and responsible manner.

If you oppose continuing resolutions on principle, then your vote is very clear.

If I were a Member of this House who is not on the Appropriations Committee and had to vote the continuing resolution up or down, elected by the same amount of people as the members of the Appropriations Committee, I would be leading a revolt here on the floor of the House against this kind of a process. If you are not on the committee, then you have no say in any individual bill.

On the other hand, if you are willing to take each continuing resolution in its merits, then I can honestly say that the Appropriations Committee and the Rules Committee have given you a continuing resolution that you can support.

Mr. Speaker, as a senior member of the committee, my vote for the continuing resolution will be a vote to keep the Government running; but it is another example of the futility of the Budget Act of 1974. We have never met a deadline. It has held up the Appropriations Committee from reporting out bills until late in the year when the budget resolution has been adopted and the 302(b) allocations have been made in the House and in the Senate. We could blame the Senate, but we were late in sending our bills over there. They have got their own problems with this Budget Act.

Mr. Speaker, there is only one way out of this mess and I do not think it is going to come until we have complete chaos in the House. We are getting there. I think in the next couple months we will be in complete chaos. Then people in this House and in the Senate will come to the realization that we have made a mistake.

Mr. Speaker, I voted for the Budget Act. I supported Chairman WHITTEN. He was for the Budget Act. We went up to the Rules Committee and told Congressman Bolling that we should have this change, but we made a mistake. We should stand up here and say yes, we made a mistake. The system is not working. It is broken down. We are in utter chaos.

As I said yesterday, Mr. Speaker, when this new sequester that we voted on so proudly yesterday first goes into effect, there will not be enough bushes in the District of Columbia for Congressmen and Senators to hide under.

So until we repeal the Budget Act, until we repeal Gramm-Rudman-Hollings, we are going to be in this kind of mess.

The gentleman from Illinois can speak as much as he wants, but that is the solution, to start from scratch where we were once before in 1974. We

used to get our bills out in an orderly fashion.

I remember, and the gentleman from Mississippi, JAMIE WHITTEN, must remember this, the subcommittees used to fight to see who could get the first bill out. We would always have two or three bills out before the Easter recess. Now we do not get our bills out until midsummer, all because of the Budget Act and all because of Gramm-Rudman-Hollings.

Mr. WHITTEN. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Wisconsin [Mr. OBEY], a member of the committee.

Mr. OBEY. Mr. Speaker, I thank the chairman of the committee for yielding me this time.

I would like to make one comment before addressing myself to a point that needs to be clarified about the foreign operations title of the bill.

I fully agree with the gentleman from Massachusetts on the remarks he just made about the budget process. I agree that people ought to be thinking about leading a revolution, but I hope when they think about it that the revolution is against the right thing.

A number of Members, frankly, who do not understand the process around here wind up shooting at the Appropriations Committee because they say, "Gee whiz, you guys are producing continuing resolutions. You guys don't have any conference reports for us."

The fact is that what they are doing is simply shooting the messenger, rather than doing something about the root cause.

I think people need to understand one thing, that if they want to shoot at what really needs to be dealt with, they need to deal substantially with a reform of the budget process. They also have to face the fact that even the best budget process in the world cannot function if any administration sends down numbers which wind up being unrealistic from the day that they arrive here. That simply means that because they have 90 percent of the resources and the Government has put together a budget, if you start with a bunch of phony numbers, phony assessments and phony judgments, no amount of wizardry on Capitol Hill can correct the problem.

The second thing I think we have to understand is that the original purpose of the budget process was to help this institution match revenues with spending. In that goal, it has been a spectacular failure. As a result, because the budget process has not been able to meet its primary obligation, it has wound up in essence simply being a time drag on the ability of the committee doing real things to get the work done. That is the tragic point to it.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. WHITTEN. Mr. Speaker, I yield 2 additional minutes to the gentleman.

Mr. OBEY. Mr. Speaker, I would also like to take this time to explain a situation with regard to Africa development assistance levels.

For fiscal year 1988, the administration has requested a separate line item for economic assistance for sub-Saharan Africa. Since no such separate line item was included in the fiscal year 1987 Appropriations Act, using the formula contained in the continuing resolution would result in no funds being provided for sub-Saharan Africa. To avoid this anomalous situation, for purposes of determining the rate for operations for development assistance under the continuing resolution, it is the committee's intention that the fiscal year 1988 request level for each of these accounts, including the Sahel, be considered as including an amount for sub-Saharan Africa as identified in AID's fiscal year 1988 congressional presentation.

The congressional presentation levels for sub-Saharan Africa by functional account are as follows: agriculture, rural development and nutrition, $151,100,000; population, $23,975,000; health, $23,649,000; child survival fund, $7,391,000; education and human resources development, $59,508,000; energy and selected development activities, $163,877,000; Sahel development, $70,500,000.

Mr. CONTE. Mr. Speaker, I yield 5 minutes to my good friend, the gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. Mr. Speaker, I had a chance to track appropriation bills for the last few years. I agree with our minority chairman, the gentleman from Massachusetts [Mr. CONTE] that we have some real serious flaws in budgetary deadlines in respect to the Budget Act. Looking back over the last 10 years, since I have been here, we have had continuing resolutions in every year but one.

□ 1115

The last year that all appropriation bills were passed on time in the House and Senate was 1954, way before Gramm-Rudman, way before the Budget Act. I was looking at this record and I added up the number of bills in the last 10 years that have not passed the House and Senate on time. That is a total of 52 appropriation bills out of a possible 130 in the last 10 years. That is about a 40-percent batting average and that is not too good.

I agree with both chairmen, we have some responsibility here to look at budget reform but it is deeper than that. I think it is the inability of both sides of the aisle and the executive branch to not meet deadlines and have those bills passed by October 1 and on the President's desk so that he can look at them individually. A sitting President would want that constitutional responsibility so stated when presenting a budget to the Congress in January. Certainly the opportunity exists to use the veto, or engage in an earlier planning process with the appropriate committees to see if those bills are in good shape prior to October 1.

There is fault on all sides, the House, the Senate, and the executive branch, but in looking at the history depicted on this chart that I have prepared, I think we cannot fault Gramm-Rudman for the inability of the last 10 years to have nine continuing resolutions, of which I have voted against I think all but one.

[Chart not printed in RECORD.]

I have broken out the track record of individual appropriation subcommittees. I am not going to read those into the RECORD today but I will submit them for the RECORD at an appropriate time, because some chairmen have exercised good discipline in terms of timetables, and some have not.

I think, as I understand it, some of the leaders have held up appropriation bills even when the subcommittee chairmen on appropriations have wanted to move them through, get them passed and get them over to the other side. So I congratulate the subcommittee chairmen and the ranking minority members for their good work, for those who have gotten their bills completed.

I think we have a lot of work to do in reevaluating the last few years of our track record. We must have a more appropriate schedule so we can get all 13 appropriation bills to the President by October 1 in order that we can help this Nation eliminate the deficit.

Mr. CONTE. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Speaker, here we go again. The congressional game show. We are placing the whole country in jeopardy because we continue to spin the wheel of fortune that is this continuing resolution. Our contestants, or should I say our constituents, are at risk here. They are in a position to win, lose, or draw at our hand every year in this game show that we call the continuing resolution. Are we engaging in the sale of the country here if the price is right? Is this the kind of business that our constituents want us to conduct in formulating a budget?

I say that we are engaged in a scrabble that confuses everyone and brings us to a point of risk every year. We ought to face the truth or the consequences that come from this kind of action every year. The truth is that we need a budget process that will work.

The consequences of not having it are at hand today. We see uncertainty and the same old game show of postponing the inevitable and not coming up with proper appropriations.

I think we ought to engage in new kinds of games, or create our own games here. Budget busters, would be a good one to start with. It is one that would bring us the point of recognizing what our responsibility is. It is time to end the game shows, get into budget reform, and quit the game of continuing resolutions.

Mr. FAZIO. Mr. Speaker, House Joint Resolution 362, the first continuing resolution for fiscal year 1988, extends the conditions and limitations in force in fiscal year 1987. In particular, it is my understanding that it is the committee's intention that the continuing resolution extends the moratorium on the prepayment of certain rural rental housing loans which is contained in section 634 of the fiscal 1987 continuing resolution and which was extended in the fiscal 1987 supplemental appropriations bill.

Mr. COMBEST. Mr. Speaker, 1 week from today the current fiscal year draws to a close. As this deadline approaches, Congress is once again faced with the realization that our work is far from completed. In fact, we have missed all of our own budgetary deadlines and a huge continuing appropriation bill must be passed to keep the Government in business.

Unfortunately, Congress' inability to fulfill its obligations and to meet its self-imposed deadlines has become business-as-usual in the Nation's Capital. The Congress has not sent the President one single piece of legislation to fund the Federal Government despite a June 30 deadline.

Legislating in this Band-aid fashion is nothing short of a travesty and the American people deserve much more from the Congress. In fact, the last time Congress fulfilled its responsibility and sent all 13 annual appropriations bills to the President on time was back in 1954. Our track record is an embarrassment.

Mr. Speaker, despite my strong objections to legislating through continuing resolutions, I intend to vote for this short-term resolution for two reasons.

First, the resolution we are voting on today would continue funding for Federal programs at current fiscal year 1987 levels from October 1 to November 10, 1987. This 40-day extension would hopefully enable the Congress to hammer out agreements on the 13 appropriation bills. It is important to note that if we held spending at this level for the entire fiscal year, we could make a substantial dent in the deficit.

Second, the legislation also contains $3.5 million in humanitarian assistance to the democratic resistance in Nicaragua. Failure to provide aid to the Nicaraguan freedom fighters at this critical time would be foolish.

Abandoning the freedom fighters at a time when they need it the most only undermines their efforts to restore democracy in Marxist Nicaragua.

As we chalk up another year of being forced to pass a continuing resolution to keep the Federal Government operating, I urge my colleagues to renew their efforts to drastically reform our flawed budget process. Let's stop missing important deadlines and waiving the Budget Act and bring some integrity back to the Congress.

Mrs. MORELLA. Mr. Speaker, it is with some reluctance that I will vote for the continuing resolution, a measure which will continue Government spending for the first month and 10 days of the new fiscal year for all programs funded by the 13 regular appropriations bills.

Without passage of a continuing resolution, there would be no paychecks for Federal employees, 60,000 of whom live in Maryland's Eighth Congressional District, and essential Government services would soon grind to a halt.

I am opposed to the provision of the continuing resolution that appropriates $3.5 million in nonmilitary aid for the Nicaraguan Contras through November 7. I consider it unwise and am disappointed that there was no opportunity to vote on an amendment to strike this provision from the resolution.

It is unfortunate that Government funding should come to this. All too often in recent years, Congress has failed to pass appropriations bills in a timely fashion and has had, instead, to pass omnibus spending bills outside of the normal, careful funding process. As a result, individual items are not given the consideration which is their due, but are instead wrapped into a large spending package which must be approved to keep the Government operating.

Mr. ATKINS. Mr. Speaker, I rise in opposition to House Joint Resolution 362.

It is with a heavy heart that I vote against this measure. I understand that a fragile compromise has been constructed on the issue of Contra aid, and that the $3.5 million in humanitarian aid included in the bill is the result of extensive negotiations across the aisle. Still, I cannot in good conscience vote for aid to the Contras to be administered by the CIA and the Department of Defense.

This body long ago banned the CIA and the DOD from administering humanitarian aid in Central America. We know their record. Yet, this bill would have these champions of the Contra's military cause distribute this nonlethal aid. It is a conflict of purpose that I cannot reconcile in my own mind. If the aid is indeed to be humanitarian, it should be administered by the Red Cross or other relief agencies.

Yesterday, we heard President Arias of Costa Rica describe the need for diplomacy, cooperation, and reconciliation in Central America. We heard of his efforts to bring the wars in Central America to an end. We heard his reminder that the United States must be a partner in the peace process underway, that the United States must cease to aid the Contras. Approval of this bill could be interpreted as a sign of bad faith on the part of the United States. This bill provides the wrong kind of aid at the wrong time.

I urge my colleagues to vote against the bill.

Mr. HOYER. Mr. Speaker, I rise to point out to the House an issue which is of concern to a great many Members.

As the House is aware, the budget agreed upon by both the House and the Senate provided for a 3-percent pay raise for Federal employees. The President ignored this recommendation, along with the recommendations of his pay agent—24 percent increase—and Advisory Committee on Federal Pay—8 percent increase—and recommended instead a 2-percent comparability adjustment for Federal employees.

Just as last year, I will offer an amendment to the final continuing resolution which will override the President's recommendation and provide Federal employees what we have provided in the budget, a 3-percent comparability adjustment. This amendment is not on this short-term resolution, in an attempt to keep this emergency measure "clean."

I merely want the Members who may be getting mail from their constituents on this issue to know that there will be an opportunity to resolve it before the end of the session.

FISCAL YEAR 1988 COMPARABILITY ADJUSTMENT

SUMMARY OF HOYER AMENDMENT

Amendment is identical to that which is already in the House and Senate budget resolution. It provides for a 3-percent comparability adjustment for civilian employees for fiscal year 1988. The amendment is silent on the adjustment for military employees, which is still to be determined by the Defense Subcommittee. The amendment also provides, as the budget did, for 100-percent absorption.

FISCAL IMPACT

CBO has said that this amendment will have no impact on outlays or authority relative to the budget agreement. Further, for purposes of Gramm-Rudman, the amendment will actually produce a savings of $902 million, since the CBO baseline assumed a 3-percent adjustment without any absorption. (The Gradison baseline, which is based on the President's recommendation, assumed a 2-percent civilian and 4 percent military, with 50-percent absorption for civilian, so there will be a $730 million savings against this baseline.)

ARGUMENTS

President recommended a 2-percent adjustment in August, which in the absence of a law establishing a different adjustment will become effective.

House Concurrent Resolution 93, the budget resolution was agreed to by the House and Senate (June 23 and June 24) and provides for a 3-percent pay adjustment with 100-percent absorption.

The President's pay agent recommended that a comparability adjustment of 23.74 percent would be needed to achieve comparability with private enterprise pay rates.

The Advisory Committee on Federal Pay rejected the President's budget recommendation of 2 percent, and rejected the congressional budget recommendation of 3 percent, and recommended instead 8 percent. It also made this effective on October 1, instead of January 1.

The committee referred to the "quiet crisis" of the "creeping erosion of the quality of the Federal service and the Government's ability to successfully enter the 21st century.

The committee also declared that: "The current Federal pay and benefit system is failing to achieve efficiency. The breakdown of the system is most apparent at the top and bottom levels of Government."

The number of people under "special rates" has more than doubled, from 40,000 to 110,000.

The White House fellows program had a 50-percent drop in the number of applicants.

The advisory committee made clear that if we are to attract and retain quality people to Federal service, we must begin to close the 24-percent gap. Their 8-percent recommendation would be a reasonable step, but would cost $3.35 billion (as opposed to $1.26 billion for 3 percent). Since this would be unreasonable in light of the budget constraints, Hoyer decided to at minimum offer the 3 percent.

Employee health premiums will rise on average 31 percent this year, with some plans rising as much as 70 percent. Most HMO's will increase by 12 percent, with a few actually lowering their rates, but the clear majority of employees will face higher health care costs this year. The extra 1 percent Congress provided in the budget isn't much, but it is more than the President would give, and for employees under continuous assault, every little bit helps.

U.S. CONGRESS
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 17, 1987.

Hon. STENY H. HOYER,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN: As your staff requested, the Congressional Budget Office has reviewed their oral description of a proposed amendment to the Continuing Resolution for Fiscal Year 1988, as pending before the House Committee on Appropriations.

According to your staff, the amendment would provide for a 3 percent increase in pay rates to federal civilian employees, effective January 1988. The amendment would also result in a 3 percent increase in basic pay and allowances for uniformed military employees. The amendment further states that civilian agencies would be required in the aggregate to absorb the entire first-year cost of the pay increase from their 1988 appropriations. The cost of the pay raise is shown in Table I. Because the Concurrent Resolution on the Budget for Fiscal Year 1988 as interpreted by the House Budget Committee assumes the same rate of pay increase and absorption as your amendment, your amendment would have no budgetary effect relative to the budget resolution.

TABLE I

[In million of dollars]

Program (budget function)	Authorization amounts in Hoyer amendment	
	Budget authority	Outlays
Civilian agency employees (920) (assuming 100-percent absorption)	0	0
Department of Defense civilian employees (050)	616	605
Department of Defense military employees (050)	1,482	1,379
Subtotal	2,098	1,984
Employer share, employee retirement (950)	−715	−715
Net budgetary effect	1,383	1,269

Table II shows the budgetary effects in fiscal year 1988 of the pay assumptions in the CBO baseline. The CBO baseline assumes a 3 percent pay increase effective January 1988 for civilian and military employees, and that appropriations enacted will cover the full cost of the pay increase. Relative to CBO's baseline, your proposed amendment would result in net outlay savings of $902 million in 1988.

TABLE II

[In millions of dollars]

Program (budget function)	Authorization amounts in CBO baseline		Savings of amendment relative to baseline	
	Budget authority	Outlays	Budget authority	Outlays
Civilian agency employees (920)	864	902	−864	−902
Department of Defense civilian employees (050)	616	605	0	0
Department of Defense military employees (050)	1,482	1,379	0	0
Subtotal	2,098	1,984	−864	−909
Employer share, employee retirement (950)	−715	−715	0	0
Net budgetary effect	1,383	1,269	−864	−902

As seen in Table III, your amendment would result in net outlay savings of $730 million in fiscal year 1988 relative to CBO's base for the Balanced Budget Act of 1985. In the August 1987 joint OMB-CBO sequestraton report, CBO assumed increases in the amounts recommended by the President: 2 percent for all civilian employees (with civilian agencies absorbing 50 percent of the first-year cost) and 4 percent for uniformed military employees (with no absorption assumed), effective in January 1988. For purposes of the Balanced Budget Act, however, the CBO figure is only half of the story. The actual change to the excess deficit would be the average of the CBO and OMB estimates for this amendment.

TABLE III

[In millions of dollars]

Program (budget function)	Authorization amounts in balanced Budget Act base		Savings of amendment relative to base	
	Budget authority	Outlays	Budget authority	Outlays
Civilian agency employees (920)	323	312	−323	−312
Department of Defense civilian employees (050)	505	496	111	109
Department of Defense military employees (050)	2,009	1,979	−527	−600
Subtotal	2,837	2,787	−739	−803
Employer share, employee retirement (950)	−788	−788	73	73
Net budgetary effect	2,049	1,999	−666	−730

If you wish further details on this cost estimate, we will be pleased to provide them.

Sincerely,

EDWARD M. GRAMLICH,
Acting Director.

Mr. CONTE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WHITTEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. JEFFORDS. Mr. Speaker, there are two good reasons to oppose the rule and this legislation. First, we have reached the end of fiscal year 1987 any yet not a single appropriations bill has been passed into law. Second, upon adoption of the rule, this bill will contain $3.5 million in humanitarian aid for the Contras—a bad precedent at a time when the nations of Central America are struggling to achieve a negotiated regional settlement.

Each time we stand at this juncture in the Federal fiscal process, good resolutions are made by all parties that this will not happen again; and that it happened this time only because other parties were not willing to compromise or make tough decisions.

But here we are with another omnibus spending bill, and a stop-gap one at that. This bill essentially is an abdication of our fiscal responsibilities. It makes no programatic or policy changes—it just gives Congress a 40-day extension on its deadline. In the meantime, the new fiscal year marches on and the deficit continues to grow.

Finding ourselves in this predicament, the least Congress can do would be to use these 40 days to approve and send to the President the 13 individual appropriations bills. There is sufficient time to avoid another frightful continuing resolution if we dedicate ourselves to the task of doing so.

Finally, let me turn to the other very disturbing aspect of this bill—$3.5 million for the Contras. Negotiations to achieve a regional peace settlement in Central America are at a very sensitive stage. A great deal of effort is being put into developing a settlement acceptable to all parties. It is imperative that the United States be a constructive part of this process. Approval at this time of even a small amount of humanitarian Contra aid sends the wrong signal to the region. I am sorry to see this provision pass the House. I would hope that this might be the last time that the House approves aid to the Contras.

The SPEAKER pro tempore (Mr. COELHO). All time has expired.

The text of House Joint Resolution 362, as amended by House Resolution 270, is as follows:

H.J. RES. 362

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds for the several departments, agencies, corporations, and other organizational units of Government for the fiscal year 1988, and for other purposes, namely:

SEC. 101. (a)(1) Such amounts as may be necessary for programs, projects, and activities which were conducted in the fiscal year 1987, under the current terms and conditions and at a rate for operations not in excess of the current rate, for which provision was made in the following and subsequent appropriations Acts:

The Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987, and section 1241(a)(1) of Public Law 99-198;

The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1987, notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956 and section 701 of the United States Information and

Educational Exchange Act of 1948, as amended;

The Department of Defense Appropriations Act, 1987 notwithstanding section 502(a)(1) of the National Security Act of 1947;

The District of Columbia Appropriations Act, 1987;

The Energy and Water Development Appropriations Act, 1987;

The Foreign Assistance and Related Programs Appropriations Act, 1987, notwithstanding section 10 of Public Law 91-672 and section 15(a) of the State Department Basic Authorities Act of 1956: *Provided*, That the rate for operations shall not be in excess of the current rate or the rate provided for in the budget estimate, whichever is lower;

The Department of Housing and Urban Development—Independent Agencies Appropriations Act 1987;

The Department of the Interior and Related Agencies Appropriations Act, 1987;

The Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1987, and section 101(n) of Public Laws 99-500 and 99-591;

The Legislative Branch Appropriations Act, 1987;

The Military Construction Appropriations Act, 1987, except for section 206 of such Act: *Provided*, That the authority available as of September 30, 1987, shall be continued to allow the obligation and expenditure of previously appropriated funds in section 206 for supporting, monitoring, and managing the activities provided for under section 206 in fiscal year 1987: *Provided further*, That in order to strengthen and continue the peace process in Central America, not to exceed the current rate of $2,650,000 per month shall be available only for humanitarian assistance and its support, management, and monitoring in accordance with the provisions of title II of the Military Construction Appropriations Act, 1987;

The Department of Transportation and Related Agencies Appropriations Act, 1987; and

The Department of Treasury, Postal Service, and General Government Appropriations Act, 1987.

(2) No appropriation or funds made available or authority granted pursuant to this subsection shall be used to initiate or resume any project or activity for which appropriations, funds, or other authority were not available during the fiscal year 1987.

(3) No appropriation or funds made available or authority granted pursuant to this subsection for the Department of Defense shall be used for new production of items not funded for production in fiscal year 1987 or prior years, for the increase in production rates above those sustained with fiscal year 1987 funds, or to initiate, resume or continue any project, activity, operation or organization which are defined as any project, subproject, activity, budget activity, program element, and subprogram within a program element and for investment items are further defined as a P-1 line item in a budget activity within an appropriation account and an R-1 line item which includes a program element and subprogram element within an appropriation account, for which appropriations, funds, or other authority were not available during the fiscal year 1987: *Provided*, That no appropriation or funds made available or authority granted pursuant to this subsection for the Department of Defense shall be used to initiate multi-year procurements utilizing advance procurement funding for economic order quantity procurement unless specifically appropriated later.

SEC. 102. Unless otherwise provided for in this joint resolution or in the applicable appropriations Act, appropriations and funds made available and authority granted pursuant to this joint resolution shall be available until (a) enactment into law of an appropriation for any project or activity provided for in this joint resolution, or (b) enactment of the applicable appropriations Act by both Houses without any provision for such project or activity, or (c) November 10, 1987, whichever first occurs.

SEC. 103. Appropriations made and authority granted pursuant to this joint resolution shall cover all obligations or expenditures incurred for any program, project, or activity during the period for which funds or authority for such project or activity are available under this joint resolution.

SEC. 104. Expenditures made pursuant to this joint resolution shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 105. No provision in any appropriations Act for the fiscal year 1987 referred to in section 101 of this joint resolution that makes the availability of any appropriation provided therein dependent upon the enactment of additional authorizing or other legislation shall be effective before the date set forth in section 102(c) of this joint resolution.

SEC. 106. Appropriations and funds made available by or authority granted pursuant to this joint resolution may be used without regard to the time limitations for submission and approval of apportionments set forth in section 1513 of title 31, United States Code, but nothing herein shall be construed to waive any other provision of law governing the apportionment of funds.

The SPEAKER pro tempore. Pursuant to House Resolution 270, the amendments printed in section 2 are considered as having been adopted, and the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CONTE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 270, nays 138, not voting 26, as follows:

[Roll No. 332]

YEAS—270

Ackerman	Gejdenson	Olin
Akaka	Gilman	Ortiz
Alexander	Gingrich	Owens (NY)
Anderson	Glickman	Owens (UT)
Andrews	Goodling	Parris
Annunzio	Gordon	Pashayan
Archer	Gradison	Patterson
Armey	Grant	Pease
Barnard	Gray (IL)	Pepper
Bartlett	Gray (PA)	Perkins
Barton	Green	Pickett
Bateman	Guarini	Pickle
Bellenson	Hammerschmidt	Price (IL)
Bennett	Harris	Price (NC)
Bentley	Hatcher	Quillen
Bereuter	Hawkins	Rahall
Berman	Hayes (IL)	Rangel
Bevill	Hayes (LA)	Ravenel
Bilbray	Hefner	Ray
Bliley	Hertel	Regula
Boehlert	Hochbrueckner	Rhodes
Boggs	Holloway	Richardson
Boland	Horton	Ritter
Bonior (MI)	Houghton	Rodino
Bonker	Howard	Roe
Borski	Hoyer	Rogers
Boucher	Huckaby	Rose
Boulter	Hutto	Rostenkowski
Brooks	Hyde	Roukema
Broomfield	Ireland	Rowland (GA)
Brown (CA)	Jenkins	Sabo
Bryant	Johnson (CT)	Saiki
Bunning	Johnson (SD)	Savage
Bustamante	Jones (NC)	Sawyer
Byron	Jones (TN)	Saxton
Campbell	Kanjorski	Scheuer
Cardin	Kaptur	Schulze
Carper	Kasich	Schumer
Carr	Kildee	Shaw
Chandler	Kolter	Shays
Chapman	LaFalce	Shuster
Chappell	Lantos	Sisisky
Cheney	Lehman (FL)	Skaggs
Clarke	Leland	Skeen
Clay	Lent	Skelton
Clinger	Levin (MI)	Slattery
Coble	Levine (CA)	Slaughter (VA)
Coelho	Lewis (CA)	Smith (FL)
Coleman (MO)	Lipinski	Smith (IA)
Coleman (TX)	Lloyd	Smith (NE)
Combest	Lott	Smith (NJ)
Conte	Lowery (CA)	Smith (TX)
Cooper	Lowry (WA)	Solarz
Coughlin	Lujan	Spratt
Coyne	Lungren	St Germain
Darden	MacKay	Staggers
Daub	Madigan	Stallings
Davis (MI)	Manton	Stangeland
DeLay	Markey	Stokes
Derrick	Martin (IL)	Stratton
Dickinson	Martin (NY)	Sundquist
Dicks	Martinez	Sweeney
Dingell	Matsui	Swift
DioGuardi	Mazzoli	Swindall
Dixon	McCloskey	Taylor
Donnelly	McCollum	Thomas (GA)
Dowdy	McDade	Torricelli
Downey	McGrath	Towns
Duncan	McHugh	Traxler
Dwyer	McMillan (NC)	Udall
Dymally	McMillen (MD)	Valentine
Dyson	Meyers	Vander Jagt
Early	Mfume	Vento
Edwards (OK)	Mica	Visclosky
Emerson	Michel	Volkmer
English	Miller (OH)	Vucanovich
Espy	Moakley	Walker
Fascell	Mollohan	Watkins
Fazio	Montgomery	Waxman
Fields	Morella	Weiss
Fish	Morrison (WA)	Weldon
Flake	Mrazek	Whittaker
Flippo	Murtha	Whitten
Foley	Myers	Wise
Ford (MI)	Natcher	Wolf
Frank	Nelson	Wolpe
Frost	Nichols	Wortley
Gallo	Nowak	Wylie
Garcia	Oakar	Young (AK)
Gaydos	Obey	Young (FL)

NAYS—138

Applegate	Hastert	Panetta
Atkins	Hefley	Pelosi
AuCoin	Henry	Penny
Badham	Herger	Petri
Baker	Hiler	Porter
Ballenger	Hopkins	Pursell
Bates	Hubbard	Ridge
Bilirakis	Hughes	Rinaldo
Bosco	Inhofe	Roberts
Brennan	Jacobs	Robinson
Brown (CO)	Jeffords	Roth
Bruce	Jontz	Rowland (CT)
Buechner	Kastenmeier	Roybal
Burton	Kemp	Russo
Callahan	Kennedy	Schaefer
Coats	Kennelly	Schneider
Conyers	Konnyu	Schroeder
Courter	Kostmayer	Schuette
Crane	Kyl	Sensenbrenner
Crockett	Lagomarsino	Sharp
Dannemeyer	Leach (IA)	Shumway
Davis (IL)	Leath (TX)	Sikorski
DeFazio	Lehman (CA)	Slaughter (NY)
Dellums	Lewis (FL)	Smith, Denny (OR)
DeWine	Lewis (GA)	Smith, Robert (NH)
Dorgan (ND)	Lightfoot	Smith, Robert (OR)
Dornan (CA)	Luken, Thomas	Snowe
Dreier	Lukens, Donald	Solomon
Durbin	Mack	Stark
Eckart	Marlenee	Stenholm
Edwards (CA)	Mavroules	Studds
Erdreich	McCandless	Stump
Evans	McEwen	Synar
Fawell	Miller (CA)	Tallon
Feighan	Miller (WA)	Tauke
Florio	Mineta	Torres
Foglietta	Molinari	Traficant
Gallegly	Moody	Upton
Gekas	Moorhead	Walgren
Gonzalez	Morrison (CT)	Weber
Grandy	Murphy	Wheat
Gregg	Nagle	Wyden
Gunderson	Neal	Yates
Hall (OH)	Nielson	Yatron
Hall (TX)	Oberstar	
Hamilton	Oxley	
Hansen	Packard	

NOT VOTING—26

Anthony	Ford (TN)	Livingston
Aspin	Frenzel	McCurdy
Biaggi	Gephardt	Roemer
Boner (TN)	Gibbons	Spence
Boxer	Hunter	Tauzin
Collins	Kleczka	Thomas (CA)
Craig	Kolbe	Williams
Daniel	Lancaster	Wilson
de la Garza	Latta	

□ 1130

The Clerk announced the following pairs:

On this vote:

Mr. Lancaster for, with Mr. Craig against.

Mr. Spence for, with Mr. Hunter against.

Messrs. DAVIS of Illinois, HUGHES, BUECHNER, WHEAT, YATES, MINETA, RINALDO, CONYERS, and HEFLEY, and Ms. PELOSI changed their votes from "yea" to "nay."

Messrs. LUJAN, ARMEY, and HARRIS changed their votes from "nay" to "yea."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. KOLBE. Mr. Speaker, on House Joint Resolution 362, contiuing appropriations for fiscal year 1988, I was on the floor and believed that I had voted, used my card, and thought that it had recorded. it apparently did not, and, therefore, I am not recorded on that vote.

Mr. Speaker, I intended to vote "yea."

□ 1145

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2939, AMENDING UNITED STATES CODE WITH RESPECT TO THE APPOINTMENT OF INDEPENDENT COUNSEL

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 100-315) on the resolution (H. Res. 273) providing for the consideration of the bill (H.R. 2939) to amend title 28, United States Code, with respect to the appointment of independent counsel, which was referred to the House Calendar and ordered to be printed.

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I have asked for this time for the purpose of receiving the schedule for the balance of the week and for next week, and I owuld be glad to yield to the distinguished majority leader for that purpose. I think that this does conclude the schedule for the day and the balance of the week.

Mr. Speaker, can the majority leader confirm that and give us the schedule for next week?

Mr. FOLEY. Mr. Speaker, I thank the distinguished Republican whip for yielding.

The House has completed the legislative business for today, and the House will not be in session tomorrow, in observance of Rosh Hashannah.

The House will meet at 10 a.m. on Friday for a pro forma session. No legislation is expected.

On Monday, September 28, the House will not be in session.

On Tuesday, September 29, the House will meet at noon to consider 10 suspensions. Recorded votes on the suspensions will be postponed until after debate on all suspensions has been completed. The list of suspensions is as follows:

H.R. 390, to authorize a gold medal to Mary Lasker;

H.aR. 3251, to authorize the minting of coins in commemoration of the bicentennial of the U.S. Congress;

H.R. 2035, to increase the authorization for Lowell National Historical Park;

H.R. 2566, Jean Lafitte National Historical Park and Preserve Amendments;

H.R. 1495, Smokey Mountain Wilderness;

H.R. 2530, Mississippi National River and Recreation Area;

H.R. 2596, Admiralty Island National Monument Management Act;

H.R. 2893, Fishermen's Protective Act reauthorization;

H.R. 1173, to establish a National Ocean Policy Commission; and

H.R. 3017, National Sea Grant College Program Act.

On Wednesday, September 30, the House will meet at 10 a.m. to consider H.R. 2939, the Independent Counsel Amendments Act, subject to a rule.

On Thursday, October 1, and Friday, October 2, the House will meet to consider H.R. 2310, the Airport Development and Improvement Act, subject to a rule being granted.

Mr. Speaker, I might repeat that the House may be in session on Friday, October 2. In addition to the possibility of meeting that day to complete action on the Airport Development and Improvement Act, any adjustments that might be required because of the failure to conclude the continuing resolution would require that Members be on notice that there is a possibility, though not yet a probability, of a Friday session on October 2, and Members should accordingly adjust their schedules to recognize the possibility that the House may be in session on that day.

Mr. LOTT. Mr. Speaker, if the gentleman will let me take my time back just briefly right on that point, it is not necessarily expected the House will be in session, in fact, it is hoped the House will not be in session on that Friday, but it would depend on what the Senate does with respect to the continuing resolution; is that right?

Mr. FOLEY. If I were advising a Member or making my own decision, I would say the presumption is that the House will not be in session on Friday, but Members would be well advised to make plans for Friday which would permit their cancellation to accommodate a session of the House, if one should be called on short notice, and to avoid commitments which would be extremely difficult to change in the event that the House schedule should call for a Friday session.

Mr. LOTT. Mr. Speaker, if the distinguished majority leader would allow me to continue, I would like to ask about a couple of things that are not listed on the schedule. We still have three appropriation bills left that were supposed to have been completed by June 30. We do not have any of those three bills listed for next week. Does the gentleman have any idea when we might bring up any of those three appropriation bills?

Mr. FOLEY. No; I do not.

Mr. LOTT. What about reconciliation? Assuming we are going to be able to get the Gramm-Rudman and the debt ceiling through the entire process, since this body has already acted on it, I assume we would be ready to move pretty expeditiously on reconciliation?

Mr. FOLEY. Yes.

Mr. LOTT. That was supposed to have been reported, I believe, or acted on by July 29, and when it did not meet that deadline, we were told along the way that it would be September 29. That is next Tuesday. Do we have any idea when reconciliation will be coming up?

Mr. FOLEY. No; I think reconciliation will probably be rescheduled for sometime in October.

Mr. LOTT. Jumping a little bit beyond next week, the week of the Columbus Day recess, we do expect the House will not be in session on that Monday, Columbus Day; is that correct?

Mr. FOLEY. That is correct.

Mr. LOTT. Beyond that, can the gentleman give the Members any information about that particular week?

Mr. FOLEY. Mr. Speaker, at this time we expect the remaining dates in the week except for Friday to be scheduled days.

Mr. LOTT. Is the gentleman saying we would not be in session on Friday of that week?

Mr. FOLEY. I think the possibility again is remote that there will be a Friday session that week. I am not in a position to give Members absolute assurance, but the presumption should be again that we will not be in session and schedules should be made for that day in home districts based on the possibility of a session, but probably not.

Mr. LOTT. Mr. Speaker, I have one observation and one final question, and then we will conclude this.

I notice that next week we have 10 relatively noncontroversial suspension bills scheduled and only 2 other bills actually scheduled, Independent Counsel and Airport Development and Improvement Act, with no appropriations, no reconciliation, and basically no heavy lifting.

Once again we talk about how basically we are on schedule and we are doing good, but it is looking to me more and more like maybe there is an effort for us to contribute to the D.C. economy by being here for our Christmas shopping. I would like to ask if the leader is thinking in terms of maybe being helpful to the local area economy, because I would like to contribute to my own local economy down in Mississippi.

Mr. FOLEY. Mr. Speaker, if the gentleman will yield, the House has passed but the Senate has not acted on the debt ceiling extension, as the gentleman noted, and until the debt ceiling was passed and the Gramm-Rudman legislation was passed by the House and now may be enacted by the Senate and sent to the President, it was difficult to schedule reconciliation or for the committees to act on the reconciliation proposal. So, we are going to proceed on that expeditiously, and the reconciliation bill will be brought to the floor as soon as it is available.

As far as next week's work is concerned, the two bills that are scheduled are bills of major importance. Both of them are significant bills, and we are going to continue a schedule to meet the requirements of the House. We are going to go forward as quickly as possible, and it is our intention that after October 15 committees will be expected to have reported any bills that will be taken up this year.

Mr. LOTT. That is an important point. The gentleman has indicated that there have been whispers around here that maybe the House would try to complete its work and leave. I would suggest that that may be a very good idea, but if we are going to do that, we need to take up some of these heavy, important issues as soon as we can, and I would encourage the leadership to do that.

Mr. FOLEY. Mr. Speaker, I want to assure the gentleman and the House that there is no effort to delay or postpone critical bills for the purpose of keeping the House in session. Nobody on this side wants to see the House stay in session any longer than necessary, and I can assure the gentleman that his concerns are shared fully on this side of the aisle.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, if I might ask our distinguished majority leader this, let me say that I got very confused, and I am not sure that I understand what is going on anymore. I thought we came back on Monday for a lot of votes, and I wonder if we missed the votes we came back on Monday for. If we come back next week, I just cannot figure it out. I feel like I am in the NFL; I cannot figure what the game is.

Mr. FOLEY. Sometimes it requires a close reading of the schedule. We always attempt to inform Members as accurately as possible as to what they can expect, but sometimes last-minute developments make predictions that were previously announced somewhat inaccurate.

If the gentleman is concerned about the Monday schedule, we had anticipated that there would be a full consideration of H.R. 3030, the farm credit legislation. Because of a dispute which is jurisdictional in character and bipartisan—it does not affect one side of the aisle or another—it became clear that title III of that bill would involve a great dispute on the floor. In an effort to find the possibility of a compromise and conciliation, it was decided to remove title III from the bill on Monday and consider only titles I and II, which were not controversial to the same extent, or not significantly controversial. Because that decision was made late in the week, not all Members, I think, were fully aware of the fact that the previous prediction of a late session Monday night had been adjusted by the withdrawal of title III from the Farm Credit Act.

There was no intent to mislead Members. We did expect votes. We just did not expect the bill would be completed partially and would not involve as long a time as was otherwise predicted.

Yesterday we were trying to accommodate the White House invitation to Members of Congress which was later in the day canceled due to weather. So our schedule yesterday was somewhat shorter than it would have been otherwise, although we proceeded then after the announcement of the White House cancellation to complete the debt ceiling bill.

We try to let Members know ahead of time what to expect. We earnestly try to do that. Last-minute changes do occur, and the only thing I can suggest is that Members on both sides of the aisle, when they are making decisions and are concerned about what the schedule might be or whether there might be a change, should check with the leadership on your side of the aisle and on this side of the aisle. We will have announcements and other information available to keep Members fully apprised of last-minute developments.

Mr. GINGRICH. Mr. Speaker, I will ask the gentleman if he will yield to me for one moment.

Mr. LOTT. I yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, I just want to make one comment. It would be enlightening and helpful, I think, if, given the degree of accommodation and concern for comity which has clearly led to an occasional modest change in the schedule, we could have this assurance I would be curious to know if the next time we go through this exercise late next week if the leadership might offer us any week in which this dialog bore a reasonably accurate resemblance to the following week's behavior. I have listened carefully because I think these are important discussions, and I find it hard to tell whether or not in fact they had been as helpful as I had originally hoped they would be when our distinguished friend first began to brief us back in January.

Mr. Speaker, I thank both my colleagues for allowing me to participate.

Mr. FOLEY. Mr. Speaker, if the gentleman will yield further to me, I think our predictions are reasonably accurate. We try to tell Members what is planned, and those plans are for the most part carried out. But we have modern conveniences such as telephone lines where telephone numbers can be called, and the whip organizations on both sides will announce to a Member up to the very day in question what the proposed schedule is, and Members who want to keep last-minute tabs on any schedule changes have the availability of that number to call and see if there have been any changes. I would urge the gentleman from Georgia, who just left the floor, to avail himself of that means.

Mr. LOTT. Mr. Speaker, I would suggest that the gentleman does try to inform the membership of what is happening, and certain events do change. But I was just wondering if the gentleman gets as much harassment from his side as I do from my side when we have events like Monday when we say we are going to have a lot of recorded votes and then we do not have them. Some of my friends over here do not appreciate it.

Mr. FOLEY. Well, again I would say to Members on both sides that it is possible to keep checking or to have someone on your staffs to keep checking when you leave on Friday or over the weekend as to whether there has been any change in the schedule.

We do keep those telephone announcements fully up to date. It is a method of communicating with Members, and I would say it is useful for Members not to take just the announcement we make here on Thursday but to occasionally have someone on the staff check and see if there are any changes in the schedule so they can be made aware of it. We do not make these changes capriciously or lightly. There are usually involved major reasons for the change, and we try to make those changes as minimal as possible.

Mr. LOTT. Mr. Speaker, I thank the distinguished majority leader, and I yield back the balance of my time.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore (Mr. LOWRY of Washington). Is there objection to the request of the gentleman from Washington?

There was no objection.

ADJOURNMENT TO FRIDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m. on Friday, September 25, 1987.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

ADJOURNMENT FROM FRIDAY NEXT TO TUESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Friday, September 25, 1987, it adjourn to meet at noon on Tuesday, September 29, 1987.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

□ 1200

ANNOUNCEMENT OF THE PASSING OF THE HONORABLE H.R. GROSS

(Mr. SMITH of Iowa asked and was given permission to address the House for 1 minute.)

Mr. SMITH of Iowa. Mr. Speaker, I am saddened to announce the passing of a much esteemed and loved former Member, H.R. Gross. He passed away last night.

The memorial service will be at 1:45 Friday at Fort Myer Chapel, and for those who want to send an expression of sympathy, their address is River House, 1600 S. Joyce St., Arlington, VA 22202.

I am sure that all of the Members join in expressing sympathy to Hazel and the family.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO HAVE UNTIL 5 P.M. TOMORROW, THURSDAY, SEPTEMBER 24, 1987, TO FILE REPORTS ON H.R. 2897, FEDERAL TRADE COMMISSION ACT AMENDMENTS OF 1987

Mr. GRAY of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may have until 5 p.m. on Thursday, September 24, 1987 to file certain reports on H.R. 2897; and I would say further, Mr. Speaker, this matter has been cleared by the minority side.

The SPEAKER pro tempore (Mr. LOWRY of Washington). Is there objection to the request of the gentleman from Illinois?

There was no objection.

SENSE OF CONGRESS RESPECTING THE DESIGNATION OF JAZZ AS A RARE AND VALUABLE NATIONAL AMERICAN TREASURE

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the concurrent resolution (H. Con. Res. 57) expressing the sense of Congress respecting the designation of jazz as a rare and valuable national American treasure, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object, but would like to inform the House that the minority has no objection to this legislation now being considered.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from Michigan [Mr. CONYERS], who is the chief sponsor of House Concurrent Resolution 57, expressing the sense of Congress respecting the designation of jazz as a rare and valuable national American treasure.

Mr. CONYERS. Mr. Speaker, I thank the gentlewoman for yielding to me.

I want to commend the leadership of this subcommittee for the excellent work it has done.

We have in fact a House of Representatives full of jazz buffs and jazz lovers. I want to tell the Members that if my life in the Congress could follow the ease with which I gathered signatures for this measure, I could make some revolutionary progress in the struggles around issues on which I work so hard, but this was truly a bipartisan endeavor.

It was one in which I found that many of the Members have a deep and abiding interest, and incidentally a lot more knowledge than I thought that they had before on this subject matter.

In my city of Detroit, many jazz musicians have developed and gone on to world fame.

I will not incite competition by naming any of the long roster of names, but it brought me in touch with this art form for which I had always had more than a passing interest, and because of my connection with some of the artists and the friendships that developed, I had always thought that there ought to be a more tangible connection between this legislative body and many of the artists who have been received in the White House who have served as diplomats traveling around the world.

As a matter of fact, they have done some of the most outstanding work in bringing disparate groups of people and countries together, that I thought there ought to be some tangible expression.

To my surprise, I found that the Congress had never once spoken on this subject of its appreciation to these unique artists who have promulgated this unique art form.

Out of that lack of a connection, it occurred to me that maybe in this 100th session of Congress, we could get together most of the Members to express the deep respect and love we have for this very unique art form.

I have been in countries throughout Europe in which many people thought that the art form was their art form. I have been in the Caribbean where there has been a fusion of the music of the Caribbean with jazz, and there have been many new genres of music that have been developed.

Jazz is a very generic term. I am looking at the gentlewoman from Louisiana, and I realize that there are all forms of jazz, so I come here very, very pleased to thank the gentleman from California [Mr. DYMALLY] who is, incidentally, the Chair of the Congressional Black Caucus, and the more than 150 of my colleagues who have joined with me on it.

Might I just conclude my appreciation to this body for their cooperation by inviting the House of Representatives to join the Congressional Black Caucus at the Washington Hilton tomorrow where we have a jazz panel, and we are favored with a number of musicians that I do not know by name; but I can tell the Members that Wynton Marsalis, his father and brother, and Percy Heath and his brother will all be there.

I would be very, very honored to acknowledge the presence of any of the Members of the House of Representatives that chose to be the Congressional Black Caucus's guests.

It is 6 p.m. at the Washington Hilton tomorrow, and I again express a deep appreciation to the chairman and ranking member of the subcommittee, who have made the expeditious and very timely passage of House Concurrent Resolution 57 possible.

Mr. DYMALLY. Mr. Speaker, will the gentlewoman yield?

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I certainly do yield to the gentleman from California [Mr. DYMALLY], the chairman of the subcommittee, who helped to make the passage of this resolution possible.

Mr. DYMALLY. Mr. Speaker, I thank the gentlewoman for yielding.

While we do honor the jazz musicians across the country, we must not fail to recognize the work that the gentleman from Michigan [Mr. CONYERS] has done over the years in bringing to the attention of the American public this unique form of art and culture.

Every year during the Congressional Black Caucus weekend, the gentleman from Michigan sponsors a dialog in jazz. I hope sometime the gentleman will sponsor a concert in jazz, so that we could learn not only about the history, but we could appreciate the music.

I really sought the time to have a dialog, if I may, with the gentleman from Michigan.

The gentleman made mention of it. As I travel across different parts of the country working, of course, at night there is nothing to do, and one looks around; but I am struck by the rise of jazz in Japan.

Indeed, Mr. Feather, the authority on jazz, has said one of the best arrangers and composers next to Duke Ellington is one in Japan. In New Orleans you hear the mourning jazz, the forties and fifties, and Dizzy Gillespie.

I am also intrigued by this notion that we can go overseas and have an opportunity to walk in any first-class hotel and listen to very good jazz, and the New Otani Hotel has a big band there and in other parts of Japan.

Of course, you must have a guide to know where these unique places are; but I am really, really impressed with the rise of jazz music in Japan.

Mr. CONYERS. Mr. Speaker, will the gentlewoman yield?

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Speaker, I thank the gentlewoman for yielding.

I am pleased that the gentleman would bring this point to our attention, because one of the unique qualities of our music, this jazz music with its Afro-American roots which has now been taken by all the artists in all the world; but in Japan our jazz artists have been afforded great honor and recognition, as well as remuneration, but it is frequently unlike any that they can enjoy in this country. For many years now, the great American jazz artists traditionally go to the Far East, where they are treated with the same caliber of respect as concert classical artists. As a matter of fact, they treat jazz as a form of classical music, because it not only can require great reading skill; but it also requires an ability to create a music line spontaneously, and so the artists are treated with great respect there.

It is a very, very important consideration.

Jazz has indeed become a worldwide phenomenon, but nowhere more so than in Japan, where it is studied with great care.

Mr. DYMALLY. The last time I ran into the gentleman by accident, of course, you were working, and it was in Moscow, as I recall, and the gentleman was trying to promote a jazz concert; and the cold war put a freeze on that effort.

Would the gentleman enlighten the House as to what happened to that?

Mr. CONYERS. Even in Moscow, in the capital of the Soviet Union, jazz was being promoted. People were, at the time I visited, practicing it in their basements. It was off limits. There are only certain clubs that could promote it.

In the era of glasnost, we hopefully have a different experience; but throughout the world, I would say to the gentleman from California, on the African Continent I remember a very unique experience where I heard a music combination that I thought was jazz and found out that it was really an African traditional music that had been going on all along, and some creative jazz musician had literally appropriated it to the jazz idiom.

I realized that it had been taken traumatically almost back through centuries to an African music that had been incorporated into jazz.

These kinds of experiences become commonplace as we travel around the world, and I think it leads to the wide collaboration of Members of both sides of the aisle in making this day possible.

Mr. DYMALLY. If I may continue the time which the gentlewoman had given me, one closing comment.

The gentleman from Michigan [Mr. CONYERS] made mention of the fact that jazz has also penetrated the Caribbean and not being able to find a proper acronym, they call it soul-cal, which is soul calypso, which is a combination of soul and calypso and jazz music.

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I simply want to compliment the gentleman from Michigan [Mr. CONYERS], the sponsor of the resolution, and the gentleman from California [Mr. DYMALLY], the chairman of the subcommittee, for the excellent colloquy that has been very informative.

I concur with what the gentlemen said about the fact that appreciation of jazz is no respect of political philosophies, and in fact jazz belongs to the world.

Mr. Speaker, further reserving the right to object, I yield to the gentlewoman from Louisiana [Mrs. BOGGS].

Mrs. BOGGS. Mr. Speaker, I thank the gentlewoman for yielding to me.

I thank so much the gentleman from California [Mr. DYMALLY], the chairman of the subcommittee, and the gentlewoman from Maryland [Mrs. MORELLA], the ranking minority member of the subcommittee, and the gentleman from Michigan [Mr. CONYERS], the chief sponsor of this legislation, for bringing this great piece of legislation to the floor, so that we may

as the Congress recognize this truly American art form that has thrilled us all through the ages of its development.

As the Representative from the home, the birth of jazz in New Orleans, I thank very much the principals involved for the Tulane Jazz Archives Group, for the New Orleans Jazz Club, for Preservation Hall that was started by the late Alan Jaffe and is now being carried on by his wonderful wife, Sandra, and the great old musicians who are still with us there.

□ 1215

All of us together and all the people who are interested in jazz in New Orleans, LA, thank you very much.

I would like to say that both the Old Time Preservation Hall Jazz Musicians and then Fred Star, who was an executive vice president at Tulane University and now is the president of Oberlin, who started the Jazz Repertoire Orchestra while he was in New Orleans, and he keeps it up to this day, have been in the last year on trips to Russia. They have been all over the world before then, and were magnificently received with open arms and a lot of toe tapping. Fred came back with his orchestra and held a very important seminar at the Smithsonian on the experience that they had in the Soviet Union in relationship to jazz.

It is a magnificent piece of Americana that is so important to our relationships with many people in all parts of the world.

I would say all the Members who go on official trips abroad that if you really wish to please your host country recipients of your gifts that you order some of the great old jazz records from Preservation Hall to present to them. They are considered as really great objects of art by the people who do receive them in those countries.

Mr. Speaker, it is a rare day, I say to the gentleman from Michigan [Mr. CONYERS], when you can go to your colleagues in the House of Representatives and ask them to cosponsor a piece of legislation when you have all the saints come marching in and happy to be able to do it.

I thank the gentlewoman very much for yielding.

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Speaker, I could not let this occasion pass without mentioning our part of the country. My home is just east of Kansas City. Jazz, of course, has been a great part of the history of western Missouri, particularly Kansas City. Back in the twenties and thirties, of course, it was in its prime. Within the last 20 years there has been a concerted attempt to preserve this art form. The city of Kansas City is making an admirable contribution in preserving jazz as true Americana in the theater of the arts.

So, Mr. Speaker, I thank the gentlewoman and I wholeheartedly endorse the resolution.

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Texas [Mr. GONZALEZ], a very distinguished Member of the House, who has been very patiently waiting to speak.

Mr. GONZALEZ. Mr. Speaker, I thank the gentlewoman very much. I am very grateful to the gentlewoman for giving me this opportunity.

Mr. Speaker, I rise because I, too, like my colleague from that great State of his where Kansas City, of course, is located, coming from my native city of San Antonio where it has had from the beginning very close identification with jazz music and its truly 100 percent American contribution to bringing it out of the purely Afro-American center.

Mr. Speaker, I think we should note that in the beginning, which was around the time of World War I and immediately thereafter, as all wars bring great social upheavals, the Afro-American rhythm, which we now call jazz, was very much looked down upon by the traditionalists. The music of that time was, of course, the waltzes, the European music, and those people were very critical of what they called a disturbing introduction of Afro rhythms that they looked down upon, almost considering them to be cacophonous; but the truth of the matter is that down in the South those great musicians, particularly those coming from San Antonio, that incidentally represented every single one of our basic ethnic and racial and cultural segments; for instance, we had a very famous local San Antonio citizen who actually had been born in New Orleans, Don Albert, that became nationally known, but he had to come north and avoid the then strict segregation life and environment in our area, his identification until his death 5 years ago. Now he is nationally known. He was one of those who came in with national bands that had been hidden in the subbasement of American society, in Harlem, in New York, and in sectors of Chicago.

Then we had the Mexican-American famous musician, Emilio Casarez, who was born in San Antonio, had to leave San Antonio in order to get recognition in the North where he was identified with the great name bands, but also with the jazz musicians.

Today we have Jim Collum, who happens to be white, who happens to be the great conservator of jazz and is nationally and internationally known as such, conducts musical contests and joins in musical festivals purely on a jazz note, all the way from New Orleans to Moscow, to Paris, France, and today is conserving this great tradition of jazz music.

I want to compliment the sponsoring author and my distinguished colleague from Detroit for evolving this resolution, and certainly the distinguished gentlewoman from Maryland who has been so kind and generous in granting me this time.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 57

Whereas, jazz has achieved preeminence throughout the world as an indigenous American music and art form, bringing to this county and the world a uniquely American musical synthesis and culture through the African-American experience and—

(1) makes evident to the world an outstanding artistic model of individual expression and democratic cooperation within the creative process, thus fulfilling the highest ideals and aspirations of our republic.

(2) is a unifying force, bridging cultural, religious, ethnic and age differences in our diverse society,

(3) is a true music of the people, finding its inspiration in the cultures and most personal experiences of the diverse peoples that constitute our Nation.

(4) has evolved into a multifaceted art form which continues to birth and nurture new stylistic idioms and cultural fusions,

(5) has had a historic, pervasive, and continuing influence on other genres of music both here and abroad, and

Whereas, (6) has become a true international language adopted by musicians around the world as a music best able to express contemporary realities from a personal perspective; and

Whereas, this great American musical art form has not yet been properly recognized nor accorded the institutional status commensurate with its value and importance;

Whereas, it is important for the youth of America to recognize and understand jazz as a significant part of their cultural and intellectual heritage;

Whereas, in as much as there exists no effective national infrastructure to support and preserve jazz;

Whereas, documentation and archival support required by such a great art form has yet to be systematically applied to the jazz field; and

Whereas, it is in the best interest of the national welfare and all of our citizens to preserve and celebrate this unique art form: Now, therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that Jazz is hereby designated as a rare and valuable national American treasure to which we should devote our attention, support and resources to make certain it is preserved, understand, and promulgated.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will now recognize those Members who are simply seeking unanimous-consent requests to accommodate necessary schedules, and then we will go on with the business of the House.

PERSONAL EXPLANATION

Mr. PEPPER. Mr. Speaker, I was unavoidably absent last evening when the vote came on rollcall 330. If I had been present, Mr. Speaker, I would have voted "aye."

NATIONAL HOSPICE MONTH

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 234) to designate the month of November in 1987 and 1988 as "National Hospice Month," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object, but would like the House to know that the minority has no objection to the legislation now being considered.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from Ohio [Mr. GRADISON], who is the chief sponsor of House Joint Resolution 234, to designate the month of November in 1987 and 1988 as "National Hospice Month."

Mr. GRADISON. Mr. Speaker, I am delighted that well over half of my colleagues have joined me in sponsoring House Joint Resolution 234. I am particularly grateful to the distinguished chairman of the subcommittee for bringing House Joint Resolution 234 to the House floor so promptly.

Similar resolutions, which I introduced in 1984, 1985, and 1986, received overwhelming bipartisan support.

Hospice—an innovative, comprehensive, compassionate approach to caring for terminally ill persons as well as their families—has become a respected, viable part of the Nation's health care system. Hospice care is now a permanent benefit under the Medicare Program and an option under the Medicaid Program.

Each year, thousands of families face the crisis of caring for a terminally ill family member. Hospice provides a unique program of support and care, allowing patients to remain in their own homes or in homelike inpatient facilities. The delivery of services by a team of physicians, nurses, social workers, therapists, clergy, and hospice-trained volunteers concentrates on enabling patients to live as meaningfully and as comfortably as possible until their death. Today, hundreds of programs across the country are dedicated to providing this invaluable service.

Hospice care has proven to be a humanitarian way for patients and their families to cope with the immeasurable stress and emotion of a terminal illness. While understanding of and support for the hospice concept has grown dramatically over the past few years, there is still a need for public education regarding the benefits of hospice care. It is also appropriate that we recognize the significant contributions made by those involved in the provision of hospice services and in the advancement of the hospice philosophy.

The public education and recognition programs conducted during "National Hospice Month" will continue to expand awareness and knowledge of hospice care.

Mrs. MORELLA. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Nebraska.

Mr. DAUB. Mr. Speaker, I thank the gentlewoman for yielding.

Let me say, Mr. Speaker, I would ask the gentleman from Ohio [Mr. GRADISON] for his attention. I know that he and the gentleman from California [Mr. PANETTA] have been real leaders in the hospice idea, the movement and the idea, for the consideration of those of us here in the House.

The reason I think this recognition is important, and I know the gentleman would agree with me about this, is that when we move a system from its most expensive, most intensive forms of care, to a more compassionate and in many cases less expensive form of care, we are not only helping out the budget, but we are putting that person in a much more appropriate setting. That is what hospice care does.

I want to commend the gentleman for his fine work and his colleague, and the gentleman from California [Mr. PANETTA] because I know that I as a junior Member of this body over the years have followed the hospice movement with interest. I am a supporter of it, a member of the subcommittee, and very supportive of what both these Members are going and I want to thank both for the leadership they have given us on this important issue.

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I yield to another of the original cosponsors of this important resolution, the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Speaker, I rise today in support of House Joint Resolution 234, which would designate the month of November in 1987 and 1988 as "National Hospice Month." I am pleased to be an original cosponsor of this resolution, which was originally introduced by my distinguished colleague, Mr. GRADISON, as I have been of similar measures introduced in 1984, 1985, and 1986. All of these passed with broad, bipartisan support, and I am hopeful that the resolution now before us will similarly be adopted.

Hospice is a compassionate, cost-effective means for caring for the terminally ill that helps them remain in their homes and communities, among families and friends. Over the past decade, we have seen enormous growth in the hospice movement, and today there are estimated to be over 1,500 hospice programs in operation throughout the country. At the Federal level, I am proud to have played a major role, along with Mr. GRADISON, in making hospice a permanent benefit under the Medicare Program and an option under Medicaid.

Hospice provides an innovative means of care and support in which a team of health care workers and others strives to make the remainder of the lives of the terminally ill, and the lives of their families during this very difficult time, to be as meaningful and comfortable as possible. Serious illness is difficult at any time, and terminal illness is much more so: physically, emotionally, spiritually, and economically. Hospice helps to significantly relieve the burden in all of these areas.

Not only is hospice compassionate and emotionally supportive for the terminally ill and their families; it is cost-effective as well. It is widely concluded that the substitution of hospice for acute care can save significant amounts of money, for families or Government insurance programs that cover hospice. The Congressional Budget Office has estimated that hospice coverage under Medicare could save more than $100 million over 3 years and a report on hospice demonstration programs also concluded that hospice, in addition to its compassionate care, offers a cost savings in the last year of life. These facts are critical as we continue in the struggle to reduce deficits, and we must continue to encourage the development and utilization of cost-effective, community-based forms of care such as hospice.

Mr. Speaker, "National Hospice Month" is a time when numerous organizations conduct programs of public education and recognition of the hospice movement. Each successive year, Hospice Month thereby contributes to public support and knowledge of hospice, and this makes it a very meaningful joint resolution. Again, I hope that House Joint Reso-

lution 234 will be adopted with overwhelming support.

□ 1230

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER (Mr. LOWRY of Washington). Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 234

Whereas hospice care has been demonstrated to be a humanitarian way for terminally ill patients to approach the end of their lives in comfort with appropriate, competent and compassionate care in an environment of personal individuality and dignity;

Whereas hospice advocates care for the patient and family by attending to their physical, emotional and spiritual needs and specifically, the pain and grief they experience;

Whereas hospice care is provided by an interdisciplinary team of physicians, nurses, social workers, pharmacists, psychological and spiritual counselors, and other community volunteers trained in the hospice concept of care;

Whereas hospice is rapidly becoming a full partner in the Nation's health care system;

Whereas the recent enactment of a permanent medicare hospice benefit and an optional medicaid hospice benefit makes it possible for many more Americans to have the opportunity to elect to receive hospice care;

Whereas private insurance carriers and employers have recognized the value of hospice care by the inclusion of hospice benefits in health care coverage packages; and

Whereas there remains a great need to increase public awareness of the benefits of hospice care: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of November in 1987 and 1988 is designated as "National Hospice Month". The President is requested to issue a proclamation calling upon all Government agencies, the health care community, appropriate private organizations, and people of the United States to observe those months with appropriate forums, programs and activities designed to encourage national recognition of and support for hospice care as a humane response to the needs of the terminally ill and as a viable component of the health care system in this country.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GOLD STAR MOTHERS DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 355) designating September 27, 1987, as "Gold Star Mothers Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object, but I would like the House to know the minority has no objection to the legislation now being considered.

Mr. Speaker, I yield to the gentleman from New York [Mr. GILMAN], who is the prime sponsor of this resolution.

Mr. GILMAN. Mr. Speaker. I rise in support of House Joint Resolution 355, commemorating Sunday, September 27, 1987, as "Gold Star Mothers Day."

I thank the gentleman from Michigan [Mr. FORD], the distinguished chairman of the Postal Committee, the gentleman from California [Mr. DYMALLY], the distinguished chairman of the subcommittee and the ranking minority member, the gentlelady from Maryland [Mrs. MORELLA], for their expeditious consideration of this measure.

I wish also to express my appreciation to our many colleagues who have expressed their enthusiastic support for this measure of recognition.

I am pleased to be able to remind our colleagues and our Nation of our Nation's Gold Star Mothers, for although they have suffered the supreme sacrifice of motherhood by losing sons and daughters who served in our Armed Forces, they still give generously of themselves by helping women throughout our Nation and by donating thousands of hours of volunteer work and personal service in our veterans hospitals and to our veterans and their families and their communities.

Mrs. Shirley Delanoy, the president of American Gold Star Mothers has recently informed me about the memorial ceremonies the Gold Star Mothers are planning for the last Sunday in September, when a group of Gold Star Mothers are going to assemble at Arlington National Cemetery to conduct a service honoring all Gold Star Mothers for the loss of their sons and daughters, followed by the placing of a wreath at the Tomb of the Unknown Soldier. Following their Arlington service the women will proceed to the Vietnam Veterans War Memorial to place another wreath at the war memorial as a special tribute to those 58,000 who lost their lives or who remain missing.

Mrs. Delanoy also expressed concern about their organization's diminishing membership. Once over 10,000, membership now stands at 4,000. It is believed that this decline in membership may be a result of the public's perception of the Vietnam war. For everyone of those 58,000 soldiers who sacrificed their lives in Vietnam, there is a mother who perpetuates the memory of that son or daughter. Some women have shied away from joining the Gold Star Mothers because of the unwarranted shame and discredit that has been inflicted upon them and their lost son or daughter. This decline in membership has eroded the organization's effectiveness affecting its finances and the running of their national headquarters here in Washington, DC.

I have introduced this resolution, designating this Sunday as "Gold Star Mothers Day," in order to focus attention on this courageous, dedicated group of women, as well as expressing our gratitude for the service they have bestowed upon our country. Although I realized that I would have only 2 weeks once Congress returned from the August recess to gather the necessary signatures and expedite the bill through the legislative process, I was also aware of the respect and admiration the Gold Star Mothers enjoyed from Congress. My fellow colleagues have responded generously with their support, reassuring me that motherhood and allegiance to our Nation are still held in high esteem.

Mr. Speaker, on September 14, 1940, the late President Franklin D. Roosevelt issued a proclamation designating the last Sunday in September as "Gold Star Mothers Day." In order to continue that worthy tradition I invite my fellow colleagues to join in support of House Joint Resolution 355, designating September 27, 1987, as "Gold Star Mothers Day."

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I commend the gentleman from New York [Mr. GILMAN] for introducing this resolution.

Mr. Speaker, I yield to the gentleman from California [Mr. DYMALLY], the chairman of the subcommittee.

Mr. DYMALLY. Mr. Speaker, I wish to commend the gentleman from New York [Mr. GILMAN] for his continued interest in this cause and the issues and the concerns of veterans, concerns for POW's, and for the men missing in action. Never an opportunity comes by without the gentlemen from New York [Mr. GILMAN] expresssing some concern for these brave men and women who have given so much for us, and today appropriately so, he is focusing attention on the mothers of these veterans who have died in service, some of whom are missing in action, some of whom are prisoners of war, none of whom can hear our voices today. I am very pleased that my friend is continuing to express his deep commitment as the leader in the movement to free our prisoners of war and to find our men missing in action and to dedicate a word of praise to their mothers. I commend him for that.

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I yield to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Speaker, I want to congratulate my colleague, the gentleman from California [Mr. DYMALLY] and everyone, particularly the gentleman from New York [Mr. GILMAN], my good friend, for putting this bill in. I understand that a group of Gold Star Mothers will gather this Sunday at our beautiful national cemetery at Arlington and after they lay a wreath there they are going to march down to the Vietnam Memorial.

Over the weekend I was at Panmunjom in Korea and stood on the North Korean side where the negotiations were and I rode a vehicle to the spot where on August 18, 1976, two young American officers were murdered with axes, Lt. James Barrick, and Capt. Arthur Boniface. Their mothers are still alive; they are Gold Star Mothers. I think it is peculiar, as someone who joined in the Korean war at the end of that war in late 1952 and never had to serve in combat, that we do not have a memorial for 33,629 Gold Star Mothers, most of whom are still alive, from the Korean war. Somehow or other in our noble and anxious effort to pay tribute to the Vietnam veterans who have taken such a psychological beating at the end of that agonizing decade trying to keep Indochina free and prevent the killings of boat people and the genocide in Cambodia, that we forgot to build a memorial to the 300,000 casualties of the Korean war, the paraplegics, and the 33,629 dead Korean veterans.

I hope this House will get about the business of not making people go through private donations, as we did with the Vietnam Memorial, but do what we have done with that beautiful Iwo Jima Memorial, the 1st Army Division Memorial in front of the White House Executive Office Building, the 2d Army Division Memorial just south of that on Constitution Avenue, and put up in this Federal City a memorial to our Korean veterans for the Gold Star Mothers of that war, and that we get about it in this 100th Congress.

Again, my congratulations to everybody involved in paying respect to these, the greatest mothers in our country, those that give their flesh and blood for our freedom and in every institution that we hold dear that was purchased with the lives of their sons.

Mr. GILMAN. Mr. Speaker, will the gentlewoman yield?

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from California [Mr. DORNAN] for his remarks in support of this measure.

The gentleman mentioned a tragic incident that occurred in Korea several years ago with the chopping down of the branches of the tree and then the chopping down of the American soldiers that followed. I had the tragic, the very sad duty of presenting a flag on behalf of the President to Mrs. Boniface, who resided in my district at that time. I did want to point out that Mrs. Shirley Delanoy, president of the American Gold Star Mothers, has reluctantly stated to us in the Congress that their ranks have diminished badly over the years because not many of the mothers who sacrificed know of their organization, and she had made a special plea for those in the Korean war and the Vietnam war to join their ranks so that they can continue to do the wonderful things that they are doing in support of our veterans and in keeping our Nation reminded of the sacrifice that so many have given to our Nation.

Mr. DORNAN of California. Mr. Speaker, if the gentlewoman will continue to yield, I discussed in Korea with our military that there are between 400 and 500 American men in uniform who have been killed exclusive of the campaign theater of Indochina and Korea, 400 who have been killed along the DMZ in periods of so-called peace, that have been killed in Europe, that have been shot down in airplanes around the world. For example, Arthur D. Nicholson, who was killed last year in Potsdam. We could have had a soldier killed on the very day that we announced that we finally had an INF arms control treaty.

Mr. Speaker, over 400 to 500 Gold Star Mothers in peacetime, and if they joined this organization there is a tremendous nurturing process there and they get to bond with other women in a similar situation and I think that is an excellent suggestion that this great organization should reach out as they try to do to these younger mothers of these other conflicts and these peacetime instances, such as the 220 marines, 17 sailors, and 4 Army soldiers who died at the Beirut headquarters bombing, and the 37 sailors that just gave their lives for freedom in the Persian Gulf a few months ago. All of these young military men are giving their lives, and they have Gold Star Mothers somewhere in this country.

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, we can see the importance of this resolution in increasing awareness and in giving the appropriate recognition to these Gold Star Mothers. As was mentioned, President Franklin D. Roosevelt issued a proclamation in September 1940 designating the last Sunday in September as "Gold Star Mothers Day." This was 12 years after a group of 25 mothers living in Washington, DC, gathered to organize a national organization named the American Gold Star Mothers.

It is a privilege for me to speak in support of House Joint Resolution 355 which designates September 27, 1987, as "Gold Star Mothers Day." This organization offers support to the women whose sons or daughters have been lost in one of America's wars. In addition, today these women assist veterans and their dependents, foster a love of country, and a spirit of generosity in their communities.

Mr. Speaker, I add my voice to those of many men and women of America who say thank you to our Gold Star Mothers for their enormous sacrifices and continuing gracious spirit of service to our Nation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 355

Whereas the services rendered to the United States by the mothers of America have strengthened and inspired our Nation throughout our history;

Whereas we honor ourselves and the mothers of America when we revere and emphasize the role of the home and the family as the true foundations of our Nation;

Whereas by doing so much for the home, the American mother is a source of moral and spiritual guidance for the people of the United States and thus acts as a positive force to promote good government and peace among all mankind;

Whereas the American Gold Star Mothers assist veterans of the Armed Forces and their dependents in the presentation of claims to the Veterans' Administration, and aid the men and women who served and died or were wounded or incapacitated during hostilities; and

Whereas the American Gold Star Mothers have suffered the supreme sacrifice of motherhood by losing sons and daughters who served in the Armed Forces, and thus perpetuate the memory of all whose lives were sacrificed in our wars: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 27, 1987, is designated as "Gold Star Mothers Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to

revise and extend their remarks on the resolutions just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DESIGNATION OF HON. THOMAS S. FOLEY TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS UNTIL SEPTEMBER 28, 1987

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 23, 1987.

I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore to sign enrolled bills and joint resolutions until Monday, September 28, 1987.

JIM WRIGHT,
Speaker of the House of Representatives.

The SPEAKER pro tempore. Without objection, the designation is agreed to:

There was no objection.

GIVING SENIOR CITIZENS AN EXPLANATION OF THE "NOTCH" ISSUE

(Mr. COOPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COOPER. Mr. Speaker, I rise to speak today on the Social Security notch-year issue, an issue that has plagued my constituents for several years now. My mother was also born in the so-called notch years, and the lower Social Security benefits that she is receiving have worried her a great deal.

Mr. Speaker, I attended a meeting last Saturday in Morristown, TN, at which over 100 upset citizens, led by Mr. Edd Hodge, voiced their anger with being in the notch years and receiving lower benefits. I told them that, although I and Senator PEPPER and the AARP disagreed with some of them on the facts, I would take their concerns to Washington and try to get them the answer and the benefits they deserve.

Therefore, Mr. Speaker, I call on the General Accounting Office to complete its report on the issue, and on the Ways and Means Committee to hold hearings on the issue. Today, there is too much confusion. The facts need to be laid before the public. All senior citizens deserve a complete explanation of the notch issue and deserve to receive their full fair and legal benefit.

□ 1245

A NEW TELEVISION PROGRAM AND A NEW GRANDCHILD

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, I just wanted to take advantage of the close of today before we break for 5 days to make two important announcements; one of them rather super important to me.

The first one is I want to remind all of the Members of this House that tomorrow night CBS Television will debut a program, it is going to be a series that hopefully will stay on the whole year, entitled "Tour of Duty."

As I have said before, having seen the pilot film that will air as the first episode tomorrow, 2,700,000 veterans who served in Vietnam, Americans in uniform can watch with assurance that they will feel proud at the end of this show. No Hollywood fantasizing about baby killing and drugs and egregious acts, just a straight relation of the honorable way our men served there. "Tour of Duty" tomorrow at 9 o'clock.

The other announcement is, as I predicted when we fought to make the 200th birthday of our Constitution a holiday, a new grandchild was born to my Sally and to me, a little girl Erin Mary Griffin, 8 pounds on the nose, 20 inches on the nose, born on the 200th anniversary of this great Chamber, the other Chamber, the Supreme Court, the Presidency and our great Constitution and I hope that some day Erin Mary Griffin will serve as a U.S. Congresswoman in this Chamber or maybe in the other Chamber that we refer to occasionally.

It was a great day for me to go from the birth of that grandchild, our 6th, over to see 100 new Americans from 30 nations sworn in in Orange County in a perfect replica of Philadelphia's Independence Hall that is such a treasured place for tourists to visit at our Knottsberry Farm.

A good day for me and I know everybody is going to have a good day tomorrow night at 9 o'clock when they watch this excellent show on CBS, doing honor to our veterans, entitled "Tour of Duty."

TRIBUTE TO ALEX SINGER

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, tonight begins the Jewish New Year.

It is a particularly sad time for many of us, of all faiths, who know the family of Max and Suzanne Singer, who knew their beloved son, Alex, and who now grieve with the Singer family over Alex's death.

Alex was one of three Israeli Army soldiers who died last week in a skirmish on the western slopes of Mount Hermon. They came across a group of guerrillas attempting to infiltrate Israel's borders. Alex died defending the territorial integrity of a country he had come to dearly love.

Our family knew Alex as a child—a sparkling, vibrant child, who retained these gifts and added to them as he grew to maturity in Chevy Chase, MD, and Cornell University.

What consolation is there in death of one in the bloom of life? I find it difficult to find any. If there is any, it may be in dying in defense and pursuit of one's cherished beliefs. The deepest consolation would be if those who live on will act to bring peace in the Mideast, in a way consistent with Alex Singer's cherished goals.

Mr. WAXMAN of California and Mr. BURTON of Indiana join me in expressing these remarks.

THE MISSISSIPPI RIVER NATIONAL PARK

(Mr. BUECHNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUECHNER. Mr. Speaker, the Mississippi River is the heart of America. It extends throughout the nine Midwest States, displaying the historic culture and natural beauty of our country.

The National Park Service has studied the idea of a park along the Mississippi since the fortys. Various proposals have been contemplated.

And so today I am proposing to reevaluate the proposals of the past in an effort to reach our long awaited goal—a Mississippi River National Park.

Most of the major natural wonders in America have been preserved in the National Park System, allowing people to witness what sets America apart from the rest of the world. But of the 51 national parks representing virtually every facet of America's natural, historical, and cultural legacy, there is nothing to reflect one of its greatest legacies—the Mississippi River.

If anything characterizes our culture and our heritage, it would be the Mississippi River.

Yesterday I introduced legislation which directs the Secretary of the Interior, in coordination with other interested State and private agencies, to study the shorelines and parklands on both sides of the river, in order to recommend areas of natural, scenic or historic value to become part of the Mississippi River National Park. I urge you to take advantage of this opportunity to preserve an American birthright.

Many of our colleagues who represent Mississippi River shoreline States have already joined in my interest in a national park. Among them are TRENT LOTT of Mississippi; BILL CLAY, ALAN WHEAT, GENE TAYLOR, and

THOMAS COLEMAN of Missouri; JOHN PORTER, BILL LIPINSKI, CHARLES HAYES, and HARRIS FAWELL of Illinois; STEVE GUNDERSON of Wisconsin; and JOHN PAUL HAMMERSCHMIDT of Arkansas and TOM TAUKE of Iowa, all of whom claim to be close to the most awe-inspiring portion of "the father of water." The Sierra Club and the Coalition for the Environment are also among the environmental groups who endorse this legislation. Please join us in preserving America's greatest river.

WAYS AND MEANS COMMITTEE SHOULD CONSIDER NOTCH PROBLEM

(Mr. KANJORSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KANJORSKI. Mr. Speaker, I rise in support of the effort to correct the notch problem which continues to perpetuate unfairness in the Social Security benefits received by millions of our senior citizens. I think it is sad indeed that we must correct the 1977 Social Security law, which was meant to correct the 1972 Social Security law, but if that is what must be done, I think we should have the courage to do it.

Those senior citizens who had the misfortune of being born between 1917 and 1921, many of whom served this country courageously during World War II, may be paid over $1,200 less per year than Social Security recipients with similar work histories who were born only a few years earlier.

This is clearly not a minor problem. There are approximately 9 million senior citizens who were born in the notch years in this country. Over 390,000 of them are in the State of Pennsylvania, and roughly 20,000 are in my district.

It has been almost 4 years since the notch issue first gained wide attention. It has been almost a year and a half since the Ways and Means Committee asked the GAO to do a report on the notch problem. I think our senior citizens have waited long enough for Congress to act on this issue and I do not think it is too much to ask that the committee review the notch bills presented in this Congress. Therefore, I respectfully request that my colleagues on the ways and Means Committee give the notch issue a fair hearing.

NOTCH

(Mr. Murphy asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. MURPHY. Mr. Speaker, a bill that was introduced in this Congress and currently has over 145 cosponsors and which languishes in the House Ways and Means Committee would correct a longstanding injustice—the Social Security notch. Ironically, the same bill, H.R. 1917, met a similar fate in the last Congress. I am here today with my colleagues to express our concern at this situation and to urge that such injustice will not be repeated in this Congress. We are here to call for action and to urge all of the Members of this body to recognize the severity of this situation and to ask for their support.

Over 10 million senior citizens have been adversely affected by the creation of the notch back in 1977. Your best intentions went awry and instead of correcting one mistake, it compounded with another.

Over 5,000 of my constituents have written to me on this issue alone. Many have come here to the Capitol steps on more than one occasion to call Congress into action. To date, all they have seen in inaction. Letters have been ignored, testimony disregarded, logic discounted and hope destroyed. We cannot permit this to continue. We must send a message to the leadership—H.R. 1917 deserves consideration and it deserves to be brought to the floor as soon as possible.

LEGISLATION DISAPPROVING OF D.C. EARLY RELEASE ACT

The SPEAKER pro tempore (Mr. LOWRY of Washington). Under a previous order of the House, the gentleman from Virginia [Mr. PARRIS] is recognized for 5 minutes.

Mr. PARRIS. Mr. Speaker, it is my intention in the very near future to make a privileged motion to discharge the District of Columbia Committee, on which I am the ranking member, from further consideration of my resolution of disapproval of the city's Prison Overcrowding Emergency Powrs Act. The resolution of disapproval was introduced consistent with our oversight responsibility under section 602(c) of the Home Rule Act.

This D.C. act allows the city to continue to shirk its responsibilities to incarcerate criminals and to provide for the safety of the public. The act permits the city to grant early release from prison to literally hundreds of dangerous criminals without consultation with the courts or the parole board. The predecessor to this act, emergency authority granted to the mayor by the council and implemented in July, has already resulted in the early release of 586 convicts from the city's inadequate and mismanaged corrections system.

During recent committee hearings on my resolution, Mr. FAUNTROY told the committee that not eligible for release under the program are those who have committed rape, robbery, assault, sexual offenses, weapons, drug sales, and so forth. However, I have just received a report from the Justice Department on those released under the program. Among them are 24 in for robbery, 19 for assault, 22 for weapons convictions, 67 in for drug sales, 3 in for rape, and 25 in for other sexual offenses. Are these individuals, my friends, the ones classified by Mr. FAUNTROY in committee as "a welfare mother with six children who takes a chicken from the local grocery store in order to feed those children?"

The city and Mr. FAUNTROY have led the Congress and the public into believing that these convicts granted early release are not dangerous—I am certain that you will agree with me that the are, in fact, the most dangerous of criminals. And I hope you will support me when I move to bring this matter before the full House very soon.

PUBLIC SUPPORTS CREDIT CARD INTEREST RATE CAP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, responding to the prospect of interest rate caps, credit card issuers often threaten greater selectivity in giving credit, and that many people who now have credit cards will lose them. Although I believe these to be empty threats spoken in an effort to blackmail the consumer, my response is that if issuers had not arbitrarily flooded the market with cards, card users would not be penalized with today's outrageous rates to make up for losses due to bad risks. And, if the punishment card issuers propose is that they will more carefully monitor to whom they give cards, then, I say, "bring on the punishment."

It appears that the American people agree. When asked in an NBC News poll, "Do you think Congress should pass legislation limiting the amount of interest credit card companies can charge, even if that means it would be much harder for people like you to get credit? The overwhelming majority of Americans—74 percent—responded "yes." This tells me that there is significant public support for an interest rate ceiling.

I think we must listen to what our constituents are telling us. This response demonstrates not only a personal motive but a general concern about the fact that all American consumers are being taken. The consumer wants this legislation even if it makes it more difficult for him or her to get credit. But, I suggest that there will not be a significant decrease in the consumer's ability to get credit.

In testimony before the House Banking Subcommittee on Consumer Affairs and Coinage, Mr. Elgie Holstein, director of Bankcard Holders of America, convincingly rebuffed this threat. He said,

Some banking industry officials have argued that lower rates would cause them to restrict the ready availability of credit. To see beyond this particular smokescreen argument, it is necessary to examine the credit card industry more closely. Today that industry is a mature, permanent part of our economic landscape. Seventy-five million Americans are carrying 186 million bankcards. The bulk of credit card marketing is directed at Americans who already have credit cards.

If Congress were to enact a reasonable ceiling on credit card interest rates, not one single current cardholder would be expected to have his card confiscated. If that person is creditworthy at 19 percent interest, he becomes more creditworthy—not less—at a lower rate, since monthly debt obligations obviously will be less.

What about first time card applicants? Just as in the case of automobile loans and personal loans, it is true that lower credit card profit margins will force greater scrutiny by the banks of credit card applications, especially those they send out through mass mailings on a so-called preapproved basis. First-time applicants with a reasonably stable credit background—a steady job, absence of heavy debt, etc.—will continue to qualify for cards. Reducing the availability of cards to unemployed teenagers, inmates,

children, and household pets seems to be a small price to pay for lower credit card interest rates for everyone else.

I am, as the American people have said they are, offended by the arrogance of the credit card companies. We cry out for justice at the indignities suffered by American citizens in foreign lands, but sit passively as we are held hostage by these domestic economic terrorists.

It is only through legislation that we can guarantee the American people the fairness that credit card companies defiantly refuse to offer. This is legislation that 74 percent of the public fervidly supports, 74 percent. How often do we see such agreement on an issue? When the bill on credit card information disclosure is brought to the floor, I will respond to the wish of the American consumer and offer an amendment to cap credit card interest rates at 8 points above the yield on 1-year Treasury securities. This floating cap would ensure that credit card interest rates would rise and fall with the free credit market. This legislation is a fair and reasonable response to an unfair and unreasonable situation resulting from the greed and arrogance of the credit card companies.

IRAN'S MFN TRADE STATUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. RAY] is recognized for 5 minutes.

Mr. RAY. Mr. Speaker, Congressman ED JENKINS and I are introducing a bill today, along with over 125 of my colleagues, which would repeal the most-favored-nation trade status of Iran.

The events over the past several days have proven beyond a doubt that Iran has been laying mines in the Persian Gulf and placing our sailors in harm's way. We also know that Iran has been responsible for terrorist activities around the world directed at Americans. The bombing of our Embassy in Beirut and the suicide truck bombing in Lebanon which killed 241 young marines are but two notable examples of their brand of terror. And it wasn't so long ago that the Government of Iran held 52 Americans hostage for 444 days causing the country to feel humiliated.

Iran's Government continues to support policies directed against America and American interests. The Ayatollah continues to refer to our Nation as the great satan. I am sick and tired of their verbal attacks and their terrorist attacks, and I am tired of their using our markets as a dumping ground in an effort to finance their war against Iraq and their attacks on shipping in the gulf.

We are currently running a tremendous trade deficit with Iran. Last year, Iran exported $611.6 million worth of goods into the United States, while the United States exported only $34.1 million. This year, the figures are even worse. Through June of this year, Iran has exported $566.6 million worth of goods into this country, while we have exported $15.3 million to them. If trade continues at this clip, they would ship over $1.1 billion into this country this year, while we would ship a paltry $30 million to Iran.

It is ridiculous for this country to continue to grant Iran such favorable trade terms 8 years after the fall of the Shah. Today, I, along with Congressman ED JENKINS and 125 of my colleagues, are introducing a bill which says enough is enough. The bill would repeal the most-favored-nation trade status of Iran. I encourage my colleagues who are not yet a cosponsor of this legislation to join me in support of this bill.

LIST OF COSPONSORS

Mr. Jenkins, Mr. Derrick, Mr. Ackerman, Mr. Hefner, Mr. Daniel, Mr. Robinson, Mr. Dornan of California, Mr. Davis of Illinois, Mr. Ravenel, Mr. Marlenee, Mr. Rowland of Georgia, Mr. Emerson, Mr. McEwen, Mr. Jones of Tennessee, Mr. Wheat, Mr. MacKay, Mr. Boucher, Mr. Staggers, Mr. Spence, Mr. Penny, Mr. Hubbard, Mr. Thomas of Georgia, Mr. Leath of Texas, Mr. Flippo, Mr. English, Mr. Watkins, Mr. Schumer, Mr. Morrison, Mr. Anthony, Mr. Alexander, Mr. Gray of Pennsylvania, Mr. Burton, Mr. Pickett, Mr. Hall of Texas, Mr. Hopkins, Mr. Gonzalez, Mr. Montgomery, Mr. Gray of Illionis, Mr. Hayes of Illnois, Mr. Barnard, Mr. Solomon, Mrs. Patterson, Mr. Spratt, Mr. Kasich, Mr. Skelton, Mrs. Boxer, Mr. Mavroules, Mr. Rowland of Connecticut, Mrs. Byron, Mr. Nichols, Mr. Stratton, Mr. Dickinson, Mr. Sisisky, Mr. Coleman of Texas, Mr. Herger, Mr. Boner, Mr. Rogers, Mr. Tallon, Mr. Lewis of Georgia, Mr. Espy, Mr. Lott, Mr. Stenholm, Mr. Erdreich, Mr. Harris, Mr. Sundquist, Mrs. Lloyd, Mr. Bates, Mr. Richardson, Mr. Slattery, Mr. Obey, Mr. Towns, Mr. Hatcher, Mr. Ridge, Mr. Dannemeyer, Mr. Dicks, Mr. Mollohan, Mr. Hutto, Mr. Stump, Mr. Kyl, Mr. Huckaby, Mr. Durbin, Mr. Martin, Mr. Mrazek, Mr. Glickman, Mr. Hansen, Ms. Kaptur, Mr. Howard, Mr. Dwyer, Mr. Levine, Mr. Smith of Florida, Mr. McMillen of Maryland, Mr. Stokes, Mr. Carr, Mr. Hertel, Mr. Perkins, Mr. Darden, Mr. Dowdy, Mr. Olin, Mr. Fazio, Mr. Frank, Mr. Vento, Mrs. Schroeder, Ms. Oakar, Mr. Murtha, Mr. Kennedy, Mr. Clarke, Mr. Dingell, Mr. Moakley, Mr. Udall, Mr. Cooper, Mr. Fauntroy, Mr. Chapman, Mr. Nelson, Mr. Bevill, Mr. Carper, Mr. Sweeney, Mr. Andrews, Mr. Donnelly, Mr. Early, Mr. Hyde, Mr. Smith of New Jersey, Mr. McMillan of North Carolina, Mr. McCandless, Mr. Henry, Mr. Hiler, Mr. Hunter, Mr. Duncan, Mr. Dellums, Mr. Dyson, and Mr. Konnyu.

STATEMENT REGARDING NOTCH LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Alabama [Mr. NICHOLS] is recognized for 5 minutes.

Mr. NICHOLS. Mr. Speaker, as a cosponsor of legislation to improve the benefit computation formula under Social Security for those who attain age 65 in or after 1982, I wish to urge that the House Ways and Means Committee give further consideration to notch legislation.

During the August district work period, notch was certainly an issue raised by my constituents, and it has been every year since it was created in 1977. It is difficult for individuals to see themselves receiving less money than others with similar earnings histories and with retirement at the same age, and in my district, Social Security is a large source of retirement income. Equality in the computation formula for all or a more gradual change would go a long way toward easing the controversy.

There are 170 cosponsors of notch legislation in the 100th Congress, and I feel that this is a sufficient number to persuade the House Ways and Means Committee to take some further action toward addressing the concerns of these Members and the constituents they represent.

REMARKS ON HOUSE JOINT RESOLUTION 340

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, this conference report of yesterday represents the defanging of the Gramm Act; it recognizes the disastrous unworkability of the Gramm Act, which was itself recognition of the catastrophic failure of the original Gramm legislation that inaugurated the Reagan era. That is well and good, but in truth and fact, this prescription is no more realistic than the one it replaces, which in turn was a recognition that the Reagan fiscal disaster arose from still another phony fiscal prescription. It would be more sensible, more honest, simply to repeal the Gramm Act, as I have proposed to do. It is time to stop the pretense that some magic formulation or some remote-control device will substitute for sense, logic, and elemental responsibility. This report confesses failure and sets up yet another formulation equally destined to fail.

The Reagan program promised that the Federal budget would be balanced by 1984, even though a vast tax cut had been enacted. It promised that this could be done through cuts to domestic spending, even though an unprecedented military budget buildup was undertaken at the same time. This miracle was to take place because there would be a magical economic growth.

Here we are in the waning days of 1987, and after 6 years of painful, even disastrous budget cuts to domestic spending, the deficit is no smaller than it was in 1984, some 400 percent greater than it was at the outset. Moreover, this persists despite the Gramm Act, despite such severe cuts as a 70-percent reduction in assisted housing programs, despite a freeze in military spending, and despite modest growth in the economy.

Under the Gramm Act, the deficit was supposed to be hacked down by a brutal, wholly irresponsible formula, down to $108 billion in fiscal year 1988. The terror of this sequestration was supposed to brace the Congress to cut spending, and also awaken Ronald Reagan to the need to adjust revenues upward. Well, to no one's surprise it

turns out that this machine to force a compromise did not work.

It didn't work because allowing the Gramm Act's automatic, across-the-board budget cuts to take place would have effects like cutting $9.6 billion out of military personnel. This would mean reducing troop strength by at least a half million active duty personnel. There is no way anybody could permit that kind of disaster to take place. It would mean—as I predicted at the time of the Gramm Act's approval—a huge stockpile of weapons that could not be manned or operated or maintained. It would mean a disastrous waste of resources that have been built and bought at great cost. It would mean ships without fuel, aircraft without parts, guns without bullets. Such actions would be contemplated only by an official who had become unhinged; the threat of them therefore had no credibility.

Nobody wanted to hear that kind of argument in 1985. But the sequestration report issued on August 20 proves beyond doubt my original statement that the goals of the Gramm Act could not be met without crippling this Government, including national defense. This conference report affirms the failure, the disastrous failure, of both the Reagan fiscal program and the Gramm Act itself.

The Gramm Act did not, as promised, force Ronald Reagan to recognize fiscal reality. Indeed, he has become even more determined in his effort to oppose any realistic effort, or even discuss any reasonable compromise, that might reduce the deficit. He does so in the face of disastrous trade deficits, and in the face of huge interest rate costs that result from the necessity of attracting foreign dollars to finance the Federal deficit.

Nor did the Gramm Act reduce the deficit, despite vast budget cuts enacted before and since. Nor would it do so in the future. The deficit would rise even if appropriations were to remain constant in real terms, with no increases, and even if modest economic growth continues, and even if there are no nasty interest rate rises. Past experience proves this, and current Congressional Budget Office forecasts affirm it.

The Gramm Act's scheduled budget cuts cannot be permitted. If they were, a half million active duty service members would have to be dismissed, which would be an act of insanity. This would reduce troop strength by 25 percent, leaving the Navy without crews for its vast new fleet, the Air Force without pilots or crew to operate its immense new squadrons, and the Army with no way to operate its complex arrays of new weapons.

Likewise, on the domestic side, the Gramm cuts would amount to a 25-percent cut across the board, in all affected program areas. Among other things this would force a half million students out of the basic Pell Grant Program. This would have ruinous effects on those students, and would be a disaster to the whole higher education system of this Nation. Those cuts would have equally catastrophic effects on elementary and secondary education. They would add new burdens to the disadvantaged, leaving a million kids without the kind of help that they need in order to have any chance in life. At a time when all of us recognize the need for better schools, and at a time when we want better performance from our children, there is no way to permit that kind of cut from going into effect.

Do we really need budget cuts that eliminate vaccinations for a half million young children? Do we really think that this Nation's assisted housing programs can be cut by $61 million through a sequestration without adding tens of thousands to the homeless population? Do we really think it acceptable to add $360 million to the medical expenses of people under Medicare?

Do we really believe it is possible to cut Federal prison funding by one-fourth through a sequestration? No; it is no more possible to cut the domestic side by 25 percent than it is to cut the defense side by that amount, as the 1985 Gramm Act would require.

Those are the kinds of things that would happen if the Gramm Act of 1985 were permitted to continue in effect. It would be catastrophic. It would bring chaos into every city and town, and it would cripple the Nation's defense.

Since such cuts cannot be contemplated, much less put into effect, now comes the revised Gramm Act. We didn't get enough of this fiscal poison in 1981, when the Gramm Act legislated the fantasy of the Reagan program. That original act led us into the morass of cut after cut, all of them futile, for none could offset the costs of the Reagan tax cut, the unprecedented Reagan defense budget, or the ruinous rise in debt service brought about by Reagan's blindness and failure.

In 1985, Congress bit into the poison again, in the form of the Gramm Act. This one embraced the fantasy that Ronald Reagan could be embarrassed enough to accept reality, that there was some magic way to avoid basic responsibility. Whether it was adopted out of desperation or hypocrisy, it couldn't work, and now comes the latest fix.

Once again we are given a set of fixed targets. Conveniently, these revised deficit targets can be reached without the draconian and crazy cuts that would be required in the 1985 Gramm magic, nor would these targets require anything more drastic than fiddling with revenue adjustments. These revised targets are also slippery in definition, because everyone knows they are just as unrealistic as the first Gramm numbers.

The question of responsibility has thus been distilled into how we change dogma on the question of fiscal sin. Instead of the old Gramm law, the one that in 1985 declared the fiscal 1988 sin level to be a deficit of $108 billion, we are to enact an indulgence, a level of $144 billion, more or less. Fiscal salvation is to be a deficit reduction of $23 billion, and then another $13 billion, and so on. Thus we have it; last year's sin is this year's salvation, and last year's salvation is this year's damnation. But none of this addresses the question of Reagan's original fiscal sin; it has become a debate on how to escape the consequences of accepting that poisoned apple so glibly held out in 1981 by the President and peddled so ardently by the now junior Senator from Texas.

This conference report is a final surrender to the fantasy of the Reagan fiscal program. It is a surrender to the cynical, easy assurances of Gramm I, Gramm II and the Gramm Act of 1985 that there is a machine capable of replacing political will, careful thought, fiscal responsibility, and even human compassion. It is a surrender to frustration.

The Reagan fiscal program is a disaster, but he cannot be made to see it. The Gramm laws have all—all—been disasters, but Congress has found in them the convenient excuses of ephemeral targets, the comfort of formidable, incomprehensible procedures, and fortunately for the country, the utter unworkability of the clattering sequestration robot.

This conference report is a convenient formulation, but it does not address the fiscal disaster that sprang from the adoption of voodoo economics. It is a way of letting Ronald Reagan off the hook, and with him, those who translated his policies into law, not least among them the now junior Senator from Texas.

Reality would compel us to repeal the Gramm Act altogether, but that would put the Congress at the mercy of the easy demagoguery of those who brought about the Nation's fiscal disaster, not least among them the now junior Senator from my own State. Responsibility indeed, would compel us to repeal that act. But this report allows an escape. It changes the targets in a way that forces no one to change anything; it evades the fundamental issues of political responsibility and the necessity of forging a national consensus. It leaves the task to the next President, the next Congress, the next crisis. What a shame for us, and what a tragedy for the country.

THE PROPOSED INF AGREEMENT CALLS FOR CAUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. SKELTON] is recognized for 30 minutes.

Mr. SKELTON. Mr. Speaker, 10 years ago the Soviet Union began deploying a new family of intermediate and short range nuclear-tipped missiles. The SS-20 caused a great deal of concern among the European members of NATO. With the signing of the SALT I agreements in 1972, the superpowers had formally ratified parity of nuclear forces at the strategic level. The deployment of the SS-20, an intermediate-range ballistic missile with a range of 3,000 miles, threatened America's allies in Europe, but not the United States. Europeans, who had become concerned about the United States guarantee to use nuclear weapons in the defense of Western Europe, when the Soviet Union developed ICBM's to hit the United States in the late fifties and early sixties, became even more concerned during an era of strategic parity when they saw the Soviet deployment of this new intermediate family of weapons.

To respond to these developments—to the deployment of Soviet SS-20's and to the European concern about the nuclear link between the United States and its European allies—NATO adopted the "two-track" decision of 1979. It was an approach that sought to strengthen extended deterrence and at the same time offer a means to induce the Soviets to limit SS-20 deployments. The NATO allies agreed to combine the modernization of United States nuclear forces in Europe, the development and deployment of the Pershing II missile and ground-launched cruise missiles, with an offer to limit such systems through arms control negotiations. At the same time the decision was made to remove 1,000 battlefield nuclear weapons from Europe.

After 4 years of fruitless effort to arrive at a negotiated settlement, NATO began deploying Pershing II and ground-launched cruise missiles called GLCM's, in Europe in the fall of 1983. The Soviets responded by breaking off the Strategic Arms Reduction Talks. In this way they hoped to put pressure on the Governments of Western Europe and the United States to halt the further deployment of the missiles. It was another card they threw down in the effort to intimidate NATO. They hoped that peace movements in the various countries would be able to exert enough pressure on European governments to halt the deployment. A little over a year later, in January 1985, after they realized that such tactics would not succeed, the Soviets announced that they would return to the negotiating table.

AN "AGREEMENT IN PRINCIPLE"

Last week Foreign Minister Shevardnadze and Secretary of State Shultz announced an "agreement in principle" that would lead to the destruction of all of the short- and medium-range nuclear missiles now in the inventories of the Soviet Union and the United States. I return for the withdrawal and destruction of the 108 Pershing II and 208 GLCM's based in Europe (as of January 1987), the Soviet Union will destroy 441 deployed SS-20's, 120 SS-4's, 130 SS-12's/SS-22's, and 90 SS-23's.

In many ways I believe that this is a pretty good trade for our side. While many in the West opposed the deployment of Pershing II and GLCM's—politicians and public alike—in late 1983, I think that showing firmness in dealing with the Soviet Union is starting to pay off. This will be the first time in any arms control agreement that an entire class of nuclear weapons will be eliminated. Who knows, maybe we have turned a corner.

But while we have an "agreement in principle" we should note that there are many technical issues that still remain to be resolved, the most important of which is the matter of verification. Unless, we can verify the terms of the treaty, and the Soviets have given a number of indications that are much more flexible on this matter than they have been historically, then the prospects for ratification by the Senate could be dim. These next few weeks of negotiations will be critically important. Broad outlines are one thing, the details of any agreement are what finally count.

IMPLICATIONS FOR NATO

There is a split both in the United States and especially in the countries of Western Europe about the wisdom of the present agreement. Public opinion in most Western countries strongly supports an INF agreement. Government leaders, on the other hand, are split. Gen. Bernard Rogers, the former Supreme Allied Commander of NATO, expressed the sentiment of many of these government leaders in West Germany, France, Belgium, and elsewhere in the alliance when he said, "If we end up getting rid of all nuclear weapons and we haven't achieved equity [in Europe] between their conventional forces and ours, we'll wake up one day and find ourselves dancing to the tune of the Soviet pipe."

While the agreement calls for the elimination of a number of nuclear systems in Europe, a number will continue to remain in the arsenals of both sides. In the NATO arsenal, they include artillery shells, short range lance missiles, F-111 aircraft, and the independent nuclear forces of the British and French. On the Soviet side, the systems include SS-21 missiles, Scud and FROG missiles, and a considerable number of bombers and fighters—including Badger, Blinder, and Backfire bombers, and Fishbed, Folgger, Fitter, and Fencer attack aircraft.

Earlier this year, the French Government voiced skepticism over the "zero option," though it now officially supports the proposal. French officials believe, however, that the next step that has to be taken in Europe is to get agreements on conventional forces and chemical weapons. Over the years, NATO has relied on nuclear weapons to compensate for conventional military inferiority with respect to the Warsaw Pact. Now, however, with the drawdown on nuclear forces NATO will have to beef up its conventional forces or negotiate a comparable reduction of Warsaw Pact forces. The ultimate goal should be kept in mind, the purpose of NATO is not just to reduce the possibility of nuclear conflict in Europe but to reduce the possiblity of any sort of conflict in Europe. At the same time it should be remembered that without a substantial nuclear force in Western Europe, NATO invites at least the possibility of being bullied or blackmailed by a Warsaw Pact with greater conventional forces.

FUTURE DEVELOPMENTS

As we look to the future, NATO will have to play its cards wisely. While public opinion supports an INF agreement, it does not support an increase in conventional forces. Implementation of the agreement will require that NATO look long and hard at how arms control fits into overall alliance political and military strategy. Difficult decisions on priorities and funding will have to be made.

West Europeans will have to take an increased share of the load. Already French leaders are seeking closer defense ties with both Great Britain and West Germany. Earlier this year French President Mitterand told an audience in London, "France is my country, Europe is our future. It cannot be that we will fail in this rendezvous." French military reintegration into NATO, with the possibility of having a French Supreme Allied Commander, is an idea that should be given more attention.

There will be some in this country who will call for the withdrawal of United States troops from Europe. This would be a mistake. We are not involved in NATO as a charity service for our allies, or simply because we are good guys. We are in Europe to protect our own security interests. If we hope to get progress on conventional reductions, withdrawing American troops from Europe at this time would be counterproductive. In fact, to spur progress in conventional reductions, we may want to tie the withdrawal of nuclear forces in Europe to reductions in conventional forces. Since General

Secretary Gorbachev has promised progress in conventional talks, this may be a way to promote such progress.

Finally, we should remember to hold a steady course. In 1983, NATO took the decision to upgrade its tactical battlefield nuclear weapons, improving the Lance short-range missile system. This has to be carried out. Arms control lobbyists and peace movement types need to understand that being firm has enabled us to get a good agreement. Expectations should not be built up that we will reach a nuclear-free world anytime soon, if ever. Raised expectations will only contribute to dashed hopes. That was what happened during the 1970's when President Nixon and Secretary Kissinger made progress in arms control and then oversold their accomplishments to the American people. If we do not give in to euphoria over the prospective INF agreement, then the chances are increased that we will be able to build in a steady fashion upon the accomplishments made today.

DOLLARS AND DEBT: THE PRICE OF LIBERTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. PENNY] is recognized for 30 minutes.

Mr. PENNY. Mr. Speaker, I take this time to submit for the RECORD the remarks of our colleague, Representative JIM MOODY of Wisconsin, before the Conference of Americans for Generational Equity at their recent meeting here in Washington. JIM's remarks are an eloquent indictment of our current fiscal policy and the effect it will have on future generations.

Mr. Speaker, I submit the text of Representative MOODY's remarks for printing in the RECORD following this statement:

DOLLARS AND DEBT: THE PRICE OF LIBERTY

(Remarks of Hon. Jim Moody Before the Conference of Americans for Generational Equity, September 10-11, 1987)

Welcome to Washington. I would like to personally thank each of you for participating in this important event. Now that Senator Durenberger has outlined the framework for our various panels, I would like to return to the central theme of our discussions: the fiscal and moral obligations of government to present and future generations of Americans. What are the consequences of today's budget and spending decisions, and who pays?

Before getting to the main issues, I would like to say a few words about this conference. This forum is more than just an opportunity to discuss ideas. It is an opportunity to move the topic of long-term fiscal responsibility onto the nation's political agenda.

Many ideas compete for attention in Washington. If an issue cannot get onto the political agenda, it is just another good idea that never got off the ground. Somewhere in this city there is a graveyard of lofty ideas that failed to attract effective advocates.

Ideas make it onto the political calendar because individuals such as yourselves who think seriously about public policy suggest solutions to problems that seem to be getting worse. Knowledgeable men and women like you are able to see special opportunities to act. They are able to seize the moment and suggest new solutions to tough problems.

Aid to the homeless, Social Security reform and catastrophic health care are good examples of issues that won high ranking in our national consciousness because people like you cared enough to act.

The high level of public concern about the costs of government and national debt provide a special opportunity to act. But it is only an opportunity. We have long taken our prosperity for granted. Each generation of Americans has exceeded the standards of its parents in material well being, education and income. But now, a new prospect emerges: for the first time in history, our children's standard of living may not equal, much less exceed, our own.

This conference can help us frame our thinking about the consequences of our national spending and budget decisions.

There is a special significance in holding this meeting in this city. Paris is the City of Lights. Chicago is the City that Works. Washington is the City of Monuments. We have monuments to heroes, to foreign luminaries and to adventurers. The city itself is a monument to the man who led our Revolution. Sadly, we have no monument to the one thing that sustained the Revolution. That honor belongs to Massachusetts. When the citizens of Boston erected a column "to commemorate the train of events which led to the American Revolution and finally secured liberty and independence to the United States", they recorded on it those events which they believed deserved special remembrance. The list begins with the Stamp Act of 1765. It ends with the Public Debt of 1790. The willingness of many public creditors to believe in the United States of America made revolution and freedom possible.

Even during the darkest days of the Revolution, when the British armies roamed unchallenged through the South, Benedict Arnold was exposed as a traitor and Congress and the states were destitute, federal securities were never dead paper. That the new republic would honor its debts was never in doubt.

But today, the twin forces of demographics and debt in our $5 trillion economy may force revolutionary change. Change in our productive capacity. Change in the demand and ability to pay for basic social services. Change in our national standard of living. This will likely make the world of 2030 as different from 1987 as today is from the world of 1950.

Let's look at a few specifics.

A generation ago, a triumphant United States felt secure in its borders. Unchallenged militarily, we led the world in commerce and manufacturing. We enjoyed advantages many others did not: a skilled workforce, productive industries and rich and bountiful resources. The goodwill of the United States financed the recovery of Europe and Japan. Our arms shielded our allies and our dollars rebuilt their industries. A robust economy reaped the rewards of free trade. By bringing down tariffs, trade flowed. It was very easy to desire nothing more than this because we were the world's most competitive trader.

At home, manufacturing was the backbone of the American economy. Because manufacturing has high productivity, the economy boomed. Family income grew at an average annual rate of about six percent a year. The average thirty year old male worker in 1950 would see this income rise by 118 percent over inflation during the next ten years. The future looked as if it would bring only more prosperity.

Today, American firms are losing market share to virtually every foreign competitor. From 1891 to 1971, the United States never had a trade deficit. Then in 1972, Americans were shocked to learn that we imported $6.4 billion more than we sold overseas. Fifteen years later, the trade deficit hit twelve digits—over $170 billion. As a result, about three million Americans were thrown out of work. Americans spent more than $3 on foreign products for every $2 our trading partners spent on ours. The last time this ratio was so bad was in 1864, when the American economy was devastated by the Civil War.

At home, the rapidly changing economy poses a fundamental challenge to our traditional notions of work and career. Manufacturing hit an all-time low. By 1982, only 22½ percent of American employment was manufacturing based. In many regions of the country, prosperity vanished with manufacturing. Men in the workforce in 1970 would see their real wages rise by only 16 percent in ten years.

Americans have always believed that their children would be better off than they. But as Daniel Patrick Moynihan has observed, "this is the first society in history in which a person is more likely to be poor if young than old."

The way we manage and invest our resources puts our future prosperity in peril.

The American savings rate ranks last among industrialized nations. During the last six years, the growth of the federal deficit has absorbed about fifty percent of private sector savings. With personal savings providing very little industrial capital, American firms are highly dependent on retained corporate earnings and on open capital markets for funds to invest and create new jobs. What capital is left is obtained only at very high rates. A myopic fiscal regime is robbing America of the financial tools we need to grow and compete.

Short-sighted investments further diminish growth. Last year was the third consecutive year in which American corporations raised as much debt to finance mergers or to protect themselves against raiders as they raised to invest in new equipment, buildings and financial assets. You don't have to be a financial genius to realize that the United States can't possibly compete in a world full of dynamic, aggressive competitors with that kind of wasteful record. Seventy percent of the manufacturing equipment used in American plants is at least ten years old or older, compared with only forty percent in Japan. Rather than creating state-of-the-art innovation in manufacturing, we encourage the inefficient shifting of assets from one portfolio to another.

Underlying these dangerous developments is the most massive build-up of public and foreign debt in American history.

The public and private debt of the nonfinancial sector has doubled since just 1980. President Kennedy foresaw a time when the rising tide of economic progress would raise all the boats. Today, a tidal wave of debt threatens to swamp the boats and drown the passengers.

Let me tell you why the growth of debt in this country is so alarming.

First, any increase in debt should only accompany an increased ability to pay. But national income has not risen in proportion to the amount of debt. There is now about forty cents more debt for every dollar of income than there was just five years ago.

Second, the growth in debt has far outpaced our growth in net worth. Household debt, excluding mortgages, exceeds $575 billion—triple the level of just a decade ago.

Third, government debt is now growing far more rapidly than private debt. The $1.8 trillion in government debt held by the public accounts for about 43 percent of GNP—up 28 percent since 1981.

But perhaps the most dramatic development in the American economy is the $441 billion swing from major world creditor to the world's largest debtor nation in less than six years. It would be one thing if we were borrowing to increase productive investment. We could earn income on our investment that would improve our standard of living.

But we are borrowing to finance private consumption and government spending. Assets, not goods and services, are now our largest exports. And we must continue to ship more and more dollars overseas, or risk losing the foreign capital we need to keep government running.

The economics of debt has locked us into a cycle of costly, self-defeating policies.

In order to keep attracting foreign investment, we have to keep raising our interest rates, further escalating the cost of debt. Just last May, the Treasury Department was forced to hike long-term interest rates for American bonds. Why would our own Treasury Department want to further increase the cost of government and risk more harm to the economy? Because our voracious appetite for foreign currency is making foreigners increasingly reluctant to invest in our securities.

We can probably continue to attract enough foreign investment, but in the process we are slowly losing control over our own financial affairs.

The question we must ask ourselves is whether the strategy of budget deficit, high interest rates, overvalued currency and foreign borrowing by the most capital-rich country on earth is sustainable. The fact that the stock market is booming does not prove that U.S. economic policy is on a sustainable course. After all, until 1982 the market was happily financing what everyone now recognizes to have been a similar, unsustainable policy in Mexico.

Already high interest costs we have to pay to foreign debt holders and lost investment opportunities at home are weakening the American economy. But what might happen if our foreign suppliers of capital decide that we are becoming too big a risk? A sudden loss of dollars might turn just a mild business slowdown into a major recession. A large recession would further increase government spending, cut revenues and add $200 to $300 million to the federal deficit.

It won't be easy to stop depending on foreign-held debt to finance government spending. Our standard of living will drop in the short-term, but will rebound when the American economy becomes more productive. To completely wipe out our foreign held debt, our GNP would be about 3.5 to 4.5 percent lower than it otherwise would be. This means it will cost every American about $1000 to pay back our foreign creditors.

Since Gross National Product is not evenly distributed, the poor may shoulder more of the burden to retire our foreign debt, unless we shield the poor and the working poor from a new assault on their standard of living.

America in the 1980s has discovered what every individual taxpayer already knows: buying now and paying later is a dangerous way to live.

Now that we have considered some of the changes in store for America, let's look at some of the specific intergenerational effects of our economic policies.

The most important legacy of our current policies will be a lower future standard of living.

Some may ask, why should I care if Americans not even born yet will have to get by with less than I have? The answer is that individuals must live in the short-term, but our nation prospers over the long-term.

The great industrial expansions have always brought new prosperity to American homes. The Industrial Revolution and the industrial boom following World War II brought unprecedented growth in personal income. By making long-term investments in plant and equipment, Americans of these earlier generations made our nation prosper at the same time that they shaped our own high standard of living.

But now, even though the present recovery is entering its fifth year, the prospects for future prosperity are bleak.

This is the case because there is a direct link between a nation's debtor or creditor status and its ability to consume—or invest—in relation to what it produces.

Since the United States has run up such a huge foreign debt, we will now have to produce a lot more then we invest just to keep from exploding into even greater indebtedness. In other words, we're running a lot faster just to stay in the same place.

We are mortgaging our future income to finance more government spending and consumption, not to create more wealth and better jobs. There will be more Americans in the workforce, but fewer well-paying jobs to go around. The traditional structure of employment and job security will become even more a thing of the past.

Second, by hampering private capital formation through high government borrowing, we are limiting future private sector productivity and real income. This effect of out-of-control debt finance on future living standards is a shift of the cost of today's government to future generations. As interest payments claims an increasing share of federal revenue, taxes will have to be raised or services reduced in the future to make even larger payments to bondholders.

Third, our huge imports of foreign capital have meant that we have had to lower the high exchange rate for the dollar in order to stimulate exports and improve our overall balance of trade. But the lower exchange rate means that more U.S. resources and more American labor and capital must be spent for a dwindling amount of foreign resources. To pay for today's capital inflows, tomorrow's economy will have to ship more U.S. goods abroad at lower prices. This will require future generations to make even greater sacrifices in their standard of living.

At no time in American history have such radical problems demanded such modest solutions: thrift; a responsible budget that pays for the amount of government we want; more productive private investment and better cooperation with our allies to stimulate demand for American exports.

The search for solutions must begin with real and continuous deficit reduction. Because of the magic of compound interest, a $1 billion expenditure cut—with interest rates at ten percent—would reduce the budget deficit by $1.7 billion after five years. Since compound interest works the other way as well, we cannot put off the hard work of cutting the deficit one more day.

While domestic spending has fallen considerably, it must be reviewed again if we are to bring the budget into balance. Because defense outlays account for about 30 percent of all federal spending and are rising faster than other spending, even larger savings could be achieved by a program of targeted reductions with three basic emphases.

First, we should trim the redundancy from big-ticket weapons systems. Many proposed weapons systems duplicate the capabilities of existing systems and should be carefully reviewed.

Second, we should pursue force modernization with a longer-term investment strategy, and not with a rush to buy every tantalizing innovation.

Third, we should abandon some goals for which there appears to be little justification. Modernizing our air defenses against a potential Soviet bomber threat loses its rationale when the overwhelming Soviet threat is from ballistic missiles.

Finally, we must find new sources of revenue to meet this year's Congressional Budget Resolution. But we must do this without harming the structure of tax reform. Raising revenue by simply raising taxes would take us back to the days when taxpayers were treated inequitably and economic efficiency suffered. The tax reform package enacted last year is not perfect—no tax system is—but it is the fairest, simplest tax system we've had in decades. New revenue options should broaden the tax base, tax spending rather than income and strive for progressivity.

But this is no easy task. It is almost a no-win situation. No politician wants to tell the nation that it's living beyond its means.

And no American wants to make do with less.

But in conclusion I would like to point out that our national commitment to real deficit reduction is not just etched on a lone monument. It is literally imbedded in the heritage of American government.

During the last decade of the 18th century, there was a great debate among Thomas Jefferson and others about how to fund the debts of the Revolution. Some argued that real debt reduction was unnecessary. They said that all that really counted was the appearance of action. This infuriated Jefferson. He believed it immoral to bind a succeeding generation with the debt of the present.

In reply to his opponent, Jefferson said, "We are ruined, sir, if we do not overule the principles that the more we owe the more prosperous we shall be."

200 years have not changed that simple wisdom. Accountability for our own actions is still the price of liberty in a perilous world.

Thank you.

INTRODUCTION OF THE FOOD STAMP FAMILY WELFARE REFORM ACT OF 1987

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his

remarks and include extraneous matter.)

Mr. PANETTA. Mr. Speaker, I am introducing today the Food Stamp Family Welfare Reform Act of 1987. This is a bill that was reported out of the subcommittee, and we will be dealing with it at the full committee level. It has been worked on on a bipartisan basis, and hopefully we will be able to pass this through the full committee.

Mr. Speaker, I am introducing today the Food Stamp Family Welfare Reform Act of 1987. This bill has been approved by the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition of the House Committee on Agriculture. The Food Stamp Family Welfare Reform Act of 1987 is designed to ensure that the benefits and administration of the Food Stamp Program are coordinated with the rest of the welfare system.

This year, the leadership of both parties in the House of Representatives and the President of the United States have called for reform of the welfare system. Welfare reform will be neither quick or easy, but a start must be made.

The bill approved by the subcommittee builds on the bipartisan employment and training program we fashioned 2 years ago in the Food Security Act of 1985. Based on the experience which we have gained this year as the program has been implemented, some changes are made to the employment and training program, which will retain the essential elements of what we approved 2 years ago—States should have the flexibility to determine which approaches to employment and training have the best potential to provide food stamp recipients with the opportunity to work and to make meaningful changes in their lives.

The improvements include:

Increase reimbursement for work expenses and day care for persons participating in employment and training;

Base performance standards for the States on success in placing individuals in jobs, not simply processing them through training and job search activities; and

Requires food stamp offices be open at hours convenient for persons participating in employment and training.

The bill also includes a number of provisions both to improve coordination between the current programs and also to test ways to simplify the welfare system. These include the following:

Mandate that applicants for AFDC benefits be informed they can simultaneously apply for food stamp benefits;

Make permanent the provision in current law which authorizes AFDC beneficiaries to be categorically eligible for food stamps;

Authorize a limited demonstration in Washington State to provide a combined cash benefit equal to food stamp-AFDC benefits for households with one or more members participating in an innovative employment and training program approved by the legislature of that State; and

Authorize up to 10 additional States to conduct a similar demonstration to the Washington State demonstration, except that food coupons would have to be provided.

The demonstration authority provisions were carefully worked out with officials from Washington State and advocates to ensure that the benefits and due process rights of food stamp recipients would be protected, but States would have the flexibility to test ways to simplify the administration of the welfare and training systems.

The Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition also approved provisions to help low-income persons escape the trap of welfare dependency through education. What we do not intend to do, however, is reopen the student issue so that food stamps become an education subsidy for college students from middle- and upper-income families. Therefore, the bill contains two narrowly drawn provisions affecting student eligibility.

The first conforms the food stamp income exclusion under current law for Federal education assistance programs to all recognized education and training programs. This provision will ensure that members of households currently eligible for food stamps can participate in all recognized training and education programs without jeopardizing food stamp benefits.

The second allows students who are living with a parent, grandparent, or legal guardian in a household that is otherwise eligible for food stamps to retain food stamp benefits while completing their education.

The bill contains two provisions to strengthen families.

First, higher dependent care deductions would be allowed in recognition that day care expenses can often be a significant obstacle to a welfare recipient seeking work.

Second, for AFDC families who also receive food stamps, the first $50 a month in child support payments would not be counted as income. This change ensures that the food stamp benefits will not be reduced as a result of the change in the AFDC Program approved by the Committee on Ways and Means.

Finally, the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition approved a number of provisions designed to ensure that farm families who have fallen on hard times because of the downturn in our agricultural sector receive food stamps if they are entitled to them. The bill ensures that the particularly complicated finances of family farms will be taken into account when social workers process Food Stamp applications from farm households. The bill also authorizes States to request reimbursement for one-half of the cost of providing special training to caseworkers in how to handle applications from farm families and also to inform low-income farm families of the availability of food stamp benefits.

I do not intend that this bill be a budget buster. Therefore, I asked the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition to take two steps to ensure that it is not.

First, in order to keep the cost as low as possible, the cost has been dramatically pared down. CBO estimates the cost in fiscal year 1988 to be $11 million and the cost through the 3-year projection period covered by the concurrent resolution on the budget to be $326 million. This cost is substantially below some of the other welfare reform proposals under consideration this year.

Second, this bill will not go into effect unless Congress achieves the budget discipline which it imposes on itself this year. If the reconciliation instructions or any subsequent deficit reduction mandated by the revisions to Gramm-Rudman currently under consideration are not achieved, this bill will not be implemented. Thus, this bill will not increase the deficit targets which we impose on ourselves.

The Food Stamp Family Welfare Reform Act of 1987 is not a panacea. Our current budgetary straitjacket prevents anyone from proposing the major investment that would be necessary to eliminate the ongoing cancer on our society—welfare dependency. Within the political and budgetary constraints we face, it is a responsible effort to make the current system work. For that reason, I ask for your support of the Food Stamp Family Welfare Reform Act of 1987.

SECTION-BY-SECTION ANALYSIS: THE FOOD STAMP FAMILY WELFARE REFORM ACT OF 1987

SHORT TITLE

Section 1 cites the Act as the "Food Stamp Family Reform Act of 1987."

CATEGORICAL ELIGIBILITY

Existing law grants categorical (automatic) food stamp eligibility to households in which all members receive Aid to Families with Dependent Children (AFDC) or Supplemental Security Income (SSI) benefits—through September 30, 1989.

Section 2 makes categorical eligibility permanent—deleting the 1989 expiration date.

EXCLUSION FOR CERTAIN EDUCATIONAL EXPENSES

(a) Existing law and regulations require a disregard (exclusion) of income in the form of Federal education assistance provided under title IV of the Higher Education Act (e.g., Pell grants, student loans), to the extent the aid is used for: (1) tuition and mandatory school fees (including costs for materials required to be obtained by all other students in the same course of study); (2) books, supplies, transportation, and miscellaneous personal expenses (other than room, board, and dependent care) incidental to attendance, as determined by the institution; and (3) origination fees and insurance premiums on student loans.

Existing law and regulations also require a disregard (exclusion) of income in the form of non-Federal education assistance, and Federal education assistance provided under laws other than title IV of the Higher Education Act, to the extent the aid is used for: (1) tuition and mandatory school fees (including costs for materials required to be obtained by all other students in the same course of study); and (2) origination fees and insurance premiums on student loans.

Existing law and regulations further require that, in order to be eligible for these income disregards, students receiving education assistance must be attending a school for the handicapped, or a postsecondary institution (including correspondence schools) that requires a high school diploma (or equivalency certificate), or an institution or program that admits persons beyond the age of compulsory school attendance and is recognized as providing postsecondary education or training for employment.

Section 3(1) expands existing income disregards for education assistance by: (1) applying the more extensive disregard provi-

sions (including a disregard for aid used for books, supplies, transportation, and miscellaneous personal expenses incidental to attendance) mandated for title IV Higher Education Act assistance to all education assistance; and (2) applying the education assistance disregard provisions to cases where the student is attending a program that provides for completion of a secondary education (or obtaining the equivalent of a secondary school diploma), or attending an employment training program.

[NOTE: The second change noted—adding programs for completion of a secondary education and training programs to the list of institutions and programs qualifying a student for an education assistance disregard—would change existing practices only to the extent that these programs are not already recognized, under current regulations, as institutions admitting persons beyond the age of compulsory school attendance and recognized as providing post-secondary education or training for employment.]

(b) Existing law and regulations deny an income disregard (exclusion), as a reimbursement for expenses, for income from any Federal education assistance beyond that used for tuition and mandatory school fees (including costs for materials required to be obtained by all other students in the same course of study).

Existing law and regulations also deny an income disregard (exclusion), as a reimbursement for expenses, for income from any non-Federal education assistance that is used for living expenses (such as food, rent, or clothing).

Section 3(2) conforms the reimbursement disregard rule for Federal education assistance to the rule for non-Federal education assistance—i.e. income from any Federal or non-Federal education assistance may not be disregarded as a reimbursement for expenses to the extent that it is used for living expenses.

EXCLUSION OF CHILD SUPPORT PAYMENTS RECEIVED

Existing law allows States administering the food stamp program to disregard, in food stamp income determinations, child support payments that are excluded under the AFDC program (i.e., the first $50 a month), if the State pays the food stamp benefit cost of doing so.

Section 4 requires the disregard of child support payments that are disregarded under the AFDC program for purposes of determining AFDC eligibility, and deletes the requirement that States pay the benefit cost of doing so.

EXCLUSION FOR TWO-PARTY PAYMENTS FOR AGRICULTURAL COMMODITIES

Existing law and regulations do not allow a disregard (exclusion) for income used to repay business loans (other than interest payments) as a cost of producing self-employed income.

Section 5 requires an income disregard (exclusion) for payments for agricultural commodities (and their products) produced by farmers, if the payments are made payable jointly to a farm household member and another holding a security or leasehold interest in the commodities, except to the extent that the payments are actually available to the farm household. [NOTE: This would have the effect of disregarding, as a cost of producing self-employed farm income, repayments on farm loans (including principal and interest) to the extent they are made through two-party checks received for commodities.]

EXCLUSION FOR ADVANCED PAYMENT OF EARNED INCOME CREDIT

Existing law and regulations provide that earned income tax credit payments (made to families with children having income below certain thresholds) are: (1) counted as liquid assets if received as a lump sum payment (i.e., as an income tax refund/rebate); (2) counted as income if received as periodic "advance payment" (i.e., as a reduction in income taxes withheld by an employer from earnings); and (3) not counted at all if received as a simple reduction in a year-end tax payment. [NOTE: If counted as income, 20 percent of any earned income tax credit is disregarded under rules requiring a 20-percent "deduction" for earnings.]

Section 6 requires an income disregard (exclusion) for earned income tax credits received as periodic advance payments (i.e., made by an employer as a reduction in income taxes withheld from an employee's earnings).

DEDUCTION FOR DEPENDENT CARE

(a) Existing policy treats dependent care expenses paid under a food stamp employment and training program as a reimbursement for expenses, thereby excluding them from being counted as income. [NOTE: Existing policy also generally bars claiming a deduction for expenses covered by a reimbursement.]

Section 7(a) and 7(b)(1) reinforce existing policy by requiring an income disregard for payments made for dependent care under a food stamp employment and training program and barring claims for dependent care expense deductions for expenses paid for under a food stamp employment and training program.

(b) Existing law and regulations limit the deduction allowed a household for dependent care expenses to $160 a month, regardless of the number of dependents and regardless of age.

Section 7(b)(2) and 7(b)(3) raise the limit on dependent care expense deductions to: (1) $200 a month for each dependent less than 2 years of age; and (2) $175 a month for each dependent age 2 or more.

ANNUALIZING SELF-EMPLOYMENT INCOME AND EXPENSES FROM FARMING

Existing law and regulations require that income be calculated by averaging it over a 12-month period, for households deriving their annual income in periods of time shorter than 1 year (i.e., income is received on an irregular basis).

Section 8 adds to the existing requirement for income averaging a requirement that income be calculated by averaging it over a 12-month period, for households with a member engaged in farming that have regular monthly farm income, but irregular expenses to produce that income—at the household's option.

RELIANCE ON PAST SELF-EMPLOYMENT INCOME FROM FARMING

Existing law and regulations require that, for households whose anticipated income is averaged over a 12-month period, self-employment income must be calculated based on anticipated business earnings, rather than past earnings, if the averaged amount (based on past earnings) does not accurately reflect the household's actual monthly circumstances because it has experienced a substantial increase or decrease in business earnings.

Section 9 adds a requirement that past self-employment income from farming may not be used as an indicator of anticipated income, if changes have occurred, or can be anticipated to occur during the certification period.

EXCLUSION OF CERTAIN PROPERTY FROM RESOURCES

Existing law and regulations provide that business property, such as farm land and farm machinery, is to be excluded from being counted as a resource, as long as it is "essential to employment or self-employment."

Section 10 adds a requirement for exclusion of property (including land, equipment, and supplies) essential for farm self-employment—for a period of 1 year from the date on which a farmer ceases to be self-employed in farming.

ELIGIBILITY OF STUDENTS

(a) Existing law allows students "assigned to or placed in" an institution of higher learning through a program under the Job Training Partnership Act (JTPA) to participate in the food stamp program, if otherwise eligible. [NOTE: This is one of a number of categories of students who are exempt from the general rule prohibiting students in institutions of higher education from participating in the food stamp program.]

Section 11(1) expands the existing provision allowing JTPA students to paticipate in the food stamp program by: (1) allowing participation by students under a food stamp employment and training program, a Trade Adjustment Assistance training program, or a training program of a State or locality; and (2) allowing participation by these new categories of students (along with JTPA students) if they are "attending, awaiting placement after being assigned to, or accepted by" an institution of higher learning (as opposed to "assigned to or placed in" an institution of higher learning).

(b) Existing law allows students, who are parents with the responsibility to care for a child age 6-11 and enrolled half time or more in an institution of higer education, to participate in the food stamp program if adequate child care is not available, as long as they are otherwise eligible.

Section 11(2)(A) clarifies existing law by providing that students with children age 6-11 may participate in the food stamp program if adequate child care is not available to enable them to work a minimum of 20 hours a week or participate in a federally financed work study program.

(c) Existing law allows students enrolled half time or more in an institution of higher education to participate in the food stamp program if they are receiving AFDC benefits.

Section 11(2)(B) expands the existing provision allowing AFDC recipients to participate in the food stamp program to include recipients of benefits under a State or local general assistance program (i.e., programs providing regular benefits for general living support without Federal financial participation).

(d) Existing law bars participation in the food stamp program by a student enrolled at least half time in an institution of higher education unless the student falls into an exempt category. Existing exempt categories include: (1) student 18 and younger or age 60 or older; (2) students who are not physically or mentally fit; (3) students assigned under a JTPA program; (4) students employed 20 hours a week or more; (5) students participating in a federally financed work study program; (6) students responsible for the care of a dependent child under age 6; (7) students responsible for the care of a dependent child age 6-11 without ade-

quate child care; (8) students receiving AFDC benefits; and (9) students enrolled under an AFDC work incentive program.

Section 11(2)(C) and 11(2)(D) add a new exempt category: students who are members of a household that: (1) is otherwise eligible for food stamps; and (2) includes the student's parent, grandparent, or legal guardian.

EMPLOYMENT AND TRAINING PROGRAM COSTS INCURRED BY PARTICIPANTS

Existing law requires States operating a food stamp employment and training program to reimburse program participants for the actual costs of all transportation and other (e.g., dependent care) expenses reasonably necessary and directly related to participation. However, States may limit their coverage of each participant's expenses to $25 a month.

Sections 12(a)(1)(A) and 12(a)(2)(A) expand the requirement to cover participants' expenses by:

Specifying that the requirement to cover participants' expenses may be fulfilled by: (1) payments made directly to the participant, in cash or certificates (vouchers) redeemable by the State agency; or (2) payments to service providers;

Requiring that payment made directly to participants be made in advance, to the maximum extent practicable;

Establishing a new rule governing the limit States may place on the extent to which they cover each participant's expenses other than dependent care: States are allowed to limit their coverage of these non-dependent-care expenses (e.g., transportation) to $25 a month or a higher amount (up to $75 a month). [NOTE: States must cover actual expenses up to whatever limit they establish.]

Establishing a new rule governing the limit that States may place on the extent to which they cover each participant's dependent care expenses: States are allowed to set a limit of $200 a month for each dependent under age 2 and $175 a month for each dependent age 2 or more. [NOTE: States must cover actual dependent care expenses up to the limit if established.]

EMPLOYMENT AND TRAINING PROGRAM PAYMENTS TO STATES

Existing law requires the Federal Government to pay each State 50 percent of the cost of payments made (or costs incurrred) by the State for participants' expenses that are necessary and related to participation in a food stamp employment and training program—50 percent of all payments for participants' costs, up to an amount equal to 50 percent of $25 per participant per month.

Sections 12(a)(1)(B) and 12(a)(2)(B) expand the requirement for Federal cost-sharing by increasing the limit on State costs that the Federal Government will share in:

For payments for participants' costs other than dependent care, the Federal share is 50 percent, up to an amount equal to 50 percent of the limit established by the State (this limit can be as low as $25 per participant per month, or as high as $75);

For participants; dependent care costs, the Federal share is 50 percent, up to an amount equal to $200 per month per dependent under age 2 and $175 per month per dependent age 2 or more.

EMPLOYMENT AND TRAINING PROGRAM PERFORMANCE STANDARDS

(a) Existing law requires the Secretary of Agriculture to establish employment and training program performance standards for each State. These performance standards are to specify the minimum percentage of food stamp recipients subject to a requirement to participate in an employment and training program that States are expected to place in a program. Standards may vary among the States, and, inserting standards, the Secretary is to consider the States' costs for meeting them and the degree of participation of persons who, though exempt, volunteer to participate. Standards must also be varied according to differences in the characteristics of participants and the type of program they are applied to. The establishment of performance standards may be delayed until October 1988. [NOTE: The Secretary has chosen to take this option and performance standards will not be effective until October 1988.]

Existing law also requires that, in deciding whether a State has met a performance standard, the Secretary must consider the extent of volunteer participation, such factors as placement in unsubsidized employment, increases in earnings, reduction in food stamp participation, and other factors determined to be related to employment and training.

Section 12(b) replaces the existing performance standard requirements with the following requirements:

The Secretary is required to establish performance standards after consultation with the Office of Technology Assessment, the Secretary of Labor, the Secretary of Health and Human Services, appropriate State officials (designated by State Governors), other appropriate experts, and representatives of food stamp households.

Performance standards are to: (1) be coordinated with those under the JTPA and those developed for the proposed National Education, Training, and Work Program for AFDC recipients; (2) measure employment outcomes; (3) be based on the degree of success that may reasonably be expected of States in helping participants achieve self-sufficiency through employment and training programs; (4) take into account the extent of volunteer participation, job placement rates, wage rates, households ceasing to need food stamps, improvement in participants' educational levels, and the extent to which participants are able to obtain jobs with health benefits; (5) encourage States to serve those who have greater barriers to employment; (6) include guidelines that permit appropriate variations within and among States to take account of differing conditions (such as unemployment rates and rates of volunteer participation); and (7) be varied within any State (to the extent permitted by the Secretary's guidelines) as necessary to take into account specific economic, geographic, and demographic factors, the characteristics of the population to be served, and the types of employment and training services to be provided.

Proposed measures for performance standards are to be published not later than 1 year after enactment. Final standards are to be established, issued, and published not earlier than October 1, 1989, and are to be implemented not later than 180 days after publication. [NOTE: Any performance standards established under existing law would remain in effect until final standards have been established under this Act.]

(b) Section 12(c) requires the Office of Technology Assessment to: (1) develop model performance standards for food stamp employment and training programs that satisfy the requirements; set out in law for the standards; (2) compare its standards with Secretary's proposed measures; and (3) submit a report on the comparison to the Speaker of the House, the President pro tempore of the Senate, and the Secretary of Agriculture—not later than 180 days after the Secretary's proposed measures are published.

EMPLOYMENT AND TRAINING PROGRAM INCENTIVE PAYMENTS

Section 12(d) requires the Secretary to develop, and transmit to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry, a proposal for modifying the rate of Federal payments to States for employment and training programs so as to reflect the relative effectiveness of the various States in carrying out food stamp employment and training programs.

FARM HOUSEHOLDS

(a) Existing law permits States to conduct food stamp informational activities directed at homeless individuals, with 50-percent Federal cost-sharing. [NOTE: No other "outreach" activities may be conducted with Federal funds.]

Section 13(a) expands Federal participation in outreach efforts by permitting States to conduct food stamp informational activities directed at farm households, with 50-percent Federal cost-sharing.

(b) Section 13(b) permits States to undertake intensive training to ensure that State agency personnel certifying farm households are well qualified to do so, with 50-percent Federal cost-sharing.

Section 13(b) also requires the Secretary to publish instructional materials specifically designed to be used by State agencies providing intensive training on farm household certification—within 180 days of enactment, and annually thereafter.

HOURS OF OPERATION

Existing law requires the Secretary to establish standards for efficient and effective administration of the food stamp program by the States, including standards for the periodic review of the hours that food stamp offices are open to ensure that employed individuals are adequately served.

Section 14(a) adds a requirement that States have food stamp offices and issuance points that are open at sufficient locations and hours to ensure that those who are employed, or participating in a food stamp, AFDC, or State rehabilitation agency employment and training program, can: (1) comply with the various requirements of the food stamp program (including reporting changes, providing verification, appearing at interviews, and submitting applications and requests for recertification); and (2) obtain and use Authorizations to Participate documents and food stamps without missing or rescheduling hours of employment or participation in an employment and training program.

Section 14(b) revises the existing requirement for periodic review of office hours by requiring that the reviews also be conducted to ensure that persons in employment and training programs are adequately served.

NOTICE OF EXPIRATION; COORDINATED APPLICATION

(a) Existing law requires States to ensure that participating households receive a notice of expiration, prior to the start of the last month of their certification period, advising them that they must submit a new application in order to renew eligibility.

Section 15(a) requires States to include, in notices of expiration, information as to par-

ticipants' rights, at recertification, to: (1) single interviews for AFDC and food stamp eligibility; (2) assistance in making a food stamp application, and certification for food stamps using information in social security case files (for SSI applicants and recipients); (3) unified food stamp and public assistance applications; (4) certification for food stamps using information in public assistance case files (for AFDC and general assistance recipients); and (5) simple food stamp applications at social security offices (for social security applicants and recipients).

(b) Existing law requires Secretary and the Secretary of Health and Human Services to develop a system by which: (1) a single interview is conducted to determine eligibility for AFDC and food stamps; and (2) households in which all members are applicants for or recipients of SSI benefits are informed of the availability of food stamps, assisted in making a simple food stamp application, and certified for food stamps using information from Social Security Administration files. States are required to implement these features.

Existing law also requires the Secretary and the Secretary of Health and Human Services to develop a system by which: (1) households in which all members are included in a federally aided, or State or local, public assistance program have their food stamp application included in their public assistance application; and (2) food stamp applicants with public assistance case files (either because they are public assistance recipients or have recently lost or been denied public assistance eligibility) are certified for food stamp eligibility based on the information in their public assistance case file, to the extent it is reasonably verified. States may implement these features.

Section 15(b) requires States to implement all four features of the system for single interviews, unified application procedures, and use of information in social security or public assistance files.

Section 15(b) also requires States to inform AFDC applicants that they may file a food stamp application along with their AFDC application without a separate food stamp interview.

WASHINGTON FAMILY INDEPENDENCE DEMONSTRATION PROJECT

Existing law permits the Secretary to conduct, on a trial basis, 1 or more pilot or experimental projects designed to test program changes that might increase the efficiency of the food stamp program and improve the delivery of food stamp benefits—including projects involving the payment of actual, or averaged (by household size), food stamp allotments in the form of cash to households with members entitled to cash AFDC or SSI benefits. In doing so, the Secretary is allowed to waive any Food Stamp Act requirements to the degree necessary, except that no project (other than projects involving the payment of averaged food stamp allotments) may lower or further restrict Food Stamp Act eligibility and benefit standards.

Existing law also permits States to conduct federally assisted pilot projects to demonstrate the use of integrated service delivery systems for human service programs, including the food stamp program.

Section 16 adds specific authority (a new section 21 of the Food Stamp Act) for the State of Washington to conduct a Family Independence Demonstration Project, in all or part of the State, to determine whether the project, as an alternative to providing food stamp benefits, would more effectively break the poverty cycle and provide families with opportunities for economic independence and strengthened family functioning. Under the project, the State is authorized to combine food stamp and cash public assistance benefits (AFDC benefits) into a unified cash grant, if it meets the conditions laid out in the new section 21 of the Food Stamp Act authorizing the project.

[NOTE: The Washington State Family Independence Program, enacted in May 1987 and to be implemented in early 1988, proposes to establish, as an alternative to the receipt of regular cash public assistance (AFDC) and food stamps, a program under which (1) cash and food stamp benefits are combined into a unified basic cash grant, (2) extensive employment and training programs are set up for recipients, and (3) recipient enrollees are given incentives in the form of added aid and support services. Benefits equal to at least the level of those provided under the regular AFDC and food stamp programs are to be assured.]

Unless otherwise required by the new section 21 of the Food Stamp Act authorizing the project, the project must be carried out as laid out in the Washington State law, enacted in May 1987, establishing its Family Independence Program. The Secretary is to approve the State's application to operate the project if it meets certain terms and conditions. Specific terms and conditions for approval of the project are as follows:

Those eligible for AFDC must be eligible for the project, in lieu of benefits under the food stamp program and any other Federal program covered by the project.

Project participants must receive aggregate monthly cash assistance not less than the total value they would otherwise receive under the food stamp program and any cash-assistance Federal program covered by the project. This assistance floor is to be calculated using income, resource, and deduction rules in effect on January 1, 1988 (including any future adjustments to those rules), and without regard to individuals not participating in the project.

The State may: (1) provide a "standard" food assistance benefit as part of cash aid under the project (except that cash food assistance must be no less than would otherwise have been received as food stamps); and (2) provide a food assistance benefit, as part of the project's cash benefit, that is equal to the maximum food stamp monthly benefit for the household.

The State must notify project participants, each month, of the amount of project cash assistance that is being provided as food assistance.

The State must have a program to require participants to engage in employment and training activities, as established under the Washington State law establishing the Family Independence Program.

Food assistance under the project must be provided to participants accepted into the project within 30 days of application. [NOTE: This is also a requirement in the food stamp program.]

Food assistance under the project must be provided from the date of application. [NOTE: This is also a requirement in the food stamp program.] However, food assistance under the project must be reduced to reflect the value of food stamps received by a participant in a month in which the participant is receiving project benefits including food assistance.

Food assistance under the project must be provided until: (1) participation in the project is terminated; (2) the participant is informed of the termination and advised of food stamp eligibility requirements; (3) the State determines whether the participant will be eligible for food stamps after leaving the project; and (4) food stamps are received by the ex-participant, if eligible.

The State must use appropriate bilingual personnel and printed materials in administration of the project. [NOTE: This is also a requirement in the food stamp program, and would apply in the same manner.]

The State must have safeguards that limit the use or disclosure of information obtained from project applicants to those directly connected with administration or enforcement (including the U.S. General Accounting Office and law enforcement officials). [NOTE: This is also a requirement in the food stamp program, and would apply in the same manner.]

The State must have procedures for granting fair hearings and prompt determinations to participants aggrieved by an action of the State. [NOTE: This is also a requirement in the food stamp program, and would apply in the same manner.]

The State must have an "income and eligibility verification system" for use of information available from other agencies (e.g., the Social Security Administration and agencies administering unemployment compensation) in verifying income and other eligibility factors. [NOTE: This is also a requirement in the food stamp program, and would apply in the same manner.]

The State must provide that individuals making an in-person oral or written application during office hours receive, and are permitted to file, an application for the project on the same day. [NOTE: This is also a requirement in the food stamp program.]

The project must provide for telephone/mail application procedures, and subsequent home or telephone interviews, for elderly, handicapped, and other persons unable to apply in person solely because of transportation difficulties and similar hardships. [NOTE: The food stamp program has a similar requirement.]

The project must provide that applicants may be represented by another person, designated by the applicant, in the application review process, if the other person is sufficiently aware of relevant circumstances. However, the State may restrict the number of individuals represented by any designee and otherwise establish criteria and verification for representation. [NOTE: The food stamp program has a similar requirement.]

The State must provide methods for reviewing applications made by the homeless, and distributing food assistance under the project to them. [NOTE: This is also a requirement in the food stamp program.]

The State must provide an assurance that it will allow any individual to participate in the food stamp program, without applying to participate in the project. The State must also provide an assurance that it will continue to carry out the food stamp program while carrying out the project.

The State must provide an assurance that the cost of food assistance under the project will not be such that aggregate Federal payments to the State over the course of the project exceed: (1) the anticipated value of food stamp benefits that would have been distributed to project participants if they had participated in the food stamp program; plus (2) the Federal reimbursement for State administrative costs (not including the Federal share of State costs for investigation and prosecution of fraud) if project participants had participated in the food

stamp program; plus (3) the Federal reimbursement for food stamp employment and training programs if project participants had participated these programs. However, States may claim Federal payments for additional households that would qualify for food stamp benefits because of changes in economic, demographic, and other conditions, and later changes in State benefit levels.

The State must provide that there will be no change in existing State law that would eliminate guaranteed benefits, or reduce project applicants' or enrollees' rights, during (or as a result of participation in) the project.

The project must include procedures and due process guarantees no less beneficial than those available to food stamp participants under Federal and State law.

The State must provide an assurance that it will carry out the project during a 5-year period beginning on the date the first individual is approved for participation. However, the project may be terminated 180 days after the State notifies the Secretary, or 180 days after the Secretary determines the State has materially failed to comply with the requirements established in the new section 21 of the Food Stamp Act authorizing the project.

Upon approval of the State's application to carry out the project, the Secretary must, from funds appropriated under the Food Stamp Act, pay the State: (1) the actual cost of food assistance provided under the project; and (2) the percentage of the State's administrative costs for providing food assistance under the project equal to the percentage of the State's aggregate food stamp administrative costs (including employment and training program costs) paid in the most recent fiscal year for which data are available.

Until an application for the project is approved and food assistance under the project is made available, an application for the project is to be treated as an application to participate in the food stamp program, requiring processing for food stamp eligibility. Moreover, food stamp program "expedited service" rules are to apply to these applications. [NOTE: Food stamp expedited service rules require provision of benefits within 5 days of application in the case of persons with very low income and resources, the homeless, and persons with very high shelter expenses.]

Food stamp recipients applying to participate in the project may not have their food stamp benefits reduced or terminated because they apply for the project.

Individuals participating in project are not to be considered members of a food stamp household during their participation in the project.

The Secretary is required to waive compliance with any Food Stamp Act requirement that would prevent the State from carrying out the project, or effectively achieving its purpose.

With respect to any other Federal, State, or local law, food assistance provided under the project is to be treated as food stamp assistance, and project participants are to be treated as food stamp recipients.

The U.S. Comptroller General is required to conduct periodic audits to determine the amounts payable to the State for the project, and to submit a report of each such audit to the Secretaries of Agriculture and Health and Human Services, the House Committee on Agriculture, and the Senate Committee on Agriculture, Nutrition, and Forestry.

The Secretary, in consultation with the Secretary of Health and Human Services, is required to conduct an evaluation of the project—using funds appropriated under the Food Stamp Act.

OTHER FAMILY INDEPENDENCE DEMONSTRATION PROJECTS

Existing law permits the Secretary to allow up to 5 statewide projects (on the request of a State) and up to 5 local projects (on request of a State or locality) under which households are considered to have satisfied food stamp eligibility requirements if they include one or more members who are recipients of AFDC, SSI, or Medicaid benefits and have monthly income less than the food stamp income eligibility limits. Participating households are to receive "standardized" monthly food stamp benefits based on household size and other benefits paid or available, with adjustments to ensure that average allotments under the projects are not less than average food stamp allotments that would have been provided under a regular food stamp program.

Section 17 adds specific authority (a new section 22 of the Food Stamp Act) for up to 10 of the 50 States (except for the State of Washington) to conduct a family independence demonstration project, in all or part of the State, under the same terms established for the Washington Family Independence Demonstration Project—except that food assistance benefits under any State's project must be issued in the form of food stamps, and cash.

ISSUANCE OF RULES

Section 18 requires the Secretary to issue rules to carry out amendments made by this Act—other than those pertaining to family independence demonstration projects—not late than January 1, 1988.

SEVERABILITY

Section 19 provides that, if any provision of, or amendment made by, this Act is held invalid, the remainder of the Act and its amendments, along with the application of the invalid provisions to other persons or circumstances, will not be affected.

EFFECTIVE DATES; APPLICATION OF AMENDMENTS

(a) Section 20(a) provides that—except for the severability provision and certain provisions made effective January 1, July 1, and October 1, 1988 (see "(b)" below)—the amendments made by this Act will take effect on the date, if any, the Director of the Congressional Budget Office (CBO) certifies to the Congress that a determination has been made regarding whether deficit reduction instructions or targets will be exceeded. [NOTE: See "(d)" below.]

(b) Section 20(b) provides that—subject to the CBO determination regarding deficit reduction instructions and targets (see "(d)" below) and subject to a requirement regarding application of the amendments (see "(c)" below)—certain amendments made by the Act will take effects as follows:

Amemdments affecting the exclusion for education expenses, the exclusion for child support payments, and the eligibility of students (sections 3, 4, and 11)—July 1, 1988;

Amendments affecting employment and training programs (section 12)—October 1, 1988; and

Amendments affecting family independence demonstration projects (sections 16 and 17)—January 1, 1988.

(c) Section 20(c) provides that amendments made in this Act do not apply with respect to a certification period beginning before the effective date of the amendment—i.e., amendments would apply only to new applicants and those being recertified for eligibility (when they regularly recertified) after the applicable effective date.

(d) Section 20(d) provides that substantive amendments made by this act (i.e., those other than the provision for separability and this provision regarding a CBO determination with regard to deficit reduction instructions and targets) will take effect only if the deficit reduction over fiscal years 1988-1990 (as determined by the CBO) exceeds aggregate reduction required by instructions contained in the budget resolution for FY 1988 (H. Con. Res. 93, as adopted by Congress), any subsequent revisions of these instructions adopted by Congress, or new deficit reduction targets adopted by Congress, by at least the cost of this Act's amendments for FYs 1988-1990.

The determination is to be made by the Director of the CBO by comparing the aggregate deficit reduction from reconciliation legislation adopted by Congress—pursuant to deficit reduction instructions in the FY 1988 budget resolution, any subsequent revision of these instructions adopted by Congress, or new deficit reduction targets adopted by Congress—against the CBO "baseline" issued in February 1987.

H.R. 3337

(A bill to amend the Food Stamp Act of 1977 to reform the food stamp program, and for other purposes)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Food Stamp Family Welfare Reform Act of 1987".

SEC. 2. CATEGORICAL ELIGIBILITY.

The second sentence of section 5(a) of the Food Stamp Program of 1977 (7 U.S.C. 2014(a)) is amended—

(1) by striking "during the period", and

(2) by striking "and ending on September 30, 1989,".

SEC. 3. EXCLUSION FOR CERTAIN EDUCATIONAL EXPENSES.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) in clause (3)—

(A) by inserting "(A)" after "the like", and

(B) by striking "at an institution" and all that follows through "handicapped, and", and inserting the following: "(including the rental or purchase of any equipment, materials, and supplies required to be obtained by all other students in the same course of study) at a recognized post-secondary school, institution of higher education, school for the handicapped, training program that prepares individuals for employment, or program that provides for completion of a secondary education or obtaining the equivalent of a secondary school diploma, (B) to the extent they do not exceed an allowance determined by such school, institution, or program for books, supplies, transportation, and miscellaneous personal expenses (other than living expenses) of the student incidental to attending such school, institution, or program, and (C)", and

(2) in the proviso to clause (5)—

(A) by inserting "and" after "child care expenses,"

(B) by striking "non-Federal", and

(C) by striking ", and no portion of any Federal" and all that follows through "mandatory school fees,".

SEC. 4. EXCLUSION OF CHILD SUPPORT PAYMENTS RECEIVED.

Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) by amending subsection (d)(13) to read as follows: "(13) child support that is disregarded under part A of title IV of the Social Security Act for recipients of benefits under such part", and

(2) by striking subsection (m).

SEC. 5. EXCLUSION FOR TWO-PARTY PAYMENTS MADE FOR AGRICULTURAL COMMODITIES.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)), as amended by section 4, is amended—

(1) by striking "and (13)" and inserting "(13)", and

(2) by inserting before the period at the end the following: "and (14) payments for agricultural commodities (including products of such commodities) produced by a household member engaged in farming if such payments are made payable jointly to any member of the household and a person (including a governmental entity) that holds a security or leasehold interest in such commodities, except to the extent that such payments are actually available to the household".

SEC. 6. EXCLUSION FOR ADVANCE PAYMENT OF EARNED INCOME CREDIT.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)), as amended by sections 4 and 5, is amended—

(1) by striking "and (14)" and inserting "(14)", and

(2) by inserting before the period at the end the following: ", and (15) any payment made to the household under section 3507 of the Internal Revenue Code of 1986 (relating to advance payment of earned income credit)".

SEC. 7. DEDUCTION FOR DEPENDENT CARE.

(a) CONFORMING AMENDMENT.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)), as amended by sections 4, 5, and 6, is amended—

(1) by striking "and (15)" and inserting "(15)", and

(2) by inserting before the period at the end the following: ", and (16) any payment made to the household under section 6(d)(4)(H)(ii) for dependent care".

(d) DEDUCTION.—Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended—

(1) in the matter preceding clause (1) of the fourth sentence by inserting "and expenses which are paid under section 6(d)(4)(H)(ii) for dependent care" after "third party",

(2) in clause (1) of the fourth sentence—

(A) by striking "$160 a month" and inserting the following: "the sum of $200 a month for each dependent who is less than 2 years of age and $175 a month for each other dependent without regard to age", and

(B) by striking ", regardless of the dependent's age,", and

(3) in clause (B) of the last sentence by striking ", regardless of the dependent's age,".

SEC. 8. ANNUALIZING SELF-EMPLOYMENT INCOME AND EXPENSES FROM FARMING.

Section 5(f)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)(A)) is amended—

(1) in the second sentence by striking "preceding" and inserting "first", and

(2) by inserting after the first sentence the following: "Notwithstanding the preceding sentence, household income from the self-employment of a member who is self-employed in farming, who has income from farming, and who has irregular expenses to produce that income may, at the option of the household, be calculated by averaging such income and expenses over a twelve-month period.".

SEC. 9. RELIANCE ON PAST SELF-EMPLOYENT INCOME FROM FARMING.

Section 5(f)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)(A)) is amended by adding at the end thereof the following: "Notwithstanding any other provision of this subparagraph, past income from the self-employment of a household member who is self-employed in farming may not be used as an indicator of anticipated income if changes in such past income have occurred or if changes in income from such self-employment can be anticipated or occur during the certification period.".

SEC. 10. EXCLUSION OF CERTAIN PROPERTY FROM RESOURCES.

Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following: "In the case of property (including land, equipment, and supplies) which is essential to the self-employment of a household member in farming, the Secretary shall exclude such property until the expiration of the 1-year period beginning on the date such member ceases to be self-employed in farming.".

SEC. 11. ELIGIBILITY OF STUDENTS.

Section 6(e) of the Food Stamp Act of 1977 (7 U.S.C. 2015(e)) is amended—

(1) in clause (2)—

(A) by striking "assigned to or placed in" and inserting "attending, or awaiting placement after being assigned to or accepted by,", and

(B) by inserting after "the Job Training Partnership Act," the following: "an employment or training program (as defined in section 6(d)(4)(B)), a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296), or a training program of a state or local jurisdiction,", and

(2) in clause (3)—

(A) in subclause (C) by inserting "to enable such individual to satisfy the requirements of subclause (A)" before the semicolon,

(B) in subclause (D) by striking "aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)" and inserting in lieu thereof: "benefits under a state plan approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under a state or local general assistance program",

(C) by striking "or" before "(E)", and

(D) by striking the period at the end and inserting the following: "; or (F) is not a member of a household that is otherwise eligible to participate in the food stamp program and that includes a parent, grandparent, or legal guardian of such individual.".

SEC. 12. EMPLOYMENT AND TRAINING PROGRAMS.

(a) TRANSPORTATION AND RELATED COSTS INCURRED BY PARTICIPANTS.—

(1) DEPENDENT CARE EXPENSE.—(A) Section 6(d)(4)(H) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(H)) is amended—

(i) by inserting "(i)" after "(H)",

(ii) by striking "reimburse" and inserting "pay",

(iii) by inserting "(including actual costs for dependent care)" after "other actual costs",

(iv) by striking "such reimbursement" and inserting "such payment (I)",

(v) by inserting before the period the following: "for actual costs other than dependent care and (II) to each household to the sum of $200 a month for the care of each dependent who is less than 2 years of age and $175 a month for the care of each other dependent, without regard to age", and

(vi) by adding at the end the following:

"(ii) Payments under this subparagraph may be made to such participants directly or to the providers of the services for which payments are authorized by this subparagraph. Payments made directly to such participants—

"(I) may be made in cash, or in certificates redeemable by the State agency upon presentation by such providers if such certificates are readily usable by such participants; and

"(II) shall be made in advance to the maximum extent practicable.".

(B) Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended—

(i) by inserting "(including expenses for dependent care)" after "other expenses",

(ii) by inserting "(A)" after "exceed",

(iii) by striking "and such reimbursement" and inserting "for such expenses, other than expenses for dependent care, and (B) an amount representing, per household, the sum of $200 a month for the care of each dependent who is less than 2 years of age and $175 a month for the care of each other dependent without regard to age. Such reimbursement".

(2) PAYMENTS.—(A) Section 6(d)(4)(H) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(H)), as amended by paragraph (1)(A)(i)(I), is amended by striking "to each participant to $25" and inserting "required by this subclause to each participant to any amount that is not less than $25 and not more than $75".

(B) Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)), as amended by paragraph (1)(B), is amended—

(i) by striking "per centum" and all that follows through "connection with", and inserting "percent of the aggregate amount paid by the State agency to participants for", and

(ii) by striking "$25" and inserting "the payment made under section 6(h)(4)(H)(i)(I)".

(b) PERFORMANCE STANDARDS.—Section 6(d)(4)(J) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(J)) is amended to read as follows:

"(J)(i) The Secretary shall establish in accordance with this subparagraph performance standards that are applicable to employment and training programs carried out under this paragraph.

"(ii) The performance standards referred to in clause (i) shall be developed by the Secretary after consultation with the Office of Technology Assessment, the Secretary of Labor, the Secretary of Health and Human Services, appropriate State officials designated for purposes of this clause by the chief executive officers of the States, other appropriate experts, and representatives of households participating in the food stamp program. Such performance standards (which shall be coordinated with the corresponding performance standards under the Job Training Partnership Act and the performance standards under section 416(n) of the Social Security Act, taking into consideration the differing characteristics of such households)—

"(I) shall be measured by employment outcomes and shall be based on the degree of success which may reasonably be expected of States (in carrying out employment and training programs) in helping such individuals to achieve self-sufficiency;

"(II) shall take into account the extent to which persons have elected to participate in employment and training programs under this paragraph, job placement rates, wage rates, job retention rates, households ceasing to need benefits under this Act, improvements in household members' educational levels, and the extent to which household members are able to obtain jobs for which they receive health benefits;

"(III) shall encourage States to serve those individuals who have greater barriers to employment and thus have greater difficulties in achieving self-sufficiency; and

"(IV) shall include guidelines permitting appropriate variations to take account of the differing conditions (including unemployment rates and rates of elective participation under subparagraph (G) in employment and training programs under this paragraph) which may exist in different States.

"(iii) Proposed measures for the performance standards referred to in clause (i) shall be published by the Secretary not later than 1 year after the date of the enactment of the Food Stamp Family Welfare Reform Act of 1987. The performance standards themselves shall be established, issued, and published not sooner than October 1, 1989, and shall be implemented not later than 180 days, after the publication of such measures.

"(iv) The performance standards developed and issued under clause (ii) shall be varied in any State, to the extent permitted under clause (ii)(IV), to the extent necessary to take account of specific economic, geographic, and demographic factors in the State, the characteristics of the population to be served, and the types of services to be provided.".

(c) DEVELOPMENT OF MODEL PERFORMANCE STANDARDS.—Not later than 180 days after the Secretary publishes the measures for the performance standards under subparagraph (J) of section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)), as added by subsection (a), the Office of Technology Assessment (hereinafter in this subsection referred to as the "Office") shall—

(1) develop model performance standards suitable for application to employment and training programs carried out under such section 6(d)(4) and that satisfy the criteria specified in such subparagraph,

(2) compare such standards with the performance standards established under such subparagraph by the Secretary, and

(3) submit to the Speaker of the House of Representatives, the President pro tempore of the Senate, and the Secretary of Agriculture a report describing the results of the comparison required by paragraph (2) of this subsection.

(d) INCENTIVE PAYMENTS.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended by adding at the end the following:

"(6) The Secretary shall develop and transmit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a proposal for modifying the rate of Federal payments under this subsection so as to reflect the relative effectiveness of the various States in carrying out employment and training programs under section 6(d)(4).".

SEC. 13. FARM HOUSEHOLDS.

(a) AUTHORITY TO PROVIDE INFORMATION.—Section 11(e)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(1)(A)) is amended by inserting after "homeless individuals" the following: "and food stamp informational activities directed at households that include a member who engages in farming".

(b) SPECIAL TRAINING OF STATE PERSONNEL.—

(1) TRAINING.—Section 11(e)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(6)) is amended—

(A) by striking "and (C)" and inserting "(C)", and

(B) by inserting before the semicolon at the end the following: ", and (D) the State agency, at its option, may undertake intensive training to ensure that State agency personnel who undertake the certification of households that include a member who engages in farming are well qualified to perform such certification".

(2) TRAINING MATERIALS.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended—

(A) by redesignating subsection (h), as added by section 121(b)(5) of the Immigration Reform and Control Act of 1986 (Public Law 99-603), as subsection (j), and

(B) by adding at the end the following:

"(k) Not later than 180 days after the date of the enactment of the Food Stamp Family Welfare Reform Act of 1987, and annually thereafter, the Secretary shall publish instructional materials specifically designed to be used by the State agency to provide intensive training to ensure that State agency personnel who undertake the certification of households that include a member who engages in farming are well qualified to perform such certification.".

SEC. 14. HOURS OF OPERATION.

(a) STATE PLAN REQUIREMENT.—Section 11(e)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)) is amended by adding at the end the following: "The State agency shall ensure that its offices and points of issuance are open at sufficient locations and during sufficient hours to ensure that applicants and participants who are employed or who are participating in an education, training, work, or rehabilitation program under section 6(d) of this Act, under title IV of the Social Security Act (42 U.S.C. 601 et seq.), or under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) may (A) comply with the requirements of the food stamp program (including reporting changes, providing verification, appearing at interviews, and submitting applications and requests for recertification), and (B) obtain and use certification documents and coupons without missing or rescheduling hours of employment or hours of participation in such education, training, work, or rehabilitation program.".

(b) STANDARDS.—Section 16(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(b)(1)) is amended by inserting ", and individuals participating in employment and training programs," after "employed individuals".

SEC. 15. NOTICE OF EXPIRATION; COORDINATED APPLICATION.

(a) NOTICE OF EXPIRATION.—Section 11(e)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(4)) is amended by inserting "informing the household of its rights under subsections (i) and (j) and" after "last month of its certification period".

(b) COORDINATED APPLICATION.—The second sentence of section 11(i)) of the Food Stamp Act of 1977 (7 U.S.C. 2020(i)) is amended to read as follows:

"In addition to implementing clauses (1) through (4), the state shall inform applicants for benefits under part A of title IV of the Social Security Act that they may file, along with their application for such benefits and without a separate food stamp interview, an application for benefits under this Act.".

SEC. 16. WASHINGTON FAMILY INDEPENDENCE DEMONSTRATION PROJECT.

The Food Stamp Act of 1977 (7 U.S.C. 2011-2029) is amended by adding at the end the following:

"WASHINGTON FAMILY INDEPENDENCE DEMONSTRATION PROJECT

"SEC. 21. (a) On the written application of the State of Washington (in this section referred to as the 'State') and after the approval of such application by the Secretary, the State may conduct a Family Independence Demonstration Project (in this section referred to as the 'Project') in all or part of the State in accordance with this section to determine whether the Project, as an alternative to providing benefits under the food stamp program, would more effectively break the cycle of poverty and would provide families with opportunities for economic independence and strengthened family functioning.

"(b) In an application submitted under subsection (a), the State shall provide the following:

"(1) Except as provided in this section, the provisions of chapter 434 of the 1987 Washington Laws, as enacted in May 1987, shall apply to the operation of the Project.

"(2) All of the following terms and conditions shall be in effect under the Project:

"(A)(i) Except as provided in clause (ii), individuals with respect to whom benefits may be paid under part A of title IV of the Social Security Act shall be eligible to participate in the Project in lieu of receiving benefits under the food stamp program and cash assistance under any other Federal program covered by the Project.

"(ii) Individuals with respect to whom only food assistance would be provided under the Project shall not be eligible to participate in the Project.

"(B) Individuals who participate in the Project shall receive for a month an amount of cash assistance that is not less than the total value of the assistance such individuals would otherwise receive, in the aggregate, under the food stamp program and any cash-assistance Federal program covered by the Project for such month, including income and resource exclusions and deductions in effect as of January 1, 1988, and as adjusted to reflect all subsequent increases in exclusions, deductions, and benefit levels.

"(C)(i) The State may provide a standard benefit for food assistance under the Project, except that individuals who participate in the Project shall receive as food assistance for a month an amount of cash that is not less than the value of the assistance such individuals would otherwise receive under the food stamp program.

"(ii) The State may provide a cash benefit for food assistance equal to the value of the thrifty food plan.

"(D) For purposes of subparagraphs (B) and (C), the value of the assistance such individuals would otherwise receive under the food stamp program shall be determined without regard to individuals who are not participating in the Project.

"(E) Each month participants in the Project shall be notified by the State of the amount of Project assistance that is provided as food assistance for such month.

"(F) The State shall have a program to require participants to engage in employment

and training activities carried out under chapter 434 of the 1987 Washington Laws, as enacted in May 1987.

"(G) Food assistance shall be provided under the Project—

"(i) to any individual who is accepted for participation in the program, not later than 30 days after such individual applies to participate in the Project;

"(ii) to any participant for the period that begins on the date such participant applies to participate in the Project, except that the amount of such assistance shall be reduced to reflect the pro rata value of any coupons received under the food stamp program for such period for the benefit of such participant; and

"(iii) until—

"(I) the participation of such participant in the Project is terminated;

"(II) such participant is informed of such termination and is advised of the eligibility requirements for participation in the food stamp program;

"(III) the State determines whether such participant will be eligible, after terminating participation in the Project, to receive coupons as a member of a household under the food stamp program; and

"(IV) coupons under the food stamp program are received by such participant if such participant will be eligible to receive coupons as a member of a household under the food stamp program.

"(H)(i) Paragraphs (1)(B), (8), (10), and (19) of section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) shall apply with respect to participants in the Project in the same manner as such paragraphs apply with respect to participants in the food stamp program.

"(ii) Each individual who contacts the State in person during office hours to make what may reasonably be interpreted as an oral or written request to participate in the Project shall receive and shall be permitted to file on the same day that such contact is first made, an application form to participate in the Project.

"(iii) The Project shall provide for telephone contact by, mail delivery of forms to and mail return of forms by, and subsequent home or telephone interview with, the elderly, physically or mentally handicapped, and persons otherwise unable, solely because of transportation difficulties and similar hardships, to appear in person.

"(iv) An individual who applies to participate in the Project may be represented by another person in the review process if the other person has been clearly designated as the representative of such individual for that purpose, by such individual or the spouse of such individual, and, if the application review process is concerned, the representative is an adult who is sufficiently aware of relevant circumstances, except that the State may—

"(I) restrict the number of individuals which may be represented by such person; and

"(II) otherwise establish criteria and verification standards for representation under this clause.

"(v) The State shall provide a method reviewing applications to participate in the Project submitted by, and distributing food assistance under the Project to, individuals who do not reside in permanent dwellings or who have no fixed mailing address. In carrying out the preceding sentence, the State shall take such steps as are necessary to ensure that participation in the Project is limited to eligible individuals.

"(3) An assurance that the State will allow any individual to apply to participate in the food stamp program without applying to participate in the Project.

"(4) An assurance that the cost of food assistance provided under the Project will not be such that the aggregate amount of payments made under this section by the Secretary to the State over the period of the Project will exceed the sum of—

"(A) the anticipated aggregate value of the coupons that would have been distributed under the food stamp program if the individuals who participate in the Project had participated instead in the food stamp program; and

"(B) the portion of the administrative costs for which the State would have received reimbursement under—

"(i) subsections (a) and (g) of section 16 of this Act (without regard to the first provison to such subsection (g)) if the individuals who participated in the Project had participated instead in the food stamp program; and

"(ii) section 16(h) of this Act if the individuals who participated in the Project had participated in an employment and training program under section 6(d)(4) of this Act;

except that this paragraph shall not be construed to prevent the State from claiming payments for additional households that would qualify for benefits under the food stamp program in the absence of a cash out of such benefits as a result of changes in economic, demographic, and other conditions in the State and subsequent changes in benefit levels approved by the State legislature. For purposes of this paragraph, the value of the coupons that would have been distributed under the food stamp program if the individuals who participate in the Project had participated instead in the food stamp program shall be determined without regard to individuals who are not participating in the Project.

"(5) An assurance that the State will continue to carry out the food stamp program while the State carries out the Project.

"(6) There shall be no change in existing State law which would eliminate guaranteed benefits or reduce the rights of applicants or enrollees under this section during, or as a result of participation in, the Project.

"(7) The Project shall include procedures and due process guarantees no less beneficial than those which are available under Federal law and under State law to participants in the food stamp program.

"(8)(A) An assurance that, except as provided in subparagraph (B), the State will carry out the Project during a 5-year period beginning on the date the first individual is approved for participation in the Project; and

"(B) The Project may be terminated 180 days after—

"(i) the State gives notice to the Secretary that it intends to terminate the Project; or

"(ii) the Secretary, after notice and an opportunity for a hearing, determines that the State materially failed to comply with this section.

"(c) If an application submitted under subsection (a) by the State complies with the requirements specified in subsection (b), then the Secretary shall—

"(1) approve such application; and

"(2) from funds appropriated under this Act, pay the State for—

"(A) the actual cost of the food assistance provided under the Project; and

"(B) the percentage of the administrative costs incurred by the State to provide food assistance under the Project that is equal to the percentage of the State's aggregate administrative costs incurred in operating the food stamp program in the most recent fiscal year for which data are available, which was paid under subsections (a), (g), and (h) of section 16 of this Act.

"(d)(1) Unless and until an application to participate in the Project is approved, and food assistance under the Project is made available to the applicant, such application shall—

"(A) also be treated as an application to participate in the food stamp program; and

"(B) section 11(e)(9) shall apply with respect to such application.

"(2) Coupons provided under the food stamp program with respect to an individual who—

"(A) is participating in such program; and

"(B) applies to participate in the Project;

may not be reduced or terminated because such individual applies to participate in the Project.

"(3) For purposes of the food stamp program, individuals who participate in the Project shall not be considered to be members of a household during the period of such participation.

"(e) The Secretary shall (with respect to the Project) waive compliance with any requirement contained in the Food Stamp Act of 1977 (other than this section) which (if applied) would prevent the State from carrying out the Project or effectively achieving its purpose.

"(f) For purposes of any other Federal, State, or local law—

"(1) cash assistance provided under the Project that represents food assistance shall be treated in the same manner as coupons provided under the food stamp program are treated; and

"(2) participants in the program who receive food assistance under the Project shall be treated in the same manner as recipients of coupons under the food stamp program are treated.

"(g) The Comptroller General of the United States shall—

"(1) conduct periodic audits of the operation of the Project to verify the amounts payable to the State from time to time under subsection (b)(4); and

"(2) submit to the Secretary of Agriculture, the Secretary of Health and Human Services, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report describing the results of each such audit.

"(h) With funds appropriated under section 18(a)(1), the Secretary shall conduct, in consultation with the Secretary of Health and Human Services, an evaluation of the Project.".

SEC. 17. FAMILY INDEPENDENCE DEMONSTRATION PROJECTS.

The Food Stamp Act of 1977 (7 U.S.C. 2011-2029), as amended by section 16, is amended by adding at the end the following:

"OTHER FAMILY INDEPENDENCE DEMONSTRATION PROJECTS

"SEC. 22. (a) On the written application of a State and after the approval of such application by the Secretary, the State may conduct a Family Independence Demonstration Project (in this section referred to as the 'Project') in all or part of the State in accordance with this section to determine whether the Project, as an alternative to providing benefits under the food stamp

program, would more effectively break the cycle of poverty and would provide families with opportunities for economic independence and strengthened family functioning.

"(b) In an application submitted under subsection (a), the State shall provide the following:

"(1) Except as provided in this section, laws of the State identical in substance to the provisions of chapter 434 of the 1987 Washington Laws, as enacted in May 1987, shall apply to the operation of the Project. During the operation of the Project, there will be no subsequent change in State law which would eliminate guaranteed benefits or reduce the rights of applicants or enrollees under this section.

"(2) All of the following terms and conditions shall be in effect under the Project:

"(A)(i) Except as provided in clause (ii), individuals with respect to whom benefits may be paid under part A of title IV of the Social Security Act shall be eligible to participate in the Project in lieu of receiving benefits under the food stamp program.

"(ii) Individuals with respect to whom only food assistance would be provided under the Project shall not be eligible to participate in the Project.

"(B) Individuals who participate in the Project, shall receive for a month, coupons that have a cash value that is not less than the total value of the assistance such individuals would otherwise receive under the food stamp program, including income and resource exclusions and deductions in effect as of January 1, 1988, and as adjusted to reflect all subsequent increases in exclusions, deductions, and benefit levels.

"(C)(i) The State may provide a standard benefit for food assistance under the Project, except that individuals who participate in the Project shall receive as food assistance for a month coupons that have a total value that is not less than the value of the assistance such individuals would otherwise receive under the food stamp program.

"(ii) The State may provide a benefit for food assistance equal to the value of the thrifty food plan.

"(D) For purposes of subparagraphs (B) and (C), the value of the assistance such individuals would otherwise receive under the food stamp program shall be determined without regard to individuals who are not participating in the Project.

"(E) Each month participants in the Project shall be notified by the State of the amount of Project assistance that is provided as food assistance for such month.

"(F) The State shall have a program to require participants to engage in employment and training activities carried out under laws identical in substance to chapter 434 of the 1987 Washington Laws, as enacted in May 1987.

"(G) Food assistance shall be provided under the Project—

"(i) to any individual who is accepted for participation in the program, not later than 30 days after such individual applies to participate in the Project;

"(ii) to any participant for the period that begins on the date such participant applies to participate in the Project, except that the amount of such assistance shall be reduced to reflect the pro rata value of any coupons received under the food stamp program for such period for the benefit of such participant; and

"(iii) until—

"(I) the participation of such participant in the Project is terminated;

"(II) such participant is informed of such termination and is advised of the eligibility requirements for participation in the food stamp program;

"(III) the State determines whether such participant will be eligible, after terminating participation in the Project, to receive coupons as a member of a household under the food stamp program; and

"(IV) coupons under the food stamp program are received by such participant if such participant will be eligible to receive coupons as a member of a household under the food stamp program.

"(H)(i) Paragraphs (1)(B), (8), (10), and (19) of section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) shall apply with respect to participants in the Project in the same manner as such paragraphs apply with respect to participants in the food stamp program.

"(ii) Each individual who contacts the State in person during office hours to make what may reasonably be interpreted as an oral or written request to participate in the Project shall receive and shall be permitted to file on the same day that such contact is first made, an application form to participate in the Project.

"(iii) The Project shall provide for telephone contact by, mail delivery of forms to and mail return of forms by, and subsequent home or telephone interview with, the elderly, physically or mentally handicapped, and persons otherwise unable, solely because of transportation difficulties and similar hardships, to appear in person.

"(iv) An individual who applies to participate in the Project may be represented by another person in the review process if the other person has been clearly designated as the representative of such individual for that purpose, by such individual or the spouse of such individual, and, if the application review process is concerned, the representative is an adult who is sufficiently aware of relevant circumstances, except that the State may—

"(I) restrict the number of individuals which may be represented by such person; and

"(II) otherwise establish criteria and verification standards for representation under this clause.

"(v) The State shall provide a method reviewing applications to participate in the Project submitted by, and distributing food assistance under the Project to, individuals who do not reside in permanent dwellings or who have no fixed mailing address. In carrying out the preceding sentence, the State shall take such steps as are necessary to ensure that participation in the Project is limited to eligible individuals.

"(3) An assurance that the State will allow any individual to apply to participate in the food stamp program without applying to participate in the Project.

"(4) An assurance that the cost of food assistance provided under the Project will not be such that the aggregate amount of payments made under this section by the Secretary to the State (including the cash value of coupons provided to the State for distribution under the Project) over the period of the Project will exceed the sum of—

"(A) the anticipated aggregate value of the coupons that would have been distributed under the food stamp program if the individuals who participated in the Project had participated instead in the food stamp program; and

"(B) the portion of the administrative costs for which the State would have received reimbursement under—

"(i) subsections (a) and (g) of section 16 of this Act (without regard to the first proviso to such subsection (g)) if the individuals who participated in the Project had participated instead in the food stamp program; and

"(ii) section 16(h) of this Act if the individuals who participated in the Project had participated in an employment and training program under section 6(d)(4) of this Act;

except that this paragraph shall not be construed to prevent the State from claiming payments for additional households that would qualify for benefits under the food stamp program in the absence of food assistance provided under the Project as a result of changes in economic, demographic, and other conditions in the State and subsequent changes in benefit levels approved by the State legislature. For purposes of this paragraph, the value of the coupons that would have been distributed under the food stamp program if the individuals who participate in the Project had participated instead in the food stamp program shall be determined without regard to individuals who are not participating in the Project.

"(5) An assurance that the State will continue to carry out the food stamp program while the State carries out the Project.

"(6) There shall be no change in existing State law which would eliminate guaranteed benefits or reduce the rights of applicants or enrollees under this section during, or as a result of participation in, the Project.

"(7) The Project shall include procedures and due process guarantees no less beneficial than those which are available under Federal law and under State law to participants in the food stamp program.

"(8)(A) An assurance that, except as provided in subparagraph (B), the State will carry out the Project during a 5-year period beginning on the date the first individual is approved for participation in the Project; and

"(B) The Project may be terminated 180 days after—

"(i) the State gives notice to the Secretary and to the Secretary of Health and Human Services that it intends to terminate the Project; or

"(ii) the Secretary, after notice and an opportunity for a hearing, determines that the State materially failed to comply with this section.

"(c) If an application submitted under subsection (a) by the State complies with the requirements specified in subsection (b), then the Secretary shall—

"(1) approve such application; and

"(2) from funds appropriated under this Act, pay the State for—

"(A) the actual cost of the food assistance provided under the Project; and

"(B) the percentage of the administrative costs incurred by the State to provide food assistance under the Project that is equal to the percentage of the State's aggregate administrative costs incurred in operating the food stamp program in the most recent fiscal year for which data are available, which was paid under subsections (a), (g), and (h) of section 16 of this Act;

except that the Secretary may not approve more than 10 applications submitted under subsection (a).

"(d)(1) Unless and until an application to participate in the Project is approved, and food assistance under the Project is made available to the applicant, such application shall—

"(A) also be treated as an application to participate in the food stamp program; and

"(B) section 11(e)(9) shall apply with respect to such application.

"(2) Coupons provided under the food stamp program with respect to an individual who—

"(A) is participating in such program; and

"(B) applies to participate in the Project; may not be reduced or terminated because such individual applies to participate in the Project.

"(3) For purposes of the food stamp program, individuals who participate in the Project shall not be considered to be members of a household during the period of such participation.

"(e) The Secretary shall (with respect to the Project) waive compliance with any requirement contained in the Food Stamp Act of 1977 (other than this section) which, if applied, would prevent the State from carrying out the Project or effectively achieving its purpose.

"(f) For purposes of any other Federal, State, or local law—

"(1) food assistance provided under the Project shall be treated in the same manner as coupons provided under the food stamp program are treated; and

"(2) participants in the program who receive food assistance under the Project shall be treated in the same manner as recipients of coupons under the food stamp program are treated.

"(g) The Comptroller General of the United States shall—

"(1) conduct periodic audits of the operation of the Project to determine the amounts payable to the State from time to time under subsection (b)(4); and

"(2) submit to the Secretary of Agriculture, the Secretary of Health and Human Services, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the results of each such audit.

"(h) For purposes of this section, the term 'State' means any of the fifty States, except that such term does not include the State of Washington.

"(i) With funds appropriated under section 18(a)(1), the Secretary shall conduct, in consultation with the Secretary of Health and Human Services, an evaluation of the projects carried out under this section."

SEC. 18. ISSUANCE OF RULES.

Not later than January 1, 1988, the Secretary of Agriculture shall issue rules to carry out the amendments made by this Act, other than the amendments made by sections 16 and 17.

SEC. 19. SEVERABILITY.

If any provision of this Act or of an amendment made by this Act, or the application of such provision to any person or circumstance, is held to be invalid, the remainder of this Act and of the amendments made by this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 20. EFFECTIVE DATES; APPLICATION OF AMENDMENTS.

(a) GENERAL EFFECTIVE DATES.—This section and section 19 shall take effect on the date of the enactment of this Act.

(2) Except as provided in subsections (b), (c), and (d), this Act (other than this section and section 19) and the amendments made by this Act shall take effect on the date, if any, on which the Director of the Congressional Budget Office certifies to the Congress that the Director has made the determination specified in subsection (d).

(b) SPECIFIC EFFECTIVE DATES.—Except as provided in subsections (c) and (d)—

(1) the amendments made by sections 3, 4, and 11 shall take effect on July 1, 1988,

(2) the amendments made by section 12 shall take effect on October 1, 1988, and

(3) the amendment made by sections 16 and 17 shall take effect on January 1, 1988.

(c) APPLICATION OF AMENDMENTS.—An amendment made by this Act shall not apply with respect to any certification period beginning before the effective date of such amendment.

(d) CONTINGENCY.—(1) This Act (other than this section and section 19) and the amendments made by this Act shall take effect only if the deficit reduction over fiscal years 1988 through 1990, as determined by the Congressional Budget Office in accordance with paragraph (2), exceeds in the aggregate the deficit reduction required by the deficit reduction instructions contained in section 4 of the concurrent resolution on the budget for fiscal year 1988 (H. Con. Res. 93), as adopted by the 100th Congress, or any subsequent revision of such instructions adopted by the Congress, or new deficit reduction targets adopted by the Congress, by an amount not less than the aggregate cost of carrying out the amendments made by this Act for such fiscal years.

(2) The determination described in paragraph (1) shall be made by the Director of the Congressional Budget Office by comparing the aggregate deficit reduction from the reconciliation legislation, as adopted by the Congress pursuant to the deficit reduction instructions in section 4 of the concurrent resolution on the budget for fiscal year 1988 (H. Con. Res. 93), or any subsequent revision of such instructions adopted by the Congress, or new deficit reduction targets adopted by the Congress against the baseline issued by the Congressional Budget Office in February 1987.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DANIEL (at the request of Mr. FOLEY), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. MORELLA) to revise and extend their remarks and include extraneous material:)

Mr. GEKAS, for 30 minutes, today.

(The following Members (at the request of Mr. SKELTON) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. RAY, for 5 minutes, today.

Mr. NICHOLS, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Ms. PELOSI, for 60 minutes, on October 8.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. KOLBE, following the vote on House Joint Resolution 362 today.

Mr. WEISS, during debate on House Resolution 270 today.

(The following Members (at the request of Mrs. MORELLA) and to include extraneous matter:)

Mr. JEFFORDS in two instances.

Mr. OXLEY.

Mr. INHOFE.

Mr. BROOMFIELD.

Mr. YOUNG of Alaska.

Mr. SOLOMON.

Mr. GEKAS.

Mr. HORTON.

(The following Members (at the request of Mr. SKELTON) and to include extraneous matter:)

Mr. STARK in two instances.

Mr. MILLER of California.

Mr. FEIGHAN.

Mr. COELHO.

Mr. SOLARZ.

Mr. WAXMAN.

Mr. RODINO.

Mr. WYDEN.

Mr. TALLON.

Mr. COLEMAN of Texas.

Ms. SLAUGHTER of New York.

Mr. CROCKETT.

Mr. HAMILTON.

BILL AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval a bill and joint resolutions of the House of the following titles:

H.R. 1163. An act to amend section 902(e) of the Federal Aviation Act of 1958 to revise criminal penalties relating to certain aviation reports and records offenses;

H.J. Res. 134. Joint resolution designating the week of September 20, 1987, through September 26, 1987, as "Emergency Medical Services Week"; and

H.J. Res. 224. Joint resolution designating the week of October 18, 1987, through October 24, 1987, as "Benign Essential Blepharospasm Awareness Week."

ADJOURNMENT

Mr. PANETTA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 10 minutes p.m.), under its previous order, the House adjourned until Friday, September 25, 1987, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2142. A communication from the President of the United States, transmitting a bimonthly report on progress toward a negotiated settlement of the Cyprus question, pursuant to 22 U.S.C. 2373(c); to the Committee on Foreign Affairs.

2143. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting copies of reports of political contributions by Charles Franklin Dunbar, of Maine, Ambassador designate and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

2144. A letter from the Chairman, Cultural Property Advisory Committee, U.S. Information Agency, transmitting the Committee's report, subsequent to its July letter of notification (Ex. Com. 1814), on the request of El Salvador for United States emergency import restrictions; advising that the presidential determinations required have been made by the Deputy Director of USIA and published in the Federal Register on September 11, 1987, pursuant to Public Law 97-446, section 306(f)(6); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 2897. A bill to amend the Federal Trade Commission Act to extend the authorization of appropriations in such act, and for other purposes; with an amendment (Rept. 100-271, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. GORDON: Committee on Rules. House Resolution 273. A resolution providing for the consideration of H.R. 2939, a bill to amend title 28, United States Code, with respect to the appointment of independent counsel (Rept. 100-315). Referred to the House Calendar.

Mr. RODINO: Committee on the Judiciary. H.R. 2939. A bill to amend title 28, United States Code, with respect to the appointment of independent counsel; with an amendment (Rept. 100-316). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. APPLEGATE:

H.R. 3334. A bill to amend title 49, United States Code to improve hazardous materials transportation safety, and for other purposes; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mrs. BENTLEY:

H.R. 3335. A bill amending the cargo preference laws to cause components or ingredients of equipment, materials, commodities, or supplies to be included under existing requirements on the transportation of goods by or for the United States; jointly, to the Committees on Merchant Marine and Fisheries and Armed Services.

By Mr. GUNDERSON (for himself, Ms. SNOWE, Ms. KAPTUR, Mr. MATSUI, Mr. PERKINS, Mr. FAWELL, Mr. ROE, Mrs. SAIKI, Mr. RAVENEL, Mr. LAGOMARSINO, Mr. DAUB, Mr. GONZALEZ, Mr. WORTLEY, Mr. BILBRAY, Mr. TRAFICANT, Mr. MURPHY, Mr. CAMPBELL, Mr. BAKER, and Mr. YATRON):

H.R. 3336. A bill to provide for the acquisition of statistical data about the incidence of crimes against the elderly, to establish the National Center on Crimes Against Older Americans, and for other purposes; to the Committee on the Judiciary.

By Mr. PANETTA:

H.R. 3337. A bill to amend the Food Stamp Act of 1977 to reform the Food Stamp Program, and for other purposes; to the Committee on Agriculture.

By Mr. RAY (for himself, Mr. JENKINS, Mr. DERRICK, Mr. ACKERMAN, Mr. HEFNER, Mr. DANIEL, Mr. ROBINSON, Mr. DORNAN of California, Mr. DAVIS of Illinois, Mr. RAVENEL, Mr. MARLENEE, Mr. ROWLAND of Georgia, Mr. EMERSON, Mr. MCEWEN, Mr. JONES of Tennessee, Mr. WHEAT, Mr. MACKAY, Mr. BOUCHER, Mr. STAGGERS, Mr. SPENCE, Mr. PENNY, Mr. HUBBARD, Mr. THOMAS of Georgia, Mr. LEATH of Texas, Mr. FLIPPO, Mr. ENGLISH, Mr. WATKINS, Mr. SCHUMER, Mr. MORRISON of Connecticut, Mr. ANTHONY, Mr. ALEXANDER, Mr. GRAY of Pennsylvania, Mr. BURTON of Indiana, Mr. PICKETT, Mr. HALL of Texas, Mr. HOPKINS, Mr. GONZALEZ, Mr. MONTGOMERY, Mr. GRAY of Illinois, Mr. HAYES of Illinois, Mr. BARNARD, Mr. SOLOMON, Mrs. PATTERSON, Mr. SPRATT, Mr. KASICH, Mr. SKELTON, Mrs. BOXER, Mr. MAVROULES, Mr. ROWLAND of Connecticut, Mrs. BYRON, Mr. NICHOLS, Mr. STRATTON, Mr. DICKINSON, Mr. SISISKY, Mr. COLEMAN of Texas, Mr. HERGER, Mr. BONER of Tennessee, Mr. ROGERS, Mr. TALLON, Mr. LEWIS of Georgia, Mr. ESPY, Mr. LOTT, Mr. STENHOLM, Mr. ERDREICH, Mr. HARRIS, Mr. SUNDQUIST, Mrs. LLOYD, Mr. DYSON, Mr. BATES, Mr. RICHARDSON, Mr. SLATTERY, Mr. OBEY, Mr. TOWNS, Mr. HATCHER, Mr. RIDGE, Mr. DANNEMEYER, Mr. DICKS, Mr. MOLLOHAN, Mr. HUTTO, Mr. STUMP, Mr. KYL, Mr. HUCKABY, Mr. DURBIN, Mr. MARTIN of New York, Mr. MRAZEK, Mr. GLICKMAN, Mr. HANSEN, Ms. KAPTUR, Mr. HOWARD, Mr. DWYER of New Jersey, Mr. LEVINE of California, Mr. SMITH of Florida, Mr. MCMILLEN of Maryland, Mr. STOKES, Mr. CARR, Mr. HERTEL, Mr. PERKINS, Mr. DARDEN, Mr. DOWDY of Mississippi, Mr. OLIN, Mr. FAZIO, Mr. FRANK, Mr. VENTO, Mrs. SCHROEDER, Ms. OAKAR, Mr. MURTHA, Mr. KENNEDY, Mr. CLARKE, Mr. DINGELL, Mr. MOAKLEY, Mr. UDALL, Mr. COOPER, Mr. FAUNTROY, Mr. CHAPMAN, Mr. NELSON of Florida, Mr. BEVILL, Mr. CARPER, Mr. SWEENEY, Mr. ANDREWS, Mr. DONNELLY, Mr. EARLY, Mr. HYDE, Mr. SMITH of New Jersey, Mr. MCMILLAN of North Carolina, Mr. MCCANDLESS, Mr. HENRY, Mr. HIFER, Mr. DUNCAN, Mr. HUNTER, Mr. KONNYU, Mr. DELLUMS, and Mr. VALENTINE):

H.R. 3338. A bill to deny most-favored-nation treatment to products of Iran; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 3339. A bill to amend section 235 of the National Housing Act to reduce the costs of the lower income homeownership program; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WYDEN (for himself, Mr. WAXMAN, Mr. MADIGAN, Mr. COOPER, Mrs. COLLINS, Mr. FLORIO, and Mr. CHANDLER):

H.R. 3340. A bill to amend the Public Health Service Act to establish programs with respect to providing for an increase in the number of professional nurses; to the Committee on Energy and Commerce.

By Mr. YOUNG of Alaska:

H.R. 3341. A bill to strengthen fisheries research through the imposition of fees on the harvesting and processing of fish within the exclusive economic zone and through the licensing of recreational fishing within such zone; to the Committee on Merchant Marine and Fisheries.

By Mr. QUILLEN:

H.J. Res. 365. Joint resolution designating October 1, 1988, as "National Quality First Day"; to the Committee on Post Office and Civil Service.

By Mr. DYMALLY (for himself, Mr. HORTON, Mr. RODINO, Mr. CONYERS, Mr. PENNY, Mr. TOWNS, Mr. FAUNTROY, Mr. SUNIA, Mr. SAVAGE, Mr. ESPY, Mr. GRAY of Pennsylvania, and Mr. CLAY):

H. Con. Res. 192. Concurrent resolution expressing support for U.N. efforts to end the Iran-Iraq war and to bring an end to human rights abuses in Iran; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

204. The SPEAKER presented a memorial of the General Assembly of the State of California, relative to the use of tributyltin in marine bottom paints; to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 80: Mr. GAYDOS, Mr. BLILEY, and Mr. KOSTMAYER.

H.R. 84: Mr. VISCLOSKY.

H.R. 190: Mr. SOLARZ, Mr. SMITH of Florida, Mr. DAUB, Mr. LAFALCE, and Mr. HYDE.

H.R. 541: Mr. LANTOS.

H.R. 792: Mr. SOLARZ.

H.R. 958: Mr. CLINGER, Mr. COELHO, Mr. DELAY, Mr. DOWDY of Mississippi, Mr. GONZALEZ, Mr. HOWARD, Mr. JEFFORDS, Mr. MCDADE, Mr. MCEWEN, Mr. MCGRATH, Mr. ROBERTS, Mr. ROBINSON, Mr. SABO, and Mr. WEBER.

H.R. 1106: Mr. AKAKA and Mr. MAZZOLI.

H.R. 1342: Mr. SCHUMER.

H.R. 1395: Mr. MACKAY.

H.R. 1481: Mr. LEWIS of Georgia.

H.R. 1546: Mr. MCMILLEN of Maryland and Mr. LEVINE of California.

H.R. 1554: Mr. RITTER, Mr. FORD of Tennessee, and Mr. HUGHES.

H.R. 1584: Mr. EVANS, Mr. DONNELLY, Mr. SMITH of Florida, and Mr. ECKART.

H.R. 1782: Mr. STUMP, Mr. MOLLOHAN, Mr. RICHARDSON, Mr. TAYLOR, Mr. DONALD E. LUKENS, and Mr. SCHUETTE.

H.R. 1987: Mr. FOGLIETTA.

H.R. 2038: Mr. EVANS, and Mr. FOGLIETTA.

H.R. 2237: Mr. BRUCE, Mr. SMITH of New Hampshire, and Mr. EVANS.

H.R. 2238: Mr. WEBER, Mr. BLILEY, Mr. SMITH of New Hampshire, Mr. ENGLISH, Mr. CRAIG, Mr. SUNDQUIST, Mr. LEWIS of Georgia, Mr. GALLO, Mr. SPENCE, Mr. UPTON, and Mr. MARTINEZ.

H.R. 2248: Mr. FROST, Mr. LANTOS, Mr. MYERS of Indiana, Mr. MCCLOSKEY, Mr. KANJORSKI, and Mr. OWENS of New York.

H.R. 2392: Mr. BURTON of Indiana and Mr. WORTLEY.

H.R. 2429: Mr. SOLARZ, Mr. ROBERTS, Mr. BOEHLERT, and Mr. BATEMAN.

H.R. 2517: Mr. FISH, Mrs. ROUKEMA, and Mr. RODINO.

H.R. 2609: Mr. WORTLEY and Mr. STUMP.

H.R. 2692: Mr. MARKEY, Mr. SAVAGE, Mr. PRICE of Illinois, Mr. HASTERT, and Mr. OWENS of New York.

H.R. 2787: Mr. FISH, Mrs. ROUKEMA, and Mr. RODINO.

H.R. 2792: Mr. SYNAR, Mr. OBERSTAR, and Mr. RUSSO.

H.R. 2833: Ms. KAPTUR.

H.R. 2876: Ms. KAPTUR.

H.R. 2972: Mr. FASCELL and Mr. GLICKMAN.

H.R. 3013: Mr. CHAPMAN, Mr. LANCASTER, Mr. CLINGER, Mr. EVANS, Mr. GUNDERSON, Ms. KAPTUR, Mr. FUSTER, Mr. FOGLIETTA, Mr. HARRIS, and Mr. MARTINEZ.

H.R. 3071: Mr. DEFAZIO.

H.R. 3075: Mr. THOMAS of Georgia, Mr. ROBINSON, Mr. BENNETT, Mr. VALENTINE, Mr. DANIEL, Mr. KYL, Mr. YOUNG of Alaska, and Mr. LOWERY of California.

H.R. 3132: Mr. KOLTER, Mr. TOWNS, Mr. FAZIO, Mr. OWENS of New York, Mr. UDALL, Mr. GILMAN, Mr. EVANS, Mr. HAYES of Illinois, and Mr. MRAZEK.

H.R. 3258: Mr. SWINDALL, Mr. FAZIO, Mr. DAUB, Mr. PANETTA, Mr. CHANDLER, Mr. WHITTAKER, Mr. WEISS, Mr. VENTO, Mr. BIAGGI, and Mr. HUGHES.

H.J. Res. 227: Mr. KASTENMEIER, Mr. ROBINSON, Mr. TALLON, Mr. MARKEY, Mr. DERRICK, Mr. DONNELLY, Mr. FAWELL, Mr. HOLLOWAY, and Mr. GUNDERSON.

H.J. Res. 318: Mr. KANJORSKI, Mr. SCHUETTE, Mr. DERRICK, Mr. WHEAT, Mr. RAY, Mr. AUCOIN, Mr. DICKS, Mr. LOWRY of Washington, Mr. GRAY of Illinois, Mr. STENHOLM, Mr. LEATH of Texas, Mr. BARNARD, Mr. ANTHONY, Mr. JONES of Tennessee, Mr. ALEXANDER, Mr. HARRIS, Mr. GIBBONS, Mr. GRAY of Pennsylvania, and Mr. DOWNEY of New York.

H.J. Res. 349: Mr. CARPER, Mr. VENTO, Mr. HOLLOWAY, Mr. KOLTER, Mrs. MARTIN of Illinois, Mr. DELAY, Mr. REGULA, and Mr. OWENS of New York.

H.J. Res. 355: Mr. YATES, Mr. HALL of Texas, Mr. NEAL, Mr. HUCKABY, Mrs. BOGGS, Mr. HAYES of Louisiana, Mr. TOWNS, Mr. ACKERMAN, Mr. MANTON, Mr. COLEMAN of Texas, Mr. KOSTMAYER, Mr. PEPPER, Mr. PORTER, Mr. IRELAND, Mr. MACK, Mr. ANDERSON, Mr. TORRES, Mr. HANSEN, Mr. QUILLEN, Mr. JEFFORDS, Mr. HUBBARD, Mr. ANNUNZIO, and Mr. CHAPPELL.

H. Con. Res. 183: Mr. BENNETT, Mr. BONER of Tennessee, Mr. HAWKINS, Mr. SAXTON, Mr. RODINO, Mr. FAUNTROY, Mr. BRYANT, Mr. BEILENSON, Mr. RICHARDSON, Mr. BEVILL, Mr. LAGOMARSINO, Mr. GIBBONS, Mr. PEPPER, Mr. FIELDS, Ms. PELOSI, Mr. NEAL, Mr. BROOKS, Mr. MCCLOSKEY, Mr. STUDDS, Mr. ROBINSON, Mr. GALLO, Mr. DWYER of New Jersey, Mr. GRANT, Mrs. JOHNSON of Connecticut, Mr. SMITH of Florida, Mr. ROE, Mr. FORD of Michigan, Mr. COURTER, Mr. BOSCO, Mr. LEWIS of Georgia, Mr. BIAGGI, Mr. MARTINEZ, Mrs. ROUKEMA, Mr. UPTON, Mr. FAWELL, Mr. BATES, Mr. GEJDENSON, Mr. MORRISON of Connecticut, and Mr. OWENS of Utah.

H. Con. Res. 187: Mr. PEASE.

H. Res. 185: Ms. SNOWE, Mr. FAZIO, Mr. PURSELL, Mr. DUNCAN, Mr. MARTIN of New York, Mr. FLORIO, Mr. COBLE, Mr. DONNELLY, Mr. GREGG, Mr. DIOGUARDI, Mr. GRANDY, Mr. CRAIG, Mr. BROWN of Colorado, Mr. SCHAEFER, Mr. KEMP, Mr. DOWDY of Mississippi,, Mr. DAVIS of Michigan, Mrs. VUCANOVICH, Mr. BUSTAMANTE, Mr. KOSTMAYER, Mrs. PATTERSON, Mr. FAWELL, and Mr. RANGEL.

PETITIONS, ETC.

Under cause 1 of rule XXII.

79. The SPEAKER presented a petition of Wisconsin State Senate, Madison, WI, relative to the effective date for congressional pay changes; which was referred to the Committee on the Judiciary.

SENATE—*Wednesday, September 23, 1987*

(Legislative day of Tuesday, September 22, 1987)

The Senate met at 8:20 a.m., on the expiration of the recess, and was called to order by the Honorable KENT CONRAD, a Senator from the State of North Dakota.

PRAYER

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

Let us pray:

Thou wilt shew me the path of life: In thy presence is fullness of joy; at thy right hand there are pleasures forever more.—Psalm 16:11.

Eternal God, our Gracious Heavenly Father, the psalmist captures the secret of joy and pleasure. In our jaded culture, we run out of pleasures so quickly and understand little the meaning of joy. In our quest for pleasure—our experiments with all its varieties we have become a fed-up people, satiated but unsatisfied. Thank You, Faithful Father, for the wisdom of the psalmist who understood that fullness of joy and inexhaustible pleasure are found in our relationship with You. Alert us to the deadends to which so many of our excursions for happiness lead us. Quicken our hearts and minds to understand the sheer delight available to those who take God seriously and find consummate joy and pleasure in Him. We pray this in His name whose sole life commitment was to do Your will. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, September 23, 1987.

To the Senate:

Under the provisions of Rule I, Section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable KENT CONRAD, a Senator from the State of North Dakota, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

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

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized for not to exceed 5 minutes.

Mr. BYRD. Mr. President, I yield my 5 minutes to Mr. PROXMIRE.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin.

TWIN DOVES SOAR

Mr. PROXMIRE. Mr. President, until January of this year Robert Dove was the head Parliamentarian of this body. As Parliamentarian he was widely respected for his excellence. Bob Dove and his wife enjoy another distinction. Their twin daughters have both been chosen as national merit semifinalists. Both, Mr. President—the same year. This is a rare achievement, perhaps the only such achievement by any family anywhere. Very few schools in the Washington area had any national merit semifinalists. We should all be proud and happy to know that the U.S. Senate Page School had two. They were Carrie Dove and Laura Dove.

According to the Washington Post report of the selection in its September 17 issue, the merit semifinalists were picked on the basis of a 100-minute multiple choice test in English and mathematics, given last October to about 1 million high school juniors. About 15,500 were selected as semifinalists.

So here is congratulations to Mr. and Mrs. Bob Dove for the super job they have done as parents to two brilliant daughters.

WHY THE FUTURE DEFICIT IS UNPREDICTABLE

Mr. PROXMIRE. Mr. President, recently the New York Times reported that the administration is elated over the sharp improvement in the budget deficit for 1987. Until a short time ago the Office of Management and Budget had estimated that the 1987 deficit would be about $160 billion. Now that the fiscal year end of September 30 is so near at hand they estimate the deficit will be $155 billion. This contrasts with a fiscal year 1986 deficit of $221 billion. The budget reduction in 1987 over 1986 is, indeed, impressive, until we examine it more closely. The Times also reported that Treasury Department officials predicted the deficit will continue to decline meeting the target set by congressional Budget Committee leaders to achieve a further $23 billion cut in 1988.

Mr. President, can we really count on this good news? Is Congress beginning to bring the budget under control? Or is this another cruel illusion that sets us up for a bitter disappointment? If we look at all the facts the answer is disturbing. First, how did the $66 billion reduction in the deficit come about for fiscal year 1987? Twenty billion dollars of the savings came from tax reform, the big tax bill passed in 1986. The bill brought in an additional $20 billion in the first transition year after enactment which happened to be fiscal year 1987. Will it do the same in 1988? No. In 1988 tax reform will add, that is right, add, an additional $12 billion to the deficit. That will be a swing of $32 billion in 1988 compared to 1987 because of the 1986 tax bill. Then there were one-time outlay savings. These are savings that reduced spending in 1987, but will not do so henceforth. This amounted to $15 billion. These included a 1-day delay in the military pay raise that threw the entire pay raise into the 1986 fiscal year and saved billions in fiscal year 1987. There was the Medicare payment delay that also saved billions in 1987, but will save nothing in 1988. And there was the advance in the final revenue sharing payments. This also saved a little over $1 billion in the 1987 fiscal year.

But won't these or similar "gimmicks" be available in 1988 as they have been in every year since Gramm-Rudman became law? The answer is that the Congress is virtually certain to pass a Gramm-Rudman reform bill that will prohibit these gimmicks in the future. So they will not be available. Now, Mr. President, this is going to make 1988 a much more difficult year for bringing the deficit under control than 1987. Keep in mind that the Gramm-Rudman reform measure would also prohibit using the sale of assets and other such activities from "prettying" up the deficit. Keep in mind the fact that the improvement in the 1987 budget over fiscal 1986 was $66 billion. A surplus in the Social Security account reduced the deficit by another $19 billion. These three items: tax reform, one-time outlay saving, and the Social Security surplus accounted for $54 billion of deficit reduction. In 1988 the tax reform change and the absence of outlay savings will deepen the deficit by $47 billion. But the Social Security surplus will swell to $38 billion. This will leave a monumental challenge to the Congress to

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

continue to make further reductions in the deficit next year.

Mr. President, no one can predict this economy of ours. We cannot possibly tell whether the present recovery, the longest peacetime recovery in more than 50 years, will roll merrily along or not, fallible as is our capability of predicting the economy. Our capacity to stimulate the economy without risking catastrophic inflation is even weaker. Worst of all, if Congress follows the kind of prudent long-term economic policies we should pursue and that this Senator strongly favors, we will, in the short run, increase the likelihood of recession. In the view of this Senator we should drastically cut spending and if that will not reduce the deficit sharply, we should increase taxes. But would such a policy not slow the economic recovery? It might also trigger a recession. The answer I admit is yes, indeed, the Federal Reserve Board should pursue a conservative policy of holding down the rate of increase in the monetary supply. This is critical in the long run if we are either to keep inflation under control or deal effectively with our huge and still growing trade deficit. But in the short run such a Federal Reserve policy would tend to increase interest rates.

Rising interest rates will slow housing starts and automobile sales. It will impede business borrowing to finance plant and equipment purchases. It will tend to reduce stock market investment and stock prices. All of these adverse effects are in the short run. All are unpopular. All of them can easily precipitate a recession that could become long and deep. Here is why: household debt and business debt is at an all-time high. Savings as percentage of income is at an all-time low. What does this mean? This means our economy is very vulnerable to a recession. And a recession would among other painful effects certainly torpedo any deficit reductions. In fact, a recession could hand us annual deficits of $300 or $400 billion or more, and push us into a genuine 1930's style depression.

So, Mr. President, in spite of the good news in the past few days about the deficit outlook, the economic as well as the deficit future remains cloudy. The best thing that can be said for it is that it is unpredictable.

Mr. President, I yield the floor.

RECOGNITION OF THE ACTING REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the acting Republican leader is recognized for not to exceed 5 minutes.

U.S. POLICY TOWARD CENTRAL AMERICA

Mr. KARNES. Mr. President, I rise today to discuss my views on the important problems facing the United States in Central America. The first vote I cast when I came to the Senate earlier this year was to release funds for the so-called Contras. Following my vote to release the funds, I received many letters from interested constituents in Nebraska expressing concern about our policy toward Central America. In response to that overwhelming expression of concern, I pledged to give this issue my special attention. And, I want to thank those who contacted my office because their input has contributed to my further understanding of the complex problems facing the United States in an important region of the world.

As my colleagues may know, I had the privilege of accompanying Senators DOLE, MCCAIN, COCHRAN, and SYMMS on a trip to Central America 3 weeks ago. I want to express my special appreciation to the minority leader for allowing me the opportunity to travel to a region that is of vital importance to the interests of the United States. I also want to thank my other colleagues, who are members of the Senate peace observer group, for sharing their perspectives on the problems of the region with me during this trip. In this regard, I want to pay special tribute to Senator MCCAIN, who is the cochairman of the peace observer group. Senator MCCAIN demonstrated a broad understanding of the challenges facing the United States in Central America and expressed his views and concerns to the leaders of Central America forcefully and eloquently. I am sure that Senator MCCAIN will continue to handle his duties as cochairman of the Senate peace observer group with great ability.

Mr. President, as I stated earlier, I have pledged to give the problems of Central America my special attention, and my trip to the region was part of my efforts to familiarize myself with these problems. I rise today to outline what I have learned about Central America and my views on the appropriate policies for the United States to pursue in the region.

Foremost, it is essential that we determine what is at stake for the United States in Central America. I believe that it has not been made clear to the American people that the United States has vital interests in Central America and that what we hope to achieve there is meant to benefit American interests as well as improve the lot of Central Americans. Mr. President, just what are U.S. interests in Central America?

First, nearly 55 percent of the crude oil consumed by the United States passes through the Gulf of Mexico and the Caribbean Sea. A full 45 percent of all U.S. imports and exports pass through these same sealanes. More important, in the event of war in the NATO theater or in the Persian Gulf, 60 percent of military reinforcements and supplies will be transferred through the Gulf of Mexico and the Caribbean. These figures make it obvious that the United States has an overwhelming interest in protecting these sea lines of communication. Any threat to these sea passages must be considered a threat to the vital interests of the United States.

Second, the establishment of a Marxist military presence in Central America would constitute a direct military threat to the United States. Soviet attempts to establish such a presence in Cuba in the 1960's created a crisis unprecedented in postwar United States history. The United States has an immediate interest in ensuring that such a Soviet military presence does not emerge in Central America.

Third, the establishment of a Soviet client state in Central America is not an end in itself. It must be viewed in the context of certain attempts to further destabilize and radicalize the region. The successful subversion of Central America would force the United States to reshuffle its strategic political and military priorities. Our ability to sustain our security commitments in Europe and the Pacific would be diminished. The immediate threat posed by a radicalized Central America would demand that the United States retrench to meet this threat. Clearly, it is in the national interest of the United States to prevent the subversion of Central America.

Finally, Mr. President, the United States has pursued a policy of fostering democracy in Latin America. This policy has met with considerable success: Costa Rica has had a longstanding democratic tradition; the countries of El Salvador, Guatemala, and Honduras are fledging democracies that are moving to institutionalize their hard-won gains. When I speak of democracy, I mean fair and honest elections, the right to freedom of expression and worship, an open press, due process, and protection against human rights abuses. Obviously, the fostering of democracy in Latin America is of interest to the United States. Democratic governments will contribute to peace, prosperity, and stability—always the hallmarks of a successful U.S. foreign policy.

In summary, Mr. President, my study of the problems of Central America lead me to believe that these are the primary goals of our long-term policy toward the region: First, the protection of sea lines of communication; second, the prevention of the establishment of a Marxist military

threat in Central America; third, forestalling subversion in the region; and fourth, the fostering of democracy in Latin America. Our efforts should be focused on achieving these four goals.

Our primary focus should be on achieving these goals in light of recent events in the region. As my colleagues are aware, Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica signed a regional peace agreement on August 7, 1987, in Guatemala City. The agreement calls for the following: First, national reconciliation within countries that are deeply divided, accompanied by a general amnesty; second, the establishment of democracy in all the countries of the region; third, the establishment of a cease-fire and the cessation of assistance to irregular forces; fourth, the nonuse of territory for cross-border attacks on neighboring countries; and fifth, the verification of compliance under the national reconciliation process by national commissions and verification of the international decrees by an international committee. The agreement establishes a November 7, 1987, deadline for implementation of the provisions on amnesty, cease-fire, democratization, and the discontinuation of assistance to irregular forces.

Mr. President, I believe that on paper the Guatemala City agreement is a good one. The problem that occupies my mind concerns compliance. It would be a disaster for U.S. policy, and a disaster for the region, if this agreement is used by those opposed to democracy and peace to hide their real intentions and gain an upper hand. We must insist on compliance with the letter and spirit of the Guatemala City agreement. To demand less would signal a lack of seriousness about the value of the agreement and a lack of dedication to the causes of peace and democracy. Prudence dictates that we must discern the most likely sources of noncompliance and adopt a policy that induces compliance. Also, we must be prepared to take effective actions if there are violations.

My trip to Central America and subsequent study of the implications of the Guatemala City agreement lead me to believe that the agreement is most likely to be undermined by two parties. These parties are the armed leftists of the so-called FMLN in El Salvador and the Sandinista government of Nicaragua. Each of these two parties poses a unique challenge to full implementation of the agreement.

Since the signing of the agreement on August 7, there have been reports that the FMLN, the organization of the leftist guerrillas in El Salvador, is opposed to the agreement—making evident their prejudice against peace and democracy in Central America. This opposition comes despite renewed efforts by President Duarte to meet with the FMLN leadership. As long as the guerrillas continue to reject the Guatemala City agreement, I believe it is incumbent upon the Government of the United States, in conjunction with other governments of Latin America, to prevent the FMLN from shooting its way to power. The Government of El Salvador is not required by the agreement to extend any privilege to the armed opposition, if it refuses to take advantage of the offer of amnesty and rejects a cease-fire.

In light of current statements of FMLN rejection of the peace plan, it is important that the United States reaffirm its support for the Government of El Salvador. We should continue providing El Salvador the required assistance to resist the violent insurgency and bolster its economy. The United States should seek support among the countries of Latin America, perhaps through the Organization of American States, for efforts to condemn the actions of the FMLN as long as it rejects the peace process. Only through this sort of strong action will democracy continue to take root in El Salvador. The best chance of convincing the FMLN to pursue their goals through democratic means is by making it clear to them that they will lose what little legitimacy they have remaining in the eyes of the international community as long as they reject the promise of democracy and the desire for peace.

Ultimately, the most troubling problem surrounding the Guatemala City peace agreement concerns that of compliance by the Sandinista government of Nicaragua. This problem dominated the discussions during my recent trip to the region. Certainly, there exists widespread skepticism about whether the Sandinistas will comply with the terms of the agreement they signed on August 7—skepticism shared by the leaders of Honduras and Costa Rica as well as the Nicaraguan opposition. Our August 31 meeting with President Ortega did not reassure me that the Sandinistas are taking the agreement seriously. Recent reports that President Ortega will be in Moscow celebrating the anniversary of the Russian Revolution on November 7, the date that democracy and internal reconciliation is to be established in Nicaragua under the terms of the agreement, raises further questions about Sandinista sincerity. How the United States is to address the question of Sandinista compliance, how to secure Sandinista compliance, and what to do if the Sandinistas fail to comply are questions of immediate national and international concern.

What is meant by compliance? Unlike the view I have recently heard expressed, it does not mean that President Ortega need do "less than he imagines." In the mind of this Senator, compliance means adherence to both the letter and the spirit of the entire agreement, and nothing less. Specifically, we must work to ensure that the Sandinistas offer a legitimate amnesty to the democratic resistance forces, establish fair terms for a cease-fire, and fully implement democratic reforms in Nicaragua. Also, it is of critical importance that these requirements under the agreement be fulfilled by the deadline of November 7, 1987. Compliance should also require strict adherence to the timetable in the agreement. I believe that if we tolerate delays in the implementation of the agreement, the Sandinistas will begin to violate its other terms at their convenience.

Now let me return to the questions of amnesty, cease-fire, and democratic reform. What does it mean to make a legitimate offer of amnesty to the democratic resistance? I believe that for the Sandinistas to be in compliance with this provision they must allow the members of the democratic resistance to reenter Nicaraguan society without reprisals, free from prejudice, and as members in full standing of Nicaraguan society. Activities by the Sandinistas that put into question the security of former members of the democratic resistance must be considered a violation of the agreement.

The establishment of fair terms for a cease-fire requires that the disengagement not put at risk unilaterally the members of the democratic resistance. Fairness also requires that the terms of the cease-fire not be conducive to future aggression by the Sandinistas. By this I mean that the cease-fire should not be designed so that the Sandinistas can easily use it as a means to gain a superior military position and then break the cease-fire later.

There can be no peace in Central America without genuine democratic reform, and there is great skepticism about the Sandinistas willingness to implement genuine democratic reforms. What genuine democratic reform comprises is of critical importance to the agreement. The following are some, but not all, of the rights I associate with genuine democracy and that should be required by the agreement. First, all free and fair elections must be established. The right to freedom of speech, worship, and dissent should be recognized. The rights of a free, independent press should be granted. Basic human rights should be respected. Due process rights should not be violated.

There are two conditions specific to Nicaragua that should be required by the process of democratization set forth in the agreement. The present state of emergency in Nicaragua, which allows the government to deprive its citizens of their civil rights, should be discontinued. Second, there exists in Nicaragua today a favored re-

lationship between the governmental structure and Sandinista party hierarchy. This union of state and party serves as the foundation of a single-party state. I believe the clause in the agreement requiring political pluralism means that the Sandinista party should divorce itself from the government structure. This reform, as much as any other, will open up the political process in Nicaragua. It is a reform that should be demanded by the supporters of the Guatemala City agreement.

Mr. President, given the important agenda established by the Guatemala City agreement, what is it that the United States should do to ensure Nicaraguan compliance with the agreement's terms? I believe the general answer to this question is to work to establish a regime of sanctions against the Nicaraguan Government, to be applied if it fails to abide by the agreement. Only by maintaining pressure on the Sandinistas is there an even chance that required reforms will be implemented in Nicaragua. If the Sandinistas are led to believe that there are no penalties associated with violations or noncompliance, then the opportunity for success will be lost. I believe that an appropriate regime of standby sanctions will serve as an insurance policy for compliance with the agreement.

Mr. President, it is within the context of insuring compliance with the Guatemala City agreement that I have decided that I will support future efforts to provide funding for the democratic resistance in Nicaragua. I believe these funds will serve notice to the Sandinista government that failure to abide by the terms of the agreement will result in serious penalties. However, I must also say that I am in certain agreement with those who have criticized the administration for not pursuing political and diplomatic solutions to our problems in Central America. In order to be as effective as possible, the regime of standby sanctions against the Nicaraguan Government should include political and diplomatic provisions as well as the military provision. Also, to the extent possible, this program of sanctions should have broad support among the other countries of Central America.

It is in this vein that I urge the administration to work closely with the governments of Guatemala, El Salvador, Honduras, and Costa Rica to establish contingency plans for handling possible Nicaraguan violations of the agreement. Prudence demands that such contingency plans be established. Possible diplomatic efforts could include appropriate resolutions adopted through the Organization of American States, downgrading diplomatic ties, and broadening the U.S. economic embargo to include other countries. These are just several suggestions and I am sure others could be considered. But the administration would do well to discuss these matters with the leadership of the four countries mentioned. The fact is that the specific requirements of the Guatemala City agreement could provide an opportunity for the United States to broaden regional support for its policies in Central America. The administration should not squander this opportunity.

Mr. President, the Guatemala City peace agreement should serve as a vehicle for achieving U.S. security interests in Central America. If the agreement is fully implemented, many of the problems facing the United States in the region will be diminished. If the agreement is violated by undemocratic forces in the region, then the United States should be prepared to establish a broad base of support among those in the international community who are concerned about peace and democracy in Central America, including regional allies, for efforts to condemn those violations. Above all, we must not be complacent and assume that by the mere signing of the agreement that peace is at hand in Central America. Mr. President, our goals will be realized only by demonstrating the strength of our conviction to foster peace, democracy, and freedom in Central America. There is no substitute for American will, strength, and determination.

CALL OF THE ROLL

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

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

The assistant legislative clerk called the roll, and the following Senators answered to their names:

[Quorum No. 24]

Bumpers	Kasten	Shelby
Byrd	Metzenbaum	Wilson
Conrad	Moynihan	Wirth
Hecht	Packwood	
Karnes	Proxmire	

The ACTING PRESIDENT pro tempore. A quorum is not present. The clerk will call the names of the absent Senators.

The assistant legislative clerk resumed the call of the roll.

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 ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Oklahoma [Mr. BOREN], the Senator from Arizona [Mr. DECONCINI], the Senator from Nebraska [Mr. EXON], the Senator from Tennessee [Mr. GORE], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Montana [Mr. MELCHER], the Senator from Georgia [Mr. NUNN], the Senator from Rhode Island [Mr. PELL] and the Senator from Illinois [Mr. SIMON] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from New Hampshire [Mr. HUMPHREY] and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

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

The result was announced—yeas 80, nays 8, as follows:

[Rollcall Vote No. 261 Leg.]

YEAS—80

Adams	Glenn	Mikulski
Armstrong	Graham	Mitchell
Baucus	Gramm	Moynihan
Bentsen	Grassley	Nickles
Bingaman	Harkin	Packwood
Boschwitz	Hatch	Pressler
Bradley	Hatfield	Proxmire
Breaux	Hecht	Pryor
Bumpers	Heflin	Reid
Burdick	Heinz	Riegle
Byrd	Helms	Rockefeller
Chafee	Hollings	Roth
Chiles	Inouye	Rudman
Cochran	Johnston	Sanford
Cohen	Karnes	Sarbanes
Conrad	Kassebaum	Sasser
Cranston	Kasten	Shelby
Danforth	Kennedy	Simpson
Daschle	Kerry	Specter
Dixon	Lautenberg	Stennis
Dodd	Leahy	Symms
Dole	Levin	Thurmond
Domenici	Lugar	Trible
Durenberger	McCain	Warner
Ford	McClure	Wilson
Fowler	McConnell	Wirth
Garn	Metzenbaum	

NAYS—8

Bond	Murkowski	Wallop
D'Amato	Quayle	Weicker
Evans	Stevens	

NOT VOTING—12

Biden	Gore	Nunn
Boren	Humphrey	Pell
DeConcini	Matsunaga	Simon
Exon	Melcher	Stafford

So the motion was agreed to.

The ACTING PRESIDENT pro tempore. A quorum is present.

STATUTORY INCREASE IN THE PUBLIC DEBT—CONFERENCE REPORT

Mr. BENTSEN. Mr. President, I submit a report of the committee of conference on House Joint Resolution 324 and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated.

The legislative clerk read as follows:

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

amendments of the Senate to the bill joint resolution (H.J. Res. 324) increasing the statutory limit on the public debt, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of September 21, 1987.)

Mr. BENTSEN. Mr. President, as I look back over the last 6 years of ballooning Federal budget deficits, I cannot help be reminded of the character Linus of the comic strip "Peanuts," when he said: "No problem is so big, no problem is so complicated that it cannot be run away from."

That is about what I think we have done over the last 6 or 7 years. That is the way we have dealt with the Federal budget deficit. But it is time that the Federal Government began to live within its means. It is time tthat we put it on a diet that will get us back to a balanced budget. That is the purpose of the debt ceiling extension conference report that I am bringing to the floor now.

The conference report is the fruit of many long hours of discussion, of compromise, of trying to work out something that would develop a consensus—that is, among Members of both parties and in both the House and the Senate.

I particularly express my appreciation to the Senator from Florida [Mr. CHILES], the chairman of the Budget Committee; to Senator PACKWOOD, the ranking member on the Finance Committee, and to my colleague from Texas, Senator GRAMM, for their cooperation and their help during these long hours.

I believe we have come up with a workable agreement, one that meets the challenge of shrinking this Federal budget deficit. This is an agreement that is going to proceed over a period of years to get us back to zero.

The House voted on this last night and carried it by a bipartisan vote. There were a majority of Democrats and Republicans alike who voted for it. The vote was 230 to 176.

I think we are going to have a tougher fight on this side. There are some Members who have always voted against anything that had any connotation that might result in some tough calls insofar as budget cuts and the possibility of tax increases are concerned. There are Members who have always voted against the Gramm-Rudman process.

I do not like the kind of approach in this process—an arbitrary, stringent sequestration, if we do not face up to our responsibility. But I think this is the best of the alternatives we have left to force that kind of discipline on the President and Congress.

I hear some people say, "Well, what you are trying to do is put the President in a box, to force him to make those choices."

Sure. That is right. But we are also putting this Congress in that box, forcing it to make those tough and those hard choices and not walk away from them as has happened in the past.

The Gramm-Rudman-Hollings process did not work before, and it did not work before because we put some unrealistic objectives there—in part, I think, for political reasons.

What we have tried to bring together here is something that will work. This agreement has tough targets. They will not be easily attained. But they can be met if we show the courage to reach for them and to develop the kind of a consensus we achieved in reaching this conference agreement.

That is what I am looking for here. I am looking for Members of the Senate, Democrats and Republicans, who say, "I can think of reasons why I should not vote for this. I really wanted a $36 billion cut, and they did not achieve that." Or others who might say, "I don't want to go that far. Tnat cuts too deep."

I am asking for some of those who have never voted for this kind of a process to vote for it now. I am asking the same of those who think it should be higher or think it should be lower. This is the compromise, and this is the consensus, and this is the best we can get.

If you do not approve this, then you are going to be faced with the alternative following this of voting for a $45 billion sequester under the present law process.

I personally think that would be irresponsible for what it does to defense and what it does to some domestic programs. But that is where you are.

And then if you fail in all of those, you have a situation of foreign governments looking to see what we do to fulfill our responsibility on our own financing.

We say to the Germans, we say to the Japanese, "Accelerate your economy, help us on this trade deficit."

They say to us, "Take care of your own problems first; show us that you can be responsible on your own budget and on your own deficits; face up to that before you presume to tell us how to run our domestic economy."

Before we can really have some influence in that regard, we have to do what has to be done at home.

More than at any time since the 19th century we are dependent on what foreign financiers, what foreign central banks decide insofar as our securities, insofar as our interest rates. They can jerk our chain. Back in the 19th century it was the British that could do that, owned our securities, bought our securities, renewed our securities or decided not to do it. They could push us into recession, or they could assure us of the funds and the capital to keep our economy moving. But it became their decision not ours. That is where we are drifting now. And that is what we have to turn around.

Let me outline some of this conference report for you. First, it increases the debt limit ceiling to $2.8 trillion from the temporary ceiling of $2.35 trillion. Now, that increase will enable the Federal Government to conduct normal and routine budget financing activities until the spring of 1989.

Let me say to my colleagues in the Senate, I did not say 1988; I said 1989. We will not have to face this task again next year. We will face it again in 1989. That is a breathing spell that should provide the Congress and the administration with ample opportunity to make serious progress in winding down this Federal budget deficit.

Second, the conference agreement establishes a debt reduction plan which will avoid those constitutional questions that undermined the original version of Gramm-Rudman-Hollings. The major change in this new deficit reduction plan is to reassign the final sequestering responsibilities from the General Accounting Office to the Office of Management and Budget in the executive branch. That takes care of the constitutional question.

Third, the new budget deficit reduction plan restores an automatic spending reduction provision. This sequestration component guarantees that future deficits will decline even if the Congress and the President cannot reach a compromise on the budget.

Under sequestration, the spending cuts are to be spread broadly across the Federal budget, shared evenly by defense and nondefense programs.

Fourth, the conference report recalculates those budget deficit reduction targets for fiscal year 1988 and beyond. I think those targets, as I said, are a more deliberate, more attainable set of targets than the earlier ones. They will bring about that balanced budget by 1993, and I think that is a realistic progression of reductions in deficits. I think it does something else, too. It does not tilt it too far. It minimizes the possibility of bringing on a recession by excessively tough fiscal restraints.

Because fiscal year 1988 is almost upon us, the actual deficit reduction target for fiscal year 1988 is $23 billion.

One of the things you have to look at is the job that my friend, Senator PACKWOOD, and I face on the Finance Committee. Part of this task is going to be revenues, we assume. The reve-

nue part might be somewhere between $10 and $15 billion. But you have to recall that part of that year is already going to be gone when we start raising the revenues for 1988. And that means you have to have a heavier impact in the remaining three quarters of a year than you would have needed if you had a full 12 months to achieve the revenue part of the $23 billion figure.

Some have stated that we should have stayed with $36 billion. That is where we were in the budget resolution. This is a tougher $23 billion. It is a harder $23 billion than at least part of that $36 billion was because this agreement does not allow us to count the REA adjustment that totals almost $6 billion. You do not have any asset sales in there. It will not be an easy $23 billion to obtain.

In fiscal year 1989 the deficit reduction target is $36 billion unless a smaller reduction would reduce the actual deficit to $136 billion.

Now, beginning in fiscal year 1989 as well you will have a $10 billion tolerance from the deficit target. That is comparable to what was permitted under the old plan.

After 1989 those deficits must decline on this kind of a schedule. Remember, there is the $10 billion deficit tolerance in each of these years.

For fiscal year 1990 the deficit target would be $100 billion; in 1991, $64 billion; in 1992, $28 billion; and 1993 zero, with no tolerance in this final year.

Now, the purpose of the deficit reduction plan: What will it accomplish? The most important message in this conference report is that the Congress is serious about cutting the deficit. It removes the cloud from the budget process. It unequivocally sends the alert that Congress intends to rein in the budget deficits.

Moreover, passage of the conference report ensures that the deficit will fall by $23 billion this year, either through the normal budget process or through sequestration. One reason it is not going to be an easy target to attain is because this budget report does not bridge the vast gulf within the Congress, or between the Congress and the White House, on how to cut this deficit.

That is the issue that is going to be thrashed out in the weeks ahead as we proceed through the fiscal year appropriation process and reconciliation. And I am not going to make any predictions on how that one is going to turn out, but I do know that a lower deficit is going to be the result. That is going to be a major victory in a war that the Congress, and especially the White House, have seemed more willing to lose than to win in recent years.

Since 1981, the Federal budget deficit has doubled and then nearly redoubled to a peak of $221 billion last year. Much of that time we have seen the Congress more willing to make the hard choices than the White House. More often than not, in contrast, the White House attacked the budget deficit with rhetoric rather than making the hard choices involving revenues and spending.

The White House talked loudly about balanced budget amendments, pledged adherence to fiscal responsiblity, and had the gall to talk about a constitutional amendment for a balanced budget. Yet in seven budgets, stretching back to 1981, the President has never produced a balanced budget for Congress to consider. The latest budget sent by the White House was so full of phony numbers, disguised behind smoke and mirrors, it arrived DOA—dead on arrival. And not just because of the Democrats. I did not hear any Senator speak in defense of that budget. In fact, a majority of the Republicans in the House and the Senate voted against it.

In this bicentennial year of the Constitution, the President could well take to heart some sage advice by Benjamin Franklin who said, "Before you consult your fancy, consult your purse."

Since 1981, the administration's appetite for spending has far exceeded its willingness to produce the revenues to pay the bill. The White House seemed convinced that a free lunch really existed. Simply put, the administration has acted as though the deficit is just not as important as some other things.

Now Congress should share the blame for acquiescing to that kind of a permissive attitude and the deficits that have resulted. Deficit reduction has been a second priority—a problem to be left to the next President, a problem to be left to the next Congress.

What did we do? We had a situation where you cut your income by 25 percent. Then you turned around and increased defense spending by 50 percent. And I should not say "you"—it is "we." I voted for that cut in taxes, 25 percent of it. I voted for practically all of those defense spending increases.

But it did not take long to understand we had gone too far; that there just was not enough meat left on the bones in between to balance that budget; that you cannot increase your spending that much on defense and cut your income that much and expect to have enough left in between to even it out. It just was not there.

So, by the time we had a vote on the third cut, insofar as the 25 percent cut in revenue, I voted the other way. But those of us who felt we had gone too far have not been able to prevail up to this point.

And, I have reached the conclusion that the time has come where we must level out our defense spending. Obviously we must maintain a strong national defense. But we must also recognize that there are two threats which could cause us to lose this great country of ours. One is to put ourselves in a posture where we would face a military defeat. The other is to allow our national economy to become bankrupt. These are competing priorities. They are difficult to reconcile. But we must do so. We must walk that tightrope.

Well, this conference report will help us balance our priorities. Deficit reduction is going to be a priority now for this Congress and this President. The President should sharpen his pencil. Those hard choices that have been sidestepped in budget after budget for the last 7 years are now going to have to be confronted. A spirit of compromise is going to have to replace confrontation. And the Congress and the White House will have to work together to avoid triggering the automatic sequestration procedure.

I have said that I do not like the sequestration approach. I think it is a meat ax instead of a scalpel. But this patient of ours is in serious trouble and apparently only the drastic medicine of that automatic sequestration will work and force the discipline on both sides.

Congress has turned to automatic sequestration because the spirit of compromise, the glue holding our democratic government together, has become brittle. Separation of powers to constrain the executive authority was a key principle of the Founding Fathers. But separation of power between Congress and the President can only work when you have an undercurrent of compromise that exists to resolve difference in opinions.

As Edmund Burke once said, "all government—indeed, every human benefit and enjoyment, every virtue and every prudent act—is founded on compromise and barter."

Compromise has been a scarce commodity around here during budget debates in Washington since 1981, and the deficits stand as mute witness to that effect. But a spirit of compromise, I believe, will be rekindled by enactment of the conference report. And I am convinced that a lower deficit is going to be the result.

I said moments ago that this conference report sends a signal that Congress is really serious about reducing the deficits. That message is long overdue, and I believe it is important to send it now.

Wall Street and those financial markets around the world are watching our efforts to craft this new budget policy. There is a great deal of cynicism out there about whether or not we will be able to accomplish it. The stakes are high because the health of our economy is so much today determined by foreign investors, and they are worried about these twin deficits

of ours. They have heard the steady drumbeat from the administration that the trade deficit is going to improve. Yet in June and again in July record monthly trade deficits were set. We are headed for another annual trade deficit record of $169 billion at the current pace, with no turnaround in sight.

Export growth in the first 3 months of this year has fizzled out. We are as likely to see higher trade deficits as lower ones in the months ahead. Our biggest imports since 1981 have been foreign capital. Tens of billions of dollars in foreign capital is now held in T-bills and Treasury notes, funding our budget deficit.

Those foreign investors like our interest rates, but they fear equity erosion from a falling dollar. The trade numbers have them running scared. They are holding their breath anticipating another round of dollar devaluation anticipating inflation because of the sorry trade statistics we are facing.

Indeed, only massive intervention into the foreign money markets by Japan's Central Bank, the Federal Reserve here, the Bundesbank of Germany, has delayed that kind of a day of reckoning.

Even with all that, the foreign investors grew nervous in August. They dumped the dollar. Long-term interest rates reacted immediately here, rising over one-half point. Mortgage rates jumped above 11 percent and the Federal Reserve rushed out to boost the discount rate from 5.5 to 6 percent, and that is the first increase in 2 years.

The FED was forced to sweeten the pot for foreign investors, and to reassure them of its determination to hold the line on the dollar and inflation.

Even so, foreign investors stiffed the FED. They kept their money at home. And interest rates here have not fallen back to July's level. All interest rates are well above a year ago. And the prime rate is up one and one-quarter percent—125 basis point—to 8.75 percent now.

Never in our history has domestic monetary policy been so captive to the whim of foreign investors. Back in the time of the 19th century, when the British had such a hold on our economic policies, it took a long time to transfer money. Now, with your electronic transfers you have billions and billions of dollars that move overnight.

Foreign investors determine if interest rates here rise or fall. They determine if the dollar and inflation will rise or fall. And they determine if the recovery will continue, or stumble and slide into a recession.

Moreover, foreign investors will continue to dictate the course of our economy—and interest rates in particular—until the immense budget and trade deficits are reduced.

Passage of the conference report and the lower deficits to follow will reduce reliance on foreign capital. But it will provide vivid support for our efforts to shrink the trade deficit, as well. For example, we could see some improvement in our stagnant exports if Japan and West Germany grew faster. We can make that point to them with a great deal more support and credibility if we responded responsibly on our own deficit. But they have refused, pointing fingers at our budget deficit instead. It's time we did something to back up our own demands.

So, the conference report involves higher stakes than just the budget deficit. It bears on the trade deficit, and has dramatic implications for the future course of interest rates and our economy, as well.

This administration may well be remembered by historians for its twin deficits of budget and trade. It has taken years of neglect for them to grow so enormous. And it will take years of careful economic policy to ease them down without tipping over the economy.

So what we'll do by enacting the conference report is send a clear message—to the White House as well as to financial markets—that we mean business. The deficits are going to shrink. And that means this year, by this Congress and by this President. Not next year, not the next Congress and not the next President. We are going to face up to it now.

It is time, Mr. President, that we display our serious intent to reduce the deficit. And the conference report is the first step we should take to do that.

Mr. President, I wish to recognize staff members from the Finance Committee, the Senate Budget Committee and the Congressional Research Service who worked many long and tiring hours—sometimes through the night—to expedite Members' efforts to craft this committee report, who understood that time is of the essence and worked right through the weekend. I want to especially note the great effort of Mr. Joe Humphreys of the Finance Committee staff, who spent some very sleepless nights in helping us put this together, along with the staff director, Bill Wilkins, for making major contributions to this conference.

I would also like to list those who really were most helpful from the Senate Budget Committee: Mr. Rick Brandon, Mr. Alan Cohen, Mr. Bill Dauster, and Mr. Jeff Colman.

From the Congressional Research Service: Mr. Robert Keith and Mr. Sandy Davis.

I know that on the minority side we have others who worked just as diligently and just as hard and will be recognized as such.

I strongly urge my colleagues to support the conference report.

I yield to my distinguished colleague, the ranking member on the Finance Committee, the Senator from Oregon.

The PRESIDING OFFICER (Mr. SHELBY). The Senator from Oregon.

Mr. PACKWOOD. Thank you. Congratulations to the chairman of the Finance Committee. I am not sure I believed 1 month ago, 2 months ago, 3 months ago we would have achieved this and he has, and in a very bipartisan manner.

The Democrats split; the Republicans pretty much split. This is not a Republican/Democrat issue, and I do not think it is going to be a House/Senate battle.

Interestingly, it may or may not be a battle with the White House. I do not know what they are going to do on this yet. It is ironic, I think, if the White House were to consider vetoing this because, indeed, it does move us toward a goal the President has talked about for a long time: The balanced budget.

This is statutory. It is not as good as a constitutional amendment. It does not guarantee it as strongly as a constitutional amendment would, but is it better than what we have been doing? Clearly, it is better than what we have been doing.

There are some who are fearful of the Gramm-Rudman-Hollings process because they think defense could suffer. But to those, Mr. President, I would say: It is no different than if we had a constitutional amendment to balance the budget. You would have to make the same decisions. You are going to raise taxes? You are going to cut defense? Going to cut social spending? Do some amalgam of them to put them together? But those are the same kinds of decisions you have to make with a constitutional amendment. I find that those who have some misgivings about what we have fashioned because they fear for defense are by and large supporters of a constitutional amendment to balance the budget. So I am not quite sure I see the difference in the bind that defense is in.

Second, and I have used these figures several times, the House and the Senate and the President, in a budget in excess of a trillion dollars, are not that far apart in defense. The President's initial budget figure for outlay, spending, cash out next year, was $299 billion. The Senate was about $290 billion, the House was about $283 billion. So you had a difference from the low side in the House of $283 billion to a difference of $299 billion that the President wanted, about $16 billion in a budget in excess of a trillion.

Those who wanted $299 billion fought that battle. That battle was

lost. That battle was lost before we ever got to this bill and that battle will be fought again and continued again because it does not ever seem to end. Unfortunately for the administration, and I do not say this with malice, but unfortunately for the administration, they have not succeeded in selling to the American public the size of the defense budget they want.

At the time the administration came in in 1981, we had had a number of years of President Carter and there was a feeling we should spend more on defense and we did. That time may come again.

This country will spend, Mr. President, when they have to spend for defense; when they are convinced of the merits. If you look at what we were spending in 1944 and 1945, we were spending 40 percent of the gross national product on defense.

Translated into today's terms, that would be a defense budget of about $1.6 trillion and we were borrowing half of all of our budget. We were borrowing, in today's terms, the equivalent, then, World War II, of about $800 billion to $900 billion a year.

So, if the public is convinced that we must spend for defense, they will spend. If they are convinced of the merits of the Persian Gulf doctrine, President Carter's doctrine, we will use military force if necessary to defend our vital interests in the Persian Gulf, the Carter doctrine. President Reagan picked it up and ratified it. If they are convinced the doctrine requires spending enough money for two more aircraft carriers, they will do it. I do not think we should argue the merits of Gramm-Rudman-Hollings on the basis of whether or not it is going to result in some impingement on defense spending.

If those who want higher defense spending can make their case, Congress and the public will support it. I think we ought to argue it on the basis, Mr. President, that the major problem we face, the biggest problem we face right now is both the annual and accumulating deficit. In the career of both Senator BENTSEN and myself, I think it was after the Senator came to the Senate, but not long after, that we had the debate as to whether or not we would delegate to the President the authority to cut the budget anyplace he wanted if the total deficit, total accumulated deficit went above $250 billion. That passed the House of Representatives. It came here and was defeated by a very close margin.

Then we were not talking about accounts or we were not talking about cutting across the board. We said he can cut it anyplace he wants to cut it because $250 billion is such an excessive amount of a deficit that the country would strangle itself and go bankrupt.

Now, 15, 16, 17 years later we are not talking about $250 billion; we are talking about in excess of ten times that amount.

So, I think you can make a very good case for Gramm-Rudman-Hollings. I know there are economists in this country, some of them have Noble prizes; there are candidates running for President; that will tell you the deficit, within reason, does not matter. So long as we can afford to carry it, it is all right. They will sort of use the analogy that if you are making $50,000, you can afford a $100,000 house and if you are making $500,000 you can afford a million dollar house and as long as you can make the interest payments on it you can keep expanding that and refinance the house and never really have to pay it off.

That is true so long as your bank or your savings and loan is willing to loan you the money. But at some stage even the bank or the savings and loan takes a look at what you have in the way of assets, thinks you are overextended, and finally either will not loan you the money or say: No, we are not going to do it at 10 percent interest but we will do it at 22 percent interest, 23 percent interest.

We see that every year on interest on the national debt. When people think we are serious about trying to get the budget down, the interest rates go down. When they think we are not serious, the interest rates go up.

And perhaps the biggest variable item that we face in the budget is not Social Security, not the defense budget, but it is the total amount of interest that we pay on the debt. Why is that?

Let us just assume for purposes of discussion that the accumulated debt, what we have run up in the past, not what we are running up each year, rounded off, we will say, is $2 trillion, and much of that debt is carried in relatively short-term Treasury notes. We roll it over with some regularity. So if in any given year the interest, Mr. President, on the debt, is an average of 10 percent that is $200 billion a year. If, by chance, the interest for that year goes up to 15 percent on the average, that is $300 billion a year in interest. That is a bigger increase by far than anyone talks about for the defense budget or for increases in Social Security or Medicare or Medicaid or education or highways probably put together.

No, Mr. President, the biggest problem we face now—I am not going to argue what the biggest problem we faced in World War II was, probably the Nazis and Japanese—the biggest problem we face now is the annual deficit we faced each year and the accumulation of those annual deficits as the total accumulation creeps up and up and up until one day it will bankrupt this country. We cannot go on borrowing $140 billion, $150 billion, $160 billion, $170 billion each year in the red, running the deficit up to $3.1 billion $3.2 billion $3.3 billion, $3.4 billion, or $3.5 billion, and so on, without some day paying the piper.

Mr. President, this country has lived too long on borrowed money, borrowed time. The Gramm-Rudman-Hollings statutory fix—not the constitutional; the statutory fix—is the best we can do right now. There is no point in fooling ourselves. There are not the votes for a constitutional amendment to balance the budget, not in the Senate, let alone the House. I do not know whether or not the States would ratify it if we sent to them. It is fine to talk about that in theory. Hopefully, we do have the votes to pass Gramm-Rudman-Hollings and the very best hope that the President will sign it.

We will leave for another day, and, Mr. President, it is another day, not another month or another year, the debate over the size of the defense budget.

But I will say again what I just said a few moments ago, if the President can convince the public, the public will convince the Congress. If the President can convince the public that there is a necessity for a $299 billion military budget next year or $309 billion or $319 billion military budget, then we will find the money to pay for it somehow.

Because Gramm-Rudman-Hollings does not automatically say that you have to meet the totals in annual reductions in the size of the deficit, so we might cut it by increasing taxes. Next year we have to save $23 billion over the deficit this year. That can be $23 billion in tax increases and in spending cuts; it can be $10 billion in tax increases and $13 billion in spending cuts, or any combination thereof. And if, in figuring how to reduce that $23 billion deficit, we also decide that we have to spend $10 billion more on the military, we would have to raise the taxes $10 billion more than we otherwise would raise them to pay for it.

That is not expecting too much of us, and the public would support that if they believed in the expenditure we need.

For those who would argue today in opposition to Gramm-Rudman-Hollings because they say it will be hard on defense, I would pose two questions:

One, how does it differ from a constitutional amendment which would compel you to balance the budget or you could be sued in court?

Two, in terms of the battle on defense spending, how does it differ whether or not we pass Gramm-Rudman-Hollings?

What Gramm-Rudman-Hollings does is guarantee a statutory reduc-

tion in the deficit. That is guaranteed. I think what that reduction means is a reduction in interest rates over the next 2 years of 1 to 2 percent lower than interest rates would otherwise be but for Gramm-Rudman-Hollings.

I want to emphasize what I said. Not 1 to 2 percent lower than where we are today, but 1 to 2 percent lower than where we might otherwise be but for Gramm-Rudman-Hollings.

If interest rates today are 10 percent and stay there, the interest rates will be 8 or 9 percent. If the interest rates today are 10 percent but might go to 13 percent, with Gramm-Rudman-Hollings they might be 11 or 12 percent. It is beneficial in any event.

So I would hope, Mr. President, that the Senate will join Senator BENTSEN and myself in a bipartisan coalition, Republican and Democrat, liberal and conservative, and support this effort. It is our last, best, and, Mr. President, only hope for this Congress and perhaps for the next one.

If we choose to do nothing or if the President were to veto this and there were not the votes to override the veto, then I think we are looking not at deficits of $144 billion or $128 billion; I think we are looking at deficits in the next year of $190 billion or $200 billion. After that, $230 billion or $240 billion. Not down, but up.

For those few who honestly think those deficits make no difference, I suppose they can vote against this in good conscience. There is no longer any point in asking to have a hearing in one of the conferences, and asking them. Some will say fine, some not so fine; some will say maybe if it goes this way or if it goes that way.

We are finally going to have a vote on what we intuitively think is right for the country. My intuition tells me, my gut tells me, that we cannot go on the way we are going.

So I support this not reluctantly. I support this with enthusiasm and wholeheartedly. I would urge my fellow Senators to do the same.

I yield the floor, Mr. President.

Mr. CHILES addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Mr. President, in a lot of ways, this is a remarkable day. Last August, just before the Congress recessed, conferees were within an eyelash of working out an agreement on the debt limit bill, but that was more than a month ago and I think all of us were a little worried that we might not be able to keep those fires burning this long. But I think it is singularly fortunately that we did. We came back here to get down to work and now I think we are bringing to the Senate a solid agreement. We have not only agreed on a way to make sure that the checks are good; we have found a way to make good on our promises to restore discipline in the budget process and cut the Federal deficit.

I think it is a tribute to every body involved that the determination carried on across the summer and that we are able to meet our responsibilities.

Here is what we have done:

We have achieved each of the main goals that we set out in the beginning. We restored the discipline in the budget process by putting the automatic sequester back in the law. That is crucial to our plans for cutting the Federal deficit.

Everybody knows what an automatic sequester would mean. It would mean sharp cuts in national defense and in key domestic programs, if we could not find a way to get the deficit down to a level for each year. And it would mean Congress and the President did not have what it takes to govern as we are expected to.

So automatic sequester is back in the law, not because we plan to use it but because it will help make sure that we get our job done.

We have also revised the deficit targets. The targets in the original Gramm-Rudman-Hollings law were never realistic from the word go. Everybody knew that. Everybody knew the targets were too low compared to the actual size of the deficit. So whether it was the Republicans who missed the targets or the Democrats, and both of us missed, it became a political field day for the other party. The new targets are demanding but they are doable. It is tremendously important that we have those on the basis of which everybody knows they are doable.

There is something else in this conference report that's a matter of concern to just about everybody, and that is the question of who determines the size of the sequester and how it is done.

Generally speaking, the Office of Management and Budget will make the call. That is not what I would perfer. I admit that. OMB has traditionally underestimated the size of the deficit. OMB is an arm of the executive branch. It's the President's own budget office, and there are always questions about how far the agency will go to make the President's case.

But under the terms of the agreement, the Office of Management and Budget will be tightly circumscribed. It will have to use the concepts the Congressional Budget Office uses and operate within specified technical limits.

Mr. President, those are several of the notable pieces of this agreement.

Now, I would like to take just a few minutes more to focus on some of these elements in a little greater detail.

REVISED TARGETS

We have revised the deficit targets under Gramm-Rudman-Hollings.

To give an example, the original law put the fiscal 1988 target at $108 billion. Unfortunately, that figure was based on a considerable under estimate of the baseline deficit. None of the budget proposals offered this year—not the one approved by the Senate or the House, and not the one offered by the President—met the $108 billion figure. There was no realistic way to do it.

The conference report now before the Senate sets the fiscal 1988 deficit target at $144 billion. For fiscal 1989, the target is $136 billion. The "zero-deficit-target" is scheduled to be reached in 1993.

In 1988, the agreement requires $23 billion in deficit reduction. In 1989 it means deficit reduction of $36 billion, and in each year after that until we reach zero.

Mr. President, those are actual reductions. They are not shadows. The agreement includes restrictions against the use of asset sales or loan prepayments to "Jimmy" the figures. We have outlawed the slipping of payment dates to achieve deficit reduction. I should point out that the DOD bill in the House already has $6 billion of slippage in contract payments. The President's budget contains a great deal of money in asset sales. So these are serious issues. We want real progress on the deficit, and we believe these changes are necessary.

Now, let me briefly talk about the makeup of the deficit reduction figures. A lot of us are understandably concerned about how much of that $23 billion in savings for 1988 involves new revenues. The Congressional Budget Office says that $23 billion dollars in this Gramm-Rudman-Hollings package is as tough as $33 billion would have been in the budget resolution.

The way it stands, we either come up with a fair blend of spending cuts and deficit reduction revenues, or there will be $23 in spending cuts. I think it would be pretty hard to build a consensus around spending cuts alone as a means of reducing the deficit in light of the sizable spending cuts already enacted over the past several years.

Nevertheless, the conference agreement does not set a revenue number. My best guess is that based on the spending levels in the budget-resolution—which assumes high-tier defense, increases in key domestic programs and the cuts we prescribed—we will need something on the order of $10 to $15 billion in additional revenues to meet the $23 billion deficit reduction target. Whatever the final composition of the savings, it is something left to the committees to work out.

AUTOMATIC SEQUESTER

Mr. President, along with the revised targets in the agreement, we have restored the automatic sequester provision in the original Gramm-Rudman-

Hollings law. It is not in there piecemeal or part time. Automatic sequester is a feature of this legislation for the full 5 years of the deficit reduction plan. It is the penalty provision we hope we never have to use.

But if the time ever comes when it is, the agreement lays out precise timetables and guidelines for its use.

In 1988, the sequester would be $23 billion if we cannot agree on the actual savings necessary to reach the revised deficit target. Otherwise, a sequester for 1988 would add up to $23 billion minus whatever savings we are able to agree on. However, the maximum sequester amount would be $23 billion. It could not go over that amount.

For 1989, the maximum sequester amount would be $36 billion. So, for 1988 and 1989, the sequester amount is limited to a specific dollar amount. But those restrictions do not apply in the years after 1989. In those years, the size of a sequester would be the amount by which we might fall short of the deficit target.

The agreement provides that a Presidential sequester order would be triggered automatically by a report from the Director of the Office of Management and Budget. Unlike the Senate's proposal and unlike the original version of Gramm-Rudman-Hollings, the General Accounting Office will have no role in the sequester process.

We arrived at this procedure only after restricting the discretion of OMB. The agency would have to give careful consideration to the earlier reports submitted by the Congressional Budget Office. OMB would have to identify and explain any differences between its estimates and those provided by the Director of the Congressional Budget Office.

OMB would have to lay out the total amount of outlay or spending reductions, and the amount of funds to be cut in both defense and domestic. Key variables like spending outlay rates are restricted in the law so that OMB cannot use sequester to impose Presidential spending priorities at the program level. All programs would be reduced equally. At the overall level the 50-50 savings split between defense and domestic is maintained.

We have also provided a backup mechanism. It is designed so that if OMB is wide of the mark—either by accident or design—Congress can move to increase or reduce the size of the sequester in an expeditious manner. Throughout the conference agreement, OMB's conduct and technical role is carefully governed by guidelines to assure reliability, consistency, and accuracy. The power of sequester is enormous. We have bent over backward to make sure that while OMB issues the order, Congress does not surrender its vital and primary oversight role in seeing to it that the power is closely monitored.

SEQUESTER TIMETABLE

Let me turn, now, to some key dates in the sequester process.

For the years 1989 through 1993, the President must submit his midsession review budget report to the Congress by July 15. That report sets the economic and technical assumptions to be used in a sequester.

On August 15, the Office of Management and Budget and the Congressional Budget Office—using the same technical and economic assumptions included in the President's July 15 report—issues its snapshot. Five days later, CBO sends its initial report to Congress and OMB, and 5 days after that the Office of Management and Budget issues its report at which time the President issues his initial sequester order.

It is important to bear in mind that each of these reports are constructed using identical economic assumptions.

Fifteen days after that first order, the President must file a detailed report explaining the details of the first sequester order. The initial sequester order—if one is necessary—becomes effective on October 1.

On October 10 and 15, the Congressional Budget Office and the Office of Management and Budget issue revised reports on the sequester, and the final sequester takes effect on October 15.

The time between October 20 and November 20 is a key period in this process. By October 20 we must deal with reconciliation so we will know how much still needs to be done to meet the deficit target. November 20 is the end date. So in that time the President and the Congress can sit down to serious bargaining to get the job done.

All this adds up to a very rigid and definite timetable. But the conferees made allowances for disagreement or error. We included an expedited procedure that allows Congress to approve a joint resolution that would require the President to modify the final sequester order. The majority leader of either House can introduce such a measure within 10 days of the final sequester report issued by the Office of Management and Budget. The joint resolution would not be referred to the committee and could be amended by either House. This procedure gives Congress the authority to move forcefully on the shape of sequester.

"HOLD HARMLESS" PROVISIONS ON SEQUESTER

There has been a lot of discussion about what happens if you are operating under a short-term continuing resolution when the sequester report comes down. That seems to be the likely scenario for this year. There is a concern that under a sequester, defense spending might be vulnerable to a kind of double jeopardy. Since the current level of defense spending likely under a continuing resolution is near the low tier in the budget resolution, there is concern that the President might be faced with a choice between settling for the low-tier or face a sequester that cuts defense even further.

To head off that situation, we have built in a kind of "hold harmless" provision which establishes a maximum sequester level at the outset for both domestic and defense spending. What that means is that the sequester amount cannot be taken below the level specified in the initial sequester order. Let me give you an illustration.

Let us say we started with a program funded at a level of $100 million and a 10-percent sequester would reduce it $10 million to $90 million. If the final appropriation funds that program at $95 million, a sequester cannot kick in that cuts that program by that $10 million down to a level of roughly $85 million. The baseline minus the sequester amount sets a kind of "maximum peril" limit for each account.

DEFENSE FLEXIBILITY

Under the original terms of the Gramm-Rudman-Hollings law, the President had limited leeway to make spending changes in defense programs. Under the new agreement, the President can propose defense changes to Congress. Those proposals must then go to the Appropriations Committee. They can't be bottled up there, and they can be amended.

What we are trying to achieve here is a balance that gives the President the right to propose a change in the program mix of the cuts, but does not give him the power to reduce the amount of sequester or impose his spending priorities on Congress.

Mr. President, I ask unanimous consent that a detailed explanation of all the provisions of the conference agreement be printed at the conclusion of my remarks.

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

(See exhibit No. 1.)

Mr. CHILES. I have rarely been involved in a conference where the give and take was as vigorous as the one on the debt limit bill. We had plenty of involvement. We had plenty of ideas moving back and forth.

What we ended up with is a comprehensive proposal that fits together in a systematic package for deficit reduction. This is one case where the overall package is better than what we started with.

There may still be some concern about what some will see as complexity. And, yes, this is detailed legislation. It had to be. We wanted to make sure that we covered the bases and that none would be stolen.

We are serious about deficit reduction, so serious that while we adjusted the targets, we restored the penalty of

sequester just to keep our feet to the fire. We put sequester on a parallel track with the budget process so we will always know where we are in the deficit struggle. And we made sure that both the President and the Congress share the responsibility for getting the job done.

I think this is a solid, workable agreement. I hope the Senate will approve it.

EXHIBIT No. 1

CONFERENCE AGREEMENT SUMMARY

DEFICIT TARGETS AND AMOUNT OF SEQUESTRATION

OMB automatic trigger for FY 1988 through FY 1993.

TARGETS

[In billions of dollars]

	Target	Cushion
Fiscal year:		
1988 [1]	144	10
1989 [2]	136	10
1990 [3]	100	10
1991 [3]	64	10
1992 [3]	28	10
1993 [3]	0	0

[1] But a minimum of $23,000,000,000 of net deficit reduction below a defined baseline and a maximum sequestration of $23,000,000,000.
[2] Or $36,000,000,000 from a defined baseline, whichever is easier.
[3] Fixed target only.

REVENUES

Although the Act does not specify revenue numbers, it is anticipated that revenue increases of $10 to $15 billion would be sufficient to prevent a sequester if spending is held to budget resolution levels.

Timetable	1988	1989 and after
President submits his midsession review and deficit estimate.		July 15.
Presidential notification regarding military personnel.	Oct. 10	Aug. 15.
Initial CBO/OMB snapshot	do	Do.
CBO issues initial report	Oct. 15	Aug. 20.
OMB issues initial report	Oct. 20	Aug. 25.
CBO issues final report	Nov. 15	Oct. 10.
OMB issues final report and President issues final order.	Nov. 20	Oct. 15.
GAO compliance report	Dec. 15	Nov. 15.

DEFENSE FLEXIBILITY

The conference agreement allows the President to exempt military personnel from sequester if he notifies Congress by a date certain. The cuts on other defense accounts would increase to make up the difference.

The total amounts sequestered from defense cannot be changed. The President may, however, submit a single proposal to Congress to redistribute defense reductions within and across defense accounts. No program, project, or activity may be increased above the appropriated level. To become effective, the report must be affirmed by an amendable joint resolution of Congress considered under procedures expedited up to conference. The sequester order goes into effect unless changed in this way.

DEFICIT REDUCTION AMOUNTS

In 1988, net deficit reduction from legislative and regulatory actions must be $23 billion.

$23 billion is also the maximum sequester in 1988. The maximum sequester in 1989 is $36 billion. In the years thereafter, the sequester will equal the amount necessary to reach the fixed deficit targets regardless of size.

If a sequester order is issued before full-year appropriations are in effect, the sequester amount will be prorated for the period covered by the continuing resolution. The amount of funds withheld are applied to the full sequester amount once a full-year appropriations measure has been enacted.

The amount that a sequester can cut an account is limited. The amount of savings below baseline in an account resulting from full-year appropriations is credited towards the sequester amount. The size of the sequester is reduced accordingly. An account's final available funding level, as a result of a sequester, cannot be lower than the baseline level minus the sequester amount as specified in the final order.

CONSTRAINTS ON OMB

OMB is constrained in legislative language regarding economic and technical assumptions in its baseline estimate, including aggregate defense or non-defense outlay spendout rates, Medicare outlays, pay increases, advanced farm deficiency and paid land diversion payments, and appropriated entitlements. In 1988, OMB must use the economics and technical assumptions that it has already released in its August 20, 1987, sequester report.

The baseline would include inflation (4.2 percent for FY 1988 and OMB January estimate of the increase in the GNP deflator for later years) and adjustments for pay raises, FERS, and related personnel costs, rather than assuming no increase in discretionary appropriations, for the purpose of measuring the deficit and deficit reduction.

Asset sales (including REA) would not be counted towards required deficit reduction in any year.

Should Congress disagree with OMB's determinations, an expedited procedure provides for congressional modification of the final sequester order.

BUDGET PROCESS PROVISIONS

The conference agreement contains provisions regarding a two-year appropriations experiment (sense of Congress), prohibiting counting savings from year-to-year transfers, financial management reform (sense of Congress), extending state and local cost estimates, extending Senate reconciliation restrictions (Byrd Rule), prohibiting policy deferrals, prohibiting resubmission of rescission requests, requiring one set of economic assumptions in the Senate, clarifying time limits for budget resolutions, appeal of certain rulings in the Senate, section 302(c) of the Budget Act, and credit reform study.

RELATIONSHIP OF REA PREPAYMENT RECONCILIATION INSTRUCTIONS TO REVISED 1988 GRAMM-RUDMAN TARGETS

Mr. CHILES. The $23 billion 1988 deficit reduction target in the revised Gramm-Rudman-Hollings legislation has raised some questions regarding the status of reconciliation instructions contained in the 1988 budget resolution.

As you are aware, the $23 billion target cannot be achieved through the use of asset sales or prepayment of loans. In fact, REA sales have been specifically mentioned in summaries of the Gramm-Rudman compromise as not counting toward the target.

I can understand how the Agriculture Committee could be confused about whether or not they are still required to include the REA prepayment provisions in their reconciliation legislation.

I would like to make it clear that the change in the sequestration target does not in any way affect the reconciliation instruction to the Agriculture Committee regarding REA prepayment. They are still expected to lower budget authority by $1.33 billion in 1988 and increase contributions and reduce outlays by $8.548 billion. "Contributions" is the term we used to cover our assumption on REA loan prepayments.

Hopefully, this will clear up any misunderstanding which may have occurred on this important point. While the deficit reduction generated by the REA prepayment is a one-time savings it can still make an important contribution to reducing our deficit in 1988.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, first I want to thank everyone who was involved in this conference, beginning with Senator CHILES. I would like to thank my colleague from Texas, Senator BENTSEN, who was chairman of the conference. I would like to thank Senator PACKWOOD. I would like to thank Senator DOMENICI and all the other people who were on the conference. I would like to thank them for a lot of reasons.

No. 1, of all the conferences I have been on in my 9 years in Congress, this was the toughest, the longest, and the most complex. There were many occasions when virtually every side of the debate had an opportunity and, in fact, a lot of incentive, to give up on fixing the Gramm-Rudman-Hollings law. And through all of that, I think we have produced a remarkable bill. I think as you look back at where we started that day when I sent an amendment to the desk on behalf of myself and all of the principals involved in this debate, then you look at where the House initially was on this issue, and then you look at the final document it would seem, quite frankly, something of a miracle, even to someone who has been involved in this from the very beginning, that we find ourselves here.

I would like to review very briefly where we are, what we did under the old law, why this change is needed, and what this change is aimed at producing. Then I would like to address several issues that relate to where we go from here if this bill is signed into law.

I would like to address some of the criticisms I know will be leveled at the conference product in areas such as its impact on national defense. However, let me begin by recalling for Members of the Senate where we were when we

adopted the original Gramm-Rudman-Hollings law. We had suffered 5 years of frustration during which the deficit had continued to mount. We had doubled the national debt in 5 years. We had come off a bitter budget cycle and, at 3 o'clock in the morning, we had taken action in the Senate to address the deficit problem only to have that success die in conference. And we were facing a $2 trillion debt ceiling. It was in that environment that this idea was born. It is not a complex idea, although it takes a lot of paper to set out the technicalities. You will hear discussion today about baselines, and about how we used this baseline and other technicalities. But when you get down to the bottom line the idea here is pretty simple.

The first principle is that we have an economic crisis, that the deficit problem imperils national security, imperils the future of America, imperils the future of our children, and that the old system was not working.

In initially thinking about this concept in the original Gramm-Rudman-Hollings law, the thing that drove me to the idea of binding constraints was a recognition that every time we vote on a spending bill all the people who want money from the American taxpayer are looking over one shoulder and sending letters back home telling people whether we care about the old, the poor, the sick, the tired, the bicycle rider and the list goes on and on and on. That is the American system. I am not complaining about it. People have a right and an obligation to let people know how we vote on the spending issues.

The problem is that very seldom is anybody looking over our other shoulder, sending letters back home, telling people whether we care about the taxpayer and about the people who do the work in this country.

As a result, day in and day out, whether the issue is buying rights-of-way on a trails program for bicycle riders, or whether the issue is spending on any one of literally thousands of programs, the people who want the money are organized politically, while the people who are out trying to work, to save money to buy a home, to send Johnny to college, are too busy working to be involved in the debate. So the spending went on and on and on.

A premise of the original bill was that there was an economic emergency. And who could doubt that there was an emergency? The deficit was $233 billion, the largest deficit in American history.

The original bill declared an economic emergency and set out a 5-year program to achieve a balanced budget. It required that the President submit budgets that reduced the deficit in five equal parts to zero. It made it not in order for Congress to consider budgets that did not meet the targets. It required that amendments which spent money be zero sum in the deficit, which, in the language of the fellow in the street, means that if you want to add money for a mother's milk program, you have to kill off a hog somewhere to pay for it. It made budgets binding down to the subcommittee level.

The public never understood that, despite the budget debates and the hot rhetoric, the budgets did not matter because they were not binding.

Finally, in I guess what was probably the most novel part of the bill, it had what the distinguished Senator from South Carolina called truth in budgeting. It had a provision that gave us an assessment of whether we had met the budget targets that we had written into law; and if we had exceeded those targets, there would be an across-the-board cut in spending, which brought us down to the targets. The original bill provided a period of time for us to come to our senses and go back and do the job right, or else those threatened, automatic cuts would go into effect. That was the basic law we adopted some 2½ years ago.

There were problems with the bill from the beginning, and to some extent they had something to do with politics. When the initial bill passed the Senate, the immediate cry from the House was: "If reducing the budget is such a good thing, why don't we do more of it now?" Those who were critical of that view saw that as an effort to stuff so much down the turkey's throat that he died before he ever got old enough to do any good.

Our problem was that we were forced, as part of the political process, to accept a deficit figure for the first year that was based on a budget that was passed 6 months before the Gramm-Rudman-Hollings Act was adopted. A budget that was phony from the very beginning, in terms of the targets it had set.

The deficit, in reality, was $233 billion, not $172 billion, and we were behind the spending curve by about $60 billion from the very beginning.

The second problem was that in trying to come up with a political compromise between the House and the Senate, and between the executive branch and the legislative branch of Government, we had trouble deciding who ought to be the final arbiter of what the deficit was and whether or not we met the target. We decided, as part of a political compromise, to have OMB, which is the budgeting arm of the President and CBO, which is the budgeting arm of Congress, report on the deficit. Then the General Accounting Office would audit the accounts of the Federal Government based on these findings and certify a deficit number. We chose the General Accounting Office because of the fact that it did studies for Congress, it settled financial disputes and determined financial settlements for the executive branch, and the Comptroller General was viewed as being independent of both Congress and the President.

We knew at the time that there was a potential constitutional problem. In fact, the Court had ruled twice on the issue—once that the Comptroller General was a member of the executive branch, once that he was not. Therefore, we wrote a backup provision into the bill. The Supreme Court, based not on Gramm-Rudman-Hollings but on the 1921 Budget and Accounting Act, subsequently, ruled that because Congress had the power to remove the Comptroller General by a two-thirds vote of both Houses, without the compliance of the President, Congress therefore controlled the Comptroller General. The Court held that he could not, therefore, carry out an executive function and as a result he could not be the person to certify the deficit.

As Judge Scalia said, basically the problem was not the process but the individual who we had chosen to certify the deficit on which the process would hinge. That pushed us back to the backup provision, which required Congress to vote on the across-the-board cuts.

People ask me: "Has the original Gramm-Rudman-Hollings law worked? Is it a success?" I always say: "It depends on your definition of a success. If you define the success of religion by the number of saints in the world, religion is a failure."

We never met a single target that was contained in the original Gramm-Rudman-Hollings law. From the point of view it failed; primarily because we couldn't use the club in the closet that threatened automatic cuts and that forced us to do what was unpleasant politically to do. But if you define the success of religion on the basis of whether the world is better off with it or without it, then religion is a resounding success; and I believe that, by the same definition, so is the Gramm-Rudman-Hollings law.

Under that law, the deficit has come down from $233 billion to $157 billion. I do not claim for a moment that all that deficit reduction has been due to this one, single law, but I also believe that there is not one person here who would honestly say that it could have been achieved in the absence of this law.

We are back here today because things have started to fall apart in terms of our ability to make the original law work. Beginning in January of this year, we have seen the deficit rise, and we have moved from a situation where the deficit had fallen for 2 years to a situation where the deficit is going up again. As the deficit has risen, interest rates have started to

rise and housing starts last month fell off sharply all over the Nation.

It is important to remember that a lot of the progress we made under the original law occurred because when we passed the Gramm-Rudman-Hollings law the financial markets of this country believed for the first time in 25 years that Congress was serious about deficit reduction. As a result of the change in expectations about the deficit, about the financial demands imposed by the Federal Government on the financial markets of the Nation, interest rates fell sharply; and because the Federal Government is the world's largest debtor, the deficit nose-dived.

But the financial markets have wised up to the fact that Congress is off on another spending spree, that the deficit is rising, that interest rates are going up and there are clearly troubling signs on the economic horizon.

What is now the longest economic recovery in the postwar period is jeopardized by the fact that the deficit and interest rates are going back up. The impact that will have on inflation and on our balance of trade can have catastrophic consequences for the economic recovery and our ability to create the jobs and growth and opportunity that our people want.

It is that crisis which has brought us to this day and to this bill. This bill is in every way, in my opinion, superior to the original bill based on what can be actually done. What we have accomplished here—and I am not going to go through it in great detail, because Senator CHILES has done that—is we have gone back and adjusted the targets to set out a realistic path to balance the budget.

We require in this first year that the deficit be reduced by $23 billion from the deficit that would occur if you took the level of goods and services bought by Government last year and went out and tried to buy them again. Now, $23 billion worth of deficit reduction in the next 45 days is going to be tough. Since we have not saved any money, or reduced the deficit at all in the last 9 months, trying to reduce the deficit by $23 billion in the next 45 days, which is what is required by this bill, is going to be very difficult indeed.

But I believe that by setting out that requirement and then by achieving that result, we will have an immediate impact on interest rates and we will help sustain this recovery which has been a boon to the whole Nation.

Quite frankly, in my part of the country, we have not shared in much of the recovery for the last 2 years; we are just now beginning to see our economy revive, but we realize that we cannot have a full-blown economic recovery if the economy of the Nation goes sour.

So I believe that while it is going to be difficult to reduce the deficit by $23 billion in the next 45 days, the economic benefits of doing it are going to be substantial.

We are going to hear today from many Members who are going to make their decision based on the difficulty of meeting this $23 billion deficit reduction target.

I want to remind my colleagues that two-thirds of the Members of the Senate voted for the original law that had a more difficult deficit reduction target than the one that we are setting out in this law.

Second, I want to address the defense issue head on. I believe in a strong defense. I have been in the Senate for 3 years and in the House for 6, and my record demonstrates that I have consistently supported a strong defense. I have no doubt about the necessity of providing a strong defense to keep Ivan back from the gate and to keep the world free and to preserve the peace.

In the House I helped write a budget which reordered national priorities, which increased national defense, which helped us recruit and retain in our Armed Forces the finest young men and women who have ever worn the uniform of this country and which helped us modernize our strategic and conventional forces.

I do not believe that the requirement to reduce the deficit for the next fiscal year by $23 billion in the next 45 days imperils national defense. The plain, said truth about national defense is that we have already had that debate. The reality is that while there will be an effort to involve the fix in Gramm-Rudman-Hollings with the debate about defense, the defense spending debate is over. When the Congress adopted the budget earlier this year, we set into concrete the fact that we are going to have the low-tier number in defense. If you are worried about that number and you vote against Gramm-Rudman because of that concern, you are still going to get the low-tier defense number and if you are worried about that defense number and you vote for the Gramm-Rudman-Hollings revitalization law you are still going to get that low-tier defense number.

The reality is that the defense issue is settled and, in fact, with the low-tier defense number and with the other things that have been done in the budget, with the user fees and revenues proposed by the President, and with a reasonable compromise, we can put together a package and meet the $23 billion of deficit reduction.

So, I believe that the defense figure in the budget adopted by Congress is too low. I grieve over that number. But that number cannot be raised by not reaffirming our commitment to balance the budget. That is an important issue, but it is not an issue here.

Second, I want to remind my colleagues that, while Ivan is in fact at the gate, there is a wolf at the door. There is no way in a free society that we are going to be able to provide for the defense of this Nation unless we have a strong and vibrant economy, and I believe that dealing with this deficit is a critical factor toward achieving that goal.

A second concern that is going to be stressed here is a concern about raising taxes. I oppose raising taxes. I do not believe that we must raise taxes to meet the targets set out in this bill, but I do not know yet how Congress will deal with the tax issue.

This bill does not guarantee what the outcome of the battle will be; it does guarantee that there will be a battle and I, for one, am willing to fight that battle, so I want to address the people who share with me opposition to a tax increase and those who have shared, too, the President's vision for America. The unfinished business of the Reagan agenda is the Federal deficit. If you believe in what Ronald Reagan has done in terms of reordering priorities, strengthening national defense, putting more money back in the pockets of the people who earned it in the first place, providing incentives for people to work, save and invest, then unless we deal with this deficit and do it now we are setting ourselves up, no matter who the new President is, for a massive tax increase, that will assault exactly that area of the Tax Code that we have fought so hard to reform.

If we do not deal with this problem, we are in for a massive tax increase and soon, and the tax increase is going to fall where all tax increases fall, on the backs of the working men and women of America. If that happens, if we raise marginal tax rates, if we go back and put heavy burdens on inheritance taxes, assaulting the family in the accumulation of capital and wealth, then all of our work in the last 7 years will have simply produced a little blip on the trend line and we will be going exactly in the direction we were headed in before. I believe that is the wrong direction.

I do not know how we are going to come up with the $23 billion. I know how I would do it. I believe out a $1 trillion-plus continuing resolution I could easily squeeze $23 billion worth of unneeded spending out of it.

In fact, if you set out with the numbers, look at where we are in defense in terms of the cap that Congress has put on, look at what the Budget Committee did, which was not enough in my opinion, in controlling spending, but if you bring all those things together $23 billion is not heavy lifting or cruel and unusual punishment. It

does, however, represent a down payment which gets us binding constraints and fixed targets and allows Ronald Reagan to leave office with a binding process in place to balance the Federal budget. It also, it seems to me, does something else that is good for America. If we pass this bill today and the President signs it, in 1988 when all the Presidential candidates go out running around the country telling special interest groups how they are going to bring home the bacon with Gramm-Rudman-Hollings and automatic cuts in place, the first question they will have to answer is: Whose smokehouse is that bacon coming out of? How are they going to pay for it? What programs are they going to take money away from to give money to this special-interest group? Whose taxes are they going to raise? I believe that is the kind of debate we need.

I know that this is a difficult decision, but I believe that anybody who supported the original bill ought to support this one. If there is a valid criticism of this revitalization act, it is that it does not do enough. The criticism is not that $23 billion is an unrealistic reduction in the deficit. It is that we could do more. If there is a valid criticism, it is not that the targets set out are too tough, it is that they are not tough enough.

I am not making those criticisms it is not so important what year we balance the budget. It is important to me that the deficit decline and that it be balanced during the lifetime of the Nation. This bill guarantees that. With a new President in 1989, that new President will have to submit a budget that meets a fixed target. Obviously, there can be efforts to repeal this law, but there is going to be great opposition.

The American people are concerned about this bill. They are concerned about across-the-board cuts. In the abstract, everybody wants to balance the budget. But nobody wants to do the things you have to do to balance the budget. But the American people know what the Senator from Oregon has already said: This may not be the best possible solution, but nobody has come along with a better one.

I believe that this is the last train out of the station. For those who want to deal with the deficit, this is the last real chance we have to do something about this problem, not just today, but to get the job done over the next decade. For those who believe that the Reagan agenda should be made permanent, I am absolutely convinced that this is our final opportunity during the Reagan Presidency to deal with this problem.

There is a quote that I identified with and believed in when it was first said, and I believe in it today, and I believe that it applies directly to this bill. In dealing with the deficit problem, in changing the political system to try to control spending, if we do not do it, who is going to do it? If this Congress and this President cannot deal with the deficit problem, what Congress and what President are going to do it? "If not us, who? If not now, when?" Ronald Reagan said that about changing the direction of America, and we changed it.

The question before us today is: Are we going to make those changes permanent or are we going to refuse to deal with the No. 1 problem in America, which is deficit? I urge my colleagues to take the long view, to vote for this bill, to give us a strong vote so that we can show the Nation that there is a commitment to balance the budget, that we are willing to make the tough choices.

If we adopt this bill today, it puts the fat in the fire. We are either going to rend lard by controlling spending or we are going to put the fire out by raising taxes. I am not indifferent in that choice. But we will at least address the issue. And I believe that, regardless of the outcome of that debate, the American people will be resounding winners, that the economy will be stronger, and that the American people will have a brighter future.

I want to conclude by thanking all of the Members of the Senate and the House who have worked on this bill. This bill has been mortally wounded on a dozen occasions. But on each occasion, it has come back to life and it has come back to life because it meets a need that cannot be met without binding constraints.

I urge my colleagues to vote for this bill, for a reaffirmation of our commitment to balance the budget, for binding constraints on Congress that force Congress to do what every family and every business in America has to do every year—set priorities, make tradeoffs. That is something we have not done a good job at in the past that we must do a good job at in the future.

I urge my colleagues to vote aye, and I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am thinking back to about 18 years ago when I was the equivalent of a mayor of my home city of Albuquerque. We were trying to do something that we thought was very good for the city of Albuquerque. We called a meeting and invited all the people to come and listen to us talk about this great project. A very distinguished citizen that was opposed to it knew that the event was rigged. Obviously, what the mayor wanted, the mayor was going to get. And he came along with a little entourage and showed up a bit late—sort of like I did this morning. I was listening as the distinguished speakers that preceded me spoke, but I could not be here. But he came along a little late and everybody noticed him. I do not know if everybody is noticing me. That is irrelevant.

But as he walked by, he put up his hand and he noticed that nobody was very pleased to see him and that they did not really want to hear what he had to say. He smiled and said: "I sort of feel, Mr. Mayor, like a skunk at a lawn party."

Well, Mr. President, since I have been battling for about 7 or 8 years, I do not have the least bit of reluctance to at least mildly pat myself on the back. I have been living with deficits for a long time. At a point in time when I thought defense was outrageously high, I was not reluctant to have a big confrontation about it.

I can remember some pretty vivid details. I can remember being on the telephone in the back room, during the middle of a markup in the Budget Committee, after waiting 8 weeks for some accommodation on defense, having the President personally ask me to delay things. And I had to sit there, and I can tell you honestly—it was a few years ago—it was pretty quick for the beads of sweat to come down my forehead, as I said, "No, you're too late. It's too late. I told you what we ought to do. It's not going to be done. We are going to do our job."

So, Mr. President, it is with real reluctance that I come to the floor of the Senate today to urge that the U.S. Senate not adopt this measure. Frankly, if I had any significant influence over the President of the United States, I would tell him to veto it. If he asks for my advice, I will tell him to veto it.

But there is one thing in it that is good. We will quit playing games with the debt limit of the United States.

Accidentally, almost as an afterthought as this debt limit came to the floor, one of the distinguished members of this body—I do not recall which—suggested that we ought to extend this debt limit so that it would go on into the next Presidency. And nobody resisted that very much. Everybody said, "Well, as long as we get a Gramm-Rudman fix on it, let's do it." Well, we have done that.

And I submit that there are probably not many people in this country who understand how many hundreds of millions of dollars we waste playing games with this debt limit; how close we get to putting the credit of the United States on the line when, as a matter of fact, the debt limit is nothing more than the recognition of the debts that we have incurred. They go out there and sell Treasury bills to pay for what we have incurred in our entitlement programs or our appropriations.

So, clearly there is one good thing about this bill.

Beyond that, Mr. President, this particular Gramm-Rudman-Hollings fix hardly deserves the name. It hardly deserves the name.

My good friend from Texas said how Gramm-Rudman-Hollings has worked. I have taken to the floor and said it worked. I remind the Senate the only time it really worked was when we had an automatic sequester, a wild and crazy one midway through the year. People have looked back at that and said, if you are going to do a sequester, do it across the board and do it before the year starts.

Remember that one we did in February or March? You would think we would learn a lesson.

Then the other thing it did was last year when the binding target in Gramm-Rudman-Hollings brought us a substantial deficit reduction, even without the hammer. Argue as one may that it was made up of a strange mixture of things that people do not like—such as asset sales and a credit for the tax bill that we predicted was going to be there—but we hit the target.

Indeed, I remember telling the distinguished Senator from Wisconsin when he almost jokingly said: "Are you serious? That budget is going to yield $154 billion?" I think I looked at him and said well, if it is not $154, it is going to hit $155 billion. I am now reading that that is about what it is.

We did that without any hammer because there were some points of order and a little discipline.

I have a series of prepared ideas but my friend from Texas has mentioned so many things that I am going to get sidetracked for a minute. Let me just suggest for starters, this is a Trojan horse and nothing more, to implement a budget that the U.S. Senate on the Republican side has not voted for. It is essentially a Trojan horse to implement it, plain and simple.

No. 2, my wonderful friend from Texas stands up here before the U.S. Senate and says: Vote for this Gramm-Rudman-Hollings fix and you are not voting for taxes. Why, Mr. President, he is saying he is not going to vote for taxes. That is for sure. There is no one, no one, Mr. President, at any conference I have been at, except my friend from Texas, that is hiding that. The question is how much in taxes?

Obviously, I can stand up here and say, well, I am voting for this because I know what my budget will be and it will not have any taxes in it. But let us be honest about that. That is mine. That is not the U.S. Congress. Anyone that wants to buy the idea that there is not going to be new taxes resulting from this Gramm-Rudman-Hollings fix is literally and absolutely kidding himself.

Actually, I had harsher words than that, but I will not say them. Let us just say that they are kidding themselves and the junior Senator from Texas is kidding himself. It is not a question of whether he will not vote for them. Of course, he will not, if that is how he feels. But this Gramm-Rudman-Hollings fix is borne out of the idea that we could not get $21 billion in taxes, or $19 billion as proposed in the budget that cleared here a few months ago, and so we are doing it another way.

Before anyone says, you know you are going to have to have some taxes sooner or later to fix this budget deficit—yes, indeed, we are. As a matter of fact, I offered a budget that had $10 billion or $11 billion in taxes in it. It got 22, 24 votes. But there were a lot of other things in that budget that are not going to be in this budget when it winds its way through this Congress. You can be assured of that.

I submit that the enfocement mechanism, this sequester is the strangest thing I have ever heard of. We are sequestering off of hot air; not sequestering off of expenditures. I tell you that so the average American would understand.

If you are going to seek a sequester to bring the deficit under control and if sequester means an across-the-board cut, Mr. President, you would think that would mean cutting off of existing expenditures, would you not? If you were to say to anybody: Well, here is what you have been earning. Here is what you have been spending. Now we are going to cut those expenditures. You would say, how much did I spend? $100. We are going to sequester, we are going to make it $89.

That is not what this sequester is all about. We invented a new baseline to cut from so it will sound like we are cutting a lot when we are cutting nothing. Would you believe that the starting point for discretionary appropriations under this baseline is $13 billion higher than this year's expenditures? So if you went down to this year's level of expenditures, you would have already saved 13 of the 23.

But that is not going to happen. Why is it not going to happen? Because there are not going to be any of those cuts on the domestic side. The reason we are here is because that agenda is set.

How are we going to get to $23 billion? Has anybody seen a piece of paper by those who are putting this together, appropriators, Finance Committee leaders, Ways and Means Committee leaders? Has anybody seen a piece of paper that says we are going to reduce domestic expenditures from the allocation allowed by this year's budget?

What I have seen, Mr. President, is it is going to go up half a billion. No cuts there.

Where are we going to get this $23 billion? That leads me to what is wrong with this proposal. There are many things wrong with it but it leads me to what is wrong with it in essence.

Mr. President, whether Gramm-Rudman-Hollings works or whether it does not, whether it is the greatest thing that happened to American fiscal policy or whether it was never going to work—I do not know which—but essentially it was calculated to cause a train wreck. Some have called it a guillotine, to bring the President of the United States and the Congress into an interplay to reach a solution satisfactory to both and to avoid a sequester.

Well, Mr. President, let me tell you. That is not the case any longer. My friend from Texas, who I greatly admire and respect, may think that is the case, but it is not. I am going to talk later about why it will not work in terms of getting to a balanced budget. Essentially it is because it does not have fixed targets; but I will tell you about that very shortly.

Mr. President, what this is calculated to do is to say to the President of the United States: You either sign a bill with new taxes in it between $11 billion and $15 billion or you suffer a sequester.

Mr. President, there is not even any assurance that the high tier defense number will be in that equation. That is $296 in budget authority.

As a matter of fact, as you approach $296 billion you have got to start adding more taxes because there are no other savings. Senators ought to wonder, where is the blueprint to get the $23 billion? We used to have reconciliation. Now there is no blueprint.

This $23 billion will be pulled out of the air, other than about $2 billion or $3 billion in reconciliation savings that have nothing to do with revenues that I assume we will keep. Chalk that up on your blackboard, $2 billion to $3 billion.

Where is the rest going to come from? It appears to me that it is going to come from taxes, and what else? Does anybody have the slightest idea what else? Defense cuts. Plain and simple, defense cuts. No doubt about it.

My friend from Texas may want to stand up here and say we have lost the defense fight. I do not believe it. We have been here on the floor of the Senate for 10 days debating what the distinguished Senator from Georgia must think is a very important bill. He put up with 2 months of delays. The distinguished floor manager knows why. That committee worked very hard.

Did they bring us a bill that is a joke? Do you know how much it takes to fund that bill? $302 billion. Not $296 billion, not $289 billion, which is

the low tier in this budget, and not $279 billion to $280 billion in budget authority, which is going to be the sequester level in defense.

Regardless of what is said around here, there is no longer the ambiance between the Congress and the White House to work something out in the event of a sequester. There are only two things to be worked out, because the domestic spending cut is worked out. There are not going to be any—there are not going to be any—there are not going to be any—how many more times do we have to say it, I defy anyone to come down here and say the Senator from New Mexico is wrong.

There are going to be some real cuts somewhere else that I have not seen in anybody's budget, in no appropriations bill. The cuts are going to be from defense, plus the little tiny pinch that is in reconciliation for Medicare and a little tiny piece from the Energy Committee which, when you look it over carefully, is a joke, an absolute joke.

In the Energy Committee, we are going to say we are saving money because we are going to a new law with only one site for high-level waste disposal instead of three and still leave it in the appropriations account where next year they can change it however they want. That is the kind of savings we can expect.

So, Mr. President, there no longer is any kind of balance to negotiating. We are giving the President an option and the Congress and all those who vote for it that is plain and simple. We don't know how much we have to cut because, you see, there is no reconciliation or appropriations bill in place. So we are shooting in the dark; there is nothing in this bill that tells us how much we are going to save in appropriations. It is all hypothetical but I told you it is off a baseline that is not reality. It is a baseline, a starting point, that is inflated by 4.2 percent across the board so we are really not sure where we are going.

Nonetheless, it is more taxes and less defense. I hope that some of those who have worried about defense, as I have, will come down and ask some of these who are going to be putting this package together—I assume it will not be this Senator, I assume it will be the majority putting the package together. Ask them, where is the language that says if we vote in taxes, the taxes will go to the high level of defense so that at least they can get a shot at the $296 billion, which is what the distinguished chairman and all of his helpers, bipartisan, said was the absolutely lowest number.

It is not in here. It is not in here because if you put it in, it would have caused havoc in the House. They probably would not have voted for it, although it is in the budget resolution. It does say there if you want to vote in $21 billion worth of taxes, you will get your defense number. What about $15 billion? What about $13 billion? What about $11 billion? Do you transfer some of that to defense as contemplated in the original budget resolution? I think not, and I will tell you why: because the arithmetic does not add up. If you transfer it to the high level of defense, you have to raise more taxes, to repeat myself, because there are no other cuts.

Now, Mr. President, those who think there is some magic in Gramm-Rudman-Hollings, that it is a solution to our fiscal problems, that it is going to be part of the next Presidential debate, as I hear my friend from Texas talk about, I submit to you that long before that day it will be exposed for what it is.

Now let me move on.

A very interesting thing has happened with the sequester proposal in this package, very interesting. There are some who would say, "What in the world is the Senator from New Mexico talking about all these technicalities for?"

The sequester, the so-called even-handed cut automatically occurring across-the-board—the hammer—is at the heart of this. Let me tell you what inadvertently, I am sure, was done.

You see, Mr. President, in the old Gramm-Rudman-Hollings law, if an across-the-board cut was going to occur, it occurred off of something that was real. What? Current law. So you looked out there and said, "Here are all the appropriations and entitlements and whatever we took out of the budget is out; then, cut across the board."

Well, interestingly enough, the new baseline, the hypothetical line from which you cut, is the current level. You add 4.2 percent to it. I assume, to be fair, you add the 4.2 percent to defense also.

Is that not interesting? You have domestic raised 4.2 percent over this year's level, and you have defense raised 4.2 percent over this year's level.

Do you know what that number is for defense? It is higher than anybody had in mind around here. It is higher than the $296 billion or the $301 billion. Now you are going to cut from that $11.5 billion, if, as a matter of fact, you have to do the whole $23 billion. You cut $11.5 billion.

I will get to the fact that the way we read the language dealing with the sequester and the continuing resolution, no one is sure that it will be a 50-50 split between defense and nondefense. Anyone who wants to stand up and say they are sure of that with this language does not read English. But theoretically that is the case.

Well, Mr. President, that leaves you with a defense number after the sequester of about $280 billion in budget authority, or thereabouts, depending on the outlay to budget authority ratio.

Well, my friends, we may have the biggest surprises of our lives. There is no willingness on the part of the Congress at this point to talk about raising defense, and you talk about raising taxes to get to the $23 billion. Is it not going to come as a shock if Ronald Reagan says, "Well, you did it to yourselves. You do not want to give me a reasonable amount for defense. I might have gotten $4 or $5 billion more than the sequester."

Maybe. But nobody has assured him of it, so let us just let the sequester take place.

"You all like this process so much so we are just going to do that."

Mr. President, I am not averse to cutting, but never, never, would I produce a budget to get $23 billion that would cut in a manner that an automatic sequester does. It just cuts everything across the board, assuming we know what the board is, which I am not sure we do.

But I will give you my best judgment of how interesting that scenario might be.

Well, in the event we have outdone ourselves and really come forth with a fix here, energy will be cut $1.2 billion, agriculture automatically $2.7 billion, education automatically $2.9 billion, income security—that is not Social Security; it is the other programs—$1.3 billion; veterans' benefits, $1.6 billion. That is just a smattering of the sequesters that the President is apt to leave in place since we are so generous in wanting to put in taxes, reduce no domestic programs in any orderly way, and then have no assurance that he is going to get anything on the defense side.

Now, Mr. President, there are a lot more things that I want to talk about and I do, but in no way do I want to use the floor at this point if there are others who want to speak. It will take a little time to go through what the sequester means and how we absolutely have no idea how we are going to sequester and how cuts will be applied to the continuing resolution and I clearly do not want to do all of that now. I want to seriously discuss the sequester, how it applies, how you are going to measure continuing resolutions and just where the game plan for the $23 billion is and where it is not. But I close by saying please remember, Senators, as you vote for this, you are about to be burned for the second time by having a sequester. This time, it is far more difficult to predict, and far less certain that it is really across the board. The way I read it, it could be far less than across the board. There can be many favored accounts. But you are going to have a sequester in

place on October 20—20 days into the fiscal year.

And for those who say, "Oh, no, it is November 20," November 20 is the real final, final. But on October 20, 20 days into the fiscal year, you are going to sequester and withhold payment of the sequestered accounts pending a final determination on November 20, I think my friend from Massachusetts, Mr. CONTE, in his normal succinct manner, noted that after October 20 there will not be enough bushes in the District of Columbia for all of the Members who voted for this bill to hide under.

Now, they will not have to do that because they all have some way of explaining that they did not really vote for it, and they expected something else to happen in between, and really cannot be serious that we have not had a chance to fix this thing. We have all the accounts of Government, from those that are very good to some which many here might not think are so good. But all of them will be sequestered, across the board, in the event we have not changed that by a continuing resolution favoring some programs over others, and in the event some programs by their nature have not already spent out in the first 20 days. There may be some, in which event I assume they will not be sequestered at all.

After a while, I understand that people begin to think the language is technical, and probably ought to be left to the written reports. Maybe somebody will read them later.

Well, I do not have any written reports. All I can do is tell you how I feel, and I will have a few more things to say about this measure. But I must close by telling you my impression of this bill, as a master game plan for the next 6 years.

First, I will make a prediction. I do not make this with quite the assurance I had when I said to the distinguished Senator from Wisconsin, "We will reach our target of $154 billion." But I believe that when we are all finished and we have done our duty here under this bill and raised taxes and cut defense and a little tiny bit of entitlement reform of $2 billion or $3 billion and passed the appropriations, is it not interesting that the following year, we start off of what? A new Gradison baseline. It has nothing to do with targets. It is sort of que sera sera—whatever it is it is. It is going to be $160 billion by the time we are through reestimating all these things, and then we are going to say, we inflate that by Gradison and we cut off of it in order to get to a new, baseline.

Yes, we will be so far from next year's target that the next President of the United States is going to say, "Let's sit down, troops. Let's talk about it. This won't work. You have been off every year. You are off again. You had a sequester. You raised taxes and you are still at $160 billion, and you haven't even come down. So don't hold me to this next 4 years of targets."

So I am really not saying to anybody out there, as my distinguished friend, the junior Senator from Oregon, a former chairman of the Finance Committee, if you pass this, unemployment comes down, interest rates come down—hallelujah, we have saved the economy.

Well, Mr. President, I really do not think anyone around watching our activities responds on rhetoric. They respond on intelligent analysis of what we have done, and they are not going to believe that we are on a 6-year game plan to a balanced budget when we have no fixed targets in the first 2 years, when we have the kind of sequester game plan that is permitted here, when we do not even know what the continuing resolutions, instead of appropriations, are going to mean, when we have a very, very high possibility that committees will put into their own bills what the baselines are. I look for that to be the next "jimmy" around here. You put it in your appropriations or some bill. Here is the baseline for this program and do not fool with us.

Now, obviously, the distinguished occupant of the chair will say we will catch that, and we will take care of it. Well, I am not too sure. Most appropriations are done in conference, and I can see a few of those coming down the line.

So for now, at least, I have three or four Senators who want to chat a little bit on this. I need more time for myself, after a 5- or 10-minute break. I will be back shortly and complete my remarks. For now I thank the Chair and I yield the floor.

Mr. CHILES addressed the Chair.

The PRESIDING OFFICER (Mr. HOLLINGS). The Senator from Florida.

Mr. CHILES. Mr. President, I did not get a chance to listen to all of the remarks of my distinguished colleague from New Mexico, and former chairman of the Budget Committee. But I did hear some of them. And I think I have the gist of those remarks, that is, we do not have a perfect solution here. This does not solve all of our problems. And you can say that a year from now there may be another problem, 2 years from now another problem, and there may be a problem that defense could get cut in this, and there may be a problem that revenues have to be raised in this.

All of those are true. All those problems are there. This is not the end all, fix all. But, Mr. President, this is the next step that has to be taken if we want to go forward to another step to do something about the deficit.

What if we do not pass this? And I think that is what we have to look at, because we are comparing this to nothing. It is, how do you like your mother-in-law compared to who? I think there has to be some kind of comparison that you have to make. And how do you like this compared to nothing? With nothing, first, we have chaos. With those financial markets with interest rates starting to go up, bond rates starting to go up, the stock market getting very shaky and accelerating and decelerating at 30 or 40 points a day or more, think of what it is going to do. One, if we have the chaos of having no debt ceiling, running out of money at midnight sort of tonight, or supposedly we fall off the cliff a few days from now; but also if we have that kind of chaos, and then the sort of certainty out there that we have abandoned the discipline or attempting to do anything about the deficit.

This is the signal it sends: That you are abandoning, you have forgot about it, the Congress decided this thing was popular for a few years but when we came to the point where it might get binding, we might have to do something, we might have to get realistic with it, and as long as you have a $50 billion float, nobody is going to vote for that sequester, and you are getting about where you may have to do something, then we quit. We abandon. That is what I think you had better compare it with because that is the worst of all things that could happen.

What happens with us? It is interesting. I understand the junior Senator from Texas said this does not cause taxes. The Senator from New Mexico says this causes taxes.

So you can take either one of those propositions, and either one of them can be true. Either one of them can be true depending on whether you want to assure a $23 billion sequester.

Absolutely, you would not have to have any taxes, and maybe if you want to assure that there is not going to be, there has to be some revenue in this proposal if you are going to assure that. Again, if you want to protect defense and get defense with the high tier, yes, there has to be some kind of revenue.

But, on the other hand, you do not care about that. If you do not care about paying for defense or do not think the American people are ready to pay for defense for a level of defense that we ought to have to really protect ourselves, then you can buy the sequester argument. You can say you can take that.

But to me, Mr. President, we have to do something. And when we take this step, this not the end-all. Then we move to reconciliation. Everybody is saying but what about? This does not guarantee the high tier of defense. It does not. It does not guarantee the low

tier. It does not do either one of those things.

But it is, again, the most important ingredient or the step that you must take if you are going to move on to reconciliation. If this is law I hope—and the Senator from Florida has a hope in this, too, like the other people—at that point the White House and the President sits down with the leadership, Mr. ROSTENKOWSKI, Mr. BENTSEN, the leadership that will be working on this, the Speaker, the majority leader, the minority leader, the whip—those kind of people and say, look, now. Let us sit down and do something for the country. Now let us sit down and come up with a plan that will give some kind of certainty out there that finally we are going to kind of march in unison.

Are we that far off from being able to do something with this at $23 billion? I say not. I say that with everybody being able to win. There has to be some kind of situation in which the President can say, "I win, I finally made those fellows make those spending cuts first, and I finally made them do something to lock in a defense number. For 2 years—it could be 2 years—for the remainder of my term." And Congress can say we finally got the President to sit down with us, and we finally got ourself on a track of how we would pay for defense, and how we would put that together.

All that I think is possible. Will it happen? It is the Senator from Florida's fondest hope that it will happen. It will not happen if we do not pass this. It will not have a chance of happening. That will be the end of that. It has the possibility and a chance of happening if we do pass this. That is why I think it is very important that we take this step and the House has done it. I am delighted to see the numbers and the way in which they have done it.

I will speak a little further to that in a little while. It is the responsible thing now for the Senate to take this step. I certainly hope that we will.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, you have heard of legislation on a "fast track," well, this is legislation on the "tax track." And I believe that it is the wrong track for the American taxpayer. Once again, we have become mired on the road of good intentions. I speak of the conference report to reinstate the "big fix," the automatic spending reduction of the Gramm-Rudman-Hollings process. There is a big question as to whether the conference report is in the economic best-interest of America. While some say it will reduce spending, others believe—that given the nature of Congress—it will not. Defense outlays will be cured, but I am doubtful that domestic spending will be restrained.

Since coming to Congress, I have been a strong proponent of controlled spending. I have long believed the American people should spend their own money—when they want, where they want, and on what they want. Economists will tell you this is how our markets grow. To this end, I sponsored a constitutional amendment to balance the budget, and I have favored the Presidential line-item veto. These would encourage us to control spending without tax increases. In addition, I have repeatedly voted against measures which would increase Federal spending.

The Gramm-Rudman-Hollings process—a process that began as a cost-cutting and deficit reduction measure—once again puts us firmly in a position for tax increases. And as we examine the conference report, we see that it could provide—intentionally or otherwise—the grist needed to force the White House into a tax increase. The automatic—across the board—spending cuts included in this report are a trap for the President—a ticket to new taxes on a road to new revenues.

This is the danger of the conference report we are considering now: automatic spending reduction will inevitably force a tax increase, unless, as Senator DOMENICI has pointed out, the President refuses to go along. It is no secret that the budget resolution, recently passed by this body, included a $64 billion tax increase, and this conference report could provide the opportunity. And herein lies the great irony.

Tax increase rarely, if ever, have reduced the Federal deficit. In fact, they often exacerbate the problem. The proof is in our history. While the theory of our past tax increases was to reduce the deficit, the reality was increased spending. In fact, a recent study demonstrates that raising taxes is directly associated with increased deficits. For every dollar increase in taxes, there occurs $1.58 in new spending as Congress is determined to use what it collects—and then some. Considering this misguided habit, Mr. President, we cannot afford another tax increase.

For 6 years—beginning with the tax cuts of 1982—President Reagan has restored the economic confidence of America. Once again, we are proud and strong. The malaise of the seventies has been overcome by a recovery that has created 13 million new jobs and ushered in an era that will soon become the longest peace-time expansion since World War II. Recent history has made it clear that a strong economy is the result of a decrease in taxes. I fully realize that many of my Republican colleagues who support this conference report to restore the automatic spending reductions do not want a tax increase. I realize they understand the danger attached to such an increase. But I want them to fully understand that these automatic spending reductions almost guarantee a tax increase.

Mr. President, on April 1, 1987, when the Senate first considered the President's veto of the highway bill, I said on the Senate floor: "We must face our large, looming budget deficits with candor, and I submit that those people whose favorite pork is in this budget-busting legislation will be the first to come out in favor of a tax increase." Sixty-seven Members of the Senate voted to override the President's veto—and 56 Members passed the Senate version of the budget resolution that called for a tax increase of more than $88 billion over the next 3 years. Many of the individuals who favor this agreement are the same who voted for the highway bill and other budget-busting bills. President Reagan has used his veto power responsibly; now if only Congress could be such a wise steward.

During the 6 years that I served as chairman of the Committee on Governmental Affairs, we repeatedly achieved success in managing our money and reducing our costs, as required in the budget resolutions. If each of us assumed financial responsibility, we would have no need for Gramm-Rudman or a tax increase. But until then, when it comes to raising taxes, Congress should take Nancy Reagan's advice and "just say no!"

Mr. CHILES. Mr. President, I do not know whether there are other people who wish to speak on this. The Senate has a lot of business before it.

My understanding is that there is a Senator on his way to the floor, so I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KERRY). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. 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. HOLLINGS. Mr. President, while occupying the chair for the first time in 8 years, I listened with interest to the presentation of the Senator from New Mexico; the presentation of the distinguished chairman of the Budget Committee, the Senator from Florida; and, of course, just a minute ago, the presentation of the distinguished Senator from Delaware, who protests that this Gramm-Rudman-Hollings plan is really a plan to increase taxes.

On that score, Mr. President, let me speak to the point made by the Senator from Delaware [Mr. ROTH]. Yes, the Government has grown. A former Senator from South Carolina, Senator

Byrnes, whose desk—known as the John C. Calhoun desk—I occupy, had a grand total of three people on his staff. I recall the time, not so long past, when Senators began their work at the beginning of March and were home in time for graduation speeches at the beginning of June.

We fret about the growth of Government, but, by and large, it has been positive growth. How often at the State level we used to be confronted with a request for services or funding, and the usual response was, "Oh, that's not a function of government." And, over the years, in the absence of State action, the Feds stepped in and took on one responsibility after another.

A good example is education. We always used to say that national defense was the primary function of the Federal Government and that education was the primary function of the State government. But we realized that, in fact, the job was not being accomplished adequately at the State level. The year before this Senator came to Congress in 1965, this body passed the Elementary and Secondary Education Act. Under title I, we have improved our dropout rates in the most disadvantaged areas of my State of South Carolina from a dropout rate of almost 87 percent to a positive graduation rate of 67 percent. And the graduation rate gets better each year.

So many social improvements of the last half century have been the result of Federal intervention, to protect the environment, to ensure equal protection of the laws, to fight hunger and poverty, and in so many other areas. Yet this administration came to town proclaiming that Government is the enemy. It pledged to dismantle the puzzle-palaces on the Potomac, and to turn power and money back to the States.

President Reagan appointed me and others to the Federalization Commission. Our mandate, supposedly, was to identify elements of the Federal Government that could be transferred to the States and cities, or abolished outright. The new administration's favorite whipping boy was the Department of Education which, they said, should be done away with outright and forthwith.

How ironic it is to see the distinguished President of the Senate, our national Vice President, on TV the other day being asked what his priority would be if he were elected President. He said education.

Indeed, it is Mr. Bush who is belatedly being educated on the critical role of the Federal Government in ensuring standards and quality and priority in the field of education. We have witnessed a similar conversion with regard to the Department of Energy, another early target for extinction.

Mr. President, I am proud that the Senate has consistently supported, on a bipartisan basis, both the Department of Education and Energy. The Senator from Delaware does not speak for his party on these matters. He is in the minority. Pure and simple, his game plan in Kemp-Roth was to take away 25 percent of the Government revenues and thereby force us to stand and be counted. That was the catch phrase; we would have to stand up and be counted by voting revenues to fund specific programs we wanted. But it didn't work that way.

The whole premise of Kemp-Roth was fallacious and naive.

We heard in Chamber of Commerce halls across the land that all we had to do was make the people in Washington stand up and be counted if they wanted to spend more money. Well, we have gone 6 years in a row with $200 billion more in spending each year than we were willing to stand up for: Republican, Democrat, President, Congress alike. No one has called us to account.

So, surely, after 6 years, the shakedown cruise of Kemp-Roth has run aground. That chamber of commerce incantation about "making them stand up and be counted" has been exposed as just so much supply-side hokum.

The wonder is that this body ever swallowed the Kemp-Roth snake oil in the first place. How could we sign off on the premise that if we would just have the courage to slash taxes, then we would be rewarded with a fiscally sound government?

I opposed it at the time. I said I had never heard of a mayor who would dare say to the City Council of Boston, MA, or Charleston, SC, "What we need is supply side stimulus, so we are going to slash our revenue base by 25 percent and grow our way out of the resulting deficit."

Nonsense. Look at those States that refuse to tax and you will find third-rate schools, people going hungry, and the mentally ill wandering the streets.

We need an activist Federal Government. We need a government the size it is today: a trillion-dollar Government. That is one thing we have proved in recent years. President Reagan and the Congress, Republican and Democratic, conservative and liberal, all agree that we need and want a trillion-dollar Government. The only question is whether we have the discipline and courage to pay for it.

Some would have allocated more to defense. Others would have allocated more on the domestic side. But there is a basic, bipartisan consensus that we need a trillion-dollar government. Indeed, we have been reelected on that score.

As I said, what we have not yet come to grips with is the necessity of paying for that trillion-dollar government. The Senator from Delaware—as if to prove there is no education in the second kick of a mule—speaks as though we still have the luxury of reducing revenues, forgoing taxes, and whoopee, we will grow our way out of deficits. Well, we haven't grown our way out of deficits. We have grown into deficits, into the dubious honor of being the greatest debtor nation in the world. In 1984 we were still a creditor nation. Today, we owe some $330 billion in debt to foreigners, more than Mexico, Argentina, and Brazil combined. I repeat: We haven't grown our way out. We have grown our way in.

And there is an awesome price to be paid for these twin budget and trade deficits. Indeed, the one compounds the other. Our budget deficits are the key culprit in the runup of our foreign debt and trade imbalances. We thought we could find an easy way out by devaluing the dollar. But not even that has worked. Instead of growing our way out of the budget deficits, we have grown our way into deficits in the balance of trade.

We are in an unprecedented economic crisis. Yet, even at this late hour, we still hear this fanciful litany from the distinguished Congressman from Buffalo and the distinguished Senator from Delaware. The Kemp-Roth crowd still assures us, "Don't worry. We are going to grow out of it." But in essence, we have returned to the latter days of the Roman Senate where they bought the people's votes with bread and circuses. The only difference is that we are buying votes not with bread and circuses, but with the fruits of the next generation, our children and grandchildren.

Of course Gramm-Rudman-Hollings is an imperfect tool. But it has worked, despite its flaws.

The genesis of Gramm-Rudman-Hollings was in an experience this Senator had back in the 1950's. I proudly went to New York to the bond-rating houses, and said, "Look, I balanced the budget." They said, "Governor, that is fine. But we have a lot of States that temporarily do that. How can we count on your doing it again and again and again?"

I answered, "We have a little gimmick in the law whereby the comptroller must constantly keep the Governor informed that expenditures have not exceeded revenues. If there is a deficit, there must be automatic cuts across the board." Forty-three States have adopted this tactic. And now we have it at the Federal level with Gramm-Rudman-Hollings. It is imperfect because the State and the Federal Governments operate differently.

There are tremendous swings in revenues at the Federal level. A 1-percent difference in unemployment will create about a $30 billion swing; a 1-percent difference in real growth will give you another $14 billion swing.

Men and women of good will can make faulty economic projections that throw the budget off by $50 billion. Yet even in this chaotic budgetary environment, Gramm-Rudman-Hollings has worked. It brought a $221 billion deficit down to approximately $157 billion, an unprecedented accomplishment.

As one of the sponsors of Gramm-Rudman-Hollings, I have become about as popular as the itch around this town and out on the political trail. In the last election every group I met said, "You cut our budget." Whether it is on farm payments, community ACTION programs, you name it, wherever I went, the Washington crowd had sent the word down that, "Your program was not being funded on account of Gramm-Rudman-Hollings." So I know the unpopularity of this measure. I know the pique of certain Senators who say "Oh, these fellows have let their vanity run away with them. They think Gramm-Rudman-Hollings is a panacea."

Not so. We know its imperfections and we know of its unpopularity. We also know that no viable alternative has appeared on a white horse.

Referring to the Senator from New Mexico, I too could sulk in the corner. I agree with everything he said, with all his reservations. I have said, going back to June, that many of our working economic assumptions were wrong. Accordingly, I was not surprised when the deficit projection ballooned. We were playing with smoke and mirrors. But once defeated in conference, you don't retreat to the sidelines and pout.

We live in the real world. The Senate practices the art of the possible. And in that light, I commend the Senator from Florida and the Senator from Texas who worked doggedly to fashion this compromise and to preserve the teeth of Gramm-Rudman-Hollings, the automatic trigger.

Mr. President, we feel pressure at the moment. It certainly is not the salesmanship of PHIL GRAMM and FRITZ HOLLINGS. They would say, "Those two fellows never met Dale Carnegie." On the contrary, it is pressure from the American public. That message has come through again and again and again.

Labor leaders, farmers, main street merchants all give us one clear message: go on back up there to Washington and start paying the bills.

And time, Mr. President, is very short. Because if a recession hits, the jig is up, it will be too late. Transfer payments for unemployment and welfare will skyrocket. Revenues will plummet. The deficits will dwarf today's levels, and we will find ourselves trapped in a negative downward vortex from which there will be no escape.

Of course there is one alternative to Gramm-Rudman-Hollings. We can ignite a rip-roaring inflation and debase both our currency and our debt as Germany did before the war.

Thank God, no one is advocating such a catastrophic course. But we are reaching the point where an inflationary dynamic will take over—an inflationary impetus that a hundred Volckers will not be able to stop.

The Senator from New Mexico is correct that this budget process is becoming hideously complex. He has been the leader. He knows and understands the reconciliation bills, the cross-walks, all the techniques of this complicated budget process. His dire scenario could come true. But something else could occur that is worse. As the Senator from Florida has noted so eloquently, we could arrange one grand fiscal train wreck by pushing ahead with a sequester. If the debt limit expires tonight, a sequester vote is in order. A sequester would require a $23 billion cut in defense outlays, a $44 billion cut in budget authority. Is that preferable to this imperfect Gramm-Rudman-Hollings fix?

I want to address one specific concern that several of our colleagues have about the impact of the new Gramm-Rudman-Hollings. I am referring to the funding level for National Defense in the budget. As you will recall, the Budget Resolution provides two levels for defense dependent upon revenue action taken by the Congress and the President. These are referred to as the high-tier and low-tier levels. The BA and outlays for the high tier are $296 and $289.5 billion respectively; the BA and outlay levels for the low tier are $289 and $283.6 billion respectively.

The Senator from New Mexico and others have protested that the Gramm-Rudman-Hollings fix will not guarantee that the high-tier can be achieved since the revenues in the resolution—approximately $19 billion—have been reduced to roughly $12 billion in the new Gramm-Rudman-Hollings. I would point out that the deficit target for fiscal year 1988 has been increased from $108 to $144 billion in this fix and the deficit reduction amount from $36 billion in the resolution to $23 billion in the fix. These actions should ease the pressure on meeting the high-tier level. Nothing can be guaranteed about the eventual funding level for defense. That will depend upon the appropriations action on the defense bill.

I believe defense comes out better under the Gramm-Rudman-Hollings fix than if we didn't have it. Let me point out why. If we had the sequester under current law, the defense cut would be about $23 billion—resulting in outlays of $256 billion. As part of the fix and if taxes were not raised, the defense cut would be roughly $11.5 billion—resulting in outlays of about $279 billion. The defense cut under the proposed fix with the $12 billion anticipated in revenues under the fix, would likely be $2 to $5 billion—resulting in $284 to $287 billion in defense outlays. This is a far preferable outcome than what we face under existing law.

So, yes, you can end up with the low tier under this Gramm-Rudman-Hollings fix. But, as a practical matter, you can also end up with the low tier without this fix. We cannot change the House of Representatives. They are going to vote the low tier. And I cannot think of a law, or a Gramm-Rudman-Hollings, or a debt limit fix that guarantees what the Senator from New Mexico would want. There is no commandment that orders, "Thou shalt not vote the low tier." You would have to be King Solomon to avoid the low tier through this Gramm-Rudman-Hollings fix. I do not know how to do it and I do not think anyone else does.

Mr. President, I return to the imperative for new revenues to begin to pay the Government's bills. In my budget alternative in the Budget Committee, this Senator called for $34 billion in new revenues. My budget got 8 votes in committee. The chairman's budget got only 12. My objective was to start to pay the bills now, before the election year. It is the conventional wisdom that there will be no budget progress in a Presidential election year. Likewise, whoever is sworn in in January of 1989 will not be able to make progress on the deficits until the summer of 1989. And whatever action is taken in the summer of 1989 will not take effect until 1990. Can we wait that long to act? Can the economy withstand unabated extravagance and irresponsibility for two more full years. I think not.

That is why I have advocated substantial new revenues. However, in the absence of that dramatic tax initiative, the very least we can do is to restore teeth and bite to Gramm-Rudman-Hollings.

Mr. President, there has been great wrangling over the issue of whether the next President should be bound by the trigger. Should the trigger be extended for 2 or 5 or 6 years, as called for in this fix? The House was more or less committed to 2 years. But the counterargument was, "Oh, no, we have got to have more than 2 years because you are only controlling President Reagan and not the next President."

This is largely a pointless debate. We are not setting in concrete our fiscal course for the next 6 years. The next President will have his own mandate to set his own economic course as of January 1989. This has always been the case with a new President.

When President Reagan took office in 1981, he submitted a program that

his present chief of staff, Senator Howard Baker, called a "riverboat gamble." The Vice President had called it voodoo economics, yet we still adopted it. The new President got his way.

The power and the respect and the mandate of a new administration must be yielded to. The people want him to carry out his program. So don't pretend that congressional initiatives like Gramm-Rudman-Hollings are going to tie the new President's hands.

So, let us not get all riled up about the term of the sequester. Keep your eye on the ball, which is to move this Government's finances back into balance. I remember when we looked upon a balanced budget as a grave responsibility. Under President Johnson, we Democrats were, in all candor, fearful of the charge that we were big spenders. Accordingly, we agreed in December of 1968 to a 10-percent surcharge. We cut another $5 billion in spending. We achieved not just a balanced budget but a surplus. Indeed, we gave Richard Milhous Nixon a surplus when he took office, in 1969.

It is time for us to balance the budget once again. And I say to those who won the battle on Kemp-Roth, "You have had your fling with supply side. Now it's time to dry out and sober up." There is an echo in the deep cavern of debt: Foreign debt, trade debt, fiscal debt, the debt to be inherited by generations yet to come.

Our responsibility is to move forward by adopting this conference report. This is more than just a good settlement, it is an outstanding settlement. Deep inside the collective conscience of this Government, there is an urgent voice that cries out, "force us to do what is right on the budget. Stop as before we kill again." This Gramm-Rudman-Hollings fix promises to save us from ourselves, from our own perchant for folly. It puts the starch back in our quest for fiscal sanity and responsibility. I yield the floor.

SENATE PAY RAISE PROCEDURES

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President and Member of this body, on the issue of whether or not this Gramm-Rudman fix is a proper fix, I will listen to the debate and later reach my conclusion. But I do want to draw this body's attention to a subject that all of my 99 colleagues would probably rather I not bring up. That is just exactly the way I presented this amendment when the debt limit resolution was debated in July.

Mr. President, at that time I brought up an amendment to this resolution which deals with procedure, not the substance, of a congressional pay raise. It was the last amendment during that debate and that amendment was adopted on an 84-to-4 vote.

You would think anything that was adopted by an 84-to-4 vote in this body would go to the conference with the support of the Senate conferees. Even if it was not voted out of the conference committee, the Senate conferees should have at least fought forcefully for the Senate position. But that was not to be the case.

I want to discuss this situation with this body because the pay raise issue is not going to go away. It might not be a part of the debate on the debt limit, but it is going to be brought up again and again. Until we make the congressional pay procedure exactly the same as the procedure by which we appropriate every other penny, this issue will continue to come forth.

What is that procedure? Simply that this body votes on the money to be spent.

Under the present procedure of adopting a congressional pay raise, the Quadrennial Commission studies and makes its recommendations to Congress and to the President. The President then reviews the Commission's report and issues his recommendations. That recommendation goes into effect unless this body and the other body reject those pay raises within the time limit.

In other words, unless we take negative action, it is an automatic pay raise. This process is contrary to any way we spend every other single penny.

Why should it be any different? Well, it is different only because of sensitivities about pay raises. There's a feeling that this body will never deal directly with that issue. It might be symptomatic of the problem we face with the whole issue of the annual deficit and the national debt. Maybe we don't have the guts to deal with it forthrightly.

The Gramm-Rudman procedure in the conference committee may improve upon that a little bit. For that reason, I may support it. But why don't we get right down to brass tacks? Basically, until we wrestle with small issues, something like our own pay raise, how will we ever be able to deal with the larger budget issues?

So I want to use my time during this debate, Mr. President, to point out to this body that I think the procedure by which the conference committee dealt with the Grassley pay raise amendment is entirely wrong. In the future I will not assume that the vote of the Senate, even an 84-to-4 vote, indicates the weight a measure will have in conference committee. I will not assume that the Senate conferees will fight for a Senate-passed provision, even if the Senate voted for that provision with an overwhelming majority.

It is quite obvious from what I have said already, Mr. President, that I am very disappointed in the action of my colleagues on the conference committee. They failed to uphold the action of the Senate regarding this amendment.

The Senate conferees receded from the Grassley amendment without debate and without a rollcall vote. I suspect, Mr. President, that the Senate conferees receded with just somewhat of a smile or a snicker or a wink.

How often does it happen, I ask my colleagues, that the conferees from the Senate recede, without even blinking, from an amendment which their own Chamber had previously adopted by overwhelming margins?

The accepted precedent in the other body, as well as in this body, is that conferees are expected to support the legislative positions of the Chamber they represent. To recede so easily indicates to me that maybe the conferees, who were part of the 84 Senators who voted for my amendment, perhaps were not as sincere in their vote that late evening on July 31.

Mr. President, my frustration is targeted at the Members of the other body as well. Even though the House voted a day late to disapprove the pay raise early in February, the House did vote. My amendment would simply require that the pay raise not be enacted unless both Houses approve the raise. In other words, this would do away with the back-door approach of requiring both Houses to disapprove the raise.

It is ironic that the Members of the House opposed my amendment even though it is completely consistent with their actions of this past winter.

Mr. President, the action of the conference committee is irresponsible. The irresponsibility is further emphasized by the fact that the Senate voted on January 29 to disapprove this pay raise by a vote of 88 to 6.

I do not believe, Mr. President, that it is in the best interest of the Senate to let the House unicamerally set congressional pay policy. That is exactly what happened when the Senate conferees silently deferred to the House conferees on this issue.

We have allowed the Members of the House to override the Members of the Senate on this issue. We have allowed them to do it without so much as debate or a record vote.

In addition, I must remind my colleagues that the sense of the public is also crystal clear. More than the pay raise itself, Mr. President, constituents disapprove of the back door method by which Congress lets a pay raise become effective. I have received well over 3,500 letters and calls from Iowans who oppose the method by which the pay raise was received. I fear that using a back-door method creates an imperial class for Members of Congress, one which is exempt from public scrutiny.

I believe, Mr. President, that this type of elitism is not suitable for Members of the most powerful democratic body in the world.

Mr. President, the Senate will have other chances to redeem itself and adopt similar amendments dealing with the congressional pay raise.

This issue will not quietly go away. Not only do I fully expect my Senate colleagues to adopt this proposal at some future date, I also expect that Senate conferees in the future will give more support to the Senate's position in the conference committee.

Mr. President, I also would like to bring up that perhaps the conferees of the other body did not know exactly what my amendment did. I want to share with my colleagues a letter I received from a Member of the other body. I have full respect for this Member. When I was a Member of the other body for 6 years, he always approached me with gentlemanly regard. In reference to his letter to me, I can only conclude that he did not read the amendment before he drew his conclusions. This colleague of mine, a Congressman from New York, CHARLES RANGEL, began this letter to me with the following sentence:

I received a copy of your dear colleague letter in connection with abolishing the Quadrennial Commission.

I will not read the rest of his letter, but I ask unanimous consent that the letter be printed in the RECORD.

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

HOUSE OF REPRESENTATIVES,
Washington, DC, August 12, 1987.

Hon. CHARLES GRASSLEY,
U.S. Senate,
Washington, DC

DEAR SENATOR GRASSLEY: I received a copy of your "Dear Colleague" in connection with abolishing the Quadrennial Commission.

As a member of the Conference Committee, I suggested that the amendment which you are supporting apply only to the Senate. If the Senate is so hell-bent on restricting salary increases without a vote, why don't you just change your rules and do just that? On the other hand, if the reason for your amendment was merely to get publicity, then you accomplished your purpose and once again the House protected the Senate as the amendment was rejected.

Sincerely,

CHARLES B. RANGEL,
Member of Congress.

Mr. GRASSLEY. Mr. President, that first sentence says it all. My amendment did not abolish the Quadrennial Commission. My amendment did not change any of the procedures by which the Senate and the House would consider the recommendations of the Quadrennial Commission. The members of the Commission would still go about their business. The Commission would still impartially study the salaries, as they have always done. They would make their suggestions to the President and to Congress.

The only thing that my amendment does is not allow that pay raise to go into effect automatically. We would have to actually vote up or down on those recommendations. The recommendations of the Commission would not go into effect unless approved by the majority of both the House and the Senate.

So my amendment does not touch the Commission. It is clear that my friend in the other body, the Congressman from New York—and Lord knows how many other conferees—did not even bother to read this amendment. This, in and of itself, is irresponsible.

So when we revisit this issue in the future, and I speak to future conferees who will be dealing with this issue, I hope that my friends will take note of the fact that this body has already spoken on an 84 to 4 vote. I hope they will not take lightly the position of the Senate.

In closing, Mr. President, I am very disappointed that the conferees did not deal with this issue as they should have dealt with it. However, the inability or unwillingness of the conferees to deal with this will not interfere with my judgment of the overall conference committee recommendations.

Mr. President, I yield the floor.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER (Mr. BREAUX). The Senator from New York.

Mr. D'AMATO. Mr. President, I would like to discuss some questions with the conference committee, and with the Senator from New Mexico [Mr. DOMENICI], clarifying for me and maybe my colleagues, certainly the people of this country, how this sequester process will actually work.

As I understand the unachieved deficit reduction in section 102 of this bill, it sets out some $23 billion for the upcoming fiscal year. That figure is fixed and will become the sequester figure on October 20. Is that correct?

Mr. DOMENICI. The Senator is correct.

Mr. D'AMATO. Now we have in this bill an elaborate mechanism for defining the baseline by which this $23 billion figure was calculated. Since the bill defines the technical and economic assumptions for fiscal year 1988, it seems to me we ought to be able to tell the American public today what that $23 billion means. I wonder if I can ask my colleague if the following figures provided to me by the Budget Committee staff are accurate and represent what a $23 billion sequester means with the budget resolution assumptions: Housing programs will be cut by $3.2 billion in budget authority below the budget resolution assumptions. Transportation programs will be cut $3.1 million below the budget resolution assumptions. Education programs will be cut $2.9 billion below the budget resolution assumptions. Health programs including AIDS research, National Institutes of Health grants will be cut $2.3 billion below the budget resolution assumptions. The question is, are these estimates correct?

Mr. DOMENICI. Let me say to my good friend from New York, as I indicated this morning, we really have a very strange situation, as the Senator stated so eloquently. The sequester number is not arrived at until October 20. Being a member of the Appropriations Committee, the Senator knows that by October 1 we must vote on something in appropriations. I do not know what it will be. The current estimate is that it will be a continuing resolution at this year's level for 30, 40, 45 days.

If that is the case—and that is what I am assuming—it would carry well beyond October 20. It is my understanding that the continuing resolution would be irrelevant to the calculations, at least that first one. These numbers are our best estimates of what the sequester would then read.

Now, we have no official reading on it from the Congressional Budget Office. We have asked. Maybe they did not have time. Maybe nobody wants the numbers out. But, in any event, I think these are reasonably accurate, and very close to what will be waiting around for the so-called fix, come November 20.

Mr. D'AMATO. Let me go one step further. We have addressed the domestic side. Let me ask, what would be the final defense budget authority and outlay level under a $23 billion sequester?

Mr. DOMENICI. Well, again here, as the Senator well knows, the intention is that half of $23 billion in outlays be charged to the defense account. If our arithmetic is right, that should be $11.5 billion in outlays.

We do not really know how the budget authority will spend out because, as the Senator well knows, some spend out rapidly, some spend out slowly.

I am going to give an estimate, and that is all it is. It is going to be somewhere around $280 billion in budget authority and $279 billion in outlays. I would not be surprised, however, if on budget authority it was slightly lower because of the budget authority outlay ratio. But that is in the ballpark.

I am sorry nobody can give the Senator anything better. It is one of the real problems we have with a floating baseline, when you are cutting from hot air, as I called it, because, as the Senator well knows, somehow or another we add 4.2 percent to everything before we sequester. I do not quite understand the rationale for that, but that is where we are, so we are cutting

off a higher baseline in defense than reality. This is theoretical, but about right.

Mr. D'AMATO. If I recall correctly, the Appropriations Committee set an allocation for the defense aggregate level at about $289 billion in budget authority, $284 billion in outlays. If these numbers are correct, then Congress plans to give the President only about $3 billion in outlays more than what would have happened under a sequester. So I ask my good friend from New Mexico, the distinguished ranking member, in the context of these numbers, did the conference include language like that in the budget resolution which said that if you raise taxes, more money would be available for defense, raising it to the so-called high-tier level?

Mr. DOMENICI. I compliment my friend for asking the question because I think it is really relevant, although some will say that it was never binding. But the Senator was here. He recalls the only reason that the budget resolution, from which we are appropriating, which is now not going to be carried out, except on the domestic side, the reason that so many votes were forthcoming from the other side of the aisle was because there was a dialog about a so-called high-tier level in defense going to $296 billion. The chairman of the Committee on Armed Services, Senator NUNN, said that was barely enough but maybe livable. And as a consequence, they put another tier in and said, "If you vote in this reconciliation bill with these taxes, you get the high tier."

The Senator recalls that. Now, it will be said that was never binding. But in answer to the Senator's question, no, taxes will be voted in under this new fix with no language saying that any of it gets allocated to defense. As a matter of fact, when I asked the Senate conferees to do it, the answers were, "We will see that it is done sometime later, but it would sure destroy this conference if we even tried to do such a thing in this Gramm-Rudman-Hollings rebirth. We just cannot see our way to give that to the House. It would probably kill the bill."

Mr. D'AMATO. Mr. President, I am truly baffled. This sequester will result in significant cuts in domestic programs well below our own budget blueprint, some close to the levels that the President has been requesting and that the Congress will not go along with. Obviously they are cuts that not only this Senator cannot support but others in the area of education, in the area of health. We talk about the dual crisis that we face with drug addiction and the AIDS epidemic, housing which has already been slashed by 70 percent; transportation, $3.1 billion. Does that cover the Federal Aviation Administration?

Mr. DOMENICI. Absolutely.

Mr. D'AMATO. Air safety?

Mr. DOMENICI. FBI.

Mr. D'AMATO. FBI, Coast Guard, drug interdiction. So this sequester will result in a defense level not much different than that the Congress was going to give the President anyway, and it appears, as the Senator from New Mexico has just pointed out, that taxes were raised to pay for defense. I have to ask my friend, if all this is true, then for what reason would the President want to negotiate a budget with us and why would he not just let the sequester cuts go into effect? If we are not going to give him nor approach those levels in defense, we are going to raise taxes and cut the domestic programs, why would he not just allow that sequester to take place?

Mr. DOMENICI. Well, again I say to my good friend from New York, he has made the argument that I made, it was not my only argument for being against this proposal, but he has succinctly put the argument I made before the Senate 1½ hours ago. I really believe, unintentionally, we put this process in believing the President would never let a sequester go in; he would negotiate; that is what it was intended to do. Both the executive and legislative branches would negotiate, with good cause. I have concluded that the pendulum is much the other way now, based on what I know the position to be of the overwhelming majority of the members of the conference, who were looking at taxes, who were looking for little or no domestic restraint, not talking about the cuts the Senator is speaking of—just no reform or anything.

So where do you pick up all the cuts? They have to be in defense. So you are only looking at raising taxes to try to get some adequate defense number, or leaving this sequester in. It seems to me that there is as much a chance the President will leave the sequester, as he would try to fix it.

Mr. D'AMATO. We have created the situation, then if I might say, of why should the President come to the table to negotiate. Why should he not let the sequester take place. The military is going to be brought to levels unacceptable in either event and yet taxes are going to be poured on on top of that, something he has indicated he will not support, and the domestic cuts that he seeks to make will take place under the sequester. Is that not the point the Senator makes?

Mr. DOMENICI. I think the Senator makes a very good point.

Mr. D'AMATO. Mr. President, there certainly is a need for fiscal policy and spending restraints, but I find that this process is becoming irrational and increasingly irresponsible.

I understand that the automatic sequester is intended to impose discipline. It is supposed to compensate for our failure to govern.

And we have failed to govern. We have failed to make the tough cuts.

Mr. President, it will not work. We have tied ourselves to some magic standards that are in themselves meaningless. Why try to eliminate the deficit in 5 or 6 years if it turns out that we can reasonably do it in 7 or 8 years by setting realistic, achievable goals? What is magic about 6 years when we have to deceive ourselves and work from targets and figures that are not reasonable when 40 days from now or 6 months from now we will admit to the public and to ourselves that we have not been using the right figures? I think what we see is our cutting our preparedness, our infrastructure, our provisions to support and shelter for the needy in order to try to meet an unrealistic yearly goal that in itself means nothing. When I say let us look at the experience we had, and I voted for this bill, I voted for Gramm-Rudman and the fix. I went through the games of saying, yes, we are going to achieve these cuts when we knew and we started from the baseline that was $40 billion off. Then we wonder why when we go to the marketplace the financial community shudders because they say you are never really giving us a true picture, you are really never going to cut and you cannot make these cuts over 5 years. What is magic about 6 years? Why? Why do we not look at something that is achievable, meaningful, and start with a realistic position?

Some with some economic theory say if we do not make these cuts in 6 years, really hit the targets in 8 years, and really come in below, something is wrong with that. Then we started with 5 years. Last year I was told, no. We have to show it is going to work over 5 years. It did not work, and we looked bad. I think we are riding for that kind of fall once again.

I will tell you. We had better be careful because I would not blame the President given what he had indicated he must have and needs, and he sees as realistic. He probably will. He probably will allow the sequester to come into play. If he does, I wonder what my friends and colleagues here in the Congress are going to say when those cuts are made? Are we going to blame the President? I think it is irresponsible. What do we say to those people who do not get adequate shelter, housing, and what do we say as we talk about safety in the skies when we are cutting the FAA? What do we say about the Coast Guard when we talk about the war on drugs and we do not have sufficient funds there—all of those programs? And by the same token we are imperiling defense. My friends' laudable effort has become, it seems to me, and irrational process with its own momentum. We should be

countering productive artificial proposals.

I want to congratulate my friend from New Mexico for keeping his head, sense of responsibility, and trying to bring some comon sense back to this effort. I want to serve notice. This business of saying those of us who have realistic, reasonable inquiries as to how this process is going to work should not be turned around and say you are then for a lack of fiscal restraint. Quite on the contrary, I say let us work with some real numbers, from some reasonable levels and from some targets and goals that we know can be achieved realistically, not from targets and goals where we play games, conjure up; and those who do not care about certain programs and the budget process see to it that they suffered terribly; and those who have needs that are maybe not important for one reason but are important for another reason in the country are faced with a dilemma where it has been said they could not care about fiscal restraint.

Let us have the true, reasonable, attainable fiscal restraints so that the marketplaces will respond so that we do not have to come back in a couple of days or months and say that we are off our target, that our estimates were wrong, that we were attempting to cut too much of any one point in time. And that is what we did last time. I predict we will be doing it again.

I would like to serve notice that I believe if we move forward in the manner that has been prescribed that it is a prescription for disaster.

Mr. RUDMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. RUDMAN. Who controls time?

The PRESIDING OFFICER. There is no control over time.

Mr. DOMENICI. I wonder if the Senator will yield to me for an announcement. I would like to accommodate my friend from Florida, the chairman of the Budget Committee, who asked me how much longer we need. There are no time limits on this.

Let me say I understand that the distinguished Senator, ranking member of Appropriations, Senator HATFIELD, has some questions. I am now checking with Senator ARMSTRONG as to whether or not he desires some time. He asked there be no time limits on this. It is out of deference to him that I should say that I am contacting him. As far as the Senator from New Mexico is concerned, I need a little bit more time. But it is nothing substantial. Perhaps over the course of the next hour or hour and a half I will need half an hour, and I will try to contact these other Senators and be able to report on where we stand.

Mr. CHILES. Does the Senator think there is any way we can shop and see if there is a unanimous-consent agreement to limit time? You know how these things go. We always keep going and keep going. We know we have the Defense authorization bill that is there on our plate. That is something that is going to keep us here late at night, all Thursday night maybe and later. It seems like to me if we want to accommodate everybody on this, if we could say within an hour and a half or something.

Mr. DOMENICI. Let me say again to my friend, the chairman of the committee, I will try that. But I think that is just—not from my standpoint, but from those who have spoken to me—slightly premature. But I will try in the next 15 or 20 minutes to see if we can do that.

Mr. RUDMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. RUDMAN. Mr. President, in order to conform to the request of the Senator from Florida and the Senator from New Mexico, I will keep my remarks brief. A great deal has been said this morning. Before the Senator from New Mexico leaves the floor, I am not going to ask him a question, I want to make a comment.

I think it is well known around here that the Senator from New Mexico, both in his capacity as chairman of the Budget Committee for a number of years, and the Senator from Florida in his capacity as chairman at this time, both deserve the highest praise for what they have done for deficit reduction. As a matter of fact, I think it can be fairly said that although Gramm-Rudman-Hollings bears the names of the Senators from Texas, New Hampshire, and South Carolina, that the Senator from New Mexico [Mr. DOMENICI] and the Senator from Florida [Mr. CHILES] deserve as much credit as anyone for the positive impact that legislation has had over the last 2 years. They have, in fact, led the fight to reduce deficit spending.

Thus I find it regrettable, Mr. President, that after a number of years of standing shoulder-to-shoulder with the Senator from New Mexico on this matter, and after supporting his initiatives on many occasions, that we have come to a disagreement. I understand his news. I listened carefully to the Senator from New Mexico. I have enormous respect for his judgment and his opinions. Much of what he said about this fix is correct. I do not disagree with some of his specific concerns. But I think there is a larger question involved here.

Mr. DOMENICI. Before the Senator gets on to his real substance, and I appreciate his kind remarks—and I do not mean to denigrate them as not real substance—but I understand the Senator will now make his argument in favor. Let me just say to my friend, this is about as tough a decision as I have had to make. I have been working on this proposition for years. I think it is commonly known, since the two of the major sponsors are here, that the idea and the legacy is yours, but we really did work very hard to make it something within the framework of this budget policy, something workable. I think we offered something like 100 constructive amendments when we put the package together. I think we agree they were helpful, when I was chairman of the Budget Committee. And I was delighted to do that.

It is with real regret that I just do not believe this approach is going to work. I am very sorry that is the case. I do not have any false hope about this. My version is not going to win here on the floor of the Senate. There will be a number of Senators in the middle on both sides. There is no question they are going to vote for it because they are going to conclude that there is no other game in town.

I have tried my best to make sure that everybody votes with a clear understanding, as clear as humanly possible under a difficult situation like this. I just hope that everybody will know 1, 2, or 3 months from now, as clearly as possible, what they voted for.

I hope the Senator understands that I said some things about the Gramm-Rudman-Hollings fix that I would not have said about it 3 years ago, that I would not have said about it a year ago, and that I would not have said of a permanent fix of the type we originally sponsored.

Mr. RUDMAN. I thank the Senator.

I might add, Mr. President, that the original 2 or 3 minutes of what I had to say I considered substantive because, most sincerely, no one has done more for deficit reduction than the Senator from New Mexico and the Senator from Florida.

I think it regrettable that the Senator from New Mexico takes that position. I understand his objections, and many of them are valid. We do not have any disagreement on that.

So we come down to what the Senator from New Mexico said a moment ago, and that is, to paraphrase him, what other game is there in town? There is no other game in town.

The basic question this body must address is not nearly as complex, it seems to me, as we could make it. Let me put it the way I see it, and let everybody make his or her choice.

Are we more or less likely to reduce the deficit with this fix or without this fix? The procedural situation we are faced with is interesting. We are going to have a vote on this conference report. By our rules, it is not amendable. Therefore, even though the Senator from New Mexico may have some sterling ideas he would like to offer, he will not get that opportunity.

Let me hasten to add that the Senator from New Mexico and others have been working in the vineyards for the past 4 months in the conference committee, and thus, what was finally produced in the conference committee is probably the best we are going to get, no matter how many votes we have.

So the question comes back to the simple one: Are we more or less likely to reduce the deficit with this fix than without it? I think the answer is almost a rhetorical one. The answer is, obviously, that we are more likely to reduce the deficit with it. It is hypothetically possible that we will reduce the defit without it? Of course, it is. But is it likely? I do not think so. Unless we have this mechanism in place, there is no way we will have the force of coercion, if you wish, at reconciliation time to force that grand meeting we have all been waiting for with the leadership of these bodies and the President of the United States.

On the way over here this morning, it occurred to me that there was a letter circulating that I wanted to make everyone aware of, because it is a remarkable letter. It is remarkable not for its content but for the signatories to the letter. It is dated September 21 and says, "Support the conference report on the debt limit extension." Let us see who signed it on the Democratic side: Mr. ROSTENKOWSKI, Mr. FOLEY, Mr. GRAY, Mr. PANETTA, Mr. COELHO, CLAUDE PEPPER, and BUDDY MACKAY.

Kind of interesting, considering what some of those folks had to say about Gramm-Rudman-Hollings about 2 years ago. I still have the scars of some of the things they said, as does the Senator from Texas.

Let us look at the Republican side: JOHN DUNCAN, ROBERT MICHEL, TRENT LOTT, BILL FRENZEL, and WILLIS D. GRADISON, JR.

It seems to me that when you get signatories of those divergent political philosophies to agree that this is the best we could do, we ought to pay some attention to it. These people, I must say, both in my party and in the party of the other side of the aisle, are widely divergent in their views on spending priorities, taxes, priorities on defense, and all the other issues that we face.

Mr. President, let us look at how we got here. If there is any secret, let us expose it. The problem we have been fighting the last 5 years is very simple. The President says we need more defense spending and I agree with him on that. The President says the way we are going to pay for that defense spending is to take it from certain domestic programs because we do not want new taxes. The President is entitled to say that. Maybe he is right; maybe that is the way we should do it. But there have been people on this side of the aisle as well as the other side of the aisle who have said: "Yes, we want more defense, but we're not willing to take it from education, from the environment, from health programs, from highway programs, from foreign aid, and from other accounts." So, what do we do? We do neither, and we borrow the money. That is where we are today, with a debt reaching over the $2 trillion level.

Really, what I am talking about here today is fairly simple. If we do not pass this, I think I can predict with some certainty—I am only in my 7th year here, but I think there are some things I can predict—I predict that without this fix, we will not have a reconciliation bill that will in any significant way reduce the deficit. If we do not pass this bill, we will still face the same budgetary problems. Of course we must fund all the high priority programs. So, what will we do? We will borrow the money—just another few billion dollars, that is all.

It seems to me that there are some people in this town who think it is all right to borrow money to fund defense, and there are others who seem to believe that it is all right to borrow money to fund social programs. Let me go on the record and say that I think it is all right in neither case. Enough is enough.

When you look at the composite of this year's Federal budget—when you look at the top three items—it is enough to chill the blood that flows in your veins. Social Security and Medicare is the largest expenditure—not unexpected; defense is second—not unexpected; and what is third? Third is interest on the debt. I am not sure that I have the figure precisely, but we are going to pay $135 billion to $155 billion this year in net interest—much of it, I might add, is being paid to people overseas who hold U.S. Government securities. Is it any wonder that economists say that although we appear to be in good economic shape, there is a thin line between continued prosperity and economic disaster?

So here we are with the Gramm-Rudman-Hollings fix, and what does it say? It says that this year we will face a $23 billion sequester unless we meet our responsibilities. What we have to do, Mr. President, is the art of the possible. That is what democratic representative government is all about.

If it means more taxes than the President wants, he will have to bite that bullet if he wants his defense budget; and if someone else wants higher levels for social programs, he will have to bite that bullet, too. The final product must be what the majority of votes in this body will produce, not what some ideology believes it should produce.

When I was in New Hampshire this past August, a number of people asked me whether Gramm-Rudman-Hollings was dead, and I said I did not think so. I thought we could produce a fix.

Most of the wise scribes in this town wrote over the summer that because the conference failed, it was dead.

I heard that question from enough people that I decided to call a few folks who I respect. There are a lot of practicing economists in this Chamber, very few with the credentials to properly call themselves that, although I will say that my colleague from Texas, Senator GRAMM, is authentic. He really is an economist. I did not ask him his opinion because he is prejudiced.

I asked a lot of people around the country who I respect, whose names you would recognize, what they thought would happen if after the deficit went from $230 billion down to this year's roughly $156 billion or $160 billion, if by the end of this year it was clear it was going to climb back toward $200 billion. I will tell you what they told me.

To a person, the best economists in this country said interest rates will continue to rise and the first sign of that is when the Fed raises the discount rate for the first time since Gramm-Rudman-Hollings passed.

The Senator from New Mexico says it is not going to work. Well, maybe he is right. But I say we ought to find out. We know with certainty that if we do not pass this fix, we will have a deficit trend going up again instead of down.

What this Congress must do is to convince the financial markets around the world that the deficit in fact is going down. I would like it to go down at a faster rate. I think the Senator from Florida would like it to go down at a faster rate. But we cannot do that.

But I am told by those who I respect that so long as it is going down, not up, then we will continue the kind of prosperity that we have had.

I talked with some of our colleagues from the agricultural States and I asked, "With all you have been through in the past 5 years, what would happen in your States if all of a sudden interest rates started going up to 12, 14, or 15 percent?" They were 21 percent when I got here in 1981.

So when I hear the Senator from New York talking about all the possibilities of what will happen under the worst scenario, and we, in fact, have this sequester, I say why does not anyone want to consider the alternative—what happens to America if we go back to hyperinflation and high interest rates? We will be in a deficit situation then that will make 1980 to 1985 look mild.

I will conclude by saying that sure, the Senator from New Mexico has a point. There are provisions in the bill that ought to be changed. I am sure

the Senator from Florida would like some of them changed. I am sure the ranking member and chairman of the Finance Committee would like some of them changed. But it is the only game in town. The only hope we have to tell the American people and the financial markets that we intend to reduce the deficit is this piece of legislation and it will not be too long before the proof of the pudding will be in the eating. Someday in the next 3 months or probably more likely some morning at 3 a.m., we will be considering whether or not we are willing to make the choice and if we do not, then the Senator from New Mexico was right, and if we do, he was wrong. This conference report gives us the opportunity to find out.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois, Senator DIXON, is recognized.

Mr. DIXON. Mr. President, I have listened with interest this morning, some of the time in my office and a period of time here on the floor, to this entire discussion because I am not a member of the Budget Committee. I have supported the Gramm-Rudman-Hollings initiative and have voted on every occasion to seek methods to achieve a balanced budget at the earliest possible date. Earlier this year, I supported an amendment by the Senator from Louisiana, Senator JOHNSTON, to seek a deeper cut this year. I think it would have amounted to $40 billion. So I am sure I speak for many other Members when I say we are not entirely satisfied with the conference report that is presently being debated. But, Mr. President, it is worthwhile to consider what occurs if we do not adopt this conference report.

I wonder whether my friend, the Senator from Texas, who was the principal sponsor of the original Gramm-Rudman-Hollings bill, might yield to me for a series of questions concerning this matter. I note he is in conference right now with the manager on our side and the Senator from New Hampshire.

Mr. GRAMM. Mr. President, will the distinguished Senator restate his question?

Mr. DIXON. I have not put the question yet. I am sorry to interrupt my colleague. I noted he was visiting with others there about the bill.

Might I ask him some questions? Will he yield?

Mr. GRAMM. Sure.

Mr. DIXON. The point I made, may I say to my friend, the Senator from Texas, was that what we ought to consider is the alternative to the adoption of the conference report if we do not adopt it because many of us have some reservations about the conference report. Would my colleague accommodate me in connection with some of my concerns about that?

First, is it correct that if we do not adopt this conference report we continue to operate under the provisions of the existing Gramm-Rudman-Hollings law without the triggering device or the fixing device that would cause automatic sequestration to take place?

Mr. GRAMM. The distinguished Senator from Illinois is correct. If we do not pass this revitalization act then we stay under the old law.

Mr. DIXON. All right. My second question is this: I am told that the generally accepted figure for the deficit right now in the discussions before OMB, CBO and others is around $153 billion or so. Is that substantially correct or what is the figure?

Mr. GRAMM. Roughly in that range. I think the last one I have seen is $157 billion.

Mr. DIXON. All right. Let us take that figure. Now if I remember—and the Senator may have to correct me because my memory would not be as good as his on this—but is not the threshold requirement or the target this year under the existing law $108 billion?

Mr. GRAMM. That is correct.

Mr. DIXON. All right. And the sequestration provision the automatic triggering device for sequestration is out under the Court decisions?

Mr. GRAMM. That is correct.

Mr. DIXON. So essentially what we are faced with if we do not adopt the conference report, am I correct in assuming this, is that we will have to meet the requirements of the existing law?

Mr. GRAMM. We would have to vote on whether or not to trigger a sequester of roughly $50 billion.

Mr. DIXON. That is exactly what I thought. We would have to vote on that.

Now I ask my friend whether he thinks there is much chance that the Congress would vote that kind of reduction?

Mr. GRAMM. There is zero chance.

Mr. DIXON. Zero chance. So that the alternative, if I understand the facts correctly, to the adoption of this conference report is that we would have to cut $50 billion. My friend from New York, I would remind the Senator, only a moment ago—and I respect him greatly—was talking about the impact of a sequestration that could take place, some of the reductions that could take place here. If I understand the alternative correctly, if we do not adopt this conference report, we would have to cut $50 billion, substantially more than the concerns of my friend from New York. Is that right?

Mr. GRAMM. If we complied with a fallback trigger as the distinguished Senator knows, the likely action is that nothing would happen and the deficit would continue to mount.

Mr. DIXON. That is correct. So that we would either have to make a very deep cut or nothing would happen, the deficit would continue to mount and we would continue to operate under deficit financing by borrowing more money?

Mr. GRAMM. The Senator is correct.

Mr. DIXON. I thank my friend from Texas.

I would like to make just this brief observation, that, Mr. President, many of us here are not on the Budget Committee and do not deal with these problems every day, but we want to do obviously the right thing in connection with dealing with this budgetary problem.

Now, a number of people here have opposed this conference report for a variety of reasons. One of my friends has suggested that if we do adopt this conference report that indicates that there is going to be sequestration of funds in a variety of significantly important programs which he named. That is probably so.

On the other hand, if we made cuts under the existing law, the cuts would be much greater.

Others have suggested that the cuts that we are making here are not enough, but if we do not adopt this conference report there is a chance that no cuts whatsoever will take place and there will be no sequestration of funds whatsoever this year.

I think when you look at the alternatives, Mr. President, you come back to the conference report and you see that that is the best of the opportunities available to us as Members to deal with the budgetary problem.

Now my friend from New Hampshire read the names of those on the House side who signed the conference report. They are the leaders of both political parties over there. They were involved in the conference. I am satisfied that what they have done here is the outside parameters of what they are able to do in connection with this particular conference and the budgetary problem.

And so I would suggest to my friends that we ought to adopt this conference report on the grounds that it is the very best we can do under the circumstances. There will be a $23 billion reduction in the deficit under this conference report. As I understand the conference report, if we follow the conference report and the new Gramm-Rudman-Hollings law, we will, by the year 1993, achieve a balanced budget. I certainly think that is a desirable goal for us to seek. I urge my colleagues to support the conference report.

I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan.

Mr. LEVIN. Mr. President, first let me congratulate the leaders of this conference in producing another report which is the best that could possibly be achieved under some extremely difficult circumstances. Hopefully today we will adopt that conference report and take a step on the road toward deficit reduction.

We have had to overcome a lot of congressional reluctance and a lot of Presidential opposition to get to this point. Even the Supreme Court put a hurdle in the way. But now we are finally on the verge of setting up a process which will put us on a realistic path toward a balanced budget.

Mr. President, I am the first one to admit that this Gramm-Rudman fix is not exactly what I would have put in place if I were king, nor would the Gramm-Rudman process itself have been what I would have put in place had I been able to vote 100 votes here and 435 votes in the House.

I supported Gramm-Rudman in 1985 not because it is the ideal way the system should work, but out of a sense of frustration and out of a belief that, without an action forcing mechanism like Gramm-Rudman, neither the President nor the Congress would negotiate a substantial deficit reduction package. I was convinced that without the threat of automatic across-the-board cuts, there would never be agreement between the President and the Congress or within the Congress itself, on a package which would call for shared sacrifice and which would recognize that increased revenues as well as spending restraint are necessary. I would have liked to believe that we would see the handwriting on the wall about the consequences of not taking action on the deficit without having to be pushed up flat against that wall. But all the evidence pointed to the need for an action forcing mechanism.

Now, I know that since it was enacted, Gramm-Rudman has been a favorite pincushion of editorial writers and academics. Indeed, many of them and some of our colleagues see it as the ultimate copout. They see us abdicating congressional decisionmaking to bureaucratic across-the-board cuts. But the real copout would be to see budgetary gridlock and to do nothing about it. Gramm-Rudman is a way—even if it is an awkward way—to break that gridlock. It is a way to force decisionmaking from elected officials who do not like to inflict some pain now, even to avoid greater pain later. This pain is as evenly applied as we know how in this Gramm-Rudman fix. We should get on with applying it before this economy totters from the crushing load of Federal debt.

The legislation that we are considering today to fix Gramm-Rudman is necessary because the Supreme Court decision of last year knocked the teeth out of the law we passed in 1985 and because that law itself contained, as it turned out, an unrealistic glidepath toward a balanced budget. If it were up to me alone to draft the fix, if I had all the votes I needed in my hip pocket to pass what I drafted, it would differ somewhat from what we have before us today.

For instance, I believe that it would make sense from the perspective of economics if the deficit reduction figure for fiscal year 1988 was closer to the $36 billion which the Congress approved of as part of the budget resolution than to the $23 billion called for in this conference report. We see that interest rates are rising and that the trade deficit stubbornly resists declining. We know the effect that the budget deficit has on these problems, and we should be as aggressive as is reasonable in reducing that deficit.

In addition, the chances that the President would enter into negotiations on a deficit reduction package would be enhanced if he faced a sequester order of $18 billion in defense—$18 billion in defense instead of the $11 billion he faces now. Similarly, many Members of Congress would be more open to such a deficit reduction package if they were confronted with an $18 billion sequester order affecting domestic programs instead of the $11 billion that we face now. So a target of $36 billion would have exerted more pressure than one of $23 billion, and, thereby, would have made it more likely that Gramm-Rudman would achieve its intended goal of forcing the President and the Congress to agree on a substantial but targeted deficit reduction package as an alternative to across-the-board cuts.

Furthermore, by limiting our sights to $23 billion in deficit reduction for fiscal year 1988, I am concerned that we now risk asking people to sacrifice and only being able to show them in return a deficit which offers little, if any, improvement from what is projected for fiscal year 1987. If we are going to ask the people to mount the barricades to fight the deficit, then we risk losing their faith and cooperation, which are essential to victory, if, when the smoke has cleared, the deficit appears to be standing nearly as tall as ever.

Yet, in spite of these concerns I support this Gramm-Rudman fix because I am convinced that in order for a fix to be approved by the Congress, it would have to look pretty much like the fix before us, and because I am convinced that without a fix the deficit situation will grow far worse. It was clear in the conference that the support from the other side of the aisle would not have materialized if the deficit target exceeded $23 billion. And while I believe that the threat of a $36 billion sequester order would have made a Presidential-congressional deficit reduction agreement more likely, the threat of a $23 billion sequester order still makes it somewhat likely. It was also clear that a Gramm-Rudman fix stood no chance of passage unless it had bipartisan support. Neither party, standing by itself, had the votes to pass its preferred fix.

What is more, it is clear that there would be no reconciliation bill which cuts spending and raises revenues if there is no Gramm-Rudman fix. Key committee chairmen indicated their reluctance to push for passage of a reconciliation bill if there was no chance that the President would sign it as an alternative to a sequester order. So our very real world is the world we operate in and in that world the choice is not between $23 billion in deficit reductions or $36 billion, but between $23 billion and something much less than that, perhaps nothing.

Finally, it is clear that unless there is such a reconciliation bill, there is virtually no chance that the deficit in fiscal year 1988 will be lower than the deficit in fiscal year 1987. In fact, the most likely scenario is that the deficit would shoot upward and our economic policy would drift aimlessly until a new President takes office in 1989.

So, while it is certainly possible to theorize on how to improve on the Gramm-Rudman process in general or on how to improve on the Gramm-Rudman fix before us in particular, I do not see how, in a very practical sense, we can do any better. In one sense this is admitting failure. In another sense, a more important one, it is recognizing reality. But if we do not recognize that reality today, tomorrow's reality will be far more painful.

I want to again commend my friends, Senator BENTSEN, Senator CHILES, Senator GRAMM, and others on this conference committee. I saw them at work. I know how hard they worked. Their product is a good one. It deserves to be approved by this body.

I yield the floor.

The PRESIDING OFFICER (Mr. GRAHAM). The Senator from Colorado, Senator ARMSTRONG, is recognized.

Mr. ARMSTRONG. Mr. President, the choice before the Senate today would undoubtedly be very pleasing to a masochist. The proof of the matter is that the choice which we are faced with today is probably very satisfying to anybody who likes to see Senators squirm. This is the kind of a choice which would be positively a delight to Thomas Hobson.

I wonder how many Senators remember the name of Thomas Hobson. He is the person whom we recall in the phrase "Hobson's choice."

Mr. Hobson was the proprietor of a stable in the 1500's and the early 1600's and he had an unusual custom. When people came to his stable to seek a horse he did not let them take

their pick. They were not able to select from among the available animals which of them suited them the best. Instead, Mr. Hobson insisted that they take the horse that was nearest to the stable door or depart without getting a horse at all. That is exactly the situation that we find ourselves in with this proposed fix of the Gramm-Rudman-Hollings budget measure.

I do not think, Mr. President, that most people who prosper here in the Senate tend to agonize over decisions. I think we are all pretty quick decisionmakers. In fact, if we are slow to make decisions it is just hard to thrive in this place because we have to cast about, I guess, maybe 600 or 700 votes a year on the floor and several hundred more in committee. If we have to stop and think about every one of them in great detail, there just is not time to do it. Then, if we look over our shoulder when it is over and lose sleep at night wondering did we really do the right thing, we create an impossible situation.

I find that I come to the floor and generally can make a pretty quick decision on things and I think most of my colleagues have the same experience. Besides that, on most issues there are normally what one of our colleagues used to call bell cows. On almost any issue, whether it is budget or abortion or Central America or you name it, there is a certain group of recognized players who have long-established expertise and positions and they divide along more or less predictable lines so those of us who have not been following the debate closely can generally look down the line and say well, so-and-so is on this side and so-and-so is on the other side, and we very quickly sort ourselves out into where we want to be.

For a lot of reasons this particular issue does not lend itself to that kind of analysis. First of all, while this is not a wholly novel issue, it is very, very unusual slant on the question of getting somehow to a balanced budget. Even for those of us who supported Gramm-Rudman-Hollings, and I did so, we do not find ourselves entirely comfortable. In fact, I do not find myself comfortable in the slightest degree with the proposal which is brought back to us from the conference committee.

The bell cows in this particular case are not sorting themselves out into their particular corrals. It so happens that the Senator from New Mexico, the ranking Republican member, and the former chairman of the Senate Budget Committee, who has fought longer and harder and more skillfully and with greater dedication and tenacity for more years than any of us can remember, to somehow bring spending under control and balance the budget, has denounced this compromise, said it is not going to work. Instead of being for it, which would be more or less the predictable role for him to play, he is on the other side.

It is interesting, also, that at least a few Members of this body and the other body who never associated themselves with the cause of deficit reduction have suddenly expressed that interest. I went over with great interest the rollcall vote yesterday in the other body in which the House of Representatives divided along lines which I found to be quite unusual, if not entirely unprecedented.

So, without too many cow bells and without a clear precedent, I found that I had to give this issue a lot of thought, an unusual amount. I arrived at what is for me a somewhat unusual conclusion. I would just like to share the background of it with my colleagues before we go to a vote.

The arguments in support of this proposal to fix up Gramm-Rudman-Hollings are pretty simple to state. First, that though it is cumbersome, the fix does not establish a path to a balanced budget at some future time. Yes, it is a delayed time; yes, it is a cumbersome method, it is a complicated path, but at least it amounts to a policy declaration and maybe something more that we are going to, at some time in the distant future, balance Federal spending and revenues.

It applies a form of external discipline to the Congress and I am for that. I am a person who believes that year in and year out, Congress will never really get itself together unless there is some kind of exterior discipline. I prefer a constitutional amendment which requires that Congress balance the budget. This, indeed, is the patter which has been followed by almost all of the States, by most municipalities, I guess by organizations and others; that they have outside requirements.

The Congress of the United States is really almost unique in a governmental sense that they just have unlimited authority to borrow and borrow and borrow. That has not worked out, so I like the external discipline.

Second, I like the fix because it assumes, it does not prove but it at least assumes, that cuts will fall somewhat proportionately across the board.

The first thing that happens under Gramm-Rudman-Hollings is that the cuts are exempted from certain programs which are politically of high priority. I think that is a huge mistake myself.

The Senate at one point was willing to bite the bullet on some very sensitive programs. This is some years ago. The Senate was willing to say, even with respect to unmentionable programs like Social Security and farm subsidies and housing subsidies and programs for poor people and scientific research and you name it, that we ought to apply this more or less across the board. That is not what Gramm-Rudman does.

It takes a shopping list of things out of the mix and says that all of the savings will have to come from the programs that are not otherwise exempted.

Nonetheless, it does have this sort of rough idea that half the cuts will come from domestic spending programs and half the cuts will come from the defense spending area. I am skeptical that it is going to work out exactly that way. I hope that if we have to have a sequester that is what will happen. But at least the notion of it is sort of embedded in this proposal.

Third, I note, Mr. President, with approval, that this is a truly bipartisan measure and I think that is a positive benefit of this proposal; perhaps not enough of a reason to vote for it in and of itself. I sense that the breakdown in bipartisanship on the budget the last couple of years has been very injurious to the processes of the Senate and more important has contributed mightily to the deficit. So the fact that we are able to get a broad cross section of Members of both Houses, of both parties, who are interested in this proposal and willing to vote for it, I think, is a good sign. I think that is a tribute to the people who worked on it and I compliment especially the chairman of the Senate conferees, Senator BENTSEN; the chairman of the Budget Committee, Senator CHILES; and the ranking Republicans, Senator PACKWOOD and Senator DOMENICI.

The fact of the matter is this is about the only pending proposal which really does encompass a broad cross-section of both Republicans and Democrats. So that is what I see in this that attracts me to it.

These are the provisions—they are not too numerous—but there are some things about it that I find are admirable.

The laundry list of things that are wrong with it is depressingly long. First, in order to be for this, you have to start with the baseline proposition that you are willing to vote for and support and explain at home and justify to your conscience a huge, indeed, an astronomical increase in the national debt. I have not heard all the debate, but I guess very little has been said about that the last 4 or 5 hours. I will just tell you for the Record, I do not like that. That is not something I warm up to and, in fact, if I vote for this proposition—which I guess I am going to do—it will be only the second time in 15 years that I have voted for an increase in the national debt.

By and large, I think that it has been a mistake for Congress to resort to increasing the debt. It has amounted to nothing more or less than just

putting off the problem and avoiding tough decisions.

The second thing that I must note as a significant problem in this proposal is that I do not think it is going to work. At least I am not sure it is going to work. There is a chance that it will fulfill its intended purpose, but there is also a very strong possibility, at least, that the Senator from New Mexico will prove to be right.

I have decided I am going to vote for this, but I told the Senator earlier that there is a very good chance that, in 6 months or a year or maybe in January 1989, that we are all going to come back to him and say: By gosh, PETE, you were right. This is worse than doing nothing.

I decided that by a very, very close judgment it is not worse than doing nothing but I am not very confident of my opinion and I deeply respect the arguments that Senator DOMENICI has made on this. I just want to admit, going into it, he may well prove to be right.

This thing is pretty hokey, and there is a good chance it may not work.

Third, I note that it is heavily backloaded. That is, in essence, the point that was being made a moment ago by our colleague from Michigan [Mr. LEVIN] who points out that the targets in the first 2 years are a lot easier to meet than the targets after that. Two reasons for that. First of all, because we put in a plug figure. We say that the first year we only have to meet $23 billion of deficit reduction no matter how large the deficit and the second year $36 billion. That means in the third year when we finally get around to the notion of fixed targets it is going to come down like a ton of bricks on the new President.

I do not think that the timing which is contemplated by this scenario is accidental in the slightest.

It is not a coincidence of a happenstance that we have crafted something which permits us to be on record in favor of balancing the budget, a Gramm-Rudman fix, getting on track to where we want to be in the 1990's, and yet puts off the heavy lifting beyond the next 18 months so that all the Senators who are running for election can get themselves elected or reelected and so that the next President can be chosen before the hard work really starts.

I do not mean to imply that a sequester this fall is going to be duck soup or child's play, but compared to what the new President and the new Congress will face in January 1989, it will make this look like the good old days.

I think backloading it in this way is sort of a hint that maybe we are not too serious about it, and the predictions that Senator DOMENICI and others have made that it will be amended, maybe abolished or repealed, in the early part of 1989, could well come true.

I also have another little qualm. We do not know as we stand here today who the next President is going to be. We do not know whether it will be President Bush, President Dole, President Kemp, President Biden. We do not know who the next President will be. Whether he is a Democrat or Republican, I do not think it is good public policy to deliberately set a trap for him. That is what we are doing by backloading it in this way, when we say that in his first budget submission when he is trying to put together a battle plan, a Cabinet, an agenda for the country, that the first thing he has to do is send up a budget which is far tougher and addressing questions which are far tougher than we are ourselves prepared to address at this time. I have real doubts whether that is good.

Next, Mr. President, I want to note that this proposal is so complicated that it is really in its very essence antidemocratic. I do not mean an anti-Democratic Party; I mean antidemocracy, anti the people. This thing is so complicated that as a practical matter it is impossible for almost all Senators to really understand.

They say that confession is good for the soul, and I will make two confessions.

First, that I have been on the Budget Committee for about 9 years and I have been a reasonably faithful participant in the affairs of the Budget Committee. Before that, I was on the Budget Committee of the House of Representatives for about 4 years. At one time in my career I was a member of the State legislature budget committee in Colorado. So I have been following this for a long time.

I am not sure I understand it. I do not understand how anyone who had the benefit of being on the Budget Committee for 9 years, who did not spend a few hours on Sunday, which I did, who did not have access to briefings which I know were not available to most Members in this Chamber, and who do not have on their personal staff the expertise that I have with members on my staff—I do not see how it is possible for Senators under those circumstances to know as much about it as I do. I will tell you, I do not fully understand all the ramifications and implications of this broad process.

I understand the broad outline and I think I have a pretty good idea how it will work out. But I think we ought to know it cold. We are betting the ranch on this. This is a big, big vote we are about to make. The truth of the matter is there are only a handful of Senators, only a handful at most, who really have a detailed understanding of the processes and procedures and assumptions that are built into this resolution. I am not sure that there is even one who could stand before you—there may be one, two, or five who could stand before the Senate today—and say, "I understand this so thoroughly that I am confident of the outcome under different scenarios, under different circumstances that may develop either in the legislative process or in the national economy."

If there are any such persons, none of them have volunteered it to me privately.

Well, what is the significance of that? I am not just expressing frustration. The point is you create a situation, and we have done this deliberately. This is not something that just happened. We have deliberately created a process for budgeting, spending, and accounting for the Government's activities that it is impossible as a practical matter for Senators to understand or know who is at fault if things go wrong, and it is completely impossible for the people at home or for journalists or commentators or candidates or voters to really know who is at fault if this thing goes off the track. And there is, in my opinion at least, a 40-60 chance it will go seriously off the track and will not work. That is a serious problem.

This whole budget process which I have supported up until now, and I am reconsidering that position, too, was, to begin with, highly complex. It is at best a sort of a Rube Goldberg contraption. Over that, we added the Gramm-Rudman process, and I supported that. I felt that I could just barely understand the ins and outs of that.

Now we have the modified Gramm-Rudman-Hollings approach, which is contained in this legislation. I am not going to embarrass anybody by asking them if they can explain some of the archaic provisions of it, but I have been over this very carefully with my staff and the staff of the conference committee and the staff of the Budget Committee and there are some things in there we just do not know the answer to.

There is at least one provision in there which I believe has been left deliberately ambiguous because I do not think they could get the votes for it if they answered the question specifically. I think that is just a fact. They just had to fudge over one major issue. In fact, it is true because that is what we conferees sat around and talked about.

I kept trying to push it, saying, Look, we have to at least figure this out and know what we are voting on." The answer I got back was, "Yes, that is right, but we have the votes and we are going with it."

I think that is a serious not only public policy but a budget policy. I think that is serious in the process of

Government. While I do intend to support this conference report. I must say I am deeply troubled about that and I hope that at some point, maybe arising out of the same wellspring of bipartisan spirit that brings this complex matter before us, there will be a simplicity cost. I hope there will be some Members who will think it important enough that we are able to hold the process accountable that they will join in that.

Mr. DOMENICI. Will the Senator yield?

Mr. ARMSTRONG. I am happy to yield.

Mr. DOMENICI. Let me say to my friend, and he knows that I really mean that sincerely, you have spent much more time on this subject than most. Probably only five Senators have spent as much. You were on the conference, asked a lot of penetrating questions. I know you went through the bill, and particularly those complicated questions about continuing resolutions and how you could score them against sequester.

My staff talked to you for a very long period of time.

I am absolutely convinced that in this particular instance, complication will be the mother of invention. The invention that is going to result will not be on the side of deficit reduction.

Let me give a very simple example, then ask you if your understanding of this bill is the same as mine.

My good friend from Florida quite properly, for about a year or a year and a half, has been saying, "We do not want any more of this"—I do not want to use the word "cheating"—"shenanigans," where you slip a day on military pay and pick up $3 billion in outlay savings.

You'll remember that one. That is how we fit a defense budget within a low target, by moving pay one day so that it is within the next year.

Mr. ARMSTRONG. I remember that very well. I think we discussed that on the floor at the time.

Mr. DOMENICI. We have language in here that purports to fix that. We do not want to do that anymore. We do not want the House Armed Services' approach to the defense bill, where they were told, "Meet this target or your bill does not pass."

They were not appropriating, but I am using an example.

They said, "We will talk to CBO."

They said, "How many days at the end of the year will it take to save $6 billion in outlays, if we do not pay our bills?"

They have in there, "The last 12 days of the year we do not pay our bills to anyone other than"—and they did not want to offend a lot of people so we put parenthetically, "(except small business)."

They got the number.

Now I ask, what do you think the results are going to be if an appropriations bill says, "Well, you are not supposed to exceed $5 billion in budget authority, and $4 billion in outlays for the year"?

You add it up and get CBO to tell you and they say, "Well, you are $70 million over."

So you write in the bill, OK, this $70 million will not be spent until the next year. You just write it in. You say here are these programs. They have a lot of money. We know they need it. We want to give them assurance. They have programs under way. We just say, all right, we give you your $4.6 billion, but $70 million of it will not spend until 1989.

We do not know where that fits with reference to this thing. We do not know how we are going to find that. But it seems to me every time we rely on this kind of complication, as the Senator indicated, that is the kind of invention we will confront. I do not believe it is possible to catch up.

I compliment the Senator on his argument today. It is about as good as anyone's. I regret to say that after having made as eloquent an argument as anyone has made against this bill, the Senator comes down mildly on the side of being for it. I tell my people back home frequently, when I am talking with them, that you cannot say "maybe" in the Senate. People who have never voted can say "maybe." But here, you either say "yes" or "no." So the Senator has come down on the side of "yes." I think the Senator has made an eloquent argument—perhaps better than I have made—against this bill, and I thank him for it. I hope somebody is listening so that they can say, "I have heard all the argument, and I am persuaded by Senator Armstrong from the great State of Colorado that I should vote against it."

Let me ask the Senator if——

Mr. ARMSTRONG. Mr. President, before the Senator propounds another question, I thank him for his generous observations about my arguments in opposition to this bill. But I want to point out I have four more reasons why people ought to have serious reservations before voting for this bill. In due course I am going to give, in a very low-key fashion, the rationale of why, notwithstanding the serious, possibly fatal flaws in this legislation, I am going to vote for it. But I thank him for his generous comments.

Mr. DOMENICI. I did not know the Senator had more.

Mr. ARMSTRONG. I do.

Mr. DOMENICI. I will not get up when the Senator is finished and compliment him a second time.

Mr. ARMSTRONG. I have a couple items that will probably curl the Senator's hair.

Mr. DOMENICI. Let me ask the Senator this question because I am not sure all our Senate friends understand this. But let me see if the Senator understands this the way I do.

We say we are going to sequester $23 billion off this new baseline, which the Senator and I know is not the current expenditures of Government, but decided to add 4.2 percent to the ledger so we have a hypothetical set of numbers for the Government's expenditures. I have called it today cutting from a hot-air baseline, instead of the expenditure level. Average citizens would assume, if you are cutting, you are cutting from where you are. We somehow added to both sides.

But now we have a reconciliation bill out here that was done a long time ago, a mandate to the committee that was supposed to, when coupled with the targets in appropriations, achieve $36 billion in cuts. We are not trying to get $36 billion anymore. It would not even be relevant because we use different starting points.

But am I correct now that once we have passed this, and assuming the President signs it, there is no blueprint for any of the committees around here to decide what their responsibility is, other than the parts of the reconciliation bill that are still relevant? And the tax one is not.

I have said there will be taxes, but nobody is saying $21 billion. In fact, that is why we have this Gramm-Rudman-Hollings fix, because nobody wanted to do $21 billion. Does the Senator share the same concern I have with all of this complication, that nobody is really going to know from this day until October 20, when a sequester goes in, whose responsibility it is to do what to get $23 billion?

Mr. ARMSTRONG. Mr. President, I think the Senator from New Mexico is correct. I am not so sure anybody knew where we were going anyway.

Mr. DOMENICI. Before.

Mr. ARMSTRONG. Before. There was a direction to the committees contained in the budget resolution.

Mr. DOMENICI. Yes.

Mr. ARMSTRONG. And so from the standpoint of civic theory, one could suppose that the committees were going to abide by that, but we at least had a road map. If the Senator's point is that this sort of puts a large ink blot on the road map and conceals more than it reveals, I would agree with that. What I think is going to happen, at least the best hope I can put on the matter from that standpoint, is that having stuck their necks out to present and obtain passage of this bill the leaders involved—and we are talking about the principal leaders of the House and the chairman and ranking member of the Senate Finance Committee, the chairman of the Budget Committee, and some others—having committed so much of their personal prestige to this are going to feel obli-

gated to make it work. Frankly, I think the people who have put this compromise together, the ones I have named and some others, have a very heavy responsibility, and indeed those of us who vote for it have a responsibility, to figure out how to make it work.

I mention that in passing because, as I conclude my remarks, I am going to spell out some things that Senators can count on me to do and some things they cannot. For example, and this brings me to one of the points I wanted to make about the bill, many people think it will trigger a tax increase. That could be true. I am going to vote for it but I am serving notice right now that if anybody is counting my vote for a tax increase, they can quit counting because I am not personally buying into that kind of a compromise. If somebody is harboring the notion that they are going to avoid the sequester because we are going to pass a big tax increase and they need my vote to do it, they should just think again because they will not have my vote, probably will not in fact.

But I think the answer to the Senator's question is that this legislation, if enacted, will lead to exactly what he has suggested, invention, and there is probably going to be some pretty cute inventions around here.

I hope that in the spirit this has come forward—because even though I think the work product is poor, the spirit that underlies it is genuine and good, and I hope that spirit will prevail—when the crunch comes—and there will be a little crunch later this year and another little crunch after that and a huge, colossal, mammoth, earth-shaking crunch in 1989—we will not approach it by resorting to golden gimmicks, or the kind of deferrals of payments that the Senator has mentioned, or the kind of smoke and mirrors that we have gone through, or selling of assets, or double counting savings, or adjusting the baseline, or hot air baselines, or any of that. I hope that the people who are really bringing this forward will feel obligated to comply not just with the letter of it but with the spirit of it. If all they do is comply with the letter, there is a good possibility we will just end up in a cul-de-sac because the truth is nobody knows for sure what the letter of this provision really would require us to do. And so what we are buying into, what anybody who votes for this thing is really buying into is sort of a consensus of goodwill with some broad guidelines. And if that is not a poor way to legislate, I will throw in with them.

Mr. DOMENICI. I thank the Senator.

Mr. ARMSTRONG. I guess that responds to the Senator's question.

Mr. President, I do want to set forth at least four more reasons why I think we ought to have doubts and reservations about this legislation and why a vote against it would be amply justified. I have already mentioned that it may set the stage for a tax increase. The choice that we are going to face very quickly is a sequester or a tax increase. If anybody thinks as we gather here today that there will be votes enough to make significant cuts in domestic spending to avoid a sequester, they just counted the votes a lot differently than I have. I would be pleasantly surprised if that happened, but I do not think it will. Nor do I think it is likely that Senators are going to voluntarily belly up to the bar for big defense cuts.

So my guess is it is going to come right down to a question of either a sequester or a fairly substantial tax increase. I do not have a horror or a dread of a sequester. I have tried to look pretty carefully at what will happen if a few weeks from now there is a sequester and we have an across-the-board cut and it is allocated half to defense and half to domestic programs. It is going to hurt, but it is not going to be excruciating. It is just a prelude, just a foretaste of what we are going to go through next year and the year after if we are really serious about it. I have already said my piece about that, that I am worried about how the baseline will be defined when we start cutting defense, and I just want it on the record that I am keeping my powder dry on a tax increase.

Let me make the point that lovers of Government process will find this bill a disaster. People who honor the traditions of the legislative body and who think that self-government is not only a practical thing but is also a thing of beauty will find this a monstrosity. This is a procedural nightmare.

It is also most unfair. It is not just complicated; it is really unfair. We have a provision—I do not know if it has been discussed previously—in this conference report, as I understand it, which says that when the sequester is ready to go into effect, it is possible for the Congress to consider and act upon an alternative sequester resolution. That alternative sequester resolution comes to the floor under expedited procedures, a highly privileged matter, and is subject to amendment but only with some limitations, and may not be filibustered. It is a high-priority, special treatment piece of legislation which provides an alternative to the Presidential sequester.

Here is the part that I find to be completely unfair. The only person who can introduce that sequester is the majority leader. I do not take anything away from the majority leader in saying there are 99 other Senators and the notion that the only person in this Chamber—and am I mistaken about this? Has this been altered since we discussed it earlier? The only person in the U.S. Senate who can propound an alternative to the sequester is the majority leader. The same is true in the other body. They have 435 Members in the House. Only one of them can introduce an alternative sequester. I think that is really tinkering around with a procedural consideration that we are going to regret. I already regret it, and we have not even started it yet. That is just one of the features of this which I really think are a procedural nightmare.

Seventh, let me point out that we are really just postponing the day of reckoning, although we will have some pretty heavy going here in the next few weeks if we enact this—probably some work, tough votes, and decisions we have to make whether or not we want to support a tax increase, whether or not we want to see education cut, agriculture cut, defense cut, and other things. What we are really doing is putting off the day of reckoning. We are not advancing the day of reckoning. We are not saying: OK, the problem is here; let us bite the bullet. We are saying: Let us go on a diet starting 2 years from now.

I am sure I have told this before. But after I put on a few pounds, I tried to figure out some way to lose weight without dieting. I cannot do it. What I can do is postpone the decision on Friday. I will say the weekend is a bad time to start a diet. On Monday I will say this is a hard week and it is a poor time to start the diet. But the truth of the matter is, if you want to lose weight, to eat a little less. If you want to balance the Federal budget, you have to start spending a little less.

What we are really saying is we are going to be virtuous, strong, courageous, take chances, we are going to bite the bullet but we are not going to do it for a couple of years. We are just going to take a nibble of the bullet now and really chomp down on it in 1989.

Finally, Mr. President, I have not tried to make an exhaustive list in this legislation, but I do want to note in passing that it gets the Congress even more deeply mired in micromanaging the affairs of the Government because when that sequester hits or threatens to hit, we will know with precision exactly how every program, function, and operation of the Government is going to be affected.

Then we are going to have presumably an opportunity to consider an alternative by the lead of the majority leader, if he decides to give us a vehicle on which we can work. Then Senators are going to take a look at every act, every program, and every line item. We are going through and critique it and fine tune it. We are going to have votes, and we are going to involve the Senate more and more deeply in the minutia of Government

instead of the policy issues of Government.

We have gone a long way down that road in the last 10 or 12 years since the passing of the Impoundment Act. Congress got mad at President Nixon because he did not spend some money. So we passed the Budget and Impoundment Act which drew us quite deeply into the process of second guessing things which had been formerly matters of executive discretion step by step with a lot of bad faith, I guess I would have to say on both sides, both on the side of the executive branch and on the side of the Congress. We have rubbed each other's nerves so raw that now nobody trusts anybody. The only way that we can find to do business is to pass statutory enactments or report language that attempts to fine tune these small features of Government.

What we really ought to do is have the courage, grace and confidence enough in our system and in the processes of Government, just the ordinary every-day processes of Government, to say, look, here is the policy, here is the broad outline. That is the law. That is what Congress passes. And it is then up to the President, the Cabinet offices, and the OMB to make most of the day to day operating decisions about how to fit into those priorities, and not put them in such a straitjacket as we have done.

First, because it corrupts the function of the Congress, and I will tell you in the years I have been here, I have seen the deterioration in the situation to a large degree, and I think others would say the same thing. Congress is less and less willing to come to grips with large policy issues and more and more focused on the tiny issues, the minutia of Government.

Somebody said—and I guess it is too cynical for me really to subscribe to, but it is not far off the mark—that you can tell how important an issue is by the way it is handled by the Congress of the United States, because those matters which are basically inconsequential are accorded the full treatment, the formal debate, the issuance of a committee report, lengthly discussion on the floor, and really the full ceremonial honors. Those go to the matters which are basically minor or are of inconsequential importance. Those things which are of huge importance are handled in the middle of the night by unanimous consent with 30 minutes' debate, and really are kind of blown off as if they did not matter. There is a lot of truth to that. I do not quite subscribe to that notion, but it is not far off the mark.

Micromanagement of this kind is bad for the legislative branch. It is just terrible for the executive branch, because it puts the premium over there on their finding ways to subvert the intent of Congress. It is a situation in which capable executives are frustrated about 5 minutes after they get into office. It is the way no businessman would operate a company. It is a way in which most State governments that I am familiar with are not operated. We would not operate our own offices with the kind of procedural straitjacket that we put the President of the United States, our Cabinet secretaries, and the OMB in.

So those are the reasons why I think this legislation is seriously, and as I said earlier possibly fatally flawed. First, it does validate a very large increase in the deficit. Second, there is a danger, a serious possibility that it will not work; that it is heavily backloaded; that it will come down like a ton of bricks on the new President right after he takes office; that it is so complicated and ambiguous that it is impossible for Senators, let alone people at home, to understand and therefore hold accountable to people who are making policy; that it probably sets the stage for a tax increase or at least a large battle over a tax increase; that it is a procedural nightmare; and, that it leads to micromanagement which is bad for both Congress and the executive branch.

Mr. President, the tragic part of this is that we do not have to make a Hobson's choice here. There are other horses in the barn. If the stable of keepers were not insisting we take only the horse nearest to the door, if we could go into the corral and sort of look them over, check their teeth, and hooves, the fact of the matter is there are a lot of better ideas on the drawing boards than this Rube Goldberg cockamamy proposition that we are going to vote on today.

For example, we could enhance the recission authority of the President. That would save a lot of money. Do it in a way that would not undermine the prerogatives of the President. I remember when the Democrats were in control around here before I tried to get a resolution passed to enhance the President's rescission authority and Jimmy Carter was the President. All my Republican friends were apprehensive—not all of them. A lot of them were afraid he would use his enhanced rescission authority to cut the Defense establishment.

As soon as Ronald Reagan got in, I went around and got a bunch of them lined up because they felt more comfortable with Reagan in the White House. But I noticed there was a tremendous dropoff on the other side of the aisle. Some of the same people who had been willing to strengthen the hands of the Democratic President were not willing to strengthen the hands of a Republican President. We argued about that, and fought over it. I offered amendments several times.

Then Russell Long and I once offered a very sensible proposal that would have given the President authority to rescind on an expedited basis in order to meet targets in the budget resolution passed by the Congress itself. Incredibly, I am dumbfounded even in retrospect to report this, the administration opposed that. Here we had Democrats and Republicans lined up and they actively opposed the measure. They did not think the President ought to have such authority. They were afraid they would be accused of using it to rescind all or a portion of some increase in Social Security payments. They were afraid of it politically, so we only got 47 votes for it, which I think was the high-water mark on rescission around here.

The line item veto would be a better idea. A constitutional veto to balance the budget would be a better idea.

What would be best would be if we agreed to set this measure over for about 2 weeks and every day take up about 10 proposals pending for specific spending reductions, if the President sent up a package of about 40 measures that would abolish, sharply curtail, or drastically curtail programs like UDAG, farm subsidies, and others.

When we got done with that, if we have the courage of our convictions, we would look at some of the sacred cows, such as Social Security.

I note for my colleagues that I have said for the second time today the unmentionable word, "Social Security," and I draw attention to the fact thus far I have not been struck by lightning.

Around here, if anybody mentions one of those sacred cows—farm subsidies or Social Security—and suggests that we could fine-tune one of these and we could save money and it would be wise to do so, immediately there is such a hue and cry that they back off. It would be better for us to adopt some courage.

We have a Hobson's choice. We can either saddle up the horse nearest to the door of the barn or forget it, because we are not going to get a chance to look at the other horses right now.

Mr. President, on that basis, as I see it, we are confronted with a very unsatisfactory choice: Either sort of go along the way we are, creeping disaster, the prospect of rising deficits, rising interests rates, rising inflation, and probably a further decline of the dollar, and gradually sink into a quagmire—and undoubtedly were we to defeat this, it would be sometime before we could put together even the start of a bipartisan effort to bring this problem under control—or we can support this, with the likely outcome of a train wreck.

So, do you want a creeping disaster or a train wreck? I have decided to be a train wreck man. I think passage of this is going to cause disaster sooner

or later, and probably both. It is better, in my opinion, to go forth in the spirit, not the letter, of this proposal, but the spirit that underlies it, the spirit that brought together thoughtful people in both Houses, on both sides of the aisle, to support it. And when we invent these crazy new solutions to comply with it, it will be done in an open manner, and we will not resort to gimmicks, and the outcome will be the best.

When I was in the State legislature, we used to have a phrase which I do not think I have heard around here, but it applies here. When we came to a particularly noxious matter, we sometimes said we were going to hold our nose and vote for it. Mr. President, when the vote comes, I think I am going to hold my nose and vote for it.

Mr. DOMENICI. Mr. President, I need not repeat my remarks with reference to the distinguished Senator from Colorado. But, having heard his eloquent remarks in opposition, I must compliment him again.

Far be it for me to challenge his logic that, in spite of all those reasons, he is going to hold his nose and vote for it. But I hope that those around here who wonder what is wrong with this measure listen.

I might say, before I engage in a colloquy with the senior Senator from Oregon [Mr. HATFIELD] that I did hear the Senator from Colorado say he is going to vote for this and he thinks there is a way to get the $23 billion fix without taxes. I hope everybody understands he was expressing his view of the world. I prefer to tell the Senate what I think the consensus view of the world is, as to those who put this thing together.

I do not think there is the slightest intention to affect a fix, getting rid of the sequester without additional taxes. I have not heard any proposal, and I do not see any on the horizon, to fix it; and even with that, I do not believe we are going to get an adequate defense level.

The Senator from Colorado has his view. The Senator from Texas has his view, that he is going to vote for this. He said he would not vote for taxes. He did not say that it can be done without taxes. He said he merely was not going to vote for them. That was his position when he spoke.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. ARMSTRONG. The Senator's statement reminds me of a footnote that I should state.

First, while I am going to vote for this, I am going to listen intentently to what the President says when it reaches his desk. I do not know whether he will sign it. My feeling is that he will. This is going to be one of those rare occasions when I might change my mind. In the years I have been in the Senate, I do not recall that I have ever actually changed my vote as a result of a Presidential veto. I may in this case, depending on his reason for doing so.

Second, I stopped just short of saying that I would never vote for any taxes. I said there is a consensus that taxes are part of the answer, but they had better not be counting on my vote to do that, because at the moment the sequester is more attractive than a big tax increase.

I thank the Senator for permitting me to add that. My guess is that we will have a train wreck, and it will come down to a question of whether or not we can get all the principal players at the table, including the President, and it will involve a trade off of some taxes and involve a trade off on some of these sacred cows.

Mr. DOMENICI. Mr. President, I should like to discuss with the Senator from Oregon the operation of sequestration with regard to a full-year appropriation bill. My questions will relate equally to a full-year continuing resolution and to regular appropriation bills.

Is the distinguished ranking member, the senior Senator from Oregon, prepared to discuss that with me?

Mr. HATFIELD. I will be happy to respond the best I can.

The PRESIDING OFFICER. The Senator from Oregon is prepared to engage in colloquy.

Mr. DOMENICI. Let me assume that when the sequester order was issued, the baseline for each of three programs was $100 million, for a total spending baseline of $300 million. Let me also assume that the sequester percentage is 10 percent, which, for these three programs, translates into a sequester of $10 million from each program.

I further assume that the full year appropriation bill funds these programs as follows: Program A, $100 million; Program B, $115 million; Program C, $85 million.

I ask my friend, having read the language in an effort to understand continuing resolutions and appropriations concerning sequester, how would this mechanism apply to these three programs, funded on a full-year bill which is enacted after the final sequester order has been issued?

Mr. HATFIELD. Mr. President, I respond to the distinguished Senator from New Mexico by saying that this colloquy is not spontaneous. Rather, it is well prepared, from the standpoint that I found it necessary to go to our staff on the Appropriations Committee, including both technical and legal resources that we have on that committee, to try to work out some responses to these questions. Thereby, I want to give it more authenticity than if I were to try to respond off the top of my head, on the basis of my reading of the report.

So, I want to make very clear that this is composite thinking. Therefore, any kind of attack that might be made on my responses would have to be made equally to my staff as well as to myself, but seriously, it reflects our best understanding of the situation after some study and analysis.

Let us take this scenario that the Senator from New Mexico has outlined and I would say this, that if these programs were to be handled under the conference report as best we understand it, program A would be cut by $10 million, which would bring it to $90 million; program B would be cut by $10 million, which would bring it to $105 million; but program C would not subject to any cuts at all because the language prohibits the reduction of a program to a level which is below the baseline minus the sequester.

I might note, however, this appears to be the case only in the very rare instance where a regular appropriation bill is signed into law immediately following enactment of a partial-year continuing resolution.

I believe this may have occurred in 1983 or 1984. But that would be basically the way I would interpret the application of this conference report on those three programs.

Mr. DOMENICI. What is the net savings from sequester in that illustration?

Mr. HATFIELD. Again, if you assume the baseline of $300 million, a 10 percent sequester should have resulted in a post-sequester spending of $270 million, but because of this special rule, actual spending will be at $280 million.

Mr. DOMENICI. I am compelled to ask my good friend how the proponents of this conference report can then assume and assure us that the deficit reduction purported here will actually happen? How are we guaranteed? Not that I want it to happen against appropriations, but it seems to me that there are some who are saying that is what is going to happen. How are we guaranteed that the fiscal year 1988 sequester will actually result in a $23 billion deficit reduction?

Mr. HATFIELD. I would respond again to my good friend that I find such assurances difficult to justify. Dealing with the realities that we have to deal with, I must question whether those assurances can be delivered. I think they may be offered with good intentions and in good faith, but I can say from the appropriations perspective I do not really see how this could automatically happen.

Mr. DOMENICI. Then I have another question. This one is regarding the so-called cleanup accounting procedure which is supposed to take place after one or more short-term continu-

ing resolutions, at the time we finally enact a full year funding bill. There are provisions trying to cover that here.

Using program C from the above example, is it not true that that account, which was funded at $85 million, or $15 million below the baseline of $100 million, is subject to further reduction under a short-term CR?

Mr. HATFIELD. I would say the Senator is correct, for the reason that if program C is funded in a short-term CR at an annual rate of, say, $85 million and the sequester percentage is 10 percent, then the resulting rate would be $76.5 million in one interpretation, or could be $75 million under a seemingly plausible but again a different, separate interpretation.

Mr. DOMENICI. So that means that it is true that when a full-year bill is enacted the $10 million cut must be restored, but because of the rule that no account may be sequestered under a full-year bill to a level which is lower than the baseline minus the sequester amount, or in this case below $90 million.

Mr. HATFIELD. I would say the Senator is correct again for in the illustration either the $8.5 million of the $10 million, depending on how you read the language and how you interpret it, would have to be restored to bring program C back up to its original $85 million level. At least that is what appears to be the case. Given the caveat, unfortunately, as the bill language contains the confusing and ambiguous term, and I quote "the amount sequestered" when describing the effect of a sequestration order on a partial year—I want to underscore the "partial year"—continuing resolution. It appears that the conferees were under a misperception that only a limited sum of dollars are provided by a CR and that the "amount" sequestered was proportionate to this reduced level. This is not the case as I understand it, and once the funds are sequested, I am not sure how they can be magically reincarnated or restored and considered available in this subsequent measure.

Mr. DOMENICI. Where would the Government find the money to pay for such a restoration?

Mr. HATFIELD. I do not find anything in the conference report that addresses this question. As for myself, I do not see how it could be done, given the fact that when amounts were sequestered from the short-term CR's those amounts were permanently cancelled, pursuant to the specifications of the final order.

Mr. DOMENICI. Then it seems to me, I say to my friend from Oregon, that I might infer that in all likelihood we may actually be asked to enact an appropriations measure in order to provide a restoration of sequestered amounts which are promised in this conference report.

Mr. HATFIELD. I believe the Senator from New Mexico is correct.

Mr. President, let me add a few additional thoughts on this particular question that we are facing here for this procedure that we have discussed may come across as either incomprehensible or very complex. It is both. And I think that has been one of the difficulties that the conference committee has experienced trying to deal with complexities with not only novel and complex procedures, but also how these would apply to highly technical appropriation legislation.

I think the issues raised by my colleague from New Mexico point to the very substantial question of just how will this work, the mechanics of it and we as legislators have a responsibility, I believe, to assure that the laws we pass are reasonably likely to achieve the results that we intend.

I think that it is clear that this conference agreement fails that test. But there is a more fundamental question. It does not revolve around merely trying to make sense of the words before us—it goes to the basic illogic of trying to balance the Federal budget by slashing discretionary appropriations, addressing a very small part of the total budget.

If the goal of the supporters of this legislation is to prove that we can cut discretionary spending, the Appropriations Committee and this body have time and time again proven the point.

Only 6 years ago, I want to remind ourselves discretionary spending was nearly half the Federal budget. It is now less than a third—less than $300 billion of a budget exceeding $1 trillion.

If this legislation passes, I cannot doubt that we will slash discretionary expenditures to under a quarter of the total budget—but we will accomplish very little indeed toward eliminating the deficit.

And at what cost?

Earlier this year everyone crowded to jump on the bandwagon of addressing the needs of our Nation's homeless. Those programs will be devastated.

We have spent weeks on the defense authorization bill, and I do not shed crocodile tears over the imposition of this measure on this part of the spending, but it still has to be looked at in a fair, objective way as much as we can be objective. But all our rhetoric and debate on these issues will be swept away by the meat ax cuts called for in Gramm-Rudman-Hollings, even in this area of spending.

Health research, science and technology, environmental protection, economic development, law enforcement, international assistance—all with face the same fate.

Mr. President, until we confront the real problems driving the Federal deficit, which are entitlements and the lack of revenues, we are only fooling the American people. Worse—we are fooling ourselves.

I know the sponsors of this legislation say that this in only an action forcing device, that this will force the Congress to address mandatory spending and taxes.

Unfortunately this device is a loaded gun pointed directly at the Appropriations Committee—and the folks that are supposed to be forced into action are on the tax writing and authorizing committees.

We are already bruised veterans of this difficult budget cutting business. I have said it in the past and I will restate it again: we have been in surgery and without the benefit of anesthetic. Good programs have been amputated and operated on in the discretionary part of the budget. We do not have much of a body left to operate on.

And we have gotten the message in that Appropriations Committee. We have cut and cut and cut.

I might ask, and even today I think it would be a very pertinent question, Where is the reconciliation bill that is supposed to address this same problem?

Mr. President, I want to just offer really a gratuitous, unnecessary observation. But, as a history buff, I am wondering what we really are doing to the next President of the United States, be that person Democrat or Republican. I wonder if we are really setting up a situation which will create the same circumstances that faced a man by the name of Herbert Hoover.

We have been playing Calvin Coolidge for an awful long time in the last few years in not facing up to the signals and the danger signs we have certainly encountered recently. And I am not sure that in the present circumstance of today's politics that, even though Mr. Hoover's administration was the first administration to interdict the economic cycle with the powers of the Federal Government—and while it is fortunate that historians are recognizing that Harding, Coolidge, and Hoover were not the last of the old regime resistance. Rather it was only Harding and Coolidge who were the last of the old and Herbert Hoover was the one who laid the foundations for the New Deal.

Be that as it may, I do not think today we face the same political environment. I think the next President, instead of having to worry and fret and shoulder the responsibilities of the inaction or the bad actions of the previous years and administrations, will probably spend more of his time not dealing with the Gramm-Rudman fix that he will inherit but fending off articles of impeachment. That, to me,

will be the real task for the next President given the budgetary disaster we are encouraging with this legislation.

I might ask the Senator from New Mexico, would you really want to be the next President of the United States and inherit that?

Mr. DOMENICI. Under no circumstances.

Mr. HATFIELD. I thank the Senator.

(Mr. DIXON assumed the chair.)

Mr. DOMENICI. As a matter of fact, I might say to my dear friend, in his absence this morning—and I know he was at the markup on the Energy Committee, which I could not make—I came to the conclusion and told the Senate that if anybody was voting for this because of a 6-year emergency balanced budget, fix-the-economy bill, that they were pipe dreaming. As a matter of fact, it may get us through the next 2 years, and then we will start over with another President. No one convinces me that we are going to be anywhere close to the target set for the first 2 years by the time we are through with all the manipulating. And, as my friend from Colorado said, it is so complex that it is going to be the innovator of all kinds of shenanigans.

Then, I might say to my friend, in this next year, we claim we have a fixed target. But then we say the cut is no more than a certain amount. And then we set a new, higher baseline from which to start. Whatever current law is, we add 4.2 percent to it. We could be at $175 billion with that added to it.

So we will send this new President, 2 years from now, a target that is supposed to really get us on the way. It will be absolutely impossible. And do you know what he is going do? He is going to say, "Let's get rid of that first thing, and let's talk sense."

So this bill is really about 2 years, that is what we are really finagling with.

Mr. HATFIELD. Will the Senator yield?

Mr. DOMENICI. I am pleased to yield.

Mr. HATFIELD. Would you say it is analogous to the Western parlance of a floating financial crap game?

Mr. DOMENICI. Well, I have heard so many wonderful expressions of late that you might want to give me the privilege of saying I pass on that. I am not sure.

I understand the Senator from Washington desires to speak.

I might say to Senators on my side, if any of you are interested, I am getting pretty close to agreeing that we are through on our side. I want another few minutes, and I understand the distinguished minority leader wants a few minutes. I understand my friend, the senior Senator from Washington, wants a few minutes and the distinguished Senator from Kansas, Senator KASSEBAUM, wants to speak. I think that is about it on our side. So we should not be too many more minutes, I say to the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. Thank you, Mr. President. I did not know it at the time, but several nights ago I had an opportunity to go through some old papers, trying to sort things out in preparation for doing some writing for a lecture later on this fall. As I went through all of that, I ran across some things that bear on what we are arguing today, for it was a series of budget papers during several of the years I served as Governor of the State of Washington.

Those budget papers reflected a time during our fiscal biennium when we had very sharp retrenchment in our economy, creating a necessity for the government to move and to move rapidly to keep our budget in balance. We did so by radically restricting spending on an immediate basis.

In thinking about that time and those papers and this debate today, I am struck by how simple and how easy, and, perhaps relatively, how small the problems were in that State. But then, on second throught, I began to wonder why we make things so darn complex here.

I doubt that there is one State out of 50 in this Nation that does not at this time have a better accounting procedure than the Federal Government, a more simplified and streamlined budget procedure, a better method of keeping their books, and a more understandable way of predicting what is going to happen. In virtually every respect, these States, presumably with fewer people, with less expertise and experience, have all contrived somehow to do the job in a better, simpler, and more straightforward manner than we.

Well, with all of that, Mr. President, I am going to vote for this bill. I do not like it very well, but it is the only game in town. No one I have heard of has suggested a real alternative to what is being suggested here. I am not among those who believe that Gramm-Rudman-Hollings has failed. I think, quite to the contrary, it has worked and worked far better than we could have anticipated when it was passed. It has worked because we have set for ourselves and for the President the requirement of fixed targets. And even though we are now in the process of modifying or changing those targets, they are still going to be fixed targets.

It was too easy for us in the past, before Gramm-Rudman-Hollings, to merely say, "Here's what we want to spend and here's what the current revenues will bring in." And when we were shocked by the difference, the size of the deficit, we merely refigured the economy or economic projection. We rejuggled figures, knowing full well that what we were producing was not honest and was not straightforward and certainly would not be accurate.

At least under this act, over the last several years, we have been forced to fix targets. We have been forced to a more rigorous measure of expectation of the economy and the revenues that economy would bring in in the future. And in fiscal 1987, at least, we finally started to stop the fiscal hemorrhage which has been going on in this Nation for most of the last decade.

I think it has worked so far because the alternative to meeting those targets is a mechanistic sequester, which no one wants. That mechanistic sequester is unacceptable to constituents who put us here to make tough choices.

I believe that, even with the difficulty and the complexity of this conference report, if adopted, this Congress eventually will not sit still for a mechanistic sequester, but will find a proper, more balanced, more rational way to meet the same targets.

This fix, which certaintly is not the best approach, is probably one of the only realistic approaches we have in front of us. A vote against it, at this point, is merely a vote to retreat. It is a vote to have nothing in place. It is a vote to say we are either going to come to an extraordinary crash with the unreachable goals under the unamended Gramm-Rudman-Hollings bill, or that we are going to abandon the whole process and let deficits go where they will.

I do not think either course is responsible. We cannot turn our backs on the problems we face. We have got to keep the pressure on. We have got to keep focusing on fixed targets and try to make those targets as tough to reach as possible, but still realistic targets.

Like all of us, I am concerned about national security and I do not think we can adopt a program that will strip from this country an adequate defense and adequate spending for defense. A level of spending which, at least over the last 6 years, has gone a long way toward ensuring that the Soviet Union came to the bargaining table. It has probably been one of the largest and most responsible causes for the arms control agreement we are about to enter into.

I am equally concerned, as my colleagues are, with the alternatively simple solution—maybe not an easy one but it is certainly simple—to erase the deficit by wholesale increases in taxes.

But this is no time to let perfect be the enemy of good. We are not producing something that is perfect. But I believe it is at least good enough to

try. Let us face it, we painted ourselves into this corner. We, and the President, both joined in producing budgets and appropriations which had increasing amounts of red ink. We kept kidding ourselves that budget deficits would keep coming down each year and as each year passed we saw that instead of going down, the deficits were going up. We should have known better. And we tried again the next year and we predicted that deficits would go down and at year end the deficits kept going up. We knew they were going up but refused to face up to it. It was only when a Gramm-Rudman-Hollings bill came into being that we had to march to a tougher drummer.

I have said that those opposed to this legislation, Mr. President, have not suggested any great series of alternatives. Do we adopt, as some in this body would suggest, a balanced budget amendment to the Constitution? Well, I can tell you one thing, that if we did we would have all the complexities that we are now facing under this legislation, coupled with the full participation with all 18 feet of the 9 Members of the Supreme Court. That is a complexity we do not need.

If you are concerned about the boxing-in that we are doing with the Gramm-Rudman-Hollings bill, if you pass a balanced budget to the U.S. Constitution, you "ain't seen nothing yet."

That layer of complexity would be with us for years as the Court tried to interpret what we meant by all of the fiscal terms we commonly use each day.

In fact, what we should be focusing on, Mr. President, is the budget process itself. Gramm-Rudman-Hollings attacks the symptoms but not the cause. It is an additional complex procedure which exacerbates the overall complexity of the budget process but perhaps is necessary since we are unwilling at this point to produce anything simpler.

We spend far too many hours on this subject and others in this body, particularly tinkering with procedures, and far too little time dealing with substance. It is time to start rebuilding. Clearly our current budget laws are fundamentally flawed. It is time to start from scratch and put together a program that works.

There are some positive proposals around, many of which ought to be more seriously considered than they have been up to now. I have spent hours with my colleagues, Mr. President, in the last several weeks, on the Energy and Natural Resources Committee, and we have had to deal with the problems of how we were going to meet the reconciliation targets. I can tell you that we have been subjected to the most bizarre, complex, Byzantine kind of scorekeeping I have ever seen in my life.

It is not so much whether you really save money or do not save money; it is how you keep score. It has gotten to the point where it is really a Mad Hatter's tea party in the way we do our business.

I see my distinguished colleague from Kansas is here. She and Senator INOUYE from Hawaii have introduced a bill which I think needs some serious consideration and debate, which would simply abandon our Budget Committee, make the authorization committees into Appropriations Subcommittees along with their other responsibilities, and make the Appropriations Committee as I understand it sort of a grand leadership committee to pull together of all of those efforts. It would slash, at one time, through much of the thicket we have built over the last 10 years.

Along with that, Mr. President, we ought to consider more seriously than we are willing to in this bill, although I am glad to see that there are some beginning efforts in this proposal, to look seriously at 2-year budgeting.

Although it is not in here, I think we ought to equally look at a straightforward capital budget to go along with our operating budget so that we all really understand better just what it is we are doing.

No State, and no corporation I know of, would accept a budget that did not clearly set aside their capital expenditures from the maintenance and operating expenditures of a budget.

We need to ensure, Mr. President, that there are at least 13 separate appropriation bills which we present to the President. We are not only giving the President a line-item veto, but when we send him a single overall continuing resolution we have stolen from him for all practical purposes any kind of veto at all.

What President after the beginning of a fiscal year, when faced with a single omnibus appropriation bill covering the entire Government of the United States, could afford to veto that bill and in doing so bring the entire Government to a halt?

With all of that, Mr. President, I do not think the news is all bad. We have spent much of our time over the last few days, and over the last few weeks, in arguing about budgets and in looking ahead, purporting to show how things are going to get worse rather than better. We forget sometimes that every time we look ahead toward budgetmaking we are dealing with the future. We are estimating. We are predicting events which we simply cannot know for sure, events which will happen in terms of economic performance, in terms of international affairs, in terms of a whole host of other measures which will have or could have drastic effects on future deficits.

When I said the news is not all bad, I think it is important, sometimes, to look back and to see where we have come from. I think it is important to not just look at the dollar size of the deficit which has gone in the past 6 years from fiscal year 1982 onward from 111, 195, 175, 212, 221. This year, which will end in less than a month, it is estimated that it will be less than $160 billion. We have turned something of a corner.

If you measure the deficit, however, you should not measure it just in dollar terms, because that does not mean very much unless you compare the dollar terms to the total size of the budget so you know what percentage it is of that total budget. The deficit as a percentage of total revenues actually peaked in 1983. In fiscal 1982, the deficit as a percentage of revenues was almost 18 percent. In 1983, it was 32½ percent. By fiscal 1984, it was down to 26 percent. Then up to 29, down to 28.7. And in fiscal 1987, down to 18.5 percent—lower than at any other year since 1982.

What is even more important, Mr. President, is the measure of what we pay in interest. What is our debt service every year compared to the total revenues we take in? That is a meaningful figure. That is something we look at as a family, as a corporation, as a State, and we should as a nation. We should certainly be looking at trends. Are we spending more of our income on debt service this year than last year? If we are spending more, we are headed for real trouble as a family or as a nation. If we are spending less, we may be getting a little healthy.

What are the figures over the last 6 years? In 1982, we spent 13.8 percent of our income on debt service. In 1983 it was 15 percent. In 1984, it was 16.7 percent. In 1985, it was 17.6 percent. We were headed for real trouble in each succeeding year.

In 1986, it was 17.7 percent.

But, listen. In 1987, the year which will very shortly end, it is estimated that the percentage of income that goes to debt service will be 16.1 percent, the lowest it has been in the last 4 years.

We have an opportunity with the bill we are about to pass to keep it at about that same level. We are not going to make very much additional progress, but it will still keep it at a reasonable level. It will not allow it to creep upward any more. I think that in itself is a pretty significant measure of progress.

The challenge, as we look ahead, is to do what we can do to have the best chance of ensuring a good, healthy, economy. Because a strong economy, more than anything else, is going to determine the size of our fiscal deficit 1 year from today.

We will go through all of our budgetmaking. We will set pretty closely the total amount of spending. But we are still guessing on what the revenues will be. Those revenues will depend on the nature of our economy and its speed of growth, the rate of inflation, the rate of unemployment, and all of the other factors we look at so carefully.

But in each of those we are estimating at best and guessing, probably more accurately.

What is more important, Mr. President, is that as we look ahead this year, perhaps more than any year in our recent history, we have a chance to affect what happens instead of just waiting for the results. If we send clear signals that we are serious about deficit reduction to the financial markets, the business leaders, the people who make up the private sector of our economy, and our international friends, allies, and trading partners, then, Mr. President, I think we can begin to affect the health of our economy. That is what can have remarkable results.

If our economy grows in terms of real growth of the gross national product 1 percent faster than we are now anticipating, that alone would reduce the size of our deficit by $30 billion-plus. That, Mr. President, as far as I am concerned, is the very best way to reduce our fiscal deficit.

We have to make some tough choices. Those tough choices may include some revenue increases. They may include cutting the defense budget more than some would suggest. It may include postponing or even cutting some of the important domestic services we would like to carry out. But by doing so we can lay the groundwork for a better economy and a better opportunity for the next year when it comes along.

Mr. President, I am not like some who feel that this is so flawed it ought to be defeated. I am not like some who feel that we are headed for a train wreck, as my colleague from Colorado suggested. But he was going to vote for the train wreck because he thought out of the train wreck might come something better.

No, I am not going to vote for it because I am a great enthusiast and think it is a great piece of legislation. Few pieces of legislation that we pass are. But I am going to vote for it because I do think it is the only responsible game in town today. I believe it is something we can work with. I am confident that my colleagues will join and, together, we will pass a responsible alternative to an automatic sequester and that in doing so we will lay the groundwork for a stronger economy. If, in fact, that is the outcome, then we will have dealt responsibly with our charge as Senators of the United States. I thank the Chair.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, at the risk of standing alone at the end of what I know has been a laborious effort on the part of many to fashion this particular legislation, I would just like to speak for a moment about why I will be voting against it.

First, I would highly praise the Senator from Florida, the chairman of the Budget Committee [Mr. CHILES] and the ranking member, the Senator from New Mexico [Mr. DOMENICI]. There have been no two members who have worked harder in the years I have served on the Budget Committee to try to fashion a sensible budget.

The godfather of the present budget legislation, the Senator from Texas [Mr. GRAMM] is also on the floor. I think we in this body share the desire for deficit reduction and a balanced budget and, more importantly, a sound and sensible fiscal policy.

Now legislation is before us attached to a debt ceiling limit, which we must pass, to significantly change Gramm-Rudman-Hollings in the name of deficit reduction.

I voted against the original Gramm-Rudman-Hollings legislation and I will vote against this particular measure for very simple reasons. I have never believed we could procedurally solve our deficit problem. I have never believed the answer lay in a set of figures which force us into a straitjacket and which do not give us flexibility.

Second, I do not believe it will work because we will never enforce it. We will continue to exempt programs. We will utilize new economic factors. Or we will change targets.

Our intentions will be the best our implementation will be questionable.

I would just like to list a couple of things that we do not think about when we place ourselves in this kind of procedural straitjacket. Let us consider the legislative priorities we have set for ourselves:

The Clean Air Act must be passed this year. Its cost may be as high as $5 billion.

The Senate-passed trade bill will cost almost $10 billion. Only some of the cost has been built into this baseline.

The space station will cost approximately $16.5 billion, and the superconductor and supercollider is expected to cost about $9.5 billion.

Keep in mind, Mr. President, that the vast majority of these expenses are not figured into this baseline. Are we willing to forgo these initiatives and others, the cost of which will be enormous, in favor of hitting Gramm-Rudman-Hollings deficit targets? I submit we will not be so disposed.

It is imperative, and it must be our initial responsibility in the U.S. Senate, to reconcile our legislative goals and determine the best way to pay for them. These decisions must be coupled with a sound fiscal policy. Therein lies the problem.

A sound fiscal policy must balance social and political needs against economic costs. It is not dependent upon arbitrary targets which can be juggled or procedural measures which can be circumvented when we run out of options.

I admit the choices are tough. We have struggled with it since our founding. Many contend, like the distinguished Senator from Washington [Mr. EVANS] who has wisely lent his advice on fiscal problems, that there is no other game in town.

But I do not think this is true. The other games, so to speak, are tackling spending on defense and entitlements and increasing revenues—something that many are loathe to address. However, we have done it before. I think we can do it again. There is no easy way out of the situation before us. But substituting one set of smoke and mirrors for another is certainly not the answer. For that reason, Mr. President, I will be voting against the measure before us.

I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I am sure there are a few more people who want to speak and I know we are eager to vote. Rather than wait until the last minute, I will go ahead and answer several points that have been made today, and I will try to be brief.

We have heard a variety of arguments against fixing the Gramm-Rudmann-Hollings law. We have heard people who do not like the way we are doing it. One can always make an argument that there is a better way and a better time. The reality is, however, that this is the only opportunity we are going to have.

We have heard people get up and say, as did the distinguished Senator from New York, "Do you realize if we require a balanced budget this could cut AIDS research, that this could cut funding for air traffic control?" And that hits close to home to me because I for one am tired of money being raised for an air safety trust fund and then spent on other things. He listed all the heartthrob programs that many of us support and people want. We have heard people say, "If we put this new mechanism into place, mandate an automatic cut if we don't meet the target, it will cut defense." You have heard people say, "You realize if we mandate a balanced budget it will force a tax increase."

The problem is there is no free lunch. The problem is we are not

going to balance the budget without doing at least one of the above.

Now, I do not know the final outcome of the debate. I am not certain, when we put the whole package together, whether we will meet this target and achieve a balanced budget over the next 6 years by controlling domestic spending. I hope we do. By reducing defense further; I hope we do not. By raising taxes; I hope we do not. But in a sense, a lot of these speeches we have heard are the kind of speeches you might hear if you were getting together prior to football season and you had people jump up and say, "Do you realize if we play a football game, our opponent might score a touchdown? We might fumble the ball?" Good things and bad things may happen, but the point is everybody here recognizes that if we do not revitalize the Gramm-Rudman-Hollings law, we are not going to address this problem.

I do not know the final outcome. I know what I want it to be, but I am not willing to say that because the final outcome of the debate concerning reducing the deficit is one that I do not agree with, I am, therefore, willing to give up on the commitment we have made to the American people to control spending and to balance the Federal budget. I, for one, believe the time has come to take on this dragon. I am not sure how the ultimate death of the dragon is going to be produced, but I am willing to commit myself to that goal and to work with anybody else in the Senate who wants to work together to try to meet the target of $23 billion of deficit reduction this year and try to meet the targets in the outyears as well.

I believe the plain truth is that while there is no guarantee this process is going to be successful, it is like being the pilot of a jet fighter that is crashing. There are really only two alternatives: One, we can go ahead and ride it down to the ground or, two, we can fire the explosive charge under the ejection seat. It may blow up and kill us. The canopy may not come off and we may go through it. The parachute may not open.

All of those represent the fundamental uncertainties when you set out binding constraints and you force politicans to make hard choices. The notion of politicans making hard choices represents relatively unexplored territory in the functioning of democracy. I, for one, am willing to take those risks, and I am willing to take those risks because there is no real alternative. This is the only mechanism that we have that gives us any hope of forcing the Federal Government to be fiscally responsible.

It is for that reason I am asking people to vote for this bill, not that it is the best piece of legislation ever written, not that brilliant people could not have written it better. But the plain truth is nobody did. We have debated this subject for 2½ years. We have spent literally hundreds of hours in meetings trying to hammer out differences and get a bill. This is the best product we could produce. If it is rejected, do we have any reason to think that there will be a better one? I see none. If it is rejected, do we have any reason to believe that deficits will go down? That has not happened in the past. It is something that has been left up to us. We have not done the job in the past. This bill, with all of its imperfections and warts, still represents the best hope we have of dealing with the problem.

The pill is bitter, but the disease kills, and I believe it is imperative that we address the problem. I urge my colleagues to vote yes.

Mr. DOMENICI. Mr. President, unless the distinguished Senator from Minnesota [Mr. BOSCHWITZ] wants to speak—and I am sending for him—our distinguished leader wants to speak for 5 minutes. I do not think there are any others. I am putting out the word on this side, so I think it is very close.

The PRESIDING OFFICER. Is the Senator from New Mexico indicating then that with the exception of the minority leader, who wants to speak for 5 minutes, the Senator from New Mexico is prepared to close?

Mr. DOMENICI. I might say to the Chair, we are sending for the distinguished minority leader. I hope he is going to be available. I am going to speak a little bit myself, but I do send word if there are any Senators who really want to come down, obviously at this time we ought not preclude them.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, let me say to Senators who are listening, if you have not voted before for a Gramm-Rudman-Hollings automatic sequester fix, whatever its official name, you should have absolutely no difficulty voting against this thing we have here today. We once had a proposal before us that was calculated to work. The Supreme Court threw it out. We found ways and means of making sure that it was not a duplicate of that bill. And yet I am convinced that a number of Senators will come down here and say, "Well, I voted for it before. How can I vote against it now? It is the only game in town."

Let me tell you, Mr. President, it may appear to be the only game in town, but it is a pretty rotten game. As a matter of fact, there are not many people who would bow to the altar of this bill, except for the fact they are told it, in some way, will fix the deficit of the United States, in some automatic way. My great and good friend from Texas said not from God, but some magical wand that we have stuck in the thousands and thousands of words in this bill, many of which no one can interpret.

I heard my friend from Colorado say it is about as complicated as anything he has ever seen. He is pretty astute. With all the staff help around, he cannot understand it all. I submit to you, that complex matters around here have only one tendency. They lead to innovative paths around what was intended. There are 10, 12, 14 committees of the Congress, there is the ingenuity of OMB directors and others. This is a pale replica of what we voted in a few years ago, what was going to get the deficit under control.

Mr. President, there are plenty of games in town. As a matter of fact, I honestly believe there is a better chance, through other means, to achieve a true bipartisan Presidential compromise to work the will of the Congress, and get 23 billion dollars' worth of deficit reduction.

We are more apt to get an acceptable, good $23 billion package if we defeat this conference report. That will take a few months. There will be a bunch of confrontations. There will be some appropriations confrontations.

Do not forget, Mr. President, and Members of the Senate, there is a reconciliation bill languishing in the committees. It is the only instruction around. It was voted in by the Congress of the United States. It carries with it the opportunity to bring a bill to the floor that has all kinds of privileges vested in it. Turn to that as the instrument. Put that together. Negotiate with the President. There is nothing in the world wrong with that.

So to anyone who thinks there is no other game in town, you are killing off the existing game in town. Anybody that votes for this must understand that. There will be no other game in town after this. This will be the game.

We have heard people on the floor talk about deficit reduction, in terms of domestic spending priorities. Those are people I dearly respect. I greatly admire them. To the extent that they are on my side of the aisle and they are speaking about that, they are living in a fantasy land. They are dreaming.

Mr. President, the agenda is set. And it is very, very simple. It will be domestic programs at exactly the budget level, Mr. President, plus a little more. No ifs, no and, no buts.

Does anybody really believe that under a sequester that comes from this bill, that the majority will say, we are going to reduce the appropriated accounts to save $23 billion?

Mr. President, I have been in every meeting. I have been at every conference. I have seen every scrap of paper. How are we going to get the $23 billion? I know it by heart. They start

with what we originally had in the budget. Then they take out REA because they no longer want to count asset sales. Then they put exactly what was in that budget resolution, except for one thing: not quite as many taxes because we only saving $23 billion, and no high tier on defense. If you want a high tier on defense, Mr. President, you will not cut domestic to pay for it. You have to raise more taxes. So no high tier on defense.

Why do we have people down here talking about fixing the $23 billion, when it is as plain as the lines on the palm of your hand that it is nothing more than, Mr. President, here it is. It is this much taxes; it is exactly the amount of appropriations we said we wanted from the beginning. Then what about defense? It is going to start at the low level. Then it is going to say if you want a little bit more, put some more taxes on.

We are going to get to the point where the President of the United States is going to have a very interesting option. As I said before, because of this mix, we have increased the probability that there will be a sequester.

So for those who wanted the crash—there are some on my side who have spoken of it wishfully hoping that it would be undone—there is a high probability it will not be undone. You will get that sequester unless you are willing to give the President of the United States substantially more in defense, which he is entitled to in my opinion, which this body is going to vote for when they approve the armed services authorization bill. You know they need at least that much.

But the tradeoff is going to be more taxes if you want any reasonable level of defense.

How can anybody on this side of the aisle—I understand there can be various reasons on the other side of the aisle—stand here and say, this is the only game in town?

There is a reconciliation bill pending out there, with instructions to the committee to do the work. We have not started the appropriation process yet. We have not negotiated any one of the appropriation bills, any of the entitlement savings and reconciliation. The whole process is unfolding before us. But it will be done differently than any of you want, because the game plan and the map is unequivocal.

I cannot believe that some of the most astute minds on this side, most informed on budget process, can stand up here and talk as if we will get this done without revenues. That is not the issue. They are literally saying to their brothers and sisters in the Senate, you vote for this, we want this $23 billion, and we want the cuts in the next year. Then there is a glorious, 4-year plan thereafter, taking the next President clear down to a $100 billion deficit the first year.

When that fellow steps in the White House, he will step into quicksand pretty fast. We stand up here, and say, I am for it, but I am not going to vote for any taxes? Well, that is interesting.

If you want a sequester, it will happen. If you want help to fix this, they will wash their hands of it. They are going to vote for it, and they will not be around when you have to do the field goal kicking. They still think that there is a serious effort in the next 18 months to reform the domestic side of this budget.

I say to my good friends, anyone who wants to listen, if that is ever going to come, it is not going to come in this budget, and it is not going to come next year.

So what are we looking at? It is as plain as opening up your hands and saying the lines were there last night; they are the same this morning. Believe me, they are going to be there October 20 when the sequester occurs, and they are going to be there November 20 when the sequester becomes final.

One of the truly concerned Senators, the second name in Gramm-Rudman-Hollings, my friend Senator Rudman—who is sometimes greeted on airplanes as "Mr. GRAMM RUDMAN"—talked about the trend line going down. Well, I am suggesting that my best analysis is that if you get some enormously good economic breaks over the next 10 to 12 months—not because of any of this, if you get some great economic news—you might have a trend line down. If you do not, there is just as much a probability that you will go through this sequester off this new inflated baseline, I say to the Senator, and still miss your target.

You can take off it what is prescribed here, and people are complaining about $136 billion plus $10 billion next year—as a modicum of success. Well, there is nothing in here that says you should get that.

That is what you are voting for in the name of the only game in town. Well, may be.

I am delighted that we have worked so hard—great people have, staff who killed themselves for hours on end, so many of the minority staff on the Budget Committee. Basically, I am pleased that I am not responsible for this last game in town. I shall be on the sidelines for the first time on something significant, allegedly affecting the deficit of this country, because I do not think it is going to work.

Mr. CHILES. Mr. President, I hope we are getting close to wrapping this thing up. I know that the minority leader wants to speak, and I think the majority leader wants to speak. We have tried to send the signal out to those on our side.

I have heard a lot of gloom and dire predictions about how bad these cuts are going to be, and I have heard a lot of gloom and bad predictions about what kind of box this puts the President in, to have to deal on taxes. I have heard all those, but it seems to me that we do not have to have gloom and doom if we can get some kind of cooperation, and that is what we are talking about.

How much do we really have to work out? $23 billion. Mr. President, when we are looking at a $1 trillion budget, we are talking about 2 percent of $1 trillion. We are talking about the ability of trying to get half of that off spending and half of that off revenue. I cannot see that that is something that is impossible to do.

We are talking about this as a step to get us to that next point where we can negotiate that. Does anybody think we have a chance to do that without some kind of step like this, without having the sequester?

My good friend from New Mexico has said that we made Gramm-Rudman-Hollings the only game in town and it should not be. It is all right with me, but tell me what the other game is. He said that the game ought to be reconciliation. I am for that. How do you get to play in that ball game? Only one way: If you have a chance to sit down.

We on this side of the aisle passed a budget resolution with no help. We are to the point of reconciliation. Again, no offer of bipartisan help on that. The President we have invited and invited and invited, and we renew that again, to come and sit down, but with no help.

So, if reconciliation could perhaps have a possibility of being the game, it is only going to be if you have something to try to bring that game about, and that is to pass this act, to have this sequester. I think it is as simple as that.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. CHILES. I yield.

Mr. DOMENICI. Since "the only game in town" was being used, I said before that I would be on the sideline. I meant for this vote. I want you and the Senate to know that if it passes and we have to fix it, I will not be on the sideline trying to fix it. I mean for this. But if it is the will of the Senate that we do it, I do not want the Senator to think I meant that literally.

Mr. CHILES. I am delighted to hear that. I did not think he meant it literally.

I was thinking that the only way we could do it, in this Senator's opinion, was to pass it.

I listened to the arguments that said if we pass this, we get these drastic cuts in defense, and those arguments were made very strongly as to what they could be. I listened to those arguments that said if we pass this, we are

going to have these drastic cuts in the domestic programs, and we cannot stand that.

I heard another argument that said this is a trap to force the President into taxes. I do not see how all that can happen.

Those are the three basic arguments I have heard: The drastic cut in defense, the terrible cut in domestic programs, or you are going to force taxes.

Do you know what I have not heard? I have not heard anybody say this is going to cause us in any way to increase the borrowing of this country.

Really, what is this exercise about? Why did we start into this? Why do we have the Budget Act? Why do we have Gramm-Rudman-Hollings? To do something on the deficit. Is the deficit any better? Heaven knows, no. It is terrible, and we all are—or should be—scared to death as to where we are on the deficit.

The only thing this does is to stop the borrowing, and it does something in the other direction. It is the only game in town that does anything in that regard.

All of us have made those speeches. Every Member of the Senate has talked about how concerned he is about the deficit. I have done my share of that, and the rest of us have, too.

Now you come down to this point: Are you really concerned? Are you willing to say yes, we take a chance that there could be a sequester if we cannot have a sit down; yes, we take a chance that we could try to get the President to put some revenue in this bill; yes, we take a chance that there could be a proposition that we have to find additional spending cuts?

How are you going to get the deficit down? Is it not a combination of those things? Is it not a combination of spending cuts, delaying increases, and some revenue? I do not know of any other way to do it.

So those dire things that will have to be done or will happen because of this—some of them do have to be done. Some, or a combination of them, have to be done. That is all we are saying.

Let us pass this, and let us move to the next step. That is reconciliation. that is where the Senator from New Mexico said he will not be on the sideline, and I am delighted. I hope all the other Members will not be on the sideline and, most of all, I hope the President will not be on the sideline and that we will get everybody into the ball game.

To my way of thinking, if we cannot find 2 percent out of that $1 trillion deficit to bring this down and to start us—the 2 percent is not important, but it is the trend. It is to try to start us on that line toward going down. That is the best signal we can send to the financial markets. The best signal we can send to our neighbors in other countries and the best signal we can send to the American people is that we are serious about it, and I hope we will do that.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I rise with great reluctance to oppose the conference report. I rise with reluctance because I have the greatest respect for the chairman of the Budget Committee, Mr. CHILES, and the chairman of the Finance Committee, Mr. BENTSEN, who have worked with extraordinary patience to put together an agreement, and the reservation that I register is that this is pretty weak medicine for the deficit ills that confront this country.

In fiscal 1987 we now anticipate a budget deficit of $157 billion.

What does this agreement do in the coming years? Well for fiscal year 1988 we would have a deficit target of $144 billion plus a $10 billion cushion, so in fiscal 1988 we could anticipate a deficit of $154 billion in all probability, $154 billion after a deficit in 1987 of $157 billion, $3 billion of progress in 1 year, pretty tepid medicine.

And in the next year the target would be $136 billion plus $10 billion of cushion so we would have $146 billion deficit and that is if everything goes right. The fact is that if the baseline goes up on us we would only accomplish $36 billion off the baseline, so we might not even achieve the $146 billion.

In the first 2 years then, we would go from $157 billion deficit in fiscal 1987 to $146 billion in fiscal 1989. That is not good enough.

If we look at what happened in the pattern, I provide these charts that show from 1977 to 1987, in 1977 we had under $800 billion of public debt. That has more than tripled in just 10 years to $2.4 trillion in public debt. We have more than tripled that public debt in just 10 years. And in the next 2 years, we will go up to $2.8 trillion if this conference report is agreed to.

In my judgment, Mr. President, that is simply not good enough.

The question always comes, why, what difference does it make, what difference do these big budget deficits make? I had colleagues come to me, say, "Look, KENT, the interest rates are down, the trade deficit, although that is going down, we are looking at more favorable unemployment numbers; what difference does this deficit make?"

Well, here is the difference it makes. We look at real interest rates. People focus on what is happening in interest rates, and if you ask an audience, as I have asked hundreds in my home State, "Have interest rates gone down over the last 6 years?" They will say, yes, they have gone down. But if you ask them what has happened to real interest rates, real interest rates, the difference between the interest rates you pay and the level of inflation, then they start to give a different answer because this chart shows what has happened to real interest rates over the last 25 years.

From 1961 to 1986 and on into 1987, a very interesting relationship, Mr. President. We have gone from a long-term trend of business real interest rates averaging just over 2 percent. In fact, from 1961 to 1981 real interest rates, the difference between the interest rates you paid and the level of inflation, that difference averaged 2.3 percent from 1961 to 1981. From 1982 to 1986 those real interest rates averaged 6.2 percent. This chart tells the story.

The long-term pattern for 20 years real interest rates about 2 percent. Then real interest rates went negative in the 1970's until they absolutely skyrocketed starting in 1980 up to a level of about 8½ percent, a record for real interest rates. They have pulled back some now but still are at very high levels by historical standards.

What effect does that have? The effect of those high real interest rates in this country has been to drive up the value of the American dollar. We read about it every day in the newspaper. The skyrocketing value of the dollar which started in 1980 has pulled back some now, starting in 1985, but still is at very, very high levels compared to the value of the dollar in the 1970's.

And this chart shows on a trade-weighted basis what happened to the value of the dollar. We read all the time about the reduction in the dollar against the yen and that is absolutely true, but what is more important is what has happened to the value of the dollar on the trade-weighted basis with all the countries with whom we trade and that relationship shows something much different than what we read about in the headlines. That shows the value of the dollar still at very high levels. And what difference does that make? That has made it almost impossible for us to be competitive in the world marketplace because what has to happen when the American dollar soars in value, what has to happen to our ability to compete in the world with commodities that we sell in dollar terms? Our ability to compete goes down and the trade figures show it conclusively. Since 1968 the trade deficit has mounted, grown like a cancer. In fact the trade deficit in 1986 was greater than the total of all the trade surpluses accumulated since World War II.

And what difference does that make? Well, we have gone from being a major creditor nation in this world to being a major debtor nation. We have gone from being the biggest cred-

itor to being the biggest debtor and those lines cross in 1984 and we have gone not only to being a debtor nation but being the biggest debtor nation on the face of the globe.

People ask me when I am making this presentation in my home State what difference does that make, what difference does it make if all of a sudden we are a major debtor because again the interest rates are down, inflation is down, unemployment is down, so what difference does it make? Well, the difference it makes is our relationship has changed with the rest of the world just as certainly as your relationship changes with the bank when you go in and you have a major deposit, versus when you go in and you have a major note due. All of a sudden, when you owe money, that banker has a lot more to say about what you are going to be doing in the future, and that is the posture that our country is now in. We are a debtor nation and our friends in Japan and our friends in Western Europe are now going to have a lot to say about the economic decisions made in this country.

For these reasons, Mr. President, I have concluded that this conference agreement is simply medicine that is too weak. Some referred to it as duck and run. I am afraid that that is precisely what we are doing in confronting the greatest challenge facing this country at this time, a deficit that has been out of control, is out of control, and is not going to be brought under control when we only propose to reduce the deficit $11 billion in the next 2 years. That is simply not good enough, and again while I have enormous respect for the chairman of the Finance Committee, the chairman of the Budget Committee and the others who have worked on this agreement, I think we ought to call a halt to the process, go back to the drawing board and do more. We ought to be able to confront this problem more aggressively at a time when the economy is still doing relatively well. To only have $11 billion of deficit reduction in the next 2 years when the economy is relatively strong is simply not enough.

And for that reason I will vote against this conference report and I will do it in the hope of asking the conferees to go back and come to us with something better.

I yield the floor.

(Mr. HARKIN assumed the chair.)

Mr. BENTSEN. Mr. President, I respect the viewpoint of my distinguished colleague. I wish we were doing more, too. I voted for the $36 billion.

But I say to my colleague, this is the best we are going to get. And I would say that, after very tough, long, lengthy negotiations that my friend was not in, these are the realities.

What happens if we do not do this? More than ever before, this country, its economy, is being controlled by foreign financiers who are looking at what we are doing about our budget deficits, who are looking at what we are doing about our trade deficits. We are talking to the Germans, we are talking to the Japanese, saying, "Accelerate your economy to help us on trade." They say, "Why don't you take care of your budget deficit first? Don't tell us how to run our economies until you show responsibility on your own."

We have seen a situation here where budget deficits have doubled and redoubled in the last 7 or 8 years. We have seen a President who has called for a balanced budget and never submitted one. We have seen a President who has sent us a budget that was dead on arrival, not because of partisanship here, not just because Democrats voted against it, but because a majority of Republicans and a majority of Democrats voted against it. I did not hear one Senator speak up for that budget—not one.

So what you have seen here is a bipartisan effort. This conference agreement passed by a substantial majority last night in the U.S. House of Representatives. And you saw Republicans and Democrats alike voting for it.

I do not like the procedure in this conference agreement. I would prefer some other way to do it. But I think it is a discipline that is needed by this Congress and this President. There are those who would like to get out of town and leave the problem of these deficits for the next President and the next Congress to resolve. We do not have that luxury. This Congress and this President must meet this responsibility.

What you have seen thus far is the flight of the dollar. And you have seen us having to crank up the interest rates to try to hold that foreign capital in here to help us finance these deficits. This cannot continue on into the future. The sooner we face up to the responsibility the easier we will make the transition.

We have listened to the ranking member of the Budget Committee, Senator DOMENICI, who I think is one of the very able Members of this body. He has a different point of view. Then we have listened to my colleague from Texas who supports this measure. We have listened to the chairman of the Budget Committee in the Senate who supports this one. All of these people are people who are deeply concerned about what is happening to our country and think that we must begin facing up to the tough choices that we have avoided in the past.

I say to my colleagues, this is the best we are going to get. If we do not pass this and if we do not pass it by a respectable margin, we have a serious danger that the President might veto it. And then I think you will see real tremors in the financial markets of the world. And you will see interest rates going up more in this country, you will see the reflection in the bond market, and you will see a further depreciation of the U.S. dollar.

Not perfect? Of course, it is not perfect. I could find a thousand reasons to vote against this bill or most bills that we get here. And there will always be some who are not going to be players. There are those that think this goes too far and those that think it does not go far enough. I happen to join those who do not think it goes far enough.

But, again, this is a consensus that I think we can put in place, and the time to do it is now. I strongly urge my colleagues to vote for it.

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

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

MEDICARE PROVISIONS IN THE DEBT LIMIT CONFERENCE REPORT

Mr. BAUCUS. I know that the conferees on the debt limit agreement have worked long and hard to reach the point where we are today. I commend them for their efforts. Because of this agreement, I believe that we can now get on with the important and difficult business of reducing the enormous budget deficits we now face.

I am particularly pleased to learn that the conferees reached agreement late Monday night on how Medicare payments would be affected in the event that there is an across-the-board sequester of funds.

I was concerned that earlier versions of the conference agreement would have authorized the Secretary of HHS to either begin holding back on Medicare payments to health care providers and seniors until November 20 or temporarily pay 2 percent less than the amount due for Medicare claims.

Either of these options might have caused unnecessary hardship and confusion in the Medicare program, especially for our senior citizens.

I now that others on both sides of the aisle had similar concerns with these provisions. And I commend the Senate conferees, particularly Senator BENTSEN, for the efforts made to resolve successfully the concerns that we had with the preliminary conference agreement.

Mr. BENTSEN. I thank the Senator from Montana for his kind remarks and for his continuing concerns for the Medicare Program. I am also pleased that the final conference

agreement addresses the concerns that Senator BAUCUS and others expressed.

The final conference agreement that is before us today includes a special rule that applies to the Medicare Program in the event that a sequester of funds occurs under the Gramm-Rudman-Hollings process.

When Congress approved the Gramm-Rudman-Hollings Act in 1985, provisions were included to limit the amount that could be cut from the Medicare Program under the sequestration process.

Today's conference agreement includes provisions to clarify how the correct amount subject to sequestration should be calculated for the Medicare Program. The agreement also makes clear that no payments are to be reduced unless it is determined that an across-the-board sequester is required.

I appreciate the support of the Senator from Montana in working out these Medicare provisions.

Mr. BAUCUS. Again, I commend the Senator from Texas for his leadership on the many tough issues involved in this conference. And I thank him for expressing his understanding of the special rules included in this agreement that apply to the Medicare Program.

Mr. DURENBERGER. Mr. President, the vote before us today presents a difficult dilemma for this Senator. I do not hold any great enthusiasm for the nature of the compromise rendered to us by the conference. Nor do I rush forward gladly to allow and encourage this government to extend its indebtedness far beyond its scandalous level today. And yet in the interest maintaining the course we set for this Government in 1985, I will vote "aye" on this conference report.

In the early morning hours of May 10, 1985, I marched into the well of this Chamber to vote with 49 Republicans and 1, now deceased, Democrat to balance the budget in 5 years. The spending cuts and freezes which that vote would have required were used in 1986 to hang some of our colleagues who voted as I did; and it will probably be used against me in my election next year. But we were right and those who disagreed were not. Later in 1985, and today, some number of our colleagues who opposed us that night, have opted to balance the budget through the Gramm-Rudman-Hollings formula. No other decisionmaking has been advanced since that time.

I believe in the utility of the original Gramm-Rudman-Hollings process. Get all the players to the table, take all the wild cards out of the deck, and get to work. And, to force the decisionmaking process to go forward, impose a severe penalty—sequestration—on all the players if any one of them leaves the table. A number of decisions, political and judicial, have blunted that original intent. The effort of the conferees, which I believe was a sincere one, was to salvage as much as they could of Gramm-Rudman-Hollings. The absence in this plan of true fixed targets, a reliable zero deficit year, or many of the truth in budgeting reforms of the Senate bill, is very unfortunate. I believe that enough remains to justify that we move forward.

I came to this Congress in 1979 with a desire and a mandate to do something about the Federal deficit. What I have observed over the years is a fixation with the processes of deficit reduction, to the exclusion of policies to get us there. If this fix gets us off reinventing the budgetary wheel, and onto going somewhere, it will be worth the effort.

My judgment is that passage of this conference report is more likely to reduce our deficit than no fix at all. Some undetermined alternative may arise at some point which would do more and do it better, but that is not reality today. The Congress has too much on its platter as to the substance of deficit reduction, in reconciliation and the appropriations bills, to ask the conferees to go back to the drawing board, where there may or may not be a better deal.

With this debt limit extension, we extend the terms of indenture of the next generation of Americans. In a very real sense we enslave them to financing our desire to have without paying. There is a heavy moral responsibility in our action today. I can only hope that by this vote today, we set in motion a process which will make future debt limit extensions less likely.

I urge the adoption of the conference report.

Mr. DANFORTH. I will vote for this resolution for two reasons. First, the debt ceiling must be extended if the Government is to continue to function. Second, the resolution cures the legal defect in the Gramm-Rudman-Hollings process, thereby offering at least some future discipline on the size of our Federal budget deficit.

However, having stated my support, I must say that I am not happy about the product of the conference on this resolution. The actual deficit reduction which will be accomplished over the next 2 years is pitiful. Instead of reaching our original Gramm-Rudman-Hollings target of $108 billion for fiscal year 1988, the best we will do is $144 billion, and in practice that figure is likely to be considerably higher.

Having back-peddled from our original Gramm-Rudman-Hollings commitment once, I have no illusions about our ability to stick with goals in the future. Nevertheless, this resolution accomplishes at least some reduction in the deficit, however small, and it provides at least some structure for future action on the deficit, however shaky.

RESTORATION OF THE AUTOMATIC SEQUESTRATION

Mr. ADAMS. Mr. President, I rise to speak against this proposal to restore the automatic sequestration process to what we might as well start calling Gramm-Rudman-Hollings III. While I will oppose the flawed formulas and perverted process contained in this conference report, I recognize both the sincerity and the dedication that went into fashioning it. Budget work is a hard and thankless job. The conferees certainly have worked hard—and they certainly will not be thanked.

I rise Mr. President, not as a new Senator unfamiliar with the fiscal issues presented in this debate, but as a past legislator who has had to make tough budgetary choices and tradeoffs. As the original chair of the House Budget Committee, I am aware of the history of the congressional budget process, what role that process was supposed to play, and distressingly, the role it has assumed.

The purpose of the 1974 Budget and Impoundment Control Act was to coordinate authorizations and appropriations within the context of a given economic framework. It was developed to set overall policy and priorities within which programmatic and spending decisions could be made. In short, it was a tool to enhance our decisionmaking process by creating a macroeccnomic context which would help shape decisions while retaining the authority of the authorizing and appropriating committees.

Subsequently, Mr. President, in 1985 Congress passed what was supposed to be a simple amendment to a bill increasing the debt limit: The Balanced Budget and Emergency Deficit Control Act. That is, at the time Congress was told it was going to be simple. As written, the proposal specified maximum deficit amounts for 1986, declining in equal stages until zero was reached in 1991. It was definitely a dramatic departure from traditional approaches to budgeting and fiscal policy. But slowly things begin to get complicated. Intricate formulas and rules were established and special exemptions were passed. The courts ruled against the process; we tried and failed to fix it in 1986; now we are trying to fix it again.

Mr. President, if this is a process of simplification, then I don't want to see a complicated approach. Simple or complicated, this is an unthinking arbitrary and capricious machine, which is tooled up to produce problems rather than solutions.

Mr. President, I am most angry with the thought that we are here because of what has been perpetrated by this administration. We are sitting here 7 years after this President came into

office saying that the annual average $44 billion deficits of the preceding administration were economically unacceptable. He was going to wipe out those deficits. Well, he didn't wipe out the deficits, he whipped them up to new levels, to figures more than three times the amount allowed in the past. It is now left for us to clean up the mess.

Mr. President, it is imperative that we step back and become aware of what we are truly advocating. We are opting for the perfection of a process rather than a product that reflects economic reality. In our zeal to seek a balanced budget we are creating a Kafkaesque world where the means of balancing the budget has become an end unto itself.

As responsible policymakers, I know that is not what we really intend to do.

Mr. President, our real goal is not to create a methodically blind process. The real goal is to create a budget process, and a budget, which allows us to reduce the deficit while building safe highways, a strong infrastructure, and full employment. It consists of shelter for our homeless, a reformed welfare system and retraining programs for our jobless. It consists of ensuring a strong, efficient and sufficient system of defense. And it consists of promoting international trade and competitive excellence in our industrial base. Those are our real goals. Those are the priorities that this body has established to fulfill the future vision of our country. But this end will never be met if we insist on focusing on this fix and ignoring the dynamic and interwoven socioeconomic process that exists in our world today.

Mr. President, a noted philosopher once said, "To work for a better future, find the causes that made the past what it was, and then bring different causes to bear." If we willingly and consciously deprive ourselves of the power to mandate change, we have stripped ourselves of an option. We have purposively shackled our prerogative to exercise our legislative duty and thrown away the key.

Abraham Lincoln defined government this way: "The legitimate object of government is to do for a community of people whatever they need to have done, but cannot do in their separate and individual capacities." Mr. President, the people of our home States have sent us here to do just that. They have asked us to sift through the data, formulate our priorities based on what we have learned, search our hearts, and then judge and choose what is to be in their best interests. They have asked us to apply our value systems to the legislative process. Indeed, I am most troubled with the thought that as a body we are abdicating this constitutional and moral responsibility.

Mr. President, as I said before, I appreciate the hard work of my colleagues in an attempt to remedy this situation. But I cannot accept the argument that to escape this bottomless pit we must sacrifice our soul. This is the second time we have revisited the wrong solution. Major surgery is needed on the patient. A qualitative change in focus is necessary. We cannot just "reform" our way out of this—we have to change the way we look at.

Mr. President, I have no magic solution. But I firmly believe that the path of process does not take us into the jungle of more and more detailed and confining budget act language. Instead, I believe we need to go back to the basic philosophic assumption of the Budget Act, the desire to provide guidance to the authorizing and appropriating committees. Even before this fix, the process has become too complex and too confining: there are crosswalks and points of order and allocations and a host of other technicalities which few of us understand and which frustrate all of us. As a legislator who is familiar with the issue, I have come to the conclusion that we need to step back and evaluate our position. When Sugar Ray Leonard couldn't find a way to handle Marvin Hagler in the mid-rounds, he didn't keep on moving down the same road. Rather, it was a change in strategy that led to his victory that night.

In conclusion Mr. President, I understand the frustrations of my colleagues. We are battle-scarred and weary and are looking for the quick answer. We have become intolerant of ambiguity. But in this area we have to accept ambiguity if we expect results. We have to set some goals and trust our ability to meet them in a reasoned and reasonable way. The problem with this proposal is simply that it sets goals and sets in place a process which denies the role of reason and reduces our ability to be reasonable. There is a better way and it begins by restoring the Budget Act to its original goals.

I thank the President and yield the floor.

Mr. JOHNSTON. Mr. President, it will probably come as no surprise to my colleagues that I intend to oppose this conference report. The serious flaws that I pointed out in the Senate amendment, and which the junior Senators from Colorado and North Dakota and the senior Senator from Nebraska and I tried unsuccessfully to amend on the Senate floor, persist.

First, and the most fundamental problem with this complex 80-page plus "fix", we've only built in more delay to achieving meaningful deficit reduction.

In the budget year we are now considering, fiscal year 1988, for example:

The date for reporting reconciliation is delayed from July 28 to September 29 and the date for final action is in effect delayed until mid-October, 4 months later than the 1985 Balanced Budget Act required Congress to complete action on legislative changes necessary to enact deficit reduction. So we lose more than 100 days of savings and pay 100 days of more interest right out of the gate.

The amount of savings required this year has been slashed by $14 billion from the plan the Congress adopted in June, just 3 months ago—a 37.8-percent reduction in savings, or to put it another way, a 37.8-percent increase in the allowable deficit which many of our colleagues thought too high in June. Instead of $37 billion in savings, this document only requires $23 billion.

The balanced budget target is postponed 2 years, pushing this goal out even further into the future, to 1993 instead of 1991.

And the grossly uneven path this report purportedly delineates to reach that goal only means, in my view, that we will not reach that goal.

Why?

First. Almost $700 billion of the $1.05 trillion budget we now have is off limits in the sequestration process. Let me repeat—almost 70 percent of spending is taken off the table.

Yet, we are asking the American people to believe that we are going to find at least $160 billion in cuts from the remaining $370 billion in spending programs over the next 5 years.

This is, in my judgment, nothing but an empty promise. The experience over the last 7 years—during which we've seen the deficit rise from $59 billion in 1980 to a peak of $220 billion in 1985 and to about $160 billion in fiscal year 1987 (a decline in large part due to a one-time revenue bonus from the 1985 Tax Reform bill)—shows that this promise is empty.

Second. In the first 2 years of this plan we only require $59 billion in deficit reduction, which will reduce the deficit to only about $124 billion.

In the remaining 3 years, when this administration, which proposed, advocated and fought for the budget plans which increased the deficit from $59 billion to over $220 billion, has left, more than twice that amount of deficit reduction will be required by the new administration.

Let me repeat, in the first 3 years, only one-third of the savings necessary to meet a 1933 balanced budget will be required.

But in the last 3 years, when we have a new President and a new administration, two-thirds of the savings are required.

In short, this plan only postpones the day of reckoning, and so "backloads" reduction that it will be impossible to reach the targets, and many of us will be back here in 1989 revising

unworkable and unrealistic targets again.

Second, I do not believe this plan requires sufficient reductions to encourage, much less force, the President to come to the table and engage in meaningful talks about deficit reduction.

The sequester for this year is limited to $23 billion, half of which would come from defense. This would mean, if my math is correct, no more than $11.5 billion in defense outlay cuts. In my view, this is both insufficiently tough and insufficiently enticing to get the President to the table on taxes, which the distinguished chairman of the Budget Committee stated earlier today will be between $10 to $15 billion in the reconciliation package.

Eleven and a half billion in reductions in defense is not trivial. But in my judgment this neither takes away enough—nor gives enough—to the President to set the stage for a meaningful bargain.

Third, I remain as I have since this sequestration process first emerged in the early fall of 1985 opposed to this process for policy reasons.

Our colleague in the House, Mr. SYNAR of Oklahoma, succinctly laid out a number of objections to this unconstitutional abrogation of spending power by the Congress. I concur with his remarks and would only add that if we are going to amend the Constitution then we should follow the procedure for so doing laid out in article V. It is odd to this Senator that in the midst of all the celebrations about the bicentennial of the Constitution the Congress is so quick to ignore its words, its framework and its spirit. Any fundamental restructuring of the Federal system like this surely should be concurred in by three-quarters of the States.

This process also lets the Congress and this President avoid accountability for making cuts. That is precisely what we are elected to do and as a number of my colleagues have argued forcefully and eloquently with respect to the war power, a responsibility rooted deep in the history of the Constitution. I believe the American people will not be fooled, and if sequestration occurs will hold responsible those who voted to avoid this responsibility.

Fourth, I think this so-called fix contains a number of seemingly innocuous changes in the current committee structure of the House and the Senate which will only heighten the current institutional crisis the Congress now faces in this never-ending budget process. No hearings were held on these proposed changes so it is difficult to comment on them with any authority. But I can say that a quick reading of some of them gives this Senator cause for concern.

For example, section 202 which deals with asset sales sets out certain determinations to be made with respect to an exception which would allow transfers to be counted as savings, and I assume incuded in a reconciliation bill. However, it is not clear who makes this determination—the authorizing committee, the Budget Committee, or the Senate. Who does this has major substantive implications which every committee member who has been involved in putting substantive legislation together should be concerned about.

Other provisions which seem to give the two Budget Committees rather than CBO scoring authority also concern me. We seem to be setting the stage for even more divergence between the House and the Senate, divergences which have caused serious and at times crippling problems on appropriations bills because of different allocations, different scoring conventions, and the Fazio exception which only applies in the House. I fear those new changes are only going to exacerbate an already untenable situation, a situation which I believe could have been avoided had we had thoughtful and open consideration of these changes in the appropriate committee forum.

Mr. President, the deficit problem cannot be solved by procedure, only substantive proposals which require the President and each Member of Congress to stand up and be counted will result in meaningful progress in reducing the triple digit deficits we are facing from now until as far as the eye can see.

I will support specific proposals, as I have in the past, to reduce the deficit.

I won't support mischeivous, and in my view misleading, procedural changes which will only make it more difficult for the Congress and the President to face reality and deal with substance.

GRAMM-RUDMAN-HOLLINGS—MOVING IN THE RIGHT DIRECTION

Mr. KERRY. Mr. President, today, as in 1985, I support Gramm-Rudman-Hollings as an unfortunately necessary cure to our budget crisis. This budget process effected by Gramm-Rudman-Hollings should permit us to achieve three goals:

Reverse the pattern of escalating Federal deficit spending and set this Nation on the glide path to a zero deficit; set definite, hard targets for ourselves and the President as markers on the way to a zero deficit and to force compliance with those deficit targets with, if necessary, automatic reductions in spending called a sequester; make possible sequester reductions fair and equitable for all categories of Federal spending, thus reversing the pattern of this administration: devasting domestic program reductions and massive military spending increases while Federal revenues were reduced.

I support the modifications to Gramm-Rudman-Hollings contained in the conference agreement because I believe it keeps us on a path of deficit reduction. We have made progress in this area as the fiscal year 1986 deficit of an all-time record of $221 billion will now be reduced to under $160 billion in the fiscal year about to conclude.

But like many of my colleagues who voted for the conference agreement I have several important reservations. They are serious reservations and make this a difficult vote.

I prefer a $36 billion reduction in the baseline, as originally adopted in the budget resolution, than the $23 billion reduction provided for in the conference bill.

Similarly, while I recognize that the deficit targets needed to be stretched out, I believe they are being stretched out too far to 1993 so that the deficit will decline too slowly. Moreover, too much of the deficit reduction comes in the outyears, thereby unfairly burdening future administrations without requiring this administration to face up to the budget mess it has created.

Finally, I still believe that defense spending, as in the budget resolution, is too high for my priorities. Like many of my colleagues I hope that we can avoid a sequester order because I am not yet convinced that defense programs, given the President's flexibility to shift some funds within defense categories, would, in reality, be curtailed.

Senator BENTSEN, Senator CHILES, and the other conferees are to be commended for forging a viable consensus on deficit targets. While many of my colleagues—including members of the conference committee—would prefer lower deficit targets I believe we all recognize that given the constraints we have adopted a reasonable set of deficit targets.

Mr. LEAHY. Mr. President, I rise in support of the compromise reached by the House and Senate conferees on the debt ceiling extension and the Gramm-Rudman-Hollings balanced budget law. While I do not agree with every provision of the conference report, on the whole it deserves the Senate's approval.

Earlier this summer, it appears that Congress had given up on the effort to reduce the Federal deficit which began with passage of the Gramm-Rudman-Hollings balanced budget law in 1985. As one of the early supporters of that law, I am pleased that the House and Senate agreed on a plan to restore the Gramm-Rudman-Hollings discipline. The conference agreement will help reduce the deficit next year by more than $23 billion and by $36 billion annually thereafter, until the Federal deficit is retired.

Our efforts to reduce the Federal deficit are back on schedule. This year, the conference agreement should lead to a sensible combination of cuts in spending and modest increases in revenue—increases which will not require an individual income tax increase. During Senate consideration of the budget for the next fiscal year I voted to cut the level of taxes by more than $5 billion. The conference agreement includes the reasonable level of revenues which I supported earlier.

The measure before the Senate will also restore the automatic cutting mechanism to the Gramm-Rudman-Hollings law, but without jeopardizing programs that help the needy and senior citizens. As under current law, Social Security benefits, Federal retirement benefits and programs that help those most in need will not be subject to these automatic cuts.

The compromise agreement will ensure, however, that if a sequester ever occurs, the spending cuts will be divided equally between defense spending and domestic programs. By holding out the prospect of equal cuts in defense and domestic spending, every Member of Congress and the President, whether hawks or doves or advocates or critics of social programs, are encouraged to find a more reasonable way to reduce the deficit and avoid such across-the-board cuts.

While all of these changes will further the gains we have made toward reducing the Federal deficit in the last 3 years, one provision of the conference agreement concerns me. On July 23, I voted for Senator CHILES' original plan to revive Gramm-Rudman-Hollings. That plan would have given Congress an opportunity each year to vote up or down on sequesters, instead of allowing bureaucrats at the Office of Management and Budget to carry out these cuts.

The Constitution specifically gives Congress the authority to make tax and spending decisions. I believe we should face up to this responsibility. Congress should make the tough decisions to reduce the Federal deficit and, if necessary, vote on sequesters. Unfortunately, the Chiles' plan was not included in the final conference agreement.

With this reservation, I urge the Senate to put Gramm-Rudman-Hollings back on track, and approve the conference report.

A BITTERSWEET VOTE

Mr. PROXMIRE. Mr. President, I am going to vote against this conference report, not because it repairs Gramm-Rudman, but because it increases the debt limit to a staggering $2.8 trillion.

Why this huge increase in the debt limit? To get the Congress and the President past the witching hour of November 1988. In that month the voters will choose a new President, a House of Representatives, and one-third of the Senate. If we had an acrimonious debate on the deficit, and on the debt limit, those voters might get the idea that we really have not done that much to reduce the deficit. Who knows how they might vote with that debate ringing in their ears.

This increase is a political insurance policy for incumbents. The repairs to Gramm-Rudman may not work, as a number of speakers have pointed out. Next year being an election year, we may find a number of loopholes in the law. Neither party may want to take the heat of trying to make one more repair in the heat of an election campaign.

Would we need this big an increase in the debt limit if we were going to meet the new targets in this bill? The answer is no. The deficit for fiscal year 1988 is not to exceed $144 billion. Add that to the existing debt, and you reach $2.5 trillion. Add in the target for fiscal year 1989—$136 billion—and you come to about $2.65 trillion. That should get us through September 1989. The fact that we are increasing the limit to $2.8 trillion, and saying that it will last until May 1989, says something about how well we will adhere to the new targets.

I favor the repairs to Gramm-Rudman. They are complex, and they may be subject to manipulation, but right now they are the only game in town. Given the Congressional Budget Office's new projections on the deficit, which indicate that it will stay in the $175 billion range, mean that we must do something. The new targets should be tougher, especially for this year and next. This criticism notwithstanding, this part of the conference report is still a notable improvement over what we have done so far this year.

Were it not for the increase in the debt limit, it would have my support. Unfortunately, that $2.8 trillion is more than this Senator can swallow.

Mr. GRASSLEY. Mr. President, I have chosen to support this Gramm-Rudman-Hollings fix because, as many of my colleagues in support of this measure have said, it is the only game in town. If deficit reduction is going to occur this year, it'll occur because of the threat of an automatic sequester. This is how we will ensure that the savings contained in the reconciliation bill are indeed achieved.

I am mindful of the impact of a sequester on Government services in Iowa and the rest of the country, particularly in agriculture. And of course we must keep in the back of our minds that deficit reduction is just as important to the farming community as anything else we can do here in the Senate.

Nonetheless, my vote for this fix is not an endorsement of that sequester. Rather, it is intended to support keeping alive the slim opportunity we have this year to achieve real deficit reduction. Frankly, I fail to see anything out there on the horizon that would give us any hope should this measure fail. It is certainly not a very solid fix, and I believe the ranking member of the Senate Budget Committee spoke very eloquently and persuasively against this fix. And, in fact, he may be right in the final analysis. But in the absence of any alternative, Mr. President, I am taking the step here, in this vote, to support the slim opportunity before us. If it fails, we will have to come back and address the issue again. I hope it will not fail.

Mr. RIEGLE. Mr. President, I have expressed my opposition to the Gramm-Rudman-Hollings approach many times in the past and I want to state them again now. This attempt to fix a failed policy actually has the perverse result of reducing incentives for the President and Congress to work together to solve the deficit problem. This is not the way to deal effectively with the massive deficit problem facing our Nation today.

The original Gramm-Rudman law was a failure in large part because it side stepped the problem and added another layer to the already complex budgetmaking process. The legislation today is even more convoluted and complicated than before. It is unworkable and will break down again under its own weight.

Changes in the budget process are no substitute for setting Federal priorities and making hard choices. As we have learned since Gramm-Rudman went into effect, there's always a way around a procedural fix. Federal deficits can only be reduced by honest budgets and painful choices, not by amending the operating rules of Congress or by creating a random slashing of programs regardless of their effectiveness or importance.

Even though the deficit target for 1988 has been increased from $108 to $144 billion, the target really is misleading. Under this change, we would only reduce the deficit by $23 billion, a major retreat from the congressional budget resolution reduction amount of $37 billion. For fiscal year 1989, the so-called target deficit is almost double the target enacted by the original Gramm-Rudman statute. This retreat from the goal of $36 billion in annual deficit reduction is another indication of the failure of this process.

Further, this new law contains a new escape provision—if indeed we are faced with a sequester resolution; a mechanism that will again change the sequester resolution or to abandon it altogether. This indicates the ultimate lack of confidence the authors have in this approach to reducing the deficit. We are wasting our time on arcane and unworkable procedure when our goal should be to get the President

and Congress together to come up with a workable reconciliation bill that makes real, lasting reductions in the Federal deficit.

Mr. President, I commend all serious efforts to bring down the deficit. But I think we're headed in the wrong direction. Rather than try to jerry-rig a failed system, we must take steps to confront the deficit head on. The President should convene a summit with congressional leaders this year and put all options on the table. Otherwise, our economy will continue to struggle under the growing weight of these massive deficits.

Mr. BENTSEN. I yield to the distinguished minority leader.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. DOLE. Mr. President, I have been listening to the debate off and on today. I first want to express my appreciation to all Senators, particularly Senators on this side of the aisle, although the distinguished chairman, Senator BENTSEN, and Senator CHILES on the other side have been very busy also.

I have listened to Senator PACKWOOD, who has made a great contribution; and to Senator DOMENICI, who has a different view. But I think over the past several weeks and months Senator DOMENICI has made vast and positive changes in the original product and the end product.

I would also note the contributions of Senator PHIL GRAMM, who was sort of the father of the original legislation and, of course, deeply interested in what happens today.

I am going to vote for the conference report. I think all of us have questions. I know, as I travel around the country these days, people ask about the deficit. They ask why Congress is not doing something about it. They ask "What are you going to do about it? What would you do about it?"

Everybody wants to bring the budget into balance as quickly as possible. A lot of people have a lot of good ideas. They do not have the votes, but they have got the ideas—a line-item veto, a constitutional amendment for a balanced budget.

Those obviously are very important, but we are not dealing with that today. We are dealing with what we have before us. It is not a perfect product. Gramm-Rudman-Hollings was not perfect at the outset, as the Supreme Court indicated. But we did admit in 1985 that the process was not working.

We missed by one vote adopting a constitutional amendment for a balanced budget in this body. I think we had 66 votes and we needed 67. And we missed by a couple of votes the line-item veto. We needed 60 to break a filibuster, as I recall, and we had 58.

The question today is whether we want to reinstate, by the so-called Gramm-Rudman-Hollings fix, that budgetary discipline.

By approving the legislation, the threat of automatic sequestration once again exists. I think we would all have to confess that that really is not the way it is supposed to work. Congress is supposed to take certain actions, with the help of the administration from time to time, to avoid what is probably perceived as blackmail, in a sense, economic budgetary blackmail, or call it what you will.

I think we are, at least our constituents think we are, the ones who ought to be making the decisions, rather than some automatic processes that have not worked. That is why we had Gramm-Rudman-Hollings I. That is why we are going to have a Gramm-Rudman-Hollings II. If it works, Congress will have to confront some tough choices and set their spending priorities and revenue priorities. Maybe the budget will be in balance.

It seems to me there are other things that we should have done that we are not doing here: to try a 2-year budget and appropriations cycle, some way to break up the massive continuing resolutions so the President is not confronted with an all or nothing situation. As it stands, you can load up a continuing resolution with a lot of junk and send it to the President. He does not have any alternative but to sign it or let the Government come to a screeching halt.

I would prefer a proposal that would guarantee there will not be any tax increase and I do not think we made that judgment today. I think what we are saying today is that we are going to pass this; the spending and taxing decisions are going to come later. They will be made, those suggestions and recommendations, when we have reconciliation and appropriations legislation. Like everybody else, we will all have to review that legislation. Certainly I will, particularly as it may address itself to any revenue changes or attempts to treat defense unfairly.

So, what we have before us is probably not perfect. But there is one other matter in this package that I think deserves some attention. I think in many cases that to many Senators it may be the deciding factor. We will be back, probably, addressing some of the problems in the Gramm-Rudman later. I would guess the next President may not like what he sees in this package. But there is one thing that I think has a lot of merit and that is extending the debt ceiling to get it beyond the 1988 election.

I recall when I was the chairman of the Finance Committee, I do not know how many times we had to extend the debt ceiling, but it seemed like it was every other week. Every time it is brought to the floor, as the distinguished chairman of the Finance Committee knows, it is fair game. I think at one time we had 21 different amendments on the debt ceiling dealing with everything from foreign policy to economic policy to farm policy; none of which was in the jurisdiction of the Finance Committee or the Ways and Means Committee in the House.

I think what we are saying is the United States, if it wants to continue paying its bills, if we want to continue our credibility worldwide, for at least 1½ years we are going to engage in fiscal brinksmanship. That I think is going to be of some solace to the markets and others who look to us reliable in many, many ways. One of the best elements of this package is it is going to increase the debt ceiling through May of 1989.

So, I thank the distinguished manager of the bill. This does keep the process moving in the right direction, hopefully keeps the deficit moving in the right direction, and that is down. I believe, based on the information that I have, that it is in our interest to support the conference report.

Again, I would say, some of my most respected colleagues, particularly the distinguished Senator from New Mexico, has a different view, one that I respect totally. I want to again express my appreciation to him for moving the process in the right direction and for raising the objections he has today.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I have the greatest respect for the authors of the proposition before us and I applaud their efforts for reaching a compromise under some most extreme conditions. They have worked hard and it might be argued that this is the best than can be done under the circumstances. I do not slight the intentions of the authors, I simply disagree with the underlying premise of the Gramm-Rudman philosophy.

I fully share the authors' concerns regarding the growing Federal budget deficit. I have authored a constitutional amendment to require that the President submit and the Congress enact a balanced budget and legislation to reform debt ceiling approval. In my view, if the debt ceiling is to be increased, it should accompany actual deficit reduction and be tied directly to the Federal budget. I am also a cosponsor of legislation to give the President enhanced rescission authority which would allow the President to immediately send items contained in appropriations bills back to Congress for reconsideration. I have also long supported legislation to grant the President line-item veto authority.

Mr. President, I realize that all the process reform in the world alone will

not solve the deficit crisis. There are only three ways to reduce the deficit; cut spending, improve receipts or pursue a combination of both. The real problem is not procedure, it is people. The deficit crisis will not be solved until the congressional leadership and the President sit down and work out a program of shared sacrifice. As a former Governor who put together eight balanced budgets, I can attest to the fact that there are no procedural magic wands, or painless ways to cut spending. Only hard work, tough negotiation, and good faith efforts to reach a consensus can produce meaningful deficit reduction.

I have been a consistent opponent of the Gramm-Rudman law. In spite of several positive factors, much of the Gramm-Rudman scheme is poor public policy. I have opposed the Gramm-Rudman law over the years because it is an abdication of congressional responsibility; it delays meaningful action on the deficit; the result it produces is grossly unfair; and after 2 years of operation it has not worked.

In this bicentennial year, the Gramm-Rudman automatic sequester is an idea which goes against the very foundations of congressional power and responsibility. The Constitution of the United State grants the Congress the power to lay and collect taxes, pay debts and provide for the national defense. Gramm-Rudman turns congressional responsibility over to the President's Office of Management and Budget. If the economic forecasters determine that the Congress has not reduced the deficit by a sufficient amount, the authority to cut a portion of the Federal budget is turned over to the head of the Office of Management and Budget. I do not believe that the American people elected the Congress to turn over its constitutional fiscal responsibilities to an unelected bureaucrat.

The entire Gramm-Rudman process actually delays serious action on the deficit. The budget reconciliation bill passed in 1986 is a prime example of the type of deficit reduction the Gramm-Rudman process inspires. The bill was loaded with spending shifts, one-time asset sales and accounting gimmicks which reduced the deficit projections, which technically met the Gramm-Rudman targets for the purposes of avoiding a sequester. The Congress did very little to reduce Federal borrowing or reduce the structural deficit. Rather than force action, the Gramm-Rudman process fakes action. I will concede that the latest incarnation of the Gramm-Rudman amendment goes a very long way to close the many known loop holes. However, in this environment, it is only a matter of time before new loopholes are discovered. One obvious weakness in this new incarnation is that it will likely encourage appropriators to "pad" accounts to cushion the effects of a sequester.

Most disturbing is the fact that if the Gramm-Rudman procedure were played out, it would produce a result which is grossly unfair. In its basic and theoretical form, there is great appeal to taking across-the-board action to reduce the deficit. I have worked over the years to formulate across-the-board freeze budgets. If the Congress is unable to reduce the deficit, it makes a good deal of sense to freeze or reduce each program by a uniform amount to deal with a budget shortfall. Such a procedure spreads the burden of deficit reduction and preserves the relative priority of each program. Unfortunately, Gramm-Rudman is not across-the-board deficit reduction. Over half of all Federal spending is exempt from the Gramm-Rudman formula reduction. Those nonexempt programs must absorb a disproportionate share of the deficit reduction burden. Agriculture, for example, takes an extremely heavy hit in a sequester scenario. Agriculture which accounts for about 3 percent of the budget would take a 10-percent reduction even under the limited sequester established for 1988. No one can say that Gramm-Rudman does not hurt farmers.

After 2 years of operation, by and large, Gramm-Rudman has not worked. The new version of the law does not bring with it a new promise of deficit reduction. If anything, it pushes difficult decisions away from this Congress and President Reagan onto the next Congress and the next President. In the first year of the Gramm-Rudman law's operation, the United States rolled up a $220 billion deficit; the largest ever! The Congressional Budget Office [CBO] just reported that in 1987 the deficit will likely exceed $160 billion, about $20 billion above the current Gramm-Rudman target. However, the acting director of CBO acknowledged that this slight improvement in the deficit picture is largely temporary and due to an unexpected windfall from tax reform, spending shifts, and one-time asset sales. After 1987, the deficit once again takes an upward path and hovers indefinitely in the $200 billion area. Today, the Congress is attempting to put off dealing with the long-term problems of debt and deficit.

Let's be honest with the American people. There were not sufficient votes to increase the debt ceiling, 2 years ago, to over $2 trillion and today to $2.8 trillion. The original Gramm-Rudman law and today's latest incarnation is basically a device to garner sufficient votes to extend the debt ceiling to a new and extraordinary level.

Mr. President, the Gramm-Rudman philosophy works to reduce deficit estimates, but time has proved it is a meager tool for actually reducing deficits. It is a way for Congress to congratulate itself for having fiscal courage without making a single decision on the spending and revenue issues which produce the debt and deficit. The future of deficit reduction does not hinge on the adoption of an automatic trigger for the Gramm-Rudman law. It hinges on political will and bipartisan cooperation. From the first day of Budget Committee hearings, the members of the majority called on the President to meet with the congressional leadership in a budget summit to really fix this problem. To date those requests have fallen on deaf ears. If the President can negotiate with the Soviets, certainly he can negotiate with the Congress.

The debt and deficit are the nuclear nightmare of the President's fiscal policy. It is time to stop hiding and start working toward deficit disarmament.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I thank the Chair. I do not intend to say anything further. I just wanted to say to you, Senator BENTSEN, as the chairman of our conferees, obviously because of the nature of the debt ceiling bill, it has befallen you twice, one in a ranking position and one as chairman, to be a lead person taking to conference on that little simple thing called the debt limit this very complex issue.

I truly want to say to you two things: It is not normally my privilege to be on conference with you because I do not serve on your committee. Second, it was really a privilege to serve with you, and I want to thank you for the way you conducted the hearings, they were difficult; for your tenacity; and for both you and your staff's dedicated work in trying to come up with a solution.

It happens in this case, obviously, that I do not agree, but I did want to tell you that it has been a privilege working with you. Obviously you understand intimately how to get things done. I was glad to be part of it right up until the end, and I am sorry on this one we disagreed. I am certain there will be many times in the future we will have a chance to agree.

Mr. President, I want to also thank the distinguished ranking member, Mr. PACKWOOD.

I want to say that it will fall on his shoulders to either chair or be the ranking member of the committee. We will not have a debt limit bill before us for some time now.

I want to say to him also, frankly, we are dealing with issues that he has no responsibility in. I want to thank him for all the hard work he has done, for the excellent staff work, for the quickness with which he grasped the

issues, and for participating fully in arriving at this compromise. I compliment him and I thank him.

Mr. PACKWOOD. I thank my good friend.

Mr. BENTSEN. I would say to my distinguished friend, I served on the Environment and Public Works Committee where he was a very vital member. I have enjoyed his friendship and I have a great respect for his ability and integrity.

As I listened to the distinguished minority leader talking about extending this until May 1989, we would not have to bring up the debt limit again, I could not help but think how many things we have attached to it. I learned more about the budget process than I ever intended to learn. But it has been a fascinating study for me. I have enjoyed it and you have been educational in the process. I appreciate that and I thank you very much for your cooperation working on that.

Mr. DOMENICI. Can we get the yeas and nays, Mr. Majority Leader?

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The majority leader is recognized.

DEBT LIMIT/GRAMM-RUDMAN FIX NEEDED NOW

Mr. BYRD. Mr. President, the tale of deficit reduction this year has been a tortured one so far. It has been marked by frustration, intransigence, delays, and a lack of results. Shortly, I hope the Senate will take the next step needed to achieve significant deficit reduction by approving the conference report on the debt limit, which includes restoration of the automatic sequester process under Gramm-Rudman.

Earlier, the House adopted the conference report with a bipartisan vote of 230 to 176. It is important for the Senate to do likewise and send the conference report to the President today for two reasons. First, the temporary extension of the debt limit expires at midnight tonight. Unless the conference report is agreed to before then, the Government will run the risk of default at the end of the month.

I hope all my colleagues recognize the seriousness of that situation.

I understand there is enough cash on hand to keep the Government running for a few days yet, but, in any event, a default by the U.S. Government on its financial obligations would be unprecedented. It could create chaos in worldwide financial markets and jeopardize millions of benefit checks and other payments.

But there is a second, perhaps more fundamental, reason to approve this conference report, and that is to achieve real, significant deficit reduction this year. There should be no mistake about it. The fate of Gramm-Rudman is the fate of deficit reduction for the next 2 years.

Last month, CBO and OMB released their joint report required by the current Gramm-Rudman law. In it, the two agencies estimated that the deficit for next year will be $172 billion if nothing is done to reduce it. That is an increase of $14 billion over this year's expected deficit of $158 billion.

Mr. President, it is clear from this report that unless we take action, the deficit will resume its upward spiral. This administration has already achieved the dubious distinction of saddling the country with the double debt blues—huge deficits both in trade and the budget. We in Congress have been trying to change that, with legislation designed to lower both deficits.

Unfortunately, we have met with resistance and obstruction by the White House and some in Congress on both issues. The White House has opposed restoring the heart of the Gramm-Rudman law.

Much of the opposition we have encountered comes from those who have said that economic growth will solve the budget deficit problem. It has not been solved. I believe that it is time to disregard that advice and take steps to do what we know must be done.

It has become clear to me that the key to deficit reduction this year is restoration of the automatic sequestration procedures under Gramm-Rudman. The White House has been so intransigent, so unyielding on the issue of deficit reduction that I have come to believe that the best hope of achieving it is to hold over both the Congress and the President the prospect of large, across-the-board spending cuts that will occur automatically unless more responsible action is taken to reduce the deficit.

What I am saying is that we have to hold the gun at the temples of both the President and the Congress. And to my colleagues on both sides of the aisle, may I emphasize that they should be aware that the gun is there not just at the temple of the President, but also at ours.

I regret that we must resort to such a process to force action on the biggest menace to our future prosperity—the deficit. But the unwillingness of the White House to cooperate in this effort has brought me, reluctantly, to this position.

The present Gramm-Rudman law does not contain the needed incentive for deficit reduction. The sequester resolution that is now on the calendar can be vetoed by the President. Thus, it does little to force him and the Congress to engage in a cooperative, serious effort to reduce the deficit.

Unless the automatic sequester process is restored, I fear that any significant deficit reduction will have to await January 1989 and the inauguration of a new President. That is a terrible situation for the country and for the new President.

Mr. President, I hope that there will be bipartisan support for this effort.

I hope there will be strong support on my side of the aisle. I am delighted that the distinguished Republican leader has announced his support. And, of course, it has the support of Mr. PACKWOOD and others. I think we all need to join together and show a very strong, bipartisan supportive position.

I know that there may be disagreements over the specific ways to reduce the deficit. But those differences should not paralyze us. The need to reduce the deficit should transcend those disagreements. Restoring the automatic trigger in Gramm-Rudman is absolutely essential to achieving any significant deficit reduction this year.

The change in Gramm-Rudman contained in the conference report does not specify how deficit savings are to be achieved. It does not say raise so much in new revenues or save so much in spending. It says that unless you reduce the deficit—by $23 billion next year and more the following years—there will be certain, across-the-board cuts in spending without regard to important national priorities. The specifics of how the deficit reduction targets will be met are left to the discretion of the Congress, which is as it should be.

So I ask all Senators for their support.

The message we send from here today will be heard, not only in the financial markets around the country, not only around the world, but also downtown, at the other end of Pennsylvania Avenue.

With strong bipartisan support, we can set in motion a process that can result in sure, certain deficit reduction, ultimately leading to a balanced budget. Without it, we likely will continue to wallow in a growing mountain of debt—a debt that saps the lifeblood from our economy and forces our children to bear the burden which is rightfully ours.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there further debate?

Mr. BENTSEN. Mr. President, I cannot close without thanking the majority leader for his support which has been so helpful.

I want to say to the distinguished ranking member on the Finance Committee, without his help, I do not believe we could achieve what we are trying to achieve. I think he has been very forceful and eloquent in his help.

Mr. PACKWOOD. I appreciate the comments of my colleague.

Mr. BENTSEN. And I thank the chairman of the Budget Committee for his long, hard work along the way.

Mr. President, I urge adoption of the conference report.

The PRESIDING OFFICER. Is there further debate?

Mr. BYRD. Mr. President, I would be recreant in my duties to my colleagues, if I did not compliment the distinguished Senator from Texas [Mr. BENTSEN], the chairman of the Finance Committee; the distinguished ranking member of that committee, [Mr. PACKWOOD]; and the distinguished Senator from Florida [Mr. CHILES], the chairman of the Budget Committee. While I cannot thank Mr. DOMENICI for his support on this matter, I can certainly thank him for the courtesy, the consideration, and the understanding he always extends to all of us. He is a very capable and able Member. He sees this thing as he sees it, and that is for him to decide. I respect his viewpoint even though I do not agree with it.

But these other Senators have worked hard in support of this measure. They have labored to bring the measure to the floor. They labored in conference with the other body. They worked hard and always, of course, with the threat hanging over them that even all of this work may in the final analysis prove to be in vain. But they tried and they produced a good product. I thank them on behalf of all of us in the Senate.

I also express appreciation to Mr. GRAMM for the work that he has done in this instance. I hope we can produce the kind of vote which will convince the other end of the avenue, the White House, that we have a package here that is entitled to, and deserves and commands, the support of the Executive as well.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the conference report.

The yeas and nays are 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] and the Senator from Illinois [Mr. SIMON] are necessarily absent.

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

The result was announced—yeas 64, nays 34, as follows:

[Rollcall Vote No. 262 Leg.]

YEAS—64

Armstrong	Daschle	Karnes
Baucus	Dixon	Kasten
Bentsen	Dodd	Kennedy
Biden	Dole	Kerry
Bond	Durenberger	Leahy
Boren	Evans	Levin
Breaux	Fowler	Lugar
Bumpers	Graham	Matsunaga
Byrd	Gramm	McCain
Chafee	Grassley	McClure
Chiles	Hatch	McConnell
Cochran	Heinz	Melcher
Cohen	Helms	Mitchell
Cranston	Hollings	Moynihan
Danforth	Inouye	Murkowski
Nickles	Rudman	Symms
Packwood	Sanford	Thurmond
Pell	Sasser	Trible
Pryor	Simpson	Wallop
Quayle	Stafford	Wilson
Reid	Stennis	
Rockefeller	Stevens	

NAYS—34

Adams	Glenn	Pressler
Bingaman	Harkin	Proxmire
Boschwitz	Hatfield	Riegle
Bradley	Hecht	Roth
Burdick	Heflin	Sarbanes
Conrad	Humphrey	Shelby
D'Amato	Johnston	Specter
DeConcini	Kassebaum	Warner
Domenici	Lautenberg	Weicker
Exon	Metzenbaum	Wirth
Ford	Mikulski	
Garn	Nunn	

NOT VOTING—2

Gore	Simon

So the conference report was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1988 AND 1989

Mr. BYRD. Mr. President, I ask the Chair to lay before the Senate the unfinished business.

The PRESIDING OFFICER. The clerk will report the unfinished business.

The assistant legislative clerk read as follows:

A bill (S. 1174) to authorize appropriations for fiscal years 1988 and 1989 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes.

Pending: Weicker-Hatfield amendment No. 712, to require compliance with the provisions of the War Powers Resolution.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The majority leader.

Mr. STENNIS. Mr. President, may we have quiet? This is an important matter.

The PRESIDING OFFICER. The Senate will be in order.

I thank the Senator from Mississippi.

The majority leader is recognized.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, if the Chair will indulge me momentarily, and if all other Senators will.

Mr. President, that I might facilitate matters, does the order which was entered into protect me or my designee for the purpose of offering an amendment in the second degree to the amendment by Mr. WEICKER with the understanding that there could be some debate and, in that event, I would be protected against any motion or amendment?

The PRESIDING OFFICER. The Chair will discuss this with the Parliamentarian.

The opinion of the Chair is that the order does so protect the majority leader.

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

Might I have the understanding of the distinguished Senator from Connecticut—I do not want to delay his getting on with whatever he wishes to say—that at some point, however, he would yield to me so that we could perhaps get some agreements on other matters. We are currently talking about taking up the nomination of Mr. Sessions and possibly having a very short debate thereon. We are also talking about hopefully getting an agreement to take up the continuing resolution, when it comes over from the House, without any amendments thereto.

If I could just have the understanding of the distinguished Senator, in the event we are ready to pursue those matters, that he would yield temporarily without losing his right to the floor and without the RECORD showing an interruption of his speech.

Mr. WEICKER. In response to the distinguished majority leader, absolutely. I have no intention in any parliamentary way—I do not think I could if I wanted to—of preventing the majority leader from taking the floor to make whatever request he desires.

But I do want the RECORD to show something else, and that is that I am perfectly willing to have a vote on the Weicker amendment at this instance, right now, and that in no way is it the Senator from Connecticut or the Senator from Oregon who is preventing such a vote from taking place, nor are we preventing the business of the Senate.

As long as the record is clear on that point, I can assure the majority leader that I do not want to hold up the Senate on whatever business it has to do.

Mr. BYRD. Mr. President, I am glad the distinguished Senator has said what he just said, because some impression might have been given by the request that I made of him that I was implying that the Senator was going to hold the floor. I did not mean that at all. I just do not want to hold up the Senator. At the same time, I do not want to hold up getting another agreement, if we can reach an agreement, on one of the other matters.

I am happy with the understanding of the distinguished Senator. I can assure him and all who are within listening and seeing distance that not for a moment did I feel that he was wanting to hold up the floor. I know he is

ready to vote at this point. I thank him.

Mr. WEICKER. Mr. President, might I ask the distinguished Senator from West Virginia, through the Chair, whether there is any possibility that we are going to have a vote on the Weicker amendment or any amendments thereto before the hour of 6 o'clock, the curtailed hours being necessary because of the religious observance? Is there any chance this might be accomplished within the next hour and a half?

Mr. BYRD. I think the distinguished Senator is entitled to have an answer to that question. In responding to the question, I should say that a bipartisan group of Senators has been meeting to develop the amendment in the second degree, and that group includes Mr. WARNER, the ranking member of the Armed Services Committee. That group is still working. We have produced I believe this is the third draft and we are diligently working.

But I would doubt that within the next hour and a half we could reach a vote on that amendment. That is my honest reaction. The distinguished Senator from Virginia [Mr. WARNER], is he cares to, might elaborate.

Mr. WARNER. Mr. President, I join the distinguished majority leader. There is a very conscientious bipartisan effort. And, I might say, my two colleagues who are the proponents of this amendment initiated the momentum which is now moving forward. We began, I think, this morning at 9:30 and we have spent some 5 to 6 hours on this matter. I assure them that it is being carefully considered.

The current draft strikes me to be a very fair approach to this situation and one which I possibly think the proponents of this amendment would want to look with considerable care to possibly joining.

I concur in your view that, assuming we reach the fourth and final draft here shortly, it might be laid down tonight. You are really the spearhead on this whole effort, the leader. I would think it would require some discussion, certainly, by the group of Senators who have worked on it. You would undoubtedly have some thoughts on it and, therefore, such time would be consumed. And, assuming the hour of 6 o'clock is the terminate point tonight, it is not likely a vote could be reached on it.

Mr. BYRD. I think were we not inhibited or fenced in by the 6 o'clock hour, I think we very well might dispose of the subject matter, as far as this Senator is concerned. It may not be in accord with other Senators' thinking. But I think the 6 o'clock hour that we have been pointing to for the last day would probably prevent disposition of the matter today.

I yield to the Senator from Georgia so that he might contribute his thinking.

Mr. NUNN. I missed the first part of the colloquy, but I did want to give a rundown on where we stand on other amendments. I do not have any real comments on this particular amendment.

Mr. WARNER. Mr. President, what the distinguished leader and I have said is that there is a small group, I am sure the chairman would indicate that he is a member of that group, working on a bipartisan agreement which would take the form of an amendment, and that agreement would require a considerable discussion both by the group who prepared it and by those who are interested in this issue. Therefore, we are not likely to reach a vote tonight on anything the majority leader would lay down.

Mr. WEICKER. With my good colleague from Oregon in remarking on the comments of the distinguished Senator from Virginia, we have have initiated these discussions but we did not participate in them.

Mr. WARNER. Mr. President, I say to my good friend that there will come a time when you will participate, and many will have the benefit of your erudite observations.

Mr. NUNN. I thought the distinguished Senator from Virginia was speaking for the distinguished Senator from Connecticut and the distinguished Senator from Oregon. We are shocked not to find that to be the case.

Mr. WEICKER. That is testimony to a former colleague of ours. It is very difficult to state Jake Javits' position. That is the problem being confronted. I doubt that they will do better than he.

Mr. WARNER. Mr. President, I would say as we look at this issue, a careful examination of the law indicates that both the executive branch and the Congress want to work within the spirit of the law, and we hope to achieve that. I think that is important. It is not a cut and run situation. We are trying to work within the spirit of the law, not the letter. Not the letter, but the spirit of the law.

Mr. NUNN. Mr. President, my own view is that we need to work both within the spirit and the letter of the law, but we also need to do so in our own security interest in the Persian Gulf area and that area of the world. That is not an easy task, as has already been observed.

Mr. President, I do not know who has the floor.

Mr. WARNER. Mr. President, if I could join with the observation of my distinguished colleague, he said the security interest of our Nation, and that is absolutely true, but also the security interests of our allies are involved. There is a composite of nations that have come together to address this crisis in the gulf and we must consider their interests as well as the interest of this Nation.

Mr. NUNN. If the Senator from Virginia has the floor, will he yield?

The PRESIDING OFFICER. The Chair will advise that the majority leader has the floor.

Mr. BYRD. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Georgia.

Mr. NUNN. Mr. President, I would like to have the attention of the majority leader and my friend from Virginia.

I would like the Senate to have some idea about the rest of the week and where we are in this defense bill before we get into any more debate on this particular amendment.

The PRESIDING OFFICER. The chairman of the Armed Services Committee has a request of the majority leader.

Mr. NUNN. I would like to acquaint the majority leader about where we stand on this Department of Defense bill so that our colleagues can begin to make plans for the remainder of the week.

It is my understanding that we will hopefully be able to get this amendment up and perhaps the substitute to that and debate those in due course, and perhaps stack votes on those two tomorrow afternoon.

Then I would hope to have two chemical amendments up, one by the Senator from Oregon and another by the Senator from Arkansas, and have those stacked for tomorrow afternoon.

Then I would hope to have the Kennedy amendment up on testing, have that up tomorrow and stacked for tomorrow afternoon.

Then a possible Kennedy amendment on aircraft carriers that I hoped we could debate and stack for tomorrow afternoon.

I would anticipate that we will have four, five, or six votes sometime after tomorrow afternoon. I would anticipate a very busy day in terms of debate, if that is in accordance with the desires of the majority leader.

Mr. BYRD. Mr. President, first I beg the Senator's pardon for having been distracted. I distracted myself. It was not because of someone else.

The chairman is pursuing a wise course. It is the only way to go forward with action on this bill and hope to finish it this Friday or Saturday, or even Tuesday of next week.

So, while we will not be having rollcall votes after 6 o'clock today, though we may yet have a rollcall vote today on a nomination or some such, it is a course which I very strongly support, that we proceed and try to line up our votes and call up our amendments. We

may have our amendment in the second degree that will be offered still this afternoon, be able to debate it, and agree to stack that for tomorrow after 6 o'clock. That would be a good beginning.

Then whatever other amendments the Senator can encourage by way of getting Senators to call them up, I hope he can do it. I compliment him on his approach.

Mr. NUNN. If I can say again, with the attention of the majority leader and my colleague from Virginia, for the rest of the week the way it appears to me if we can dispose of the amendments I have already outlined, including the pending amendment, in that general framework, we have a Bumpers-Leahy amendment on SALT II.

I would like to propose to my friend from Virginia a 3-hour time on that amendment equally divided. Not now but I would like to have him think about that and see if we can get that agreement tomorrow.

I know the Senator from North Carolina has an amendment on the ABM matter. I would like to get a time agreement on that one. I was going to suggest maybe an hour equally divided, but I will defer to the Senator from North Carolina for his feeling.

We have a Wilson amendment, cost effective, I think referring to the Midgetman program and the defensive criteria on the SDI Program. I would suggest a 1-hour time limit on that one.

We have a Gramm amendment on Davis-Bacon and a Gramm amendment on service contracts. That is Mr. GRAMM of Texas. I would suggest those amendments have been debated over and over again and that we have no more than a 1-hour time agreement on both of those.

We have a Gramm amendment on stockpiles that I am not familiar with, but I would suggest a 1-hour time agreement.

We have a Levin amendment that shifts funds from the strategic to conventional forces. I would suggest 1 hour.

We have a Roth amendment on base closures, and I suggest a 1-hour time limit on that one.

We have a Kennedy amendment on carriers. I would suggest a 2-hour time limit on that one.

I would say to the majority leader that I would like Senators' staffs to please bring this suggested list to the attention of their Senators and determine some time tomorrow afternoon or some time during the day if we can secure that kind of a unanimous-consent agreement.

Whether we can or not, I would suggest that we continue tomorrow night and I would suggest that we stay here as late as the majority leader will tolerate and my colleagues will tolerate on Thursday evening, well into the early morning hours, if necessary, coming back on Friday and working all day Friday, Friday night, and Saturday.

The goal I would like to achieve is to avoid a Saturday session and even get away Friday afternoon late, if we can finish this bill or if we can get to the stage where we close off further amendments and we agree that this is the set of amendments that we are going to live with and we have time limits on those with a time certain for final passage of this bill Tuesday afternoon of next week.

I say to my colleagues this is the only way we can avoid going perhaps late Thursday evening, which will be necessary in any event, and perhaps all night Friday and most of Saturday. The reason I say that, and I think this is something everyone should try to recognize, is that we had a week ago 60 amendments pending on this bill. We have been at work. We have had good cooperation from Members on both sides of the aisle. We have had no delay that I know of, purposeful delay. And we still have, guess what, 60 amendments pending. We have not disposed yet of any amendments over the course of a week.

Now, the reason that happens is because this is one of those bills that people view as covering the world and every time something happens in the world, the longer this bill stays here, the more amendments we are going to have. And we are going to go on and on and on. This bill could conceivably be debated in perpetuity, in good faith.

Mr. WARNER. Mr. President, would the Senator outline that course of action? I think it would be very interesting how that works.

Mr. NUNN. There is a rule against perpetuity I learned back in law school in real property but I have forgotten the rule, so I will have to look it up.

The PRESIDING OFFICER. The Chair will help. It is lives in being plus 21 years.

Mr. NUNN. Lives in being plus 21 years. That is probably the length of time this bill is going to last unless we are going to get some time agreements. If we are going to get that time agreement by Friday afternoon, nothing would suit me better than to have everyone get away Friday afternoon late, knowing we are going to finish this bill either Friday afternoon or at a time certain Tuesday.

Mr. HATFIELD. Will the Senator yield?

Mr. WARNER. Mr. President, at an appropriate time I would like to rejoin, but I will yield.

Mr. BYRD. Mr. President, if the Senator will yield, if we can get the agreement on amendments and limit the list to those on which we have agreed and with that a final time for a vote, a final vote on this measure, then we will not be in Saturday.

I hope that will be a little encouragement to Senators to shorten their amendment and perhaps the time limits that the distinguished Senator has stated could be shortened by Senators. That would help the chairman also. I think he is being very generous.

Mr. NUNN. Unless there are a lot of these amendments withdrawn, obviously we cannot complete this bill in that time frame. But if some of these amendments are withdrawn, and if on other amendments we can get agreement on both sides to accept, some of the amendments will go rapidly. And what I have enumerated here are what I consider to be the major amendments.

Mr. WARNER. Mr. President, I would just like to say this side pledges to work this afternoon to establish an agenda for tomorrow so that it can be a productive day, in certain respects, with stacked votes in the evening. It seems to me that is objective No. 1.

This Senator and others will work with the Senator from Georgia tomorrow to establish hopefully an agenda No. 2, which is an acceptable program by which we do not have to come in all night long, we can carry out Saturday plans, Monday plans and have a time next week, possibly Wednesday afternoon, for a final vote.

Mr. NUNN. I certainly hope the Senator from Virginia would not foreclose and would work for a final passage, first of all, Friday afternoon and, second, no later than Tuesday afternoon.

Mr. WARNER. Mr. President, that is up to the leadership of the Senate. I gave my views.

Mr. NUNN. If we start talking about Wednesday afternoon, I really think it is going to make it more difficult to get this kind of agreement and it is going to make it more difficult to get amendments up the next 2 days.

Mr. WARNER. Mr. President, I mentioned it only to indicate that there is considerable thought on this side that we should have a fixed time next week, agreed upon by the two leaders of the Senate, concurred in by the chairman and ranking member.

Mr. NUNN. I understand. I thank the Senator.

Mr. WARNER. We are working toward that objective. So let us have objective No. 1, a full day tomorrow with stacked votes, and during the course of that day this Senator together with the Republican leader, will come forward and try and contribute a plan that would involve the weekend and a time next week.

Mr. NUNN. If we could get the kind of time agreements we are talking about here and if we can have the kind of productive day we are talking about, with chemical weapons, testing

amendments, the Weicker amendment and the substitute thereto, go into the evening until a reasonable hour tomorrow night, 10, 11 o'clock, I think it would be possible with these kinds of time agreements and with cooperation to really be able to finish this bill Friday or certainly by Tuesday afternoon. I think that is within the realm of possibility.

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

Mr. NUNN. I will be glad to yield.

Mr. HATFIELD. I know precisely what the chairman of the Armed Services Committee is going through because amendments on CR's and appropriations bills have had the same effect. To assist the Senator in setting this in some kind of timeframe, I could suggest that we pull the bill down and then offer it as an amendment to the CR where there is a timeframe. There is ample precedent for that, and I would be very happy to take this all to conference on behalf of the Armed Services Committee.

Mr. NUNN. I will say to my friend from Oregon that I have thought about that long and hard in the last 10 or 12 seconds and I would be rather negative on it now, but would keep it alive as a last ditch possibility.

Mr. WEICKER. Will the Senator yield? To get this matter off on the right foot, you have at the present time a request by this Senator for an amendment to transfer defense moneys to the National Institutes of Health for medical research that benefits military personnel. I have asked for 1½ hours on that amendment. I would be willing to have a time agreement of 25 minutes to a side. If that will get the ball rolling here, so be it. I will be glad to agree to that time limit on that amendment.

Mr. NUNN. I would be delighted. I ask the majority leader perhaps if he would pose that time limit. That was an amendment on which we already had a time agreement.

Mr. WEICKER. That is an amendment on the list scheduled tentatively for 1½ hours, no time agreement having been arrived at, I would be more than willing to have 25 minutes on a side and a vote on it.

Mr. WARNER. Mr. President, I do not think either side had the opportunity to consider the offer. Let both sides consider it. I am not at this time able to agree.

Mr. NUNN. That is one on which we have already had a time agreement, and I think the Senator from Connecticut is simply proposing that we shorten the time agreement.

Mr. WARNER. That is clear.

Mr. NUNN. I would be strongly inclined to accept it but will defer to my colleague until he has a chance to consider it.

Mr. President, does the Senator from Connecticut desire to perhaps take that amendment up this afternoon in lieu of the one that is now pending and dispose of it or does he desire to go ahead with this amendment today?

Mr. WEICKER. In response to the Senator from Georgia, I would like to have a rollcall vote on it. We are getting a little close even on the 25 minutes to a side and that would be without any further discussion of the pending amendment. I think there might be a few minutes still allocated to the pending amendment. However, I am prepared to move forward on my other amendment to transfer defense money to the National Institutes of Health.

That would mean, if we started on the National Institutes of Health amendment at 5 o'clock, according to the time agreement which I have proposed, we should be ready to vote at 10 minutes to 6 or quarter to 6. I have no problem with that. If you want to start on that amendment and dispose of it—and I would want a rollcall vote—I am perfectly prepared to start talking to that amendment at 5 o'clock.

Mr. NUNN. I believe that would be moving forward because we are not going to be able to vote on the pending Weicker amendment tonight. We would be able to vote on the other Weicker amendment that he has identified tonight and the Senator would not lose his priority with his amendment that is now pending after disposal the subsequent Weicker amendment.

If we could proceed and debate that amendment now and perhaps we could get a unanimous consent within the next 5 or 10 minutes on the time, that would give us a rollcall vote this afternoon and dispose of one amendment.

Mr. BYRD. We would dispose of one amendment. I hope we could do that. Moreover, I am convinced at this point, having had some discussions, too, that we will not be able to offer the substance of the amendment in the second degree tonight. Consequently, if it is agreeable with the Senator from Connecticut [Mr. WEICKER] and the Senator from Oregon [Mr. HATFIELD] and others that we could agree to temporarily lay aside the amendment by Mr. WEICKER so that other amendments could be brought up, we could continue to make progress on the bill overall, stack the votes after having a vote on the amendment which Mr. WEICKER and the chairman have just addressed. If we could set aside, after Mr. WEICKER finishes his discussion, the pending amendment, or set it aside, bring up the other amendment, we have a vote on it, then if we could set aside that amendment temporarily to take up other amendments so that we could begin stacking them, it would be well. Otherwise, we will not make any further progress today.

Mr. NUNN. I would also suggest while we are discussing this that we get some order of priority tomorrow morning. If the Senator from Connecticut and the Senator from West Virginia would like to go first with this matter and the substitute, if we could begin that debate first thing in the morning and take the substitute and debate that, I think that would be a good place to begin. If the Senators from Connecticut and West Virginia would prefer to do it later in the day, I would ask my friend from Oregon if he would consider bringing up his chemical amendment either before this as a first amendment in the morning or following the disposition——

Mr. HATFIELD. Afternoon.

Mr. NUNN [continuing]. Of the Weicker amendment.

Mr. HATFIELD. Mr. President, I believe that the Senator from Georgia and the Senator from Arkansas [Mr. PRYOR] and I had a little discussion yesterday. We agreed to bring ours up at 4 o'clock on Thursday.

Mr. NUNN. The Senator is correct. I thank him.

Mr. WEICKER. I have no problem. Let me ask the majority leader. I have no problem with commencing debate on the Weicker NIH amendment at 5 o'clock with a time limit, out of deference to my friends who cannot vote after 6, of 45 minutes to be equally divided so the rollcall will go off at quarter to 6. Therefore, under the rules, it should be terminated by 6 o'clock.

I have no objection to that taking place if it meets with the pleasure of the majority leader and the chairman and ranking member of the committee.

Mr. BYRD. Mr. President, I thank the distinguished Senator. I am very supportive of the idea. I would like to see us go forward on that premise.

Mr. WARNER. Mr. President, we are prepared to accommodate these recommendations. We are waiting for the ranking member of the commitee who has jurisdiction. It is my hope to continue working with the majority leader and the chairman on the war powers.

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

I ask unanimous consent that the time then that was earlier agreed to on the amendment by Mr. WEICKER be reduced to 45 minutes to be equally divided and controlled in accordance with the usual form, with the same understanding that there will continue to be no second-degree amendment.

Mr. WARNER. Mr. President, I do not intend to object. That was the clarification I wanted to make sure was in there—that the unanimous-consent request now being propounded is

parallel in every respect to the one that is pending at this time.

Mr. BYRD. Yes. It would be.

Mr. WARNER. I note the presence of the distinguished ranking member.

Mr. HELMS. I want to be certain I understand the situation. The majority leader is not going to offer his substitute this afternoon?

Mr. BYRD. That is correct.

Mr. HELMS. So that will be tomorrow?

Mr. BYRD. That will not be today.

Mr. HELMS. It will be a substitute?

Mr. BYRD. That is my plan.

Mr. HELMS. I thank the Senator.

Mr. BYRD. I thank the distinguished Senator.

Mr. WEICKER. Mr. President, what is the pending business?

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the majority leader? Without objection, it is so ordered.

The Senator from Connecticut is recognized in support of his amendment.

Mr. WEICKER. Mr. President, I believe the pending business is the Weicker-Hatfield amendment as pertains to the War Powers Act. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. WEICKER. There are only about 5 minutes or so left here before the 5 o'clock hour and the introduction of the other Weicker amendment. But I want to use that time to once again refresh everyone's memory as to what is exactly at issue here.

What is at issue is not our policy in the Persian Gulf. Indeed, I have not arrived at a final conclusion as to whether I support or I do not support our policy in the Persian Gulf. What is at issue here is a simple living up to the letter of the law as that law is now on the books, specifically the War Powers Act.

It is not a question of whether we are going to cut or run, or whether we are right or wrong in any individual action in the Persian Gulf. Indeed, I would say that the actions taken yesterday which precipitated my amendment were just that; hostile actions against the Government of the United States. And it is just because they were hostile actions against my Government, our Government, that I put in the amendment relative to the War Powers Act which triggers that act when either we are engaged in hostilities or hostilities are imminent.

So let us make it clear that the Persian Gulf policy is not the issue. The War Powers Act is. I understand the length of time required to get a substitute to the Weicker amendment. It is occasioned by several factors. No. 1, there are those that are concerned with flexibility. Well, the War Powers Act is about as flexible as you can get. You go from 60 days of our presence in an area to 90 days to an indefinite period of time if that is what the Congress wants to vote. So time is not the issue.

What is at issue is that eventually sooner or later this body has to take upon itself the responsibility of determining whether our troops should be in that situation of hostilities. And there is no avoiding that. I would suggest that any sort of a substitute amendment is just that—an attempt to avoid the simple clarity of the War Powers Act and the responsibility being placed on the shoulders of the U.S. Senators. That is the result to be achieved by any substitute pure and simple. I just make these concluding remarks, and I will save the rest of the debate for tomorrow.

I again do not in any way want to foreclose my distinguished colleague from Virginia.

I yield the floor on this matter.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Briefly to reply to my distinguished colleague from Connecticut, we do have a difference of opinion. It seems to me that as the act is drawn, both the executive branch and the legislative branch have responsibilities. And each can exercise independently at what time they want to exercise those responsibilities.

I say to my good friend from Connecticut that the legislative branch should take into consideration the progress that the President is making in the U.N. Security Council, the progress he is making in terms of encouraging further allied support—and he has had a remarkable surge in that support in the last 30 days—the progress he is making in terms of getting the six gulf states to likewise contribute to this overall effort to contain that war, and to work toward peace and stability in that region.

In my judgment, the bipartisan group that is addressing this issue is looking at the options whereby both the executive branch and the legislative branch can work within the spirit of the law and achieve these objectives in a timely manner, but in a manner so as not to disrupt the actions being taken by our President now in the international forum.

Mr. President, I yield the floor.

I now understand we will proceed to the amendment.

Mr. WEICKER. I appreciate the remarks of my distinguished friend from Virginia. I am not concerned about the progress the President is making. I am concerned about the lack of progress the U.S. Senate is making.

Mr. President, I ask unanimous consent that the Weicker-Hatfield amendment be set aside in order that we might consider another amendment by this Senator.

Mr. BYRD. Mr. President, reserving the right to object, and I will not object, will the Senator also include in that that it be set aside temporarily, and that it retain the same conditions that have heretofore been attached?

Mr. WEICKER. The suggestion made by the distinguished Senator from West Virginia would be my request and so I make that request.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

AMENDMENT NO. 714

Purpose: To set aside funds for cooperative medical research to be administered by the Secretary of Defense and the Director of the National Institutes of Health.

Mr. WEICKER. 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 Connecticut [Mr. WEICKER] proposes an amendment numbered 714.

Mr. WEICKER. 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 22, between lines 8 and 9, insert the following:

SEC. 229. COOPERATIVE MEDICAL RESEARCH WITH THE NATIONAL INSTITUTES OF HEALTH.

Of the funds appropriated pursuant to section 201 or otherwise available to the Defense Agencies for reseach, development, test, and evaluation, the Secretary of Defense shall transfer $200,000,000 of the amount available for fiscal year 1988 and $200,000,000 of the amount available for fiscal year 1989 to the National Institutes of Health for the support of medical research conducted in the interest of the health of Armed Forces personnel.

Mr. WEICKER. Mr. President, I rise to offer an amendment to transfer $200 million from the defense budget to the National Institutes of Health for support of medical research conducted in the interest of the health of armed services personnel.

For many years now the National Institutes of Health has been doing work both independently and in conjunction with the Department of Defense, work of incalculable benefit to the armed services.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. WEICKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WEICKER. Is there agreement before the Chair that the vote on this amendment will take place at 5:45?

The PRESIDING OFFICER. There is a 45-minute time limit on debate. There is no such agreement as to the exact time for ordering the yeas and nays.

Mr. WEICKER. I yield to the distinguished majority leader.

Mr. BYRD. Mr. President, I ask unanimous consent that the vote occur on or in relation to the pending amendment at 5:45 p.m. today; that no further motions be in order; and that no quorum call be in order at that time, and no further debate, no further action of any kind.

The PRESIDING OFFICER (Mr. ROCKEFELLER). Is there objection? The Chair hears none, and it is so ordered.

Mr. WEICKER. Mr. President, for many years now, the National Institutes of Health has been doing work, both independently and in conjunction with the Department of Defense, of incalculable benefit to the armed services. As we all know, a strong Armed Forces depends not just on the firepower of its weapons systems, but also on the health and fitness of its troops. Think back to the Civil War when for every man killed in battle, three perished from disease. Or World War I where over 38,000 American soldiers died of typhus, influenza, and frostbite before even getting overseas.

Recognizing the links between national security and disease prevention, Congress broadened the NIH's scope of responsibility in the 1930's. From being a freestanding Government laboratory carrying out infectious disease research with limited resources, the NIH was transformed into what would become the world's foremost biomedical research facility, with the virtually unlimited mission of ascertaining the cause, prevention, and cure of disease.

The strides that have been made since are apparent. Citizen and soldier alike no longer have to fear diptheria, yellow fever, and typhus among other diseases. Which is not to say, there are not other challenges to be undertaken.

Mr. President, my reason for the pause was that in the course of preparing the speech, the staff put malaria in here, and that is one disease for which we do not have a cure. The National Institutes of Health is actively engaged in finding a breakthrough. The National Institutes of Health and the U.S. Government thought we had a breakthrough. That is not necessarily the case.

I cite this wrongful inclusion, which I have now corrected, only because this is one of the diseases to which our armed services personnel are subject in service around the world. This is one of those matters affecting citizen and soldier alike.

Imagine the advantages to the Nation and the world if this Nation should find a vaccine for malaria, a disease that cripples and kills across all sections of the world and certainly among our own armed services personnel. So they have a definite stake in finding this vaccine.

Today, the NIH is doing pioneering work in the fields of AIDS, radiation effects, spinal cord injuries, environmental toxins, trauma, burn, physical rehabilitation, drug addiction, viral hepatitis, influenza, bacterial meningitis, blood substitutes, heart disease, and cancer pathology. Work in all of these areas clearly impacts on the military. In fact, the NIH has collaborated on medical research projects with army scientists, and in fiscal year 1986, even bankrolled Defense Research and Development through grants to the tune of $3 million.

Now, $3 million really is a pittance in relation to the potential benefits to Armed Forces personnel, especially in some of the diseases which are of deep concern to the Nation and the Armed Forces alike. A good example is the AIDS problem. This is a big problem in the military. Yet, with all the money that the military has, they are not making their proportional contribution to seeing the problem overcome.

Two hundred million dollars is almost nothing when it comes to the defense budget. Yet, insofar as the National Institutes of Health is concerned, this could provide a great push toward conquering not only AIDS but malaria and other diseases, the economic cost of which is enormous to our military services.

The irony of this is that while the budget for defense, spurred on by star wars and the 600-ship Navy, has increased dramatically, the President has continually attempted to cut funding for the NIH. While we are getting new weapons systems, the laboratories and university facilities where the medical pioneering is done are in a serious, systemwide decline.

The last NIH-wide appropriation for research facilities was in 1968. Ten years later, a survey of cancer research facilities conducted by the National Academy of Sciences found that more than a third of the Nation's research facilities needed remodeling and nearly one-half needed additional space. An update of that study released in 1985 concluded that "since that time, the need has grown while Federal support has declined."

In those research facilities and in the minds and experiments of NIH scientists lie the answers to the medical questions of our times. If we do not pay the price now to upgrade facilities, and lay out research funds, we are going to see staggering bills later on, bills of suffering, bills of lost manpower, bills attesting to our failure to uphold our vital defenses.

The point is that while we need battleships on the seas, and bombers that we can send up to the skies, we need healthy men and women on the ground. Over the years, the Department of Defense has benefited greatly and directly from the work done by the NIH. Instead of the NIH subsidizing the DOD, I would like to see it the other way around: $200 million to the NIH is a good investment for the defense of American lives and for the defense of the lives of our military personnel.

Mr. President, I notice that the distinguished chairman of the Appropriations Committee is on the floor. I might add that the chairman happens to be one who can take as much credit as anybody in this country for building up the capabilities and strength of our armed services. But he will discover shortly, when he chairs the subcommittee markup on the labor, health, and human resources bill, that the sums allocated to science and medical research are pitifully small insofar as the total budget is concerned.

I have to repeat that I have searched everywhere to find an answer, and finally I hit upon this concept where, in effect, the Department of Defense carries its own weight insofar as protecting its people is concerned. I am not asking them to do any more than that.

Again, I think the record is replete with the danger posed to our military personnel just by AIDS, certainly by malaria, certainly by the suffering and injury caused by burns.

I would hope that I would have the support of my colleagues for this amendment which authorizes a new program within section 201 of the defense authorization bill. Section 201 authorizes $8.4 billion for research and development in defense agencies in fiscal year 1988. Under my amendment the Secretary of Defense will transfer $200 million to the National Institutes of Health in support of medical research conducted in the interest of health for Armed Services personnel. It is a 2-year authorization, $200 million in fiscal year 1988 and $200 million in fiscal year 1989. The money is authorized from within existing funds.

I might add that the type of medical research envisioned by this amendment is not specified. Flexibility is retained so that maximum benefit to the health of Armed Forces personnel can be realized.

I yield the floor.

Mr. WARNER. Mr. President, I see the distinguished chairman of the subcommittee: Does he seek recognition of this matter? If so, I am glad to defer my comments. My opening comments are very brief.

They would simply be, Mr. President, in every room in this Capitol—I

say this with respect—there are people who are looking for ways to take this bill and try and get funding for a project. This is a very worthy project and I commend my good friend from Connecticut, but it seems to me that the Senate has got to make a conscious decision, are we going to look to this bill as a treasury for a variety of very worthy projects which are second, third or fourth cousins possibly to defense, and I am certain that our committee and we are now bringing over the files to the floor. We did not have much lead time on this amendment being up tonight. But the files will reveal that our committee takes a look at situations such as this, and I cannot state specifically whether we addressed this situation, but it does consider these situations as we formulate our bill.

Mr. President, I yield the floor.

Mr. President, are we under controlled time?

The PRESIDING OFFICER. The time is controlled.

Mr. WARNER. Would the Senator from Virginia control the time in opposition or would the Senator from New Mexico? And I am perfectly willing to let him. I am not asserting, but we should establish it.

The PRESIDING OFFICER. The Senator from New Mexico, if he opposes the amendment, has a time allocation.

Mr. WARNER. That would be this Senator's understanding, and I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, let me speak in opposition to this amendment and first clarify what I understand the amendment to be doing.

I think this is consistent with what the Senator from Connecticut has said; that is, that the amendment would transfer $200 million in fiscal year 1988 and $200 million in fiscal year 1989 from the Defense Department research development, test and evaluation accounts to the National Institutes of Health for the support of medical research to be conducted in the interest of the health of the armed forces personnel.

I would start merely by saying that I think that as far as I know this is not an amendment that is supported by the National Institutes of Health. If I am incorrect on that, I would certainly want to be corrected. But my information is they have said nothing to us here in Congress indicating their desire to have this $200 million transferred to them directly.

I would also point out that at the present time there is a great deal of research going forward in the National Institutes of Health which is funded by the Department of Defense for the very purposes and the kinds of purposes that this amendment is trying to address.

My information is that in 1988 under the present budget that we have before us there are $324 million anticipated to be used by the Department of Defense for research to be done in this general area of health and much of that contracted through the National Institutes of Health.

In 1989 there are $352 million of research to be done in this general area, again to be much of it contracted through the National Institutes of Health.

So it is not as though this is a subject going unaddressed in the present bill before the Senate.

Again, as I say, I am not aware of any concrete recommendation or concrete proposal that the National Institutes of Health has come up with to explain what they would use this $200 million for each of the next 2 years on. And I think as drafted, the amendment pretty clearly would be money that the Department of Defense would take from the funds it already anticipates using to pursue this health research.

That funding would go directly to the National Institutes of Health and essentially take the Department of Defense out of the loop as the agency that has the foremost say about the nature of the research that ought to be pursued.

I do think that the amendment is one which is sort of one of a variety of amendments that come to the floor when we have the defense bill. The defense bill is a very large dollar bill, and it is very attractive, of course, to have amendments from all different sources urging that we take a couple hundred million for one purpose, a couple hundred million for another purpose and generally whittle down the research and development funds that we have otherwise allocated to the defense area.

I really do think that in the bill before the Senate we have worked very hard at trying to shape a bill that has an adequate amount of research and development funds in it for our national security needs, some of them for this type of research, a great deal of the R&D funding for other types of research.

I would hate to see us making this kind of a judgment here on the Senate floor to interfere with that, to take large amounts, as this amendment would, and just transfer them over for an unspecified, undescribed program in another agency that has not yet requested the funds.

I think that is an unusual course for us to follow and I think it is very hard to justify.

So my understanding is that the Department of Defense is opposed; NIH has certainly not expressed any support of it that I am aware of. I do not know anybody in the administration who has come forward in support of this effort. I really do not know there is a specific enough proposal before us for us to discuss it too intelligently.

We have $200 million which is the figure for each of the next 2 years. As to what it would be used for, what type of research it would be used for which is otherwise going unattended or unaddressed is not clear.

For those reasons I would oppose the amendment.

I yield the floor.

Mr. WEICKER. Mr. President, I have two questions I would like to propound to my distinguished colleague from New Mexico.

First, let us understand what we are talking about here. We are not talking about money to be taken from the defense budget and used for purposes outside of the needs of our military. To say that would presume that our military need no benefits from medical research. Clearly, they do. And it is time especially with the moneys allocated with the military that they carry their fair share. They do not and I would like to have the specific figures regarding the statement that some of the $320 million spent for general health is subcontracted to the NIH.

The National Institutes of Health is our premiere agency in the conquering of disease. Nobody in the military and nobody in private enterprise has the capabilities of the National Institutes of Health when it comes to biomedical research.

The Senator from New Mexico is well aware that AIDS is a big problem and a big worry to the military. The reason why the NIH budget is being devastated right now is because AIDS is taking an enormous chunk out of the biomedical research budget that the administration repeatedly proposes to cut.

I would suggest that there is not the capacity for biomedical research within the military establishment that there is within NIH.

Indeed, if we are going to benefit the Nation and the military then all I am saying is let the military pay its fair share.

The matter of malaria weighs far more heavily upon military personnel than it does civilians in the United States. And I can go down the whole check list of diseases.

You have the money. At least pay your share and do not piggyback on this miniscule budget meant to lead the breakthroughs in science against disease.

The distinguished Senator from New Mexico made the statement that nobody asked for this money, that NIH has not asked for the money, and the administration has not asked for the money.

Believe me, that falls on very, very sensitive ears. The administration has requested almost nothing for NIH over the past several years. It is the Congress of the United States, Republican and Democrat, Senate and House, that, in effect, has protected that National Institutes of Health budget.

And, obviously, the personnel within NIH have not made the request because they are under the direction of the executive branch.

It is the Congress of the United States, both parties, both Houses, that has had to dig out the facts and ask for the money. So it should not come as a surprise to my distinguished friend from New Mexico that I am here making the request and not the administration. They do not even ask for adequate funds for the civilians of this Nation that would be benefited by NIH, never mind asking for more funds needed for the military. I am here to make the request, as I have many other requests.

How much is involved here? One-tenth of 1 percent of the budget being authorized—one-tenth of 1 percent—to assure that the health of our military personnel, along with that of the citizens of this country, is adequately provided for.

I hope I am wrong, but I repeat: With the types of diseases we are confronted with today and their complexity, believe me, we need the help of the National Institutes of Health. I hope that the military would participate in paying the cost of that help. It does not come free. You have the biggest part of the budget. You have an easy ride, and they have a tough ride.

If you could turn to me and say we are not benefiting from anything that they do, I would say, fine. But, indeed, the benefits flow more, if not much more, to the military than other institutions of this country. That is the purpose of the amendment.

Mr. BINGAMAN. Mr. President, could I ask the Senator from Connecticut to yield for a couple of questions?

The PRESIDING OFFICER. Does the Senator from Connecticut yield?

Mr. WEICKER. I am delighted to yield to my good friend.

Mr. BINGAMAN. First, let me say that I certainly favor the National Institutes of Health and I respect the work they do. I certainly favor funding at a reasonable level. But why $200 million? Why not $500 million? Why not $100 million?

Is there something going unaddressed there that requires $200 million this next year and $200 million the year after that that the National Institutes of Health feels is being neglected?

Mr. WEICKER. To my distinguished friend from New Mexico, the answer I would give him is, why not $500 million? Why not $500 million? They could use $500 million. They could use $700 million. They are grossly underfunded, considering the task that lies in front of them.

What I tried to do was to pick a reasonable figure that had some relationship to the benefits to be derived from their work.

I would be perfectly satisfied, if the committee leadership, in its wisdom, figures something less would be appropriate, I am willing to go ahead and discuss that. I am not willing to discuss zero. I am willing to discuss some compromise.

But I think the time has come now to hold the military accountable for its fair share in the battle against diseases.

Mr. BINGAMAN. Let me ask, on the $321 million that the military is spending on research in the area of health in 1988, does the Senator know—I do not know and I am the first to admit that, but it is not my amendment that is being proposed—but does the Senator know what portion of that $321 million in this budget would be expected to be contracted with the National Institutes of Health?

Mr. WEICKER. Mr. President, I have to remind my colleague from New Mexico that he made a statement of $321 million that would apply to the general health, much of which was contracted through NIH. Those are not my words, those are the Senator's words. Obviously he has the figures to back it up. I do not know.

Mr. BINGAMAN. You are not aware of that?

Mr. WEICKER. I certainly do not know.

Mr. BINGAMAN. You are not aware of the extent to which the military today contracts for research through the National Institutes of Health?

Mr. WEICKER. I am certainly not aware of what portion of the $321 million is contracted out. The Senator indicated a large portion of it is. I am not in a position to dispute that. I would doubt a very large portion of it is.

Indeed, I would say it goes around the other way, where NIH itself, trying to ascertain certain facts, goes ahead and funds activities at various military installations.

This whole situation, as I said before, is not one of trying to attach military funds to affairs that are beyond the necessity of the military. I have tried to clearly establish a common ground of health between the military and our national health effort.

Mr. BINGAMAN. I certainly agree that the military has major concerns about health and the health of the active duty personnel and dependents and all others. I do think that the commitment of $321 million in research funding for 1988 and $352 million in research funding for 1989 is a fairly clear sign that they take that responsibility seriously.

I am not clear as to exactly what portion of that goes to NIH.

Mr. WEICKER. I would suspect, in responding to the distinguished Senator from New Mexico, that it cannot be very much because the facilities coming under that particular research budget include Walter Reed; the Naval Medical Research Institute in Bethesda; the Human Systems Division, Aerospace Medical Command, in San Antonio; the Armstrong Aerospace Medical Research Laboratory in Dayton, OH; the Armed Forces Radiobiology Research Institute in Bethesda; and 18 other laboratories worldwide.

I do not think there is going to be much of that $300 million that goes to the National Institutes of Health.

But, in any event, I do know this: For the particular diseases that threaten the military today, the greatest capability for breakthrough exists at the National Institutes of Health.

Mr. BINGAMAN. Mr. President, I yield to the Senator from Georgia.

Mr. NUNN. Mr. President, I certainly respect what the Senator from Connecticut is attempting to do here because NIH is enormously important to the health of our country, and included in the benefits of the work of NIH is the Department of Defense.

Our problem is that it is my understanding—I do not have the figures now—that DOD sits down each year and contracts with NIH on things that are of great interest to the DOD that they are not able to do with their own medical research. The Department of Defense does have medical research ongoing. I do not know what the numbers are, but I am told that there is an agreement, for instance, on AIDS research between the Department of Defense and NIH.

Our big problem is that we have an account here that is a very broad account and I am afraid what is going to happen is you are going to be taking medical research out of DOD and putting it into NIH. I know the Senator's amendment does not specifically get that detailed, but I think the net result is we are going to be taking the Department of Defense health research for their own problems within the military—ways to treat wounds, new methods of helping battlefield victims, all of those things—we are going to be taking money out of that and putting it into NIH.

Both are worthy causes. But that is what a budget process is all about. That is what the administration is supposed to do when they put together their two budgets, weighing in the balance the NIH needs versus the DOD needs. And then what we do when we vote on the budget resolution, presumably those things are

taken into account when Congress sets the level. So if we set a budget resolution with the defense number at one area and then we come in and basically start shifting funds from one area to the other, we are obviating what we have done ourselves earlier.

The other big problem we face, being frank with our colleagues, is we are going to have one amendment after another to transfer Department of Defense funds to other agencies. This is not the first one. I would suggest that if this one passes we will probably have numerous amendments to do that. Everybody wants to grab for funding that they deem to be available.

We simply do not have the margin in the Department of Defense budget now to undertake these kinds of transfers and still carry out the needs of the national security of our country.

So I certainly respect the Senator from Connecticut's arguments, and I also have a tremendous respect for his leadership in the field of health. He has been an outstanding leader for a long time. I know he is keenly aware of the health needs and challenges of this country. But I would urge that this amendment be rejected.

Mr. WEICKER. Mr. President, I would respond to both of my friends from New Mexico and Georgia by citing a specific example as best as I can ascertain from your budget. On AIDS research, I see where in 1986 the actual dollars spent was about $33 million. A later estimate, as best again I can determine from your own document, is about $21 of $22 million spent on AIDS research.

This is a subject that we share in common between the military and the civilian. The fiscal year 1988 budget had the administration advocating about a $100 million increase in AIDS research while cutting the basic research budget of NIH $600 million.

Anybody who knows their science knows that we are as far along as we are against AIDS because of basic research. To go ahead and say you are increasing AIDS research while you cut basic research, in effect, results in a $500 million reduction in research activities on AIDS.

The amount that the military is contributing here is peanuts. If these figures are true, it is around $20 million. I think we would also agree that this is one of the problems that has confronted the military. Indeed, some of the best facts we have relative to the AIDS virus and epidemic early on came from the military. It did good testing and reporting work in that area.

The fact is we are not yet stopping the disease.

I would again only suggest to the managers of the bill that I understand what they are afraid of. I am not trying to take funds from SDI to go ahead and put into NIH. I am just trying to go ahead and focus your own R&D money where it will do the most good, saying you ought to pick up your fair share of the medical tab with your medical funds.

That is the only thing that I have done here.

Let me also make the comment that I happen to know both the distinguished Senator from Georgia and the distinguished Senator from New Mexico are both very sensitive to the health needs of the Nation. It is their duty, certainly, to keep things as best as possible as they are within their authorization bill. But having been alerted to this problem, I would suggest that the matter has been so improved to the point where movement is necessary. I would hope that the military would assist not just in the battle against foreign enemies but in the battle against diseases when its own personnel are very much subject to the exigencies of diseases, as indeed we all are. I would hope the amendment would be adopted.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN. Mr. President, will the Senator from New Mexico yield 1 minute?

Mr. BINGAMAN. I did not know I controlled the time. I yield.

Mr. NUNN. Mr. President, does the Senator from Virginia desire to be heard, or other Senators desire to be heard, on this amendment?

Mr. WARNER. Mr. President, the Senator from Virginia spoke in opposition to this amendment earlier and desires no further time. I commend the chairman of the subcommittee having jurisdiction over this. I believe he stated the case very clearly on behalf of the committee.

Mr. NUNN. I will ask my friend from Connecticut whether he desires to yield back his time so we can have a rollcall vote. I assume the Senator wants the yeas and nays.

Mr. WEICKER. I believe the yeas and nays have been ordered.

Mr. WARNER. Mr. President, I am informed that there is at least one Senator coming to the floor on this issue, the distinguished Senator from Alaska, the ranking member of the Appropriations Committee, Subcommittee on Defense. I wonder if we can put in a quorum call.

Mr. NUNN. 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. NUNN. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. NUNN. Mr. President, I would yield such time as the Senator from Alaska desires.

We have by unanimous consent a rollcall vote to occur at quarter of 6, so we must be concluded by 6 o'clock.

Mr. STEVENS. Mr. President, I thank my good friend. I rise to speak against this amendment which, as I understand it, would take $200 million from the Department of Defense and transfer it to the National Institutes of Health. This transfer of funds would negatively impact the Department of Defense and its involvement in AIDS research.

I want to point out that it is now 4 years since we started the Army in extensive research on AIDS. They have an excellent track record in vaccine development; hepatitis A, malaria, dengue fever, the adenoviruses and shigella. The Army has been involved in so many other things and has done an excellent job.

It was our consideration that there is a unique population in the active defense force that has a significantly high risk in terms of AIDS. This is a sexually transmitted disease. The military exposure for sexually transmitted diseases is some 5 times higher than in the same civilian age group. The risk of overall AIDS infection is significantly higher in defense because defense personnel are sent throughout the world at the command of the military. This is not a decision made voluntarily. They are people who are sent into high-risk areas throughout the world. I personally felt the Department of Defense should do its utmost to see if it was possible to explore some of the avenues that might provide additional protection to these people who have a higher risk. That higher risk can be met by temporary prevention of transmission by vaccines and also by treatment of those who are already currently infected.

I would point out that there is an immediate active duty problem. We already know of at least 4,000 infected persons who are currently on active duty in the Department of Defense. I might also point out that it is in fact the Department of Defense statistics from its testing program for those who attempt to volunteer for enlistment in the Armed Forces that has given the United States, if not the world, the best information so far on the extent and nature of this disease and its rapid transmission. These statistics have led us to the conclusion that we are not just dealing with a problem, we are dealing with a plague.

Those who are concerned about the National Institutes of Health should realize that without the money that is available to the Department of Defense we would not have the basis to attack this disease on the broad front that we do. I hope that the Senate will

reject this amendment. In the first place it exceeds the amount that should be taken from the Department of Defense even if there was a sincere possibility that we would give it up. But those of us who are concerned about the Department of Defense and AIDS should resist absolutely an amendment that would take away any of this money.

Mr. President, knowing the time constraints, I yield in the interest of fairness to my friend from Connecticut.

Mr. WEICKER. Mr. President, the distinguished Senator from Alaska makes all the arguments that I could ask for on behalf of this amendment. What I am asking is not that the money be taken from defense but that defense pay its fair share of the bill.

Very frankly, the vaccine development and the principal research effort is not going on in the military. The Senator is absolutely correct, they have done a grand job of gathering statistics, but as far as finding the vaccine or chemotherapy to halt AIDS, that sits over in NIH.

The Senator dramatizes the fact that there is 5 times the rate of AIDS within the military, which makes the exact argument I am trying to make: Who is going to pay the bill to go ahead and do something about it?

Again, this is money to go over to NIH for the benefit of our Armed Forces personnel. It gives it to those who are best equipped to do the job, which does not in any way denegrate the research efforts going on within the military. But I would suspect that a little help from our friends in the military would go a long way in shortening the time to which we will find a cure, certainly go a long way toward finding the chemotherapy which can halt the transmission or progression of the AIDS virus.

I yield the floor and I am perfectly willing to yield back the remainder of my time.

The PRESIDING OFFICER. All time for the opposition has expired.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. Thirty seconds remain for the manager. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I move to table the amendment 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 of the Senator from Connecticut. The clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] 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 64, nays 34, as follows:

[Rollcall Vote No. 263 Leg.]

YEAS—64

Armstrong	Graham	Nickles
Baucus	Gramm	Nunn
Bentsen	Grassley	Packwood
Bingaman	Hatch	Pressler
Bond	Hecht	Pryor
Boren	Heflin	Quayle
Boschwitz	Helms	Rockefeller
Bradley	Hollings	Roth
Breaux	Humphrey	Rudman
Chiles	Johnston	Sasser
Cochran	Karnes	Shelby
Cohen	Kassebaum	Simpson
Danforth	Kasten	Stevens
DeConcini	Kerry	Symms
Dixon	Levin	Thurmond
Dole	Lugar	Trible
Domenici	McCain	Wallop
Evans	McClure	Warner
Exon	McConnell	Wilson
Ford	Melcher	Wirth
Garn	Moynihan	
Glenn	Murkowski	

NAYS—34

Adams	Fowler	Pell
Biden	Harkin	Proxmire
Bumpers	Hatfield	Reid
Burdick	Heinz	Riegle
Byrd	Inouye	Sanford
Chafee	Kennedy	Sarbanes
Conrad	Lautenberg	Specter
Cranston	Leahy	Stafford
D'Amato	Matsunaga	Stennis
Daschle	Metzenbaum	Weicker
Dodd	Mikulski	
Durenberger	Mitchell	

NOT VOTING—2

Gore	Simon

So the motion to lay on the table amendment No. 714 was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now occurs on the Weicker amendment.

Mr. BYRD. Mr. President, as indicated heretofore, there will be no further rollcall votes today. The Senate will come in early tomorrow.

I ask the distinguished manager of the DOD bill what time he feels we can get started in the morning.

Mr. NUNN. Mr. President, I believe we can start at 8:30 tomorrow morning. I know that we do not have any rollcall, but I do have an inquiry out to the Senator from North Carolina because the Senator from Connecticut is willing to bring up an amendment on Panama at 8:30 tomorrow morning. There is no time agreement, but I would hate to start today with an amendment that was going to involve protracted debate.

From the manager's point of view, I am trying to get someone who is alive and well and awake at 8:30 in the morning to start on this bill.

Mr. HELMS. Mr. President, if the Senator will yield, he may not find anyone like that.

Mr. NUNN. I found one, and I have not found anyone else volunteering.

Mr. HELMS. Is the Senator asking unanimous consent?

Mr. NUNN. We are not proposing unanimous consent. We are asking, as a matter of courtesy, the Senator from North Carolina, whether he would have any real problem with getting the Dodd amendment up in the morning and having debate. No one's rights would be waived, but I would not want to start a debate that would take a long time.

There is an amendment that will come up later in the day by the Senator from Connecticut and a substitute by the Senator from West Virginia.

Mr. HELMS. Mr. President, on tomorrow, it is a set of circumstances. Is there any way that there can be an agreement that the Dodd amendment could be revisited later in the day for further discussion? I happen to have two meetings downtown in the morning back to back. But I would like to discuss it with the Senator.

Mr. NUNN. Under those circumstances.

Mr. WARNER. If I might acquaint the manager, there is another amendment that would be available tomorrow. I wonder if I might invite the Senator from Arizona to join in this colloquy.

Mr. NUNN. Mr. President, I would suggest particularly in light of the fact that we seem to have another amendment, in deference to the Senator from North Carolina that we contact the Senator from Connecticut and inform him it is preferable to bring up his amendment later in the day and perhaps have the Senator from Arizona begin in the morning at 8:30 and bring the amendment up.

Mr. HELMS. I would appreciate that.

The PRESIDING OFFICER (Mr. BINGAMAN). The Senator from Georgia has the floor.

Mr. NUNN. Mr. President, I yield the floor.

Mr. WARNER. May I pose a question to the leadership?

Mr. BYRD. Yes.

Mr. WARNER. Is the hour of 8:30 established for this bill or will this bill come sequentially after other matters the leadership may have in the morning?

Mr. BYRD. No. It would be our plan to begin with this bill tomorrow morning.

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

Mr. McCAIN. Mr. President, if the Senator from Georgia will yield, it is my understanding we will start at 8:30 with the amendment.

Mr. NUNN. I would ask my leader from West Virginia if that would suit him to begin at 8:30 with this amendment?

Mr. BYRD. Yes, it would if the distinguished Republican leader is agreeable if we could begin at, say—at 8:30 or if we could come in at 8:20, just have the two leaders' 5 minutes each and go immediately to the DOD bill so that the distinguished Senator could call up his amendment at 8:30.

Mr. DOLE. All right.

Mr. BYRD. Mr. President, that will be the understanding, and I will enter an order later to that effect.

Mr. NUNN. Then I would hope to follow that with Senator DODD, and Senator HELMS, from North Carolina, can have a conversation this evening and perhaps have the Dodd amendment shortly thereafter and have some Dixon amendments and then by that time we could perhaps get to the substitute and then we do have amendments from 2 to 6 o'clock which are on major amendments where we will have the debates and stack the votes. So we are looking for other business tomorrow and would like to take as many amendments as we can.

A VIEW OF SDI

Mr. ADAMS. Mr. President, yesterday the Senate, on a tie vote broken by the Vice President, failed to adopt Senator JOHNSTON'S amendment designed to limit SDI funding. I voted for the Johnston amendment, even though I believe it provided more funds than we should have for SDI, because it was the best opportunity we will have this year to express our opposition to the SDI Program.

During the debate on that amendment, many Members spoke about the specific funding levels and the specific problems associated with space-based kinetic-kill vehicles. In these remarks, I want to take a slightly broader view and talk about the basic justification for the SDI Program itself. Let me outline a few of my main concerns about this initiative.

First, even if the mechanical and technical elements of an SDI system could be made to work, SDI itself will not work to protect the United States from the effect of a nuclear attack. No one has, or can, argue that SDI could create a total shield—everyone concedes that the SDI system would allow some level of ICBM nuclear warheads to leak through its defenses. What we have to realize is that when nuclear warheads explode, our future as a nation, a people and world explodes as well. I do not believe in the concept of a limited nuclear war. I do not accept the notion that the United States would accept as "limited" a strike which caused the death of 10 million or so American citizens and the destruction of major cities and command, control and communication systems. A new study conducted by MIT clearly demonstrates the impact that even a few warheads would have. In the aftermath of what would be an unlimited disaster, there is no limited response possible.

Second, even if the mechanical and technical elements of an SDI system could be made to work, even if it could be made "leak proof," it would protect us only from ICBM's. SDI was never designed to deal with a threat generated by the other elements of the Soviet nuclear forces: the bombers, the SLBM's, the cruise missiles. And SDI certainly does not protect us from an equally likely threat: nuclear terrorism or an isolated strike from one of the other nations which has developed a nuclear capability. Even if SDI worked more effectively than anyone believes it can, it simply does not give us protection from the full range of threats we face.

Third, just as SDI can be defeated by non-ICBM forces, it can also be overcome by an increase in the Soviet ICBM force. After all, SDI simply responds to the threat generated by the current level of Soviet ICBM's. But since the President has decided to nullify the SALT II Treaty sublimits, all the Soviets need to do is build more ICBM's and flood the system. The SDI we are creating now simply does not offer us a system which will work in the face of an increase in the Soviet threat. We will spend billions of dollars on research and that research will build a system which can be overcome by Soviet spending in the millions. It simply does not make sense of economic or military grounds. We used to require SDI to be "cost effective at the margins," but that requirement appears to have been abandoned—and with it, we have abandoned any hope that SDI could be a viable system. It is a system which the Soviets can beat—and they can beat it for less than it cost us to build it. And the way they will beat it is to build more nuclear weapons.

Fourth, this program will not work today and it may never work. Senator PROXMIRE has certainly documented the problems associated with this program: the technical problems of programming, the mechanical problems of targeting, the operational problems of early detection and discrimination between real and false targets. Perhaps, despite these and a host of other theoretical problems that have been identified, it is worth continuing research on the program to try to resolve these scientific problems. But we surely do not need to increase spending by 25 percent for this progam given the mechanical and theoretical problems it faces.

Fifth, the administration's request for $5.9 billion was driven by the belief that early deployment of SDI was desirable and possible. It is, in fact, neither. The Senate has clearly expressed its reservations about an interpretation of the ABM Treaty which would allow for early deployment. And the insistence on early deployment threatens the sort of agreement which might make an SDI system sensible—some overall limitation on strategic nuclear forces.

Sixth, neither the administration's request nor the committee's recommendation make sense if you view SDI spending in the context of our economic or military needs. The plain truth is that we cannot afford this level of spending on one strategic program. And if the administration had its way, SDI research would consume a full 23 percent of DOD's research and development budget by 1992. Now, Mr. President, given the fact that we don't have minesweepers to send to the Persian Gulf, given the needs we have to increase R&D on conventional capabilities—particularly in anti-tank activities—this emphasis on SDI simply makes no sense.

Those are some of the reasons for opposing SDI. But there is another more basic reason as well. SDI is overtly designed to protect America from enemy missiles. But I fear that its covert goal is to protect American people from the reality of nuclear war. If the administration could convince the American people that nuclear weapons are really safe, that they cannot harm us, then they will have made nuclear war more possible. The essence of deterrence for over 30 years now has been the reality that nuclear war is MAD—that it will produce mutually assured destruction. It is the reality of that terror which has created what small level of stability we have achieved. If we accept the notion that somehow we can launch missiles and not feel their effect, if we come to believe that nuclear weapons are somehow toothless tigers, then we will inevitably come to the conclusion of the world as we know it. You see, the plain truth is these weapons will—not matter what defensive measures we take—destroy us if we use them. If we keep that reality in mind, then there is every reason for the United States and the Soviet Union to reduce their nuclear forces; if we embrace the belief that we can be safe from the effect of nuclear weapons, then we will increase our dependence on and deployment of such weapons. And we will increase the probability of our own destruction.

So, Mr. President, I reject the philosophy underlying SDI; I disagree with those who assert that SDI is workable; and I particularly dissent from the conclusion that SDI, even if it worked, represents a defense against the totality of the Soviet nuclear threat. This amendment is a realistic

response to the fiscal reality we face, it is an intelligent response to strategic reality we confront, and it is a modest move toward a more balanced set of defense priorities. I fully support it.

ALF LANDON'S BIRTHDAY

Mr. DOLE. Mr. President, September 9 was the 100th birthday of one of Kansas' best-known and most-beloved citizens, Alf Landon. I was honored to attend a very special birthday party for him in Topeka, which featured a visit by President and Mrs. Reagan.

My hometown newspaper, the Russell Record, ran a wonderful editorial about our former Governor that highlights some of the most important aspects of his character and career. The editor, Russ Townsley, is to be congratulated for his fine piece of writing; and I urge my colleagues to read it.

"Landon was admired for his dogged independence and his thoroughness. He emphasized common honesty, character, and devotion to principle, and he wore no faction's collar," the editorial notes. Words all of us could aspire to.

Mr. President, I would like to include the full text of the editorial in the RECORD.

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

[From the Russell Record, Sept. 10, 1987]

ALFRED M. LANDON

The "Soul of Kansas" was honored Sunday by President Ronald Reagan and his wife, Nancy, when they came to Topeka to honor the state's No. 1 citizen, Alfred Mossman Landon. The former governor, born in Pennsylvania in 1887, while Grover Cleveland was president, was 100 Wednesday.

Due to Landon's infirmities—failing eyesight—failing hearing—and the overall frailties that come to a person his age—the party was brief an so were the speeches.

The two men sat together and chatted on the front porch of Landon's mansion on the west side of Topeka—one man aging, the other aged, Reagan the landslide winner with only two governmental units—Minnesota and the District of Columbia—denying him their vote for re-election in the last presidential contest, the honoree, known then as "The Kansas Coolidge" and "The Kansas Tornado," the victim of a Roosevelt-inspired landslide steamroller more than 50 years ago that denied him all the states except two—Maine and Vermont.

Although both are now Republicans—Reagan through 1948 was a registered Democrat—the two men differ in their political philosophies. Reagan is now the arch far right conservative, even though his administration has piled up more debt than all other administrations combined, and Landon, in 1912, bolted his party to support Theodore Roosevelt and his progressive Bull Moose Party.

Landon, in my view, has always held close to a centrist position, not being as far to the left as Franklin Delano Roosevelt, but slightly farther to the left than Herbert Clark Hoover had been. Although the Grand Old Man of the Grand Old Party for more than 50 years, Landon was never as far right as the GOP. He was closer in his thinking to the Fair Deal views of his Missouri friend, Harry S. Truman, and to those of fellow Kansan Dwight D. Eisenhower.

Landon, a University of Kansas Law School graduate and an Independence oilman, first gained national attention in 1932 when he defeated both Dr. John R. Brinkley of Milford and Harry H. Woodring of Neodesha, the incumbent Democrat governor, to become the only Republican governor west of the Mississippi to win election, despite Roosevelt's smashing defeat of President Hoover. And in 1934 he was the only Republican governor in the nation to be returned to office.

Landon also had attracted attention by decisive leadership during his first term. The nation was suffering from the Great Depression, and Kansas, plagued by crop failures and low commodity prices, was baked by drought and losing its topsoil as part of the great Dust Bowl. Bread lines were common, as one-quarter of the nation's workers could not find jobs, businesses were failing, and banks were closing.

Among other things, Landon earned the sobriquet of the "Old Budget Balancer" by imposing a 25 percent across-the-board spending cut that got rid of the state's budget deficit, and his pay-as-you-go cash basis law put the state back on a sound financial basis. He sent close party friends—including state officeholders—to the penitentiary in the Finney Bond Scandal of 1933, and he called out the state militia to maintain law and order when lead and zinc miners in southeast Kansas went out on strike in 1935.

Landon was admired for his dogged independence and his thoroughness. He emphasized common honesty, character, and devotion to principle, and he wore no faction's collar.

He was picked to become the Republican standard bearer for president on the first ballot at the national convention in Cleveland, Ohio, in the summer of 1936.

But the presidency for him was not to be, as the nation swung heavily to Roosevelt's column for re-election and a continuation of his New Deal spending programs.

In 1981 I got a chuckle out of Landon's response to a question I put to him. We were publishing the 126-page Prairiesta historical special edition, and I was handling the copy for it. Since we had told the story of Russell and Russell County and all its communities several times before, I decided to take a state-wide approach and make the edition one of Kansas history.

I wanted to do a story about Landon, so I called him at his home. He was friendly and cooperative.

During our conversation, I said to him, "Alf, I want to know . . . did you think you had a chance to beat Roosevelt in 1936?" He responded, "Hell no!"

And I would like to make a point for history that seems to have been completely overlooked by the media.

Landon, due to his high principles and his opposition to a third term for Roosevelt in 1940, may have lost a cabinet appointment.

There is no way to know for sure if Landon would have accepted an appointment from Roosevelt, because Roosevelt never made an offer to him, but I am of the opinion the offer might have been made, and might have been accepted, had not Landon opposed Roosevelt's ambitions.

Roosevelt, facing up to the problems of an approaching war, had decided to bring two Republicans into his cabinet to help bipartisan support for his programs.

Frank S. Knox, publisher of The Chicago Daily News, who had been Landon's vice-presidential running mate in 1936, was named Secretary of the Navy. Knox had not opposed a third term for Roosevelt.

Knox contacted Landon and told him that he would not oppose a third term try by the president, but Landon advised Knox that, as the titular head of the opposition party, he had to oppose the proposition.

Nevertheless, Landon was considered for an appointment. He made a trip to Washington, D.C., to meet with the president, but no offer was received. No one who opposed Roosevelt was ever rewarded. Roosevelt, however, may not have made an appointment offer, even though overtures to Landon had been extended, because he knew Landon could not accept a cabinet post.

During that 1981 interview, I asked Landon, "What post was discussed?" He replied that he couldn't remember, but he thought it was defense. (The Defense Department was not created until after World War II). It probably was the position of Secretary of War because later Harry H. Woodring, a Democrat, was dismissed as Secretary of War and Henry L. Stimson, a Republican who had been Secretary of War before in William Howard Taft's administration and Secretary of State for Hoover, was appointed.

Landon, instead, stayed in Topeka, managed his oil and radio broadcasting interests, and for the past 50 years has continued to be Mr. Republican throughout the nation, and the love and respect he has earned have been his lasting consolation.

On Alf Landon's birthday there were no Republicans nor Democrats, just Americans of every political persuasion, who joined in wishing the beloved elder statesman from the prairies of the Midwest a happy birthday and many more.—A.D.E.

BIRTHDAY GREETINGS TO MR. WALKER CISLER

Mr. RIEGLE. Mr. President, on behalf of Senator LEVIN and myself I would like to call the attention of the Senate to a special occasion in the life of a remarkable person from Michigan.

We would like to extend our warm birthday wishes and hearty congratulations to Mr. Walker L. Cisler, former chairman of the board and chief executive officer of the Detroit Edison Co. Mr. Cisler, whose 90th birthday is being celebrated on October 8, has devoted most of his life to serving the energy and power needs of this country and abroad.

During World War II, as Chief of the Public Utilities Section, Supreme Headquarters Allied Expeditionary Forces, European Theater of Operations, Mr. Cisler arrived in Paris the same day as General Charles DeGaulle after the invasion at Normandy. He restored the city's electric and gas service in 2 weeks, them proceeded to work on the French Power System. By 1945, it was generating more electricity than it had before the war.

Mr. Cisler came to Michigan after World War II to begin his career with Detroit Edison. By 1951, he was company president, later serving as chief executive officer from 1964-71, and as chairman of the board from 1964 until his retirement in 1975. During this time, Mr. Cisler also spent countless hours serving both the Detroit community and the rest of the State. As one of the founders of Operation Action—Upper Peninsula, which is dedicated to the balanced development of the Upper Peninsula, Mr. Cisler was the instigator of a total State energy analysis, implemented in the 1960's.

To commemorate his efforts, several Michigan colleges and universities have honored his work at their respective institutions. In 1969, the University of Detroit established the Walker Lee Cisler Chair of Political Science and Public Affairs. During the same year, the Walker and Gertrude Cisler Library Foundation was created at Wayne State University. In addition to these acknowledgements, Mr. Cisler is the holder of 17 honorary degrees.

As the Senators from the State of Michigan, we are proud to recognize today the accomplishments of Mr. Walker L. Cisler on behalf of our State. We wish to applaud his many services to our citizens and congratulate him on his 90th birthday.

THE ACHIEVEMENTS OF DR. LORIN E. KERR

Mr. METZENBAUM. Mr. President, I rise to pay tribute to Dr. Lorin E. Kerr, director emeritus of occupational health for the United Mine Workers of America. Dr. Kerr retired as director of Occupational Health for the Mine Workers in February 1986, after serving in that capacity since the position was established in 1969.

Dr. Kerr, who I am proud to say is an Ohio native, has been a leader in occupational health and safety for almost 50 years. Perhaps most notable among Dr. Kerr's many achievements is his successful effort in bringing the problem of black lung disease into public view. Dr. Kerr was a driving force behind the passage and implementation of the Federal Coal Mine Health and Safety Act of 1969, our Nation's first attempt to mandate compensation for and elimination of an occupational disease in a major industry.

That our mines are now cleaner and safer and that we have regulations and procedures to correct unsafe or unhealthy practices is due in large part to Dr. Kerr's commitment to this goal. That over 350,000 mine workers and their families are receiving compensation for the injuries and hardships that they have suffered from black lung disease is largely due to Dr. Kerr's drawing public attention to this devastating—and preventable—disease. The hundreds of thousands of mine workers who will be spared this disabling disease owe their health in part to Dr. Kerr, who proved to this country that the misery of black lung disease could be avoided through making our mines cleaner.

During his career as an occupational safety and health specialist, Dr. Kerr compiled an impressive list of achievements. In addition to this distinguished service with the United Mine Workers of America, he served as President of the American Public Health Association and received their prestigious Sedgwick Memorial Medal as well as their Presidential Citation. He received an outstanding service award from the District of Columbia Public Health Association, which he founded in 1960. He also founded the American Labor Health Association, the Group Health Association of America, and the National Institute for Rehabilitation and Labor Health Services. He was named an Honorary Fellow of the Royal Society of Health in 1974. He also has written extensively on the need for occupational health initiatives.

I salute Dr. Kerr for his remarkable achievements and thank him for the invaluable contribution he has made in the field of occupational health and safety. His work serves as an inspiration to us all as we seek to guarantee a safe and healthy workplace for this nation's workers. I wish him health and happiness in his retirement.

RECOMMENDATION BY DOT ADMINISTRATIVE LAW JUDGE IN THE PROPOSED MERGER OF USAIR AND PIEDMONT

Mrs. KASSEBAUM. Mr. President, on Monday, a decision by the Department of Transportation's Office of Hearings was handed down in the proposed merger of USAir and Piedmont Aviation. The administrative law judge's decision in this matter is one I find absolutely incredible.

The proposed merger was disapproved on the grounds that it would substantially reduce competition in relevant markets, and would be contrary to the public interest. If this decision if upheld, competition in the airline industry will not be strengthened, to the contrary it will be substantially reduced, on a national basis.

Through its past record of granting almost carte blanche approval to air carrier mergers and acquisitions, DOT has created a climate where regional carriers, like Piedmont and USAir, have been forced to negotiate merger agreements for defensive purposes. USAir and Piedmont are both high profile targets for hostile takeovers. Both are efficiently operated, profitable enterprises. Both have significant assets including well-developed markets, extensive plant and equipment, and reputations for good customer service. In all likelihood, however, neither has the size necessary to ward off even a moderately financed corporate raider.

The post-deregulation policy of DOT in airline merger proceedings has clearly been one of almost generic approval. Even mergers of dubious merit, such as TWA-Ozark, Northwest-Republic, and the entire litany of Texas Air acquisitions, were granted, notwithstanding serious operational and anticompetitive considerations. As a result of past DOT policy, the nature of competition in the airline industry has drastically changed, and only large, national "mega-carriers" are likely to survive.

For DOT to now do an about-face and disapprove the USAir-Piedmont acquisition because it "would substantially reduce competition * * * and * * * be contrary to the public interest," is incredible.

Piedmont and USAir did not create the environment in which they now must compete. In fact, they both resisted all merger overtures until it became obvious that such action had become a prerequisite to continued profitability, if not continued existence. As you may recall, before Piedmont and USAir could formalize an agreement to merge, TWA made a strike against USAir and attempted to gain a controlling interest in the company. It was, in many respects, Carl Icahn who forced the USAir-Piedmont issue.

If the Department is truly concerned over anticompetitiveness, it had better rethink its position with respect to this merger. Piedmont and USAir both face continued intrusion on their existing routes by larger, better financed carriers in search of expanded operations. By using deep-discount fares and other marketing tactics associated with past expansion efforts, such carriers can effectively displace Piedmont and USAir from routes they now serve, creating truly anticompetitive markets.

The Department of Justice reviewed the USAir-Piedmont case and stated flatly that, "it could not establish that the merger would eliminate substantial competition." That is also the conclusion of most aviation industry analysts. I hope that when this matter is reviewed, that will also be the conclusion of wiser heads at DOT.

BICENTENNIAL MINUTE—SEPTEMBER 23, 1950: McCARRAN ACT BECOMES LAW

Mr. DOLE. Mr. President, 37 years ago today, on September 23, 1950, the Senate, by a vote of 57 to 10, overrode President Harry Truman's veto of the Internal Security Act. This act was more popularly known as the McCarran Act after Nevada Senator Pat

McCarran, chairman of the Senate Internal Security Subcommittee. On the previous day, the House had overridden the President's veto by a similarly large margin, so the McCarran Act became law.

Stimulated by the outbreak of the Korean war and rising fears of internal subversion, this highly controversial measure was an outgrowth of an earlier Communist registration bill that Congressmen Karl Mundt and Richard Nixon had introduced in 1948. Employing exposure as a weapon against the threat of the Communist infiltration, the act provided for registration of Communist and Communist-front organizations, and for detention during national emergencies of persons likely to commit espionage or sabotage. The McCarran Act also prohibited employment of Communists in national defense work, denied them passports and refused entry into the United States of anyone who had ever been a member of a totalitarian organization.

Senator McCarran and other supporters of the act argued that it addressed the peculiar nature of the Communist threat in the United States. McCarran dismissed arguments that the act might be unconstitutional, pointing out that it neither outlawed the Communist Party nor made communism a crime. Nevertheless, in later years the Supreme Court substantially dismantled the McCarran Act, declaring unconstitutional its provisions for registration of Communists and for denial of passports. In 1971 Congress also repealed the McCarran Act's internment authority, which in fact had never been used.

INTERNATIONAL RESCUE COMMITTEE GIVES "FREEDOM AWARD" TO JOHN WHITEHEAD

Mr. PELL. Mr. President, on September 14 I had the pleasure and honor of attending the dinner in New York at which John Whitehead, the Deputy Secretary of State, was given the International Rescue Committee's Freedom Award. This is the highest award given by the IRC, an organization that has been in the forefront of efforts to aid the world's refugees for over 50 years.

John Whitehead's personal involvement with refugees goes back more than 30 years—to the Hungarian refugee crisis in 1956. John was in Vienna when the refugees started to arrive, as a result of which "John Whitehead's next 30 years were remorselessly shaped and his profound impact on us and those we serve was forged," as was stated by Leo Cherne, chairman, of the IRC, in his remarks conferring the award.

Leo Cherne added:

In presenting John Whitehead with IRC's Freedom Award, it is especially appropriate that one of the first of these infrequently conferred honors went to Winston Churchill, the most recent one to Nobel Laureate Elie Wiesel, and this evening's award to you. IRC's total purpose would be perfectly expressed if that award were never again conferred.

I serve as a vice president of the IRC—it is one of my proudest affiliations—and it was a special privilege to be present in New York at this event. It was an occasion that not only recognized John for his special accomplishments, but also gave testimony to the commitment and service to refugees long epitomized by the IRC.

I ask that the text of Leo Cherne's introduction of John Whitehead, President Reagan's letter of congratulations, and John Whitehead's remarks September 14 be inserted in the RECORD.

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

FREEDOM AWARD DINNER HONORING JOHN WHITEHEAD

(Statement by Leo Cherne, Chairman, International Rescue Committee)

Fate found John Whitehead on a brief holiday in Vienna toward the end of October 1956 during one of the most glorious and ultimately tragic periods of our post World War II history. He found himself a helpless observer during the brief days when the largely unarmed will of the Hungarian people (only miles away) succeeded in compelling the defeat and withdrawal of the massive Soviet forces which had kept Hungary enslaved.

But that brief victory in Hungary was all too soon to be followed by a crushing return of Soviet tanks and fresh troops uncorrupted by previous contact with the Hungarian people. In days 60,000 Hungarian patriots were killed, more than 50% of them under the age of 23.

As the West played with words and inaction and the Soviets with a duplicitous promise of profound change—a moment's glory was expunged, and the life of John Whitehead and the IRC with which he from then on joined his purpose were linked and the reasons for this evening's tribute began.

Our incomparable relationship began during the months when thousands were compelled to flee Hungary—many hundreds of them unaccompanied children sent ahead by their parents with notes pinned to their clothing on which were written their names, ages and an appeal to the free world "Please save my child."

The IRC, which was in Budapest assisting during the brief days of freedom, was now on the frontier assisting those in wintry flight in search of safety and freedom, and John Whitehead's next 30 years were remorselessly shaped and his profound impact on us and those we serve was forged.

I jump twenty-five years—years in which his tireless and unequalled leadership were key to the skill and passion with which the IRC met one emergency after another—emergencies created by those in flight from tyranny of the left and the right. In each of these John's role was unique and indispensable. In Viet Nam as we sought to assist the orphaned, the injured, the displaced victims of a war without end.

On the borders of Nicaragua, Chile, Guatemala, Czechoslovakia and Poland. In Hong Kong, assisting those who risked their lives to escape Mao's China, in Thailand as a handful of survivors fled Cambodia—those who were able to escape the Khmer Rouge Killing Fields and, of course, those who fled Laos as well as the thousands of boat people whom we aided even as we were assisting in Zaire those fleeing Angola, and in Kenya those who were fleeing Idi Amin's Uganda.

Five years before the tragedy created by Communist Government in Ethiopia captured television's attention we were in Sudan to provide emergency relief and medical help for the starving and oppressed in flight from Ethiopia, an exodus as massive as the one that started 25 years earlier from Castro's Cuba, in which we were the first to help those landing on our shores, as well as those, starting about the same time, fleeing from Papa Doc Duvalier's murderous regime in Haiti. This unending succession of refugee tragedies will be the historians hallmark for the last 54 years.

At both ends of that period were two intervals unequaled in infamy. The shame and crime of this century, if not of all of human history—the holocaust in the years which followed IRC's beginnings immediately after Hitler's rise to power in 1933, and though less bestial in comparison—the capture and devastation of Afghanistan and the flight of one-third of its total—5 million people—in population to neighboring countries.

I have no doubt that if John Whitehead had been with IRC in the later thirties and the ensuring war years, he would have helped at least to an extent where others were silent or failed.

As for those who have fled and continue to do so from Afghanistan—the three million in Pakistan alone, mostly women, children and the injured and aged Afghan Refugees, while still not adequately helped, they would have received far less attention, and life preserving help, had not John Whitehead personally undertaken to go to that valley of tears in Pakistan to create the first meaningful program of direct assistance in the early days of the exodus to the harsh Afghan frontier.

The tenacity with which he went about personally establishing the relief, the medical, the other most urgent forms of aid, at first ran into the resistance of the Pakistan government which was reluctant to have foreigners mucking around on their tender frontier with an aggressive Soviet neighbor.

John is not easily deterred, and by the time he left the paranoia and xenophobia of the Paks were subdued.

Had he failed, there would not be the doctors, the nurses, the women's clinics, the primitive schools for the children, the training of Afghan paramedics, the self-help programs, all of which are a living monument to the tenacity of one man and to his humanity.

I recall not one line about that in a newspaper at that time. That reflects both journalistic myopia and John's characteristic diffidence. In fact, throughout these 30 years, I know no person so driven by purpose, so devoid of ego.

Now, as the Deputy Secretary of State—the nation's good fortune has been IRC's loss. But I hasten to add that—in the highest government and international circles—John is still a vital advocate for the millions who hurt, who continue to flee, who can find no sanctuary outside of tenuous refugee camps.

John, it is the magnitude of what you have done for those who are ready to risk

their lives to be free and your resistance to praise that make adequate tribute to you impossible.

In presenting you with IRC's Freedom Award, it is especially appropriate that one of the first of these infrequently conferred honors went to Winston Churchill, the most recent one to Nobel Laureate Elie Wiesel, and this evenings' award to you.

IRC's total purpose would be perfectly expressed if that award were never again conferred.

I must add as a companion of yours in this work, my own affection, my unlimited admiration, and a level of appreciation for which my words were inadequate.

THE WHITE HOUSE,
Washington, September 8, 1987.

Hon. JOHN C. WHITEHEAD,
New York, NY.

DEAR JOHN: I'm delighted to add my congratulations to all those you're receiving as the International Rescue Committee presents you with the Freedom Award. This is a cherished honor, and one you richly deserve for your decades of devotion to refugees and to the cause of freedom and democratic institutions.

During your deep and personal involvement with the IRC since 1956—interrupted only by your present outstanding service as my Deputy Secretary of State—you have helped this distinguished voluntary agency assist refugees from oppression or conflict throughout the world with emergency medical care, training, education, and self-help programs. You have helped the friendless know they are friendless no more, and that is truly noble work.

Again, congratulations on this fine salute. Nancy joins me in sending very best wishes. God bless you.

RONALD REAGAN.

[Freedom Award Dinner, Sept. 14, 1987]

DEPUTY SECRETARY WHITEHEAD'S SPEECH TO THE INTERNATIONAL RESCUE COMMITTEE

To receive the Freedom Award from the International Rescue Committee is indeed a great honor. I am twice blessed on this special occasion to be sharing it with my children and many dear friends who have given the IRC their generous support and who honor me by their presence here tonight. I thank Jim Robinson for his warm words and for his willingness to undertake the thankless job of Dinner Chairman. I thank Liv Ullmann for her beautiful words and for her selfless dedication to the cause of refugees. To receive the Freedom Award from the hands of Leo Cherne is especially meaningful to me. My admiration and friendship for Leo go back to the very beginning of my long association with the IRC.

Compared to Leo, I am a greenhorn. He has been Chairman of the IRC for 36 years. It was he who introduced me to it over 30 years ago in 1956, when Soviet tanks were brutally suppressing the Hungarian Revolution. At the time I was vacationing in Austria. One morning, a desperate and disheveled man burst into the Viennese cafe seeking his old friend with whom I was having breakfast. The surprise visitor was a Hungarian freedom fighter who had crossed the lake between Hungary and Austria to bring tragic news from the streets of Budapest. I was shaken and moved by the experience and wanted to assist in any way I could. My friend John Richardson sent me straight to Leo Cherne.

I was so deeply impressed by Leo and by the IRC efforts to aid the refugees pouring across the Hungarian border that I have been committed to them both ever since. Leo's heart and soul are in this good work. His personal dedication, his vision, his enthusiasm and his compassion inspired me—as they have many of you here tonight—to become involved in the IRC's deeply satisfying humanitarian efforts. For that I thank you, Leo.

I can not let this occasion go by without also expressing tribute to Bayard Rustin, civil rights leader and longtime director and officer of the IRC, who died last month. Bayard truly embodied IRC's philosophy of service. Recognizing that man's inhumanity to man is not limited by race, religion or ethnic group, Bayard believed strongly that our moral responsibility must embrace all people suffering discrimination and persecution. To Bayard it was a logical extension of his civil rights efforts here at home to work on behalf of refugees, victims of injustice abroad. Bayard has made a lasting contribution to the nonviolent defense of human rights throughout the world and he will be deeply missed.

People like Leo Cherne and Bayard Rustin who have devoted a lifetime to human rights and the cause of political refugees know that this is a tough business. Simple caring is not enough. You have to care effectively. You have to put in long hours. You have to work in difficult conditions. You have to meet desperate needs with limited resources. You have to deal patiently with bureaucracies even as you answer pressing calls for help. Unhappily, there are always new tragedies to be coped with. Death and disaster—natural and man-made—starvation, persecution and flight from oppression are still the lot of millions of people. You can never do enough. Worst of all, in the daily grind of the human rights business, after years and years of coping with human misery on a massive scale, you run the risk of becoming inured to individual suffering.

Despite it all, the IRC has never flagged in its humanitarian efforts. As the IRC goes about the practical and necessary work of defining problems and constructing effective programs for their solution, this extraordinary organization remains directly involved with the people it serves. Every day, IRC personnel deal face to face with people in acute distress and cope directly with their personal pain. I have seen this myself in the refugee camps in Thailand, in Northwest Pakistan, in Lebanon, in Somalia, in the Sudan.

The IRC is the kind of organization that makes me feel great about America. Freedom and the rights of man are not airy concepts to the IRC or to the people it serves. To both, the absence of freedom and violations of human dignity are keenly and directly felt.

Those refugees fleeing from Communist oppression in Vietnam or Cambodia; from Cuba, Angola, Laos, Nicaragua and Ethiopia; or from the Soviet Union and occupied Eastern Europe and from Afghanistan—they all are living examples of the importance of making the sacrifices and commitments necessary to keep freedom alive around the world. Those refugees today remind us not to take our own freedom for granted.

From its very beginning, our nation was built by wave upon wave of immigrants and refugees fleeing from tyranny and persecution:

Our nation was built by the Pilgrims fleeing religious persecution and by other New World colonists from 16th, 17th and 18th century Europe;

It was built by the immigrants from Ireland, Scandinavia, Germany, Italy and Eastern Europe in the 19th and early 20th centuries;

And it was built in our own time by the refugees from Nazi fascism and Communist totalitarianism.

Each new wave of arrivals to our shores helped us discover and rediscover America and all she stands for, even as they help us today in the building of our country. Throughout our history, newcomers have enriched our national character and society. Their courage, their hard work and their innate talents deserve our recognition and admiration.

Let me tell you the story of 19 year-old Sathaya Tor (pronounced SATCH-ya). Born in Cambodia, Sathaya was 7 years old when the Khmer Rouge took over his country in 1975. His family was forced apart and Sathaya was put in a child labor camp. The Vietnamese invaded in 1979 and the Khmer Rouge abandoned the camp, leaving weapons and goods behind. The then 11 year-old Sathaya armed himself and, having been told his parents were dead, set forth alone for the Thai border. He was wounded by a land mine along the way. When he got to Thailand, he lived in a refugee camp and eventually was taken in by a Thai family, who helped to trace his sister and brother-in-law. In 1981, the IRC resettled Sathaya and his sister and her husband in the United States. Later, the IRC helped to place him as a foster child with an American family in Hawaii, where he went to school and learned English. It was there that he found out through the IRC's family reunion services that his parents and three of his 10 missing brothers and sisters were alive in a refugee camp at the Thai border.

Sathaya worked for 2 years to gain their legal passage to the United States. At the same time, he excelled academically and won a year's scholarship to Andover. The IRC helped to bring his parents and three brothers to the United States just in time to attend Sathaya's graduation from Andover last June. Accepted by many of America's top colleges, Sathaya enrolled last week at Stanford, where he has chosen to study international relations. Who knows, someday he may even join the State Department! I hope he does.

I am sure that Sathaya and the tens of thousands of people the IRC has helped to our shores agree that any personal success they achieve is really a success story for America, too. And, as we look to the future, we must realize how very important it is that we maintain the vigor and strength of these principles. Old and new citizens alike must recognize that America's future requires our continuing active engagement with the world. Just as our democracy depends on the interest and involvement of all our citizens at home, we must remain involved as well in the turbulent, changing, challenging world that surrounds us. Detachment is not an option. The global effects of new technologies and the global reach of our strategic responsibilities mean that disengagement is impossible. Nor is disengagement desirable for any country that would reap the benefits of a future characterized by greater dispersal of economic, military and political capabilities; by heightened economic, technological and political competitiveness; and by increasing economic interdependence.

Yet, it is sobering to realize that in our country there is and will always be a disturbingly powerful minority who react to the challenge of change by advocating a strategy of moral and strategic retreat from the world around us. These short-sighted people are the first to call for closed door policies: cutbacks in foreign assistance and in immigration; protectionism in trade. They do not see that the foreigners they would have us shun are none other than our relatives, our friends, exchange scholars who return to their countries with a better understanding of our values and way of life, overseas investors contributing to our national growth, allies contributing to our collective security—all members of our ever more interdependent world community.

Each generation must resist the pull of these isolationist and protectionist arguments, which undermine the very strengths that have made America the great nation she is today. Our sense of discovery, our eager competitiveness, our innovativeness, our values of concern for the welfare of others, which have served us so well in the past two centuries, are our best assurance of a bright future for America in the next century.

I would like to take a moment now to look at the emerging world and America's place in it from my vantage point in Washington. Even in the near term, I see trends going our way, reaffirming America's values and our way of life. Provided we play to our strengths, we have a winning hand.

A lot has been achieved already to ensure us a more peaceful and prosperous future. In the past few years we have made substantial progress toward reinvigorating our economy, restoring our military capabilities and strengthening our ties with friends and allies in Europe, Asia, Latin America and elsewhere.

By a policy grounded in realism, we have embarked on a new high-level dialogue with the Soviet Union on arms control, human rights, and the other issues that divide us. For the first time, we now have the imminent prospect of negotiating substantial reductions in the nuclear arsenals of both sides. The Shultz-Shevardnadze meetings which start tomorrow in Washington represent only the latest chapter in a series of constructive dialogues between the two superpowers which have substantially reduced the chances of surprises and misunderstandings.

All over the world, we now see a remarkable surge toward democracy, most notably in Latin America, where the percentage of the population living under freely elected governments has grown from 30 percent in 1979 to more than 90 percent today. In South Korea and the Philippines, although the threads holding together these fledgling democracies are fragile, we see how tenaciously their people struggle to strengthen them.

In Afghanistan, Kampuchea, Angola and Nicaragua, our determined support for those fighting for their freedom has forced our adversaries to conclude that expansionism and aggression are not cost-free. As evidenced by the new peace initiative now underway in Central America, the possibilities for negotiated settlements in all these conflict ridden areas have been increased because we matched diplomatic perseverance with military strength.

In corners of the world as far-flung as Africa and China, we have seen an encouraging trend toward free market-oriented solutions to the problems of economic growth. Almost everywhere in the world we hear talk, and have seen action, toward decentralization, deregulation and denationalization. Even the Soviet Union is slowly facing up to the need for openness, economic restructuring and democratization.

And, to bring us back to the subject of the evening, our government's efforts on behalf of refugees are part and parcel of our visible, vocal and balanced approach to the defense of human rights and fundamental freedoms around the world. Between 1981 and 1987 alone, over half a million refugees came to our shores and we stand at the forefront in assisting over 10 million other refugees in countries of first asylum around the world.

Our policy of providing humanitarian assistance to those in need is a dramatic demonstration not only of America's economic success, but of our abiding sense of responsibility to the suffering in the international community.

For me, the chance to participate in our efforts to deal with these central issues of peace, security and economic well-being has been an exciting—and on more than one occasion frustrating—challenge, one that I have relished. When I went to Washington two and a half years ago now, an old friend with long experience in public life told me that I was very privileged to have an opportunity to be part of history. He was right. But he also told me that I would soon discover that "history" consisted of "just one damn thing after another." He was right there too. But, as President Reagan has said, a lot can be accomplished in the next sixteen months, and I look forward to being part of that effort.

In closing, let me just say that I am deeply honored to receive the Freedom Award, because I know that it comes to me polished by the hands of some very distinguished previous recipients. Like me, I am sure that they, too, received it with humble gratitude, deeply moved by its significance and mindful of the high distinction of their predecessors.

It is I who am deeply grateful to the men and women of the IRC. For over thirty years, I have had the opportunity to share in your extraordinary gift of service—to humanity, to the cause of refugees, to freedom. In short, service to all that America stands for in the world. I am proud to be among you tonight.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of the Senate of February 3, 1987, the Secretary of the Senate, on September 22, 1987, during the recess of the Senate, received a message from the House of Representatives announcing that the House has passed the following bill, without amendment:

S. 1532. An act relating to the payment for telecommunications equipment and certain services furnished by the Sergeant at Arms and Doorkeeper of the Senate.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 324) increasing the statutory limit on the public debt.

MESSAGES FROM THE HOUSE

At 5:32 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 362. Joint resolution making continuing appropriations for the fiscal year 1988, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1890. A communication from the President of the United States, transmitting, amendments for appropriations for fiscal year 1988 for the Legislative Branch, Department of Energy, and Department of the Interior; to the Committee on Appropriations.

EC-1891. A communication from the President of the United States, transmitting, amendments to the request for appropriations for fiscal year 1988 reducing that request; to the Committee on Appropriations.

EC-1892. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on certain budget deferrals; pursuant to the order of January 30, 1975, jointly to the Committee on Appropriations and the Committee on the Budget.

EC-1893. A communication from the Chief, Program Liaison Division, Department of the Air Force, transmitting, pursuant to law, notice of filing the Final Environmental Impact Statement (EIS) with the Environmental Protection Agency for the proposed final deployment of the Ground Wave Emergency Network (GWEN); to the Committee on Armed Services.

EC-1894. A communication from the General Counsel, Department of the Treasury, transmitting, a draft of proposed legislation entitled "To Amend the Federal Deposit In-

surance Act;" to the Committee on Banking, Housing, and Urban Affairs.

EC-1895. A communication from the Chairman, Railroad Accounting Principles Board, transmitting, pursuant to law, the Railroad Accounting Principles Board Final Report; to the Committee on Commerce, Science, and Transportation.

EC-1896. A communication from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting, pursuant to law, a report regarding refunds of certain offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC-1897. A communication from the Chairman, Federal Energy Regulatory Commission, transmitting, pursuant to law, the annual report of the Federal Energy Regulatory Commission for fiscal year 1986; to the Committee on Energy and Natural Resources.

EC-1898. A communication from the Administrator, Environmental Protection Agency, transmitting, pursuant to law, a report to Congress on the Wrongful Use of Cyanide; to the Committee on Environment and Public Works.

EC-1899. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, copies of a repair and alteration prospectus and a lease prospectus; to the Committee on Environment and Public Works.

EC-1900. A communication from the Acting Assistant Secretary of the Army, transmitting, pursuant to law, a report entitled "Hydrilla in the Potomac River and Tributaries;" to the Committee on Environment and Public Works.

EC-1901. A communication from the Secretary of Health and Human Services, transmitting, a draft of proposed legislation entitled "Medicaid Risk-Based Health Care Act of 1987;" to the Committee on Finance.

EC-1902. A communication from the Chairman, Cultural Property Advisory Committee, transmitting, pursuant to law, a report of the Cultural Property Advisory Committee on the Request of the Republic of El Salvador; to the Committee on Finance.

EC-1903. A communication from the Inspector General, Department of Health and Human Services, transmitting, pursuant to law, a report entitled "Social Security Client Satisfaction;" to the Committee on Finance.

EC-1904. A communication from the Acting Assistant Secretary (Legislative and Intergovernmental Affairs), Department of State, transmitting, copies of replacement pages for those pages which contain errors in the certified true copies of the Treaty on Fisheries between the Governments of Certain Pacific Island States and the Government of the United States; to the Committee on Foreign Relations.

EC-1905. A communication from the Chairman, National Advisory Council on International Monetary and Financial Policies, transmitting, pursuant to law, the annual report of the National Advisory Council on International Monetary and Financial Policies for fiscal year 1986; to the Committee on Foreign Relations.

EC-1906. A communication from the Comptroller of the United States, transmitting, pursuant to law, a report on the Implications of Deleting the Birthplace in U.S. Passports; to the Committee on Foreign Relations.

EC-1907. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, a transcript of the Council of the District of Columbia's recent hearing on Council Bill 7-59, the "Protection for Foreign Officials;" to the Committee on Governmental Affairs.

EC-1908. A communication from the Comptroller of the United States, transmitting, a draft of proposed legislation establishing a program to study the profitability of government contracts; to the Committee on Governmental Affairs.

EC-1909. A communication from the Director, Division of Commissioned Personnel, Department of Health and Human Services, transmitting, pursuant to law, the Annual Report for the Public Health Service Commissioned Corps Retirement System; to the Committee on Governmental Affairs.

EC-1910. A communication from the Director, Office of Management Analysis, Department of the Interior, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1911. A communication from the Secretary to the Board, Railroad Retirement Board, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1912. A communication from the Assistant Attorney, Department of Justice, transmitting, a draft of proposed legislation to amend title 18, United States Code, to permit Federal Prison Industries to borrow from the Secretary of the Treasury and for other purposes; to the Committee on the Judiciary.

EC-1913. A communication from the Secretary of Education, transmitting, pursuant to law, notification of Final Funding Priorities for Rehabilitation Research and Training Centers—Medical; to the Committee on Labor and Human Resources.

EC-1914. A communication from the Secretary of Education, transmitting, a draft of proposed legislation entitled "National Assessment of Educational Progress Amendments of 1987; to the Committee on Labor and Human Resources.

EC-1915. A communication from the Chairman, Railroad Retirement Board, transmitting, pursuant to law, the Railroad Retirement Board Budget Request for fiscal year 1989; to the Committee on Labor and Human Resources.

EC-1916. A communication from the Secretary of Health and Human Services, transmitting, a draft of proposed legislation entitled "To Repeal Health Maintenance Organization Authorities, and for other purposes;" to the Committee on Labor and Human Services.

EC-1917. A communication from the Chairman, Task Force on Long-Term Health Care Policies, Department of Health and Human Services, transmitting, pursuant to law, the final report of the Task Force on Long-Term Health Care Policies; to the Committee on Labor and Human Services.

EC-1918. A communication from the Assistant Secretary (Legislative and Intergovernmental Affairs), Department of State, transmitting, pursuant to law, the texts of ILO Convention No. 162 and Recommendation No. 172, concerning safety in the use of asbestos; to the Committee on Labor and Human Resources.

EC-1919. A communication from the Secretary of Labor, transmitting, a draft of proposed legislation entitled "Labor Statistics Confidentiality Act of 1987;" to the Committee on Labor and Human Resources.

EC-1920. A communication from the Chairman, Federal Election Commission, transmitting, pursuant to law, proposed regulations governing political contributions to and expenditures by delegates and delegate committees; to the Committee on Rules and Administration.

EC-1921. A communication from the President, United States Capitol Historical Society; transmitting, pursuant to law, the Annual Report of the United States Capitol Historical Society for the year ending January 31, 1987; to the Committee on Rules and Administration.

EC-1922. A communication from the Secretary of Labor, transmitting, a draft of proposed legislation establishing the Secretary's Committee on Veterans' Employment; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 79: A bill to notify workers who are at risk of occupational disease in order to establish a system for identifying and preventing illness and death of such workers, and for other purposes (Rept. No. 100-166).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 1579: A bill to amend the Public Health Service Act to revise and extend the block grant program, and for other purposes (Rept. No. 100-167).

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. BOSCHWITZ:

S. 1712. A bill to amend the Agricultural Act of 1949 to require the Secretary of Agriculture, under certain circumstances, to make established price payments for the 1988 crop of a commodity; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DASCHLE (for himself, (for himself, Mr. LEAHY, Mr. BOREN, Mr. CONRAD, and Mr. KARNES):

S. 1713. A bill to amend the Agricultural Act of 1949 to require the Secretary of Agriculture, to make advance deficiency payments for the 1988 through 1990 crop years for certain crops; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. LAUTENBERG (for himself, Mr. BRADLEY, Mr. D'AMATO, and Mr. MOYNIHAN):

S. 1714. A bill to amend title I of the Marine Protection, Research, and Sanctuaries Act of 1972, to provide for the restoration of the New York Bight, and for other purposes: to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. PELL (for himself and Mr. HELMS):

S. Con. Res. 78. A concurrent resolution welcoming His Holiness the Dalai Lama of

Tibet on the occasion of his visit to the United States; to the Committee on Foreign Relations.

By Mr. KERRY (for himself, Mr. NICKLES, Mr. HARKIN, Mr. GRASSLEY, Mr. FORD, Mr. WIRTH, Mr. SIMON, Mr. ADAMS, Mr. MOYNIHAN, Mr. HATFIELD, Mr. DIXON, Mr. WEICKER, and Mr. SARBANES):

S. Con. Res. 79. A concurrent resolution expressing support for the United Nations' efforts to end the Iran-Iraq war and to bring an end to human rights abuses in Iran; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BOSCHWITZ:

S. 1712. A bill to amend the Agricultural Act of 1949 to require the Secretary of Agriculture, under certain circumstances, to make established price payments for the 1988 crop of a commodity; referred to the Committee on Agriculture, Nutrition, and Forestry.

LEGISLATION TO AMEND THE AGRICULTURAL ACT OF 1949

● Mr. BOSCHWITZ. Mr. President, I am today introducing legislation that would protect farmers from precipitous declines in their program payment yields.

Program payment yield calculations are important because they help determine the income support payment that farmers ultimately receive. This bill will limit the possible 1988 reduction to 2 percent—the same as last year. We protected farmers in 1986 and 1987 by limiting the drop to 3 and 2 percent respectively from the previous year.

Under current law, program payment yields could drop as much as 5 percent from the level of last year. For a 1,000-acre wheat farm in Minnesota, with a proven yield of 50 bushels per acre, my bill will save about $3,200.

Changes in the country loan rate calculation, program payment yield calculation, lower PIK certificate premiums and lower wheat quality this year could all combine to reduce Minnesota farm income. My bill will cushion at least one of those factors while we work on the other problems.

As a bit of historical perspective, program payment yield changes were part of the 1985 farm bill. After the House-Senate conference committee reached agreement on many of the commodity program provisions, the cost estimates remained several billion over the congressional spending limit and the amount that the President would approve—$50 billion. The new yield formula was adopted by the committee as a way to offset high target prices and save $1.2 billion over 3 years.

Subsequently, the impact of this change was realized by farmers who insisted that Congress go back and change the formula. The Food Security Improvements Act of 1986 contained provisions limiting the program payment yield reduction to 3 percent the first year and 5 percent the second year from the 1985 level with an overall limit of 10 percent for the life of the bill.

The legislation I am introducing today limits the drop to 7 percent in 1988 and, therefore, further protects farmers from budget saving provisions of the 1985 farm bill.●

By Mr. DASCHLE (for himself, Mr. LEAHY, Mr. BOREN, Mr. CONRAD, and Mr. KARNES):

S. 1713. A bill to amend the Agricultural Act of 1949 to require the Secretary of Agriculture to make advance deficiency payment for the 1988 through 1990 crop years for certain crops; to the Committee on Agriculture, Nutrition, and Forestry.

ADVANCE DEFICIENCY PAYMENTS

Mr. DASCHLE. Mr. President, I rise today to introduce legislation which requires the Secretary of Agriculture to make advance deficiency payments for the 1988 through 1990 crops of wheat, feed grains, cotton, and rice. I am pleased to have as the prime cosponsor of this bill, the chairman of the Senate Committee on Agriculture, Nutrition and Forestry, Senator PATRICK LEAHY, along with my distinguished Agriculture Committee colleagues, Senators BOREN and KARNES.

During consideration of the 1985 farm bill, I served on the House Agriculture Committee and authored that committee's requirement that advance payments be made if the Secretary determines that deficiency payments will be paid. Even though my amendment made payments mandatory, the final farm bill version left the advance deficiency payments to the discretion of the Secretary of Agriculture.

The Secretary of Agriculture has the ability to make advanced payments with the stroke of a pen. Those payments are vital to farm families who use them to finance spring planting. They need and they deserve to have the certainty that advanced deficiency payments will be there through the life of the current farm bill.

My bill will require that no less than 40 percent of the deficiency payment to which wheat and feed grain producers are entitled shall be made at program signup. This bill does not increase payments to farmers, but rather insures they will be made when they are needed most.

Secretary Lyng chose to make advance deficiency payments for the 1987 crop year. The grossly over-optimistic farm talk we're hearing in Washington these days and the fact the administration never has liked advanced deficiency payments has a lot of people justifiably concerned whether the same decision will be forthcoming for the 1988 crop year.

This legislation will end that concern and give farmers a settled payment system they can plan on for the next 3 years. For that reason, I urge the support of my colleagues for this very important bill.

Mr. LEAHY. Mr. President, I am pleased to join Senator DASCHLE in introducing this bill to require the Secretary of Agriculture to provide our farmers with advance deficiency payments.

Advance deficiency payments have been made in one form or another for 4 out of the past 5 years. Farmers have come to expect these payments as they arrange for financing of their crops. In the farm bill we provided the Secretary with the discretionary authority to pay up to 50 percent of deficiency payments in advance at the time a farmer signs up for a set-aside program.

In the Department of Agriculture's midyear estimates of program costs, the Secretary indicated that advance deficiency payments would not be made. Sure, there is a possibility that the Secretary could change this position. But, while the Department plays games, farmers are faced with this uncertainty, even though wheat is already going in the ground.

I think our farmers deserve better. They need to know what Federal programs will be, they need to know what their cash-flow picture will look like. It is critical that a producer know when payments are going to occur.

I think we need to act decisively. We should make the effort to fix the problem once and for all.

Mr. President, this is a no cost bill. It does not increase payments to farmers. Congressional Budget Office has already assumed that the Secretary will make 40 percent of the wheat and feed grain deficiency payments and 30 percent of the cotton and rice payments in advance. This bill only requires that these payments are made in a timely way.

Mr. President, I urge all Senators to support American farmers by supporting this bill.

By Mr. LAUTENBERG (for himself, Mr. BRADLEY, Mr. D'AMATO, and Mr. MOYNIHAN):

S. 1714. A bill to amend title I of the Marine Protection, Research, and Sanctuaries Act of 1972, to provide for the restoration of the New York bight, and for other purposes; referred to the Committee on Environment and Public Works.

NEW YORK BIGHT RESTORATION ACT

● Mr. LAUTENBERG. Mr. President, this has been a terrible summer for New Jersey. Each and every day it seems we are faced with still another blight on our shores—if its not garbage, its sewage.

Despite all of our efforts to curb the dumping of raw sewage and other contaminants in our oceans, the New

York bight area has been steadily degraded by the dumping of raw sewage, industrial outfalls and runoff from agricultural and urban areas. Several billion gallons of raw sewage and more than 7 million wet metric tons of dredged material go into the bight every year.

Until we insisted on the closing of the 12-mile site by the end of 1987, the bight was also used as a dumping ground for 7 million wet metric tons of sewage sludge every year.

Unfortunately, closing the 12-mile site will not restore the bight. While it may slow degradation of the area, it will not halt the degradation that results from continued industrial and other outflows into the area.

That is why Senator BRADLEY and I are introducing legislation today that will require EPA to look at practices that continue in the bight area which may result in further deterioration. The bill also requires EPA to look at measures that would result in restoration of the bight area.

The persistent degradation of this area has resulted in pollution that has now spread into a far broader area limiting the use of the water, not only along the shoreline, but also further out into the bay. It is time to end this creeping pollution.

New Jersey beaches have borne the brunt of irresponsible management in this area. I would not be surprised to learn that many of the problems we have seen this summer are linked to abuses of the bight region.

Both New Jersey and New York have already acknowledged the need for a coordinated effort to ensure better management of this area.

The legislation I am introducing today should lead to better management and overall enhancement of the bight area. I am convinced that this bill will not only help to restore the bight area, but will also result in a cleaner shores all along the coast.

The bill requires the Environmental Protection Agency to conduct a study to determine what is still being dumped into the bight, learn what effect this material has on the bight area and find alternate means for handling material that results in continued degradation of the area. EPA is also required to set standards for some of the more common hazardous pollutants that are destroying this environment, such as heavy metals and PCB's.

I urge other Members to support this bill, not only as a measure to clean up the New York Bight, but also as a part of our larger commitment and responsibility to protect our vital ocean and shore resources.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1714

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "New York Bight Restoration Act of 1987".

SEC. 2. NEW YORK BIGHT RESTORATION PLAN.

Title I of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1401 et seq.) is further amended by inserting after section 104 the following new section:

"NEW YORK BIGHT RESTORATION PLAN

"SEC. 104. (a)(1) Within three years after the date of the enactment of this section, the Administrator shall prepare and submit to the Congress a New York Bight Restoration Plan. In preparing the plan, the Administrator shall hold public hearings in order to obtain the views and comments of interested persons.

"(2) The New York Bight Resoration Plan required to be prepared under paragraph (1) shall—

"(A) identify and assess the impact of pollutant inputs, such as treated and untreated sewage discharge, industrial outfalls, agricultural and urban runoff, storm sewer overflow, upstream contaminant sources, atmospheric fallout, and dumping that are affecting the water quality and marine resources of the New York Bight;

"(B) identify those uses in the bight that are being inhibited because of those inputs;

"(C) determine the fate of the contaminants from those inputs and their effect on the marine environment;

"(D) identify technologies and management practices, and determine the costs, necessary to control those inputs;

"(E) identify impediments to the cleanup of those inputs;

"(F) devise a schedule of economically feasible projects to implement the controls identified under subparagraph (D) and to remove the impediments identified under subparagraph (E); and

"(G) develop recommendations for funding and coordinating the various Federal, State, and local government programs necessary to implement the projects devised under subparagraph (F).

Within six months after the date of the enactment of this section, the Administrator shall submit to the Congress a detailed schedule (and the associated funding requirements) for completing the restoration plan required by this subsection.

"(b) Within one year after the date of the enactment of this section, the Administrator shall prepare and submit to Congress a report on the technological and economic feasibility of establishing and implementing quality standards for the disposal of municipal sludge through ocean or land-based methods. The quality standards shall set forth maximum permissible concentrations of heavy metals, PCB's persistent plastics, microbiological constituents, pathogens, and any material found in municipal sludge regarding which the Administrator considers the establishment of maximum permissible concentrations to be warranted.

"(c) In addition to funds authorized under section III, there are authorized to be appropriated to the Environmental Protection Agency, for purposes of preparing the New York Bight Restoration Plan required under this section, the following amounts:

"(1) $2,000,000 for fiscal year 1988

"(2) $1,000,000 for fiscal year 1989."●

● Mr. MOYNIHAN. Mr. President, I rise as an original cosponsor of the New York Bight Restoration Act of 1987, along with my colleagues Senators D'AMATO, LAUTENBERG, and BRADLEY. I am delighted that today we are expanding efforts to clean up the New York Bight, efforts already begun in the Clean Water Act passed early in this Congress. As a member of the Committee on Environment and Public Works, I served as a conferee on the Clean Water Act, and supported designation of New York-New Jersey Harbor and Long Island Sound as priority areas for research and management under the National Estuary Program, section 320 of the Clean Water Act. The National Estuary Program authorizes $12 million annually for 5 fiscal years to help Federal, State, and local government conserve our important estuarine resources.

The legislation we introduce today will go beyond the limits of the National Estuary Program, out into the open sea to cover what is termed the New York Bight apex, a roughly square section of the Atlantic Ocean that encompasses 11,310 nautical square miles bounded by Long Island, the Jersey Shore and the Continental Shelf.

WHY THE BIGHT NEEDS SPECIAL ATTENTION

The Bight is an irreplaceable resource in every sense. At least 350 species of fish and 500 species of shellfish, crustaceans and invertebrates occur in the Hudson/Raritan Estuary and New York Bight. The commercial harvest of fish and shellfish in the region averages 150 million pounds per year, worth $100 million to the fishermen and $850 million to the regional economy. The industry employs over 9,000 fishermen and processing workers. Recreational fishing brings in over 100,000 pounds per year, worth over $1 billion to the region's economy. Those who enjoy sport fishing number 2 million regional residents and 2 million visitors.

The Port of New York and New Jersey, whose shipping lanes crisscross the Bight depends on this resource, too. The port generates $14 billion per year for the region, including $4.2 billion in salaries for more than 200,000 workers. The port remains the largest container operation in the world, handling some 2 million TEU's (twenty foot equivalent units) per year. It is obvious that the Bight nurtures our marine life, provides our shipping lanes, and affects the enjoyment of our coastal beaches and recreational boating.

It is important therefore, that we manage wisely this multipurpose resource. Pressure on the Bight comes from many sources, and signs that it is not as well as it should be abound. In 1985 devastating algae blooms struck both New York and New Jersey. In 1986 the brown tide struck the east end of Long Island. More recently

floatable marine debris have adversely affected all the New York Beaches, including Staten Island, the Rockaways and Breezy Point. And researchers are currently studying the deaths of numerous porpoises which may be linked to sea pollution.

PURPOSE OF THIS NEW LEGISLATION

The bill which amends title I of the Marine Protection, Research and Sanctuaries Act of 1972 provides that within 3 years after passage, the EPA Administrator shall submit to Congress a comprehensive New York Bight Restoration Plan. In developing the plan, the bill directs the Administrator to hold public hearings. The plan is to identify and assess the impact of pollution in the bight, including treated and untreated sewage, industrial outfalls, agricultural and urban runoff, atmospheric pollution, and dumping that affect water quality and marine life in the bight. Moreover, the plan must present technologies and management strategies along with their costs, which will aid in restoration of the bight.

Within 6 months of enactment, the Administrator must supply Congress with a detailed schedule and funding plan for carrying out restoration, along with recommendations for coordinating Federal, State, and local government programs which affect the bight. Within 1 year, the Administrator must transmit to Congress a report on the technological and economic feasibility of establishing water quality standards for disposal of municipal sludge through ocean or land-based methods, including permissible concentrations of persistent plastics, PCB's microbiological constituents, pathogens and other potentially harmful materials.

The bill authorizes $2 million for the first fiscal year, and $1 million for the following fiscal year for preparing the plan. In essence, this means that an additional $3 million would be available for the New York Bight, in addition to the money which New York and New Jersey receive under the national estuary program, which by definition must focus on near coastal waters.

Mr. President, I am proud to cosponsor this measure and I ask that my colleagues support restoration of this important resources.●

ADDITIONAL COSPONSORS

S. 27

At the request of Mr. MOYNIHAN, the name of the Senator from Vermont [Mr. STAFFORD] was added as a cosponsor of S. 27, a bill to establish the American Conservation Corps, and for other purposes.

S. 39

At the request of Mr. MOYNIHAN, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 39, a bill to amend the Internal Revenue Code of 1986 to make the exclusion from gross income of amounts paid for employee educational assistance permanent.

S. 450

At the request of Mr. ARMSTRONG, the names of the Senator from Mississippi [Mr. COCHRAN], and the Senator from Mississippi [Mr. STENNIS] were added as cosponsors of S. 450, a bill to recognize the organization known as the "National Mining Hall of Fame and Museum."

S. 542

At the request of Mr. ARMSTRONG, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 542, a bill to recognize the organization known as the "Retired Enlisted Association, Incorporated."

S. 581

At the request of Mr. PROXMIRE, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 581, a bill to amend title 10, United States Code, to increase the combat support assignments open to women in the Armed Forces.

S. 838

At the request of Mr. LAUTENBERG, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 838, a bill to provide financial assistance to the States for computer education programs, and for other purposes.

S. 998

At the request of Mr. DECONCINI, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 998, a bill entitled the "Micro Enterprise Loans for the Poor Act."

S. 1006

At the request of Mr. HECHT, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 1006, a bill entitled the "Geothermal Steam Act Amendments of 1987."

S. 1019

At the request of Mr. RIEGLE, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 1019, a bill to amend the Internal Revenue Code of 1986 to clarify the tax exempt treatment of self-insured worker's compensation funds.

S. 1070

At the request of Mr. RIEGLE, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 1070, a bill to increase the amount authorized to be alloted under title XX of the Social Security Act.

S. 1181

At the request of Mr. PRYOR, the name of the Senator from the New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1181, a bill to amend the Federal Salary Act of 1967 and title 5 of the United States Code to provide that the authority to determine levels of pay for administrative law judges be transferred to the Commissions on Executive, Legislative, and Judicial Salaries.

S. 1188

At the request of Mr. SYMMS, the names of the Senator from Pennsylvania [Mr. HEINZ], and the Senator from South Carolina [Mr. THURMOND] 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. 1199

At the request of Mr. LAUTENBERG, the name of the Senator from Vermont [Mr. STAFFORD] was added as a cosponsor of S. 1199, a bill to prevent suicide by youth.

S. 1203

At the request of Mr. GRASSLEY, the names of the Senator from Alaska [Mr. STEVENS], and the Senator from Missouri [Mr. BOND] were added as cosponsors of S. 1203, a bill to amend title 22, United States Code, to make unlawful the establishment or maintenance within the United States of an office of the Palestine Liberation Organization, and for other purposes.

S. 1345

At the request of Mr. MCCONNELL, the names of the Senator from Wyoming [Mr. WALLOP], the Senator from New Mexico [Mr. BINGAMAN], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of S. 1345, a bill to allow the National Association of State Racing Commissioners, State racing commissions and regulatory authorities that regulate parimutuel wagering to receive and share Federal Government criminal indentification records.

S. 1365

At the request of Mr. GRAHAM, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1365, a bill to amend title 38, United States Code, to establish presumption of service connection for certain diseases of former prisoners of war.

S. 1366

At the request of Mr. KENNEDY, the name of the Senator from Washington [Mr. ADAMS] 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. 1401

At the request of Mr. DECONCINI, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1401, a bill to restore, on an interim basis, certain recently amended procedures for determining the maximum attorney's fees which may be charged for services performed before the Secretary of Health and

Human Services under the Social Security Act and to require a report by the Secretary of Health and Human Services regarding possible improvements in such procedures.

S. 1522

At the request of Mr. RIEGLE, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 1522, a bill to amend the Internal Revenue Code of 1986 to extend through 1992 the period during which qualified mortgage bonds and mortgage certificates may be issued.

S. 1587

At the request of Mr. D'AMATO, the name of the Senator from Vermont [Mr. STAFFORD] was added as a cosponsor of S. 1587, a bill to authorize the minting of commemorative coins to support the training of American athletes participating in the 1988 Olympic games.

S. 1673

At the request of Mr. CHAFEE, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 1673, a bill to amend title XIX of the Social Security Act to assist individuals with a severe disability in attaining or maintaining their maximum potential for independence and capacity to participate in community and family life, and for other purposes.

SENATE JOINT RESOLUTION 119

At the request of Mr. RIEGLE, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of Senate Joint Resolution 119, joint resolution concerning the April 1986 accident at the Chernobyl nuclear powerplant in the Soviet Union.

SENATE JOINT RESOLUTION 168

At the request of Mr. MELCHER, the names of the Senator from North Dakota [Mr. CONRAD], the Senator from Mississippi [Mr. STENNIS], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of Senate Joint Resolution 168, joint resolution designating the week beginning October 25, 1987, as "National Adult Immunization Awareness Week."

SENATE JOINT RESOLUTION 172

At the request of Mr. KARNES, his name was added as a cosponsor of Senate Joint Resolution 172, joint resolution to designate the period commencing February 21, 1988, and ending February 27, 1988, as "National Visiting Nurse Association Week."

SENATE CONCURRENT RESOLUTION 9

At the request of Mr. DOLE, the names of the Senator from Delaware [Mr. ROTH], and the Senator from Washington (Mr. EVANS) were added as cosponsors of Senate Concurrent Resolution 9, a concurrent resolution to provide for the display of the National League of Families POW/MIA flag in the Capitol Rotunda.

SENATE RESOLUTION 246

At the request of Mr. MOYNIHAN, the names of the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Illinois [Mr. DIXON], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from New Jersey [Mr. BRADLEY], the Senator from Louisiana [Mr. BREAUX], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of Senate Resolution 246, a resolution to honor Irving Berlin for the pleasure he has given to the American people through almost a century of his music.

SENATE CONCURRENT RESOLUTION 78—WELCOMING THE DALAI LAMA OF TIBET ON THE OCCASION OF HIS VISIT TO THE UNITED STATES

Mr. PELL (for himself and Mr. HELMS) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 78

Whereas His Holiness the Dalai Lama of Tibet is a spiritual leader to millions of Buddhists throughout the world, including many in the United States;

Whereas His Holiness the Dalai Lama has persistently promoted justice, offered hope to the oppressed, and upheld the rights and dignity of all men and women regardless of faith, nationality, or political views;

Whereas His Holiness the Dalai Lama is a world leader who has admirably and with dedication advanced the cause of regional and world peace through adherence to the doctrine of nonviolence;

Whereas His Holiness the Dalai Lama has, through his example, his teachings, and his travels, furthered mutual understanding, respect, and unity among nations and individuals; and

Whereas His Holiness the Dalai Lama will be visiting the United States in September 1987: Now, therefore, be it

Resolved by the Senate (House of Representatives concurring), That the Senate welcomes His Holiness the Dalai Lama of Tibet on the occasion of his visit to the United States, commends him for furthering the just and honorable causes that he has championed, and offers him the greetings and good wishes of the people of the United States.

SENATE CONCURRENT RESOLUTION 79—EXPRESSING SUPPORT FOR THE U.N. EFFORT TO END THE IRAN-IRAQ WAR AND END HUMAN RIGHTS VIOLATIONS IN IRAN

Mr. KERRY (for himself, Mr. NICKLES, Mr. HARKIN, Mr. GRASSLEY, Mr. FORD, Mr. WIRTH, Mr. SIMON, Mr. ADAMS, Mr. MOYNIHAN, Mr. HATFIELD, Mr. DIXON, Mr. WEICKER, and Mr. SARBANES) submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON. RES. 79

Whereas the United Nations has passed nine resolutions condemning the violation of human rights in Iran;

Whereas the United Nations Subcommission on Prevention of Discrimination and Protection of Minorities stressed in Resolution 1987-12 that, to date, more than 200,000 Iranians have been imprisoned, tortured or executed because of their beliefs;

Whereas information on 14,000 of those persons executed has been recently published;

Whereas despite the persistent requests over the past six years by the United Nations and by many human rights organizations that the Iranian government allow a special representative of the United Nations Security Counsel to inspect Iranian prisons and to determine the true extent of torture in Iran, such requests have been ignored by the Iranian government;

Whereas executions, including executions of children and members of religious minorities, apparently still take place in Iran;

Whereas the Khomeini government forcibly dispatches children to the war fronts;

Whereas the Khomeini government has brought the domestic economy of Iran to the brink of ruin by pouring the resources of the country into war making;

Whereas Iran has rejected all proposals to end the seven year Iran-Iraq War.

Whereas Iran has not responded positively to United Nations Security Council Resolution 598 which calls for an end to the Iran-Iraq War;

Whereas the Khomeini government continues to attack and intimidate the other countries of the Persian Gulf region;

Whereas it is known that the Khomeini government supports terrorism and has used hostage taking as an instrument of foreign policy: Now, therefore, be it

Resolved by the United States Senate, the (House of Representatives concurring), That Congress—

(1) Expresses its solidarity with the citizens of Iran, who must endure war and unprecedented repression and extends its wish that the people of Iran will soon enjoy an end to that war and to internal repression;

(2) Supports an official U.S. policy of completely halting the shipment of any kind of armament to the government of Iran;

(3) Urges that the President make every effort to cooperate with the other nations of the United Nations to bring about an end to government sponsored torture in Iranian prisons and to pressure Iran to permit inspection of Iranian prisons by an international delegation; and

(4) Expresses support of all efforts made through the United Nations Security Council to pressure the Khomeini government to accept peace and to end the carnage caused by the seven years of war.

Mr. KERRY. On behalf of myself and several of my colleagues, I am submitting a concurrent resolution expressing support for U.N. efforts to end the Iran-Iraq war and condemning the continued human rights atrocities of the regime of Ayatollah Khomeini.

Joining me in sponsoring this resolution are Senator DON NICKLES, Senator TOM HARKIN, Senator CHARLES GRASSLEY, Senator WENDELL FORD, Senator TIMOTHY WIRTH, Senator PAUL SIMON, Senator BROCK ADAMS, Senator PATRICK MOYNIHAN, Senator MARK HATFIELD, Senator ALAN DIXON, Senator LOWELL WEICKER, and Senator PAUL SARBANES.

Mr. President, the blatant disregard for human rights is the expressed policy of the Government of Iran. In 1985, Sa'eed Raja'i-Khorrassani, Ayatollah Khomeini's personal envoy to the United Nations, stated unequivocally:

We do not claim that we observe human rights standards, for the Bill of Human Rights and its contents are not criteria for us to judge by or to make decisions on . . . We urge our critics not to criticize us for violating what we do not believe in.

The Universal Declaration of Human Rights was one of the first documents of the global community's response to the horrors and barbarism of the Holocaust. While many nations of the world have not held themselves to the standards set forth in the Universal Declaration of Human Rights, I do not recall any government rejecting this document as has the regime of Ayatollah Khomeini.

While we recognize Iran's right to base its laws on social, cultural, and religious traditions, those laws must be in accord with the human rights obligations that every nation in the world has to it's own people.

Those of us who are sponsoring this resolution believe it is appropriate to move forward as expeditiously as possible with its passage. As we are all aware, Iranian President Ali Khamene'i addressed the United Nations earlier this week, the very body which promulgated the Universal Declaration of Human Rights.

Iran is among those nations which has ratified the U.N. International Covenant on Civil and Political Rights. To reject the legitimacy of basic human rights, as has the Khomeini regime, is to license the unrestrained and unlimited atrocities of a government against its own people. That is exactly what has happened, and is continuing to happen in Iran today.

The Khomeini regime vehemently accuses other nations of promoting violence and instability in the Persian Gulf. Yet, this is the same regime who refuses to abide by U.N. resolutions calling for a cease-fire and negotiated solution to the Iran-Iraq conflict, and who continues to wage an internal war against its own people.

The United Nations has passed nine resolutions condemning the violation of human rights in Iran. Yet, Iranians continue to be routinely and systematically denied even the most basic and fundamental of individual rights: the right to life, to freedom of thought and expression, to religious and political beliefs, and the rights of security of person and property. These are the actions of despots who must use repression to maintain their elitest position in Iran.

The U.N. Subcommission on the Prevention of Discrimination and Protection of Minorities has stressed that more than 200,000 Iranians have been imprisoned, tortured, or executed because of their beliefs or their opposition to the Government of the Ayatollah Kohmeini. Information has been recently published on 14,000 of those persons executed by the Khomeini regime. These executions cannot be justified under any pretense of beliefs, religious or political. These executions amount to little more than de facto murders.

According to Amnesty International, executions in Iran are often preceded by no more than a summary trial lasting but a few minutes. Amnesty International knows of no political case before a Revolutionary Court in which the accused has been allowed to have a lawyer. Charges and verdicts are often kept secret, and there is no right of appeal. Most alarmingly, there are numerous reports of political detentions and executions of children and pregnant women in Iran.

Furthermore, Iran routinely uses torture against prisoners. Amnesty lists beatings on the feet, floggings, and hanging by the arms or wrists as common methods of abuse used on prisoners of conscience. There have also been regular reports of sexual abuse and mock executions. Such practices cannot be defended as necessary under any rational system of justice. Iran, today, is more reminiscent of Hitler's Germany than a nation which follows the humane teachings of the Koran.

The systematic violation of human rights in Iran is not limited to the prison and court system, but is inherent in the Government's policies as it conducts its war with Iraq. As with the court system, Iran does not discriminate by age. The regime continues to dispatch forcibly children to the war fronts. Iranian President Ali Khamene'i explained Iran's rationale in 1985, stating:

Our enemies think if they publicize that the Islamic Republic sends youngsters to the war fronts, we will fear the negative publicity and will back down and stop mobilizing youngsters . . . The children and adolescents themselves cry and beg to be sent to the fronts.

In reality, the ayatollahs, far from being willing to sacrifice their lives in this so-called holy war, are content to send children to the war front to be used as cannon fodder.

No political conditions, including the war with Iraq, can justify such a blatant disregard for the barbaric human rights atrocities of the Khomeini regime.

Over the past 6 years, the United Nations and many other respected human rights organizations have repeatedly requested that a special representative of the U.N. Security Council be permitted to inspect Iranian prisons to determine the extent of torture used by the Government of Iran against its own people. These requests have been consistently rejected. The resolution we are introducing today, calls upon the Government of Iran to cooperate with the United Nations to halt the practice of state-sanctioned torture and political executions, and to open their prisons to inspection by respected international human rights organizations.

The resolution also calls upon Iran to embrace the efforts being made by the United Nations to bring an end to the fighting between Iran and Iraq and to make a good faith effort to negotiate a settlement to this dispute. To further this end, our resolution endorses the policy of our Government calling for a total embargo in the shipment of arms to Iran.

Finally, in our resolution, we express our solidarity with the people of Iran, who have been forced to endure countless hardships and injustices to maintain a repressive regime in power. While the criticisms in this resolution are aimed at the Ayatollah Khomeini's regime, we support the aspirations of the Iranian people in their efforts to throw off the yoke of tyranny. through this resolution, we are adding our angry voices to those of the rest of the international community in expressing our solidarity with the Iranian people themselves who have the misfortune to be ruled by despots.

AMENDMENTS SUBMITTED

CAMPAIGN FINANCE REFORM

BOREN AMENDMENT NO. 713

(Ordered to lie on the table.)

Mr. BOREN submitted an amendment intended to be proposed by him to the bill (S. 2) to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns, to limit contributions by multicandidate political committees, and for other purposes; as follows:

At the appropriate place, add the following new section:

SEC. . Section 313 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439a) is amended by striking out "political party;" through the end of the paragraph and inserting in lieu thereof "political party.".

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, FISCAL YEARS 1988 AND 1989

WEICKER AMENDMENT NO. 714

Mr. WEICKER proposed an amendment to the bill (S. 1174) to authorize appropriations for fiscal years 1988 and 1989 for military activities of the

Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes; as follows:

On page 22, between lines 8 and 9, insert the following:

SEC. 229. COOPERATIVE MEDICAL RESEARCH WITH THE NATIONAL INSTITUTES OF HEALTH

Of the funds appropriated pursuant to section 201 or otherwise available to the Defense Agencies for research, development, test, and evaluation, the Secretary of Defense shall transfer $200,000,000 of the amount available for fiscal year 1988 and $200,000,000 of the amount available for fiscal year 1989 to the National Institutes of Health for the support of medical research conducted in the interest of the health of Armed Forces personnel.

MURKOWSKI (AND OTHERS) AMENDMENT NO. 715

(Ordered to lie on the table.)

Mr. MURKOWSKI (for himself, Mr. CRANSTON, Mr. SIMPSON, and Mr. MATSUNAGA) submitted an amendment intended to be proposed by them to the bill S. 1174, supra; as follows:

On page 114, between lines 13 and 14, insert the following:

SEC. 812. TRANSPORTATION OF CERTAIN BENEFICIARIES OF THE VETERANS' ADMINISTRATION ON DEPARTMENT OF DEFENSE AEROMEDICAL EVACUATION AIRCRAFT.

(a) IN GENERAL.—Section 5011 of title 38, United States Code, is amended—

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following new subsection (g):

"(g)(1) The Secretary of the Defense and the Administrator shall enter into an agreement that provides for the transportation of any primary beneficiary of the Veterans' Administration on any Department of Defense aircraft operating under the aeromedical evacuation system of the Department of Defense.

"(2) An agreement entered into under paragraph (1) of this subsection shall include the following provisions:

"(A) Transportation shall be furnished to a person on an aircraft referred to in paragraph (1) of this subsection only if—

"(i) the Administrator of Veterans' Affairs notifies the Secretary of Defense that the person needs or has been furnished care and services in Veterans' Administration medical facilities and the Administrator requests such transportation in connection with the travel of such person to or from the Veterans' Administration facility where the care and services are to be furnished or were furnished to such person;

"(ii) there is space available for such person on that aircraft; and

"(iii) there is an adequate number of medical and other service attendants to care for all persons being transported on such aircraft.

"(B) The persons eligible for transportation include persons located outside the continental United States and persons returning to their residences outside the continental United States.

"(C) A charge may not be imposed on any primary beneficiary of the Veterans' Administration or on the Veterans' Administration for transportation services furnished to such beneficiary by the Department of Defense under this section.".

(b) IMPLEMENTATION REQUIREMENT.—The Secretary of Defense and the Administrator of Veterans' Affairs shall enter into an agreement required by section 5011(g) of title 38, United States Code (as added by subsection (a)), not later than 60 days after the date of the enactment of this Act.

McCAIN AMENDMENT No. 716

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to the bill S. 1174, supra; as follows:

On page 114, between lines 13 and 14, insert the following:

SEC. 812. INDIAN SUBCONTRACT SET-ASIDE INCENTIVE PROGRAM.

(a) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2410. Indian subcontract set-aside incentive

"(a) IN GENERAL.—The head of an agency named in clauses (1) through (4) of section 2303(a) of this title shall pay an amount determined under this section to any contractor who awards to an Indian organization or Indian-owned economic enterprise a subcontract for the performance of any work for which the contractor is responsible under a contract awarded to the contractor by such agency. The amount paid under this section shall be in addition to the amount otherwise payable (without regard to this section) to the contractor by such agency under the contract.

"(b) CALCULATION OF ADDITIONAL AMOUNT.—The additional amount paid by the head of an agency to a contractor under subsection (a) shall be equal to 5 percent of the amount of the subcontract awarded by such contractor to the Indian organization or Indian-owned economic enterprise.

"(c) ANNUAL REPORTS.—Not later than October 10 of each year, the Secretary of Defense shall submit to Congress a report containing the number and total amount of the subcontracts referred to in subsection (a) that were awarded by contractors referred to in such subsection during the preceding fiscal year and the number and total amount of the payments made to such contractors under this section during such fiscal year.

"(d) DEFINITIONS.—In this section, the terms 'Indian organization' and 'Indian-owned economic enterprise' have the same meanings provided for the terms 'organizations' and 'economic enterprise', respectively, in section 3 of the Indian Financing Act of 1974 (88 Stat. 77; 25 U.S.C. 1452).".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2410. Indian subcontract set-aside incentive.".

NOTICE OF HEARING

SUBCOMMITTEE ON WATER AND POWER

Mr. BRADLEY. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a field hearing before the Subcommittee on Water and Power of the Senate Committee on Energy and Natural Resources.

The subcommittee would welcome testimony from State and local officials, as well as interested citizens regarding S. 1435, to authorize certain elements of the Yakima River Basin water enhancement project, and for other purposes. The hearing is scheduled for October 19, 1987, beginning at 10 a.m. in room B of the Yakima Valley Visitors and Convention Bureau, 10 North 8th Street, Yakima, WA.

For further information regarding the hearing, you may wish to contact Russell R. Brown of the subcommittee staff at 224-2366. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Subcommittee on Water and Power, room SD-364, Dirksen Senate Office Building, Washington, DC 20510.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. DIXON. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a hearing during the session of the Senate on September 23, 1987, on the nomination of Robert H. Bork to be Associate Supreme Court Justice.

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

SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE, AND CIVIL SERVICE

Mr. DIXON. Mr. President, I ask unanimous consent that the Subcommittee on Federal Services, Post Office, and Civil Service, Committee on Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, September 23, 1987, to hear testimony on the impact of the proposed catastrophic health legislation on the Federal Employees Health Benefits Program and on Federal annuitants.

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

SUBCOMMITTEE ON RESEARCH AND DEVELOPMENT

Mr. DIXON. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources, Subcommittee on Research and Development be authorized to meet during the session of the Senate on Wednesday, September 23, 1987, to receive testimony on S. 1294, to promote the development of technologies which will enable fuel cells to use alternative fuel cells to use alternative fuel sources; S. 1295, to develop a national policy for the utilization of fuel cell technology; and S. 1296, to establish a hydrogen research and development program.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DIXON. Mr. President, I ask unanimous consent that the Commit-

tee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, September 23, 1987, to conclude action of our response to the reconciliation instructions under the budget resolution; S. 1145, amendments to the Alaska Native Claims Settlement Act of 1971; S. 1084, and amendment No. 176, United States Uranium Enrichment Act; S. 1100, and amendment No. 177, Uranium Revitalization and Tailings Reclamation Act of 1987; S. 575, land conveyance to the Catholic Diocese of Reno/Las Vegas; H.R. 1366, to provide for the transfer of certain lands in the State of Arizona; S. 574, the Battle Mountain Pasture Restoration Act of 1987; S. 1012, to increase the amount authorized to be appropriated for property acquisition, restoration, and development, and for transportation, educational and cultural programs, relating to the Lowell Historical Park.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. DIXON. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be authorized to meet during the session of the Senate on September 23, 1987, beginning to mark up clean air legislation.

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

SUBCOMMITTEE ON AGRICULTURAL CREDIT

Mr. DIXON. Mr. President, I ask unanimous consent that the Subcommittee on Agricultural Credit, of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, September 23, 1987, to mark up farm credit legislation.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. DIXON. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, September 23, 1987, to hold a brief business meeting.

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

ADDITIONAL STATEMENTS

ARTHUR SCHLESINGER, JR. DISCUSSES "THE INTENTIONS OF THE FRAMERS"—INTERNATIONAL AFFAIRS

● Mr. PELL. Mr. President, the Center for Strategic and International Studies, known as CSIS, is celebrating its 25th anniversary. Originally established in 1962 as a part of Georgetown University, the center has been separated from Georgetown since July 1 of this year, functioning as an independent, nonpartisan policy research institute. It is now directed by Dr. Amos A. Jordan, and many of us have participated in its programs and benefitted from its publications.

On September 15 CSIS sponsored a conference organized by its very able director of European studies, Robert E. Hunter, which was of particular significance and timeliness. The subject: "The Constitution and Legislative-Executive Relations in International Affairs." Leading off the conference as its first speaker was Prof. Arthur Schlesinger, Jr., one of our Nation's most respected historians and scholars. Professor Schlesinger addressed the fundamental Constitutional issue of "The Intentions of the Framers" regarding the legislative and executive's role in U.S. foreign relations. In doing so he illuminated a number of key issues facing us in these very days.

Professor Schlesinger states the following general conclusion:

> The Framers, in short, envisaged a partnership between Congress and the President in the conduct of foreign affairs with Congress as the senior partner. Hamilton's comment in the 75th Federalist on the treaty-making power applies to the broad legislative-executive balance in international affairs: "The joint possession of the power in question, by the President and Senate, would afford a greater prospect of security than the separate possession of it by either of them."

He then adds, drawing on his own long experience in the conduct of our foreign relations:

> Yet beneath the exact allocation as laid down by the Framers lies a deeper principle. In the field of foreign affairs the Constitution commands above all a partnership between the legislative and executive branches. The terms of the partnership may vary according to the pressures, political and geopolitical, of the day. That, in my view, is the way it should be. The essential questions to foreign policy belong in the political arena. They must be argued out before Congress and the electorate. The salient question must be the wisdom of the measures proposed. But, however the balance shifts, the partnership must remain. Neither branch of government has a divine right to prevail over the other. Congress must understand that it cannot conduct foreign policy. The Presidency must understand that no foreign policy can last that is not founded on popular understanding and congressional consent. When we find means of making the partnership real, we remain faithful to the deeper intentions of the Framers.

Mr. President, these are wise words, and I commend them to my colleagues in all the branches of our Government. They deserve to be read in their entirety, and I ask that Professor Schlesinger's statement at the CSIS conference be printed in the RECORD.

The statement follows:

THE LEGISLATIVE-EXECUTIVE BALANCE IN INTERNATIONAL AFFAIRS: THE INTENTIONS OF THE FRAMERS

(By Arthur Schlesinger, Jr.)

Historians, whether in the school of John Fiske or in the school of Charles A Beard, have been traditionally preoccupied with the domestic origins of the Constitution—the chaos, real or alleged, of the Confederation; or the struggle, real or alleged, between property and democracy. This preoccupation doubtless reflected the isolationism prevailing in the United States in the placid times when "The Critical Period in American History" and "An Economic Interpretation of the Constitution" were written.

Yet the men who wrote the Constitution did not live in placid times. The new nation was a subversive republican experiment founded on principles that threatened all the monarchies of Europe. The achievement of a precarious independence offered no guarantee agains further attempts to extirpate republican principles. Already the British in the Northwest, the Spaniards in the South and Indians everywhere menaced the new republic. The Articles of Confederation gave Congress no effective power to raise revenues, enforce treaties create armies or wage war. "We have," Alexander Hamilton wrote in the 15th Federalist, "neither troops, nor treasury, nor government."

National Security.—The defenselessness of the confederated states against military attack—was a prime motive in the movement for constitutional reform.

Foreign trade was almost as urgent an issue in bringing about the Constitution. Great Britian excluded the new nation from the West Indies and discriminated against American ships in British ports. Because the Articles of Confederation gave each state the power to conduct its own trade policy, Congress could not enforce commercial treaties or retaliate against Britain by imposing restrictions on British trade. The revival of American trade required a national commercial policy. For this it was necessary to grant Congress the power to regulate commerce. It was this issue that led to the Annapolis convention in 1786, and the Annapolis convention issued the call to Philadelphia in 1787.

The Philadelphia convention, even if foreign policy did not bulk large in the debates, fully acknowledged the importance of national security as a motive for the new Constitution. In proposing the Virginia Plan, Edmund Randolph listed the failure to provide for national security as the first among the defects of the Articles of Confederation and inability to achieve "counteraction of the commercial regulations of other nations" as the third.[1] Hamilton similarly condemned the Confederation for deficiency in "all matters in which foreigners are concerned."[2] Twenty-five of the first thirty Federalist Papers dealt with national security and foreign relations.

The remedy for the new nation's international vulnerabilities was, in the view of the Framers, a strong central government empowered to create a standing army and navy, to regulate commerce and to enforce treaties. The idea, as Jefferson told Madison, should be "to make us one nation as to

[1] C C Tansill, ed, "Documents Illustrative of the Formation of the Union of the American States (Washington 1927), 115.

[2] F W Marks III, "Independence on Trial: Foreign Affairs and the Making of the Constitution" (Baton Rouge, 1973), 142.

foreign concerns, and keep us distinct in domestic ones." [3] But, given the separation of powers, how should foriegn policy authority be distributed in the new government? Where should the new powers be located? Here the Framers were unambiguous in their decisions. The vital powers in international affairs were to be reserved for Congress.

Article I of the new Constitution therefore gave Congress not only the exclusive appropriations power—itself a potent instrument of control—but the exclusive power to declare war, to raise and support armies, to provide and maintain a navy, to make rules for the government and regulation of the armed services and to grant letters of marque and reprisal—this last provision representing the 18th century equivalent of retaliatory strikes and enabling Congress to authorize limited as well as formal war. Even Hamilton, the convention's foremost proponent of executive energy, endorsed this allocation of powers. His own plan would have given the Senate "the sole power of declaring war." [4]

Much is latterly made of Hamilton's statement in the 23rd Federalist that the powers of natonal self-defense must "exist without limitation, because it is impossible to foresee or define the extent and variety of national exigencies, or the correspondent extent and variety of the means which may be necessary to satisfy them. The circumstances that endanger the safety of nations are infinite, and for this reason no constitutional shackles can wisely be imposed on the power to which the care of it is committed. This power ought to be co-extensive with all the possible combinations of such circumstances."

"But Hamilton was not asserting these unlimited powers for the Presidency, as careless commentors have assumed. He was asserting them for the national government as a whole—that is, for Congress and the Presidency together. Indeed, Hamilton expressly rejected the notion that foreign policy was the peculiar prerogative of the President. "The history of human conduct," he wrote in the 75th Federalist, "does not warrant that exalted opinion of human virtue which would make it wise in a nation to commit interests of so delicate and momentous a kind, as those which concern its intercourse with the rest of the world, to the sole disposal of a magistrate created and circumstanced as would be a President of the United States."

When one delegate argued that the war-making power should be vested in the President, Elbridge Gerry of Massachusetts responded, evidently to general approbation, that the "never expected to hear in a republic a motion to empower the Executive alone to declare war." [5] No one can doubt the determination of the Framers, in the words of James Wilson, to establish a procedure that "will not hurry us into war; it is calculated to guard against it. It will not be in the power of a single man, or a single body of men, to involve us in such distress." By giving the power to Congress, Wilson continued, "We may draw a certain conclusion that nothing but our national interest can draw us into a war." [6] Lincoln accurately expressed the purpose of the Framers when he wrote sixty years later that "they resolved to so frame the Constitution that no one man should hold the power of bringing this oppression upon us." [7]

National defense was the first priority in the conduct of foreign relations, and the Framers intended to place it substantially in the hands of Congress. The next priority was trade policy. The Framers expected the foreign relations of the new republic would be primarily commercial rather than political in character. America's "plan is commerce," as Thomas Paine wrote in "Common Sense," "and that well attended to, will secure us the peace and friendship of all Europe, because it is the interest of all Europe to have America as free port" [8] Washington set forth the policy in his Farewell Address: "The great rule of conduct for us in regard to foreign nations is, in extending our commercial relations to have with them as little political connection as possible." Given the unmistakable priority the Framers gave commercial over political relations, it is signficant that the Constitution vested control over this primary aspect of foreign policy to Congress, assigning it the express and unqualified power "to regulate Commerce with foreign Nations."

While reserving the vital foreign policy powers for Congress, the Framers in the last weeks of the convention did provide the executive a role in the conduct of national security affairs. The convention authorized the President to receive foreign envoys. Abandoning earlier drafts giving the Senate power to negotiate treaties and appoint ambassadors, it now conferred these powers on the President, though he had to act with the advice and consent of the Senate. Instead of giving Congress the exclusive power to "make" war, as the draft before the convention provided, Madison and Gerry moved to replace "make" by "declare" in order to leave "to the Executive the power to repel sudden attacks." [9]

The President, moreover, was constitutionally designated commander in chief of the armed services. The Framers saw this, however, as a ministerial function, not as an independent source of executive authority. "Of all the cares and concerns of government," Hamilton observed in the 74th Federalist, "the direction of war most peculiarly demands those qualities which distinguish the exercise of power by a single hand." Making the President commander in chief not only made for military efficiency; it would also assure civilian control of the military establishment and guard against the ambitions of overreaching generals.

But Hamilton took care to say (in the 69th Federalist) that the designation "would amount to nothing more than the supreme command and direction of the military and naval forces." He contrasted this limited assignment with the power of the British king—a power that, he said, "extends to the declaring of war and to the raising and regulating of fleets and armies,—all which, by the Constitution under consideration, would appertain to the legislature." As Hamilton specified in presenting his own plan to the convention, the President should only "have the direction of war when authorized or begun." [10]

In modern times the commander in chief clause has become a particular vehicle of exaggerated claims for unilateral executive authority. Some politicians and pundits talk as if the President were commander in chief not just of the armed forces but of the nation. But the Framers never intended the commander in chief clause as a grant of independent or inherent power, nor has the Supreme Court ever ruled that this clause enlarges presidential power.

In marked contrast to the specific grants of authority made to Congress, the Constitution contributed little to presidential authority in foreign affairs. However, Article II gave the President general executive power; and, as the 64th and 75th Federalist Papers emphasized, the structural characteristics of the Presidency—unity, secrecy, decision, despatch, superior sources of information—illustrated "the benefits of the constitutional agency of the President in the conduct of foreign negotiations." Still, it must not be forgotten that, as one scholar has put it, "the delegates assumed that diplomatic negotiations per se would be rare, that foreign relations would be commercial in nature, and that treaties would be few." [11]

The Framers, in short, envisaged a partnership between Congress and the President in the conduct of foreign affairs with Congress as the senior partner. Hamilton's comment in the 75th Federalist on the treaty-making power applies to the broad legislative-executive balance in international affairs: "The joint possession of the power in question, by the President and Senate, would afford a greater prospect of security than the separate possession of it by either of them."

Still, the text of the Constitution was too full of generality, ambiguity, omission and overlapping grants of authority to settle the range of problems arising in the conduct of foreign affairs. The result, as E.S. Corwin famously put it, was to make of the Constitution "an invitation to struggle for the privilege of directing American foreign policy." [12] The struggle began almost at once. We hear much these days from Attorney General Meese and Judge Bork about the virtues of original intent. It can only be said that they appear more certain about the dictates of original intent than the original intenders were. For a short six years after the Philadelphia convention Madison and Hamilton, who had helped frame the Constitution, who had thereafter collaborated in writing the Federalist Papers and who were almost uniquely qualified to say what the sacred document 'really' meant, were engaged in bitter controversy over the constitutional allocation of powers in foreign affairs.

It was this debate that moved Justice Jackson in his opinion in the steel seizure case to his conclusive refutation of original intent: "Just what our forefathers did envision, or would have envisaged had they foreseen modern conditions, must be divined from materials almost as enigmatic as the dreams Joseph was called upon to interpret for Pharaoh. A century and a half of partisan debate and scholarly speculation yields no net result but only supplies more or less apt quotations from respected sources on each side of the question.

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[3] Jefferson to Madison, 16 December 1786, "Papers of Thomas Jefferson, J.P. Boyd, ed, (Princeton, 1950 —), X, 603.

[4] Transill, ed, "Documents," 980.

[5] Tansill, ed, "Document," 562.

[6] F.D. Wormuth and E.B. Firmage, "To Chain the Dog of War: The War Power of Congress in History and Law" (Dallas, 1986), 30.

[7] Lincoln to W.H. Herndon, 15 February 1848, Lincoln, "Collected Works," R.P. Basler, ed (New Brunswick, 1953), I, 451-452.

[8] Thomas Paine, "Common Sense" (Dolphin paperback), 31.

[9] Tansill, ed, "Documents," 562.

[10] Tansill, ed, "Documents," 979.

[11] Marks, "Independence on Trial," 155.

[12] E.S. Corwin, "The President: Office and Powers" (New York, 1940), 200.

The issue between Hamilton and Madison was President Washington's unilateral declaration of American neutrality in the war between Great Britain and France. Hamilton contended that the powers of declaring war and ratifying treaties bestowed by the Constitution on Congress were exceptions to the general executive power vested by Article II in the President and that the power to proclaim neutrality represented a legitimate exercise of general executive power. Madison insisted that Congress's war-making power must include everything necessary to make that power effective, including control of neutrality policy. Washington eventually came more or less to Madison's position, and neutrality became thereafter a congressional prerogative, with unfortunate consequences for the republic in the 1930s.

Presidential claims were more successful in other areas. Congress was not equipped structurally to direct many aspects of foreign policy. As Hamilton put it in the 75th Federalist, "Accurate and comprehensive knowledge of foreign politics; a steady and systematic adherence to the same views; a nice and uniform sensibility to national character; decision, secrecy, and despatch, are incompatible with the genius of a body so variable and so numerous." Even Jefferson as President Washington's first Secretary of State affirmed, "The transaction of business with foreign nations is Executive altogether."[13] This is the meaning of the proposition put forward by John Marshall in the House of Representatives in 1799 that the President is "the sole organ of the nation in its external relations, and its sole representative with foreign nations." But Marshall, as Professors Wormuth and Firmage have pointed out, never contended that "the President's exclusive power to communicate with other nations on behalf of the United States involved power to make foreign policy." [14] The "sole organ" doctrine was conceived as procedural, not substantive, in character.

Nevertheless even the power to communicate was capable of expansion. So the right to receive foreign envoys was soon translated into the right to recognize foreign governments. In similar fashion the executive began his long process of encroachment on the war-making power confided by the Framers to Congress.

Jefferson himself, the apostle of strict construction, sent a naval squadron to the Mediterranean under secret orders to fight the Barbary pirates, applied for congressional sanction six months later and then misled Congress as to the nature of the orders. He unilaterally authorized the seizure of armed vessels in waters extending to the Gulf Stream, engaged in rearmament without congressional appropriations, withheld information from Congress and invoked John Locke's doctrine of emergency prerogative to justify presidential action beyond congressional authorization.

Newspaper pundits today like to cite the Louisiana Purchase as a further example of unilateral presidential initiative exercised independently of Congress. I need not tell this audience how wrong this idea is. Congress set up the clamor for Louisiana, confirmed the envoys who negotiated the purchase, appropriated the funds for the purchase, ratified the treaty consummating the purchase and authorized the President to receive the purchase and to establish government in the newly acquired territory. Jefferson's constitutional doubts concerned the authority of the national government, President and Congress combined, to annex new territory. The Louisiana Purchase was definitely not an act of executive aggrandizement.

Other early Presidents did imitate Jefferson's unilateral initiatives. As Judge Sofaer has shown in his magistral work "War, Foreign Affairs and Constitutional Power: The Origins," unauthorized presidential adventurism thrived in the early republic. Whether the pattern this revealed legalizes unilateral war-making by modern Presidents is another matter. Sofaer's surmise is that early Presidents deliberately selected venturesome agents, deliberately kept their missions secret, deliberately gave them vague instructions, deliberately failed either to approve or disapprove their constitutionally questionable plans and deliberately denied Congress the information to determine whether aggressive acts were authorized—all precisely because the Presidents wanted their men in the field to do things they knew lay beyond the constitutional right to command. "At no time," Sofaer writes of the classical period, "did the executive claim 'inherent' power to initiate military actions." [15]

This is the vital distinction between early and contemporary Presidents—the distinction between the usurpation of power, which creates no constitutional precedent, and the illegitimate expansion of constitutional claims. This distinction is further illustrated in the case of two Presidents who undertook plainly unconstitutional acts in times of authentic national emergency when the life of the nation was genuinely at stake. Acting upon Locke's doctrine of emergency prerogative, Lincoln in 1861 and the second Roosevelt in 1941 did manifestly unconstitutional things—actions, as Lincoln later told Congress, that, "whether strictly legal or not, were ventured upon under what appeared to be a popular demand and a public necessity; trusting then as now that Congress would readily ratify them." But neither Lincoln nor Roosevelt claimed an inherent presidential right to do these things. The claim of inherent presidential power is a product of the late 20th century.

One Supreme Court decision has been invoked in recent days both as a broader justification of such inherent power and as a historical explanation of the legislative-executive balance, presumably as understood by the Framers. This is the celebrated Curtiss-Wright case of 1936. Those who invoke Curtiss-Wright have not read the decision with much care. For the Court in Curtiss-Wright did not decide anything about inherent presidential power in the field of foreign affairs. Rather the contrary: it affirmed the power of Congress to impose arms embargos and further affirmed the right of Congress to delegate to the President power to institute a particular embargo if he found that the embargo would contribute to the reestablishment of peace between the warring countries. The decision, in short, sanctioned presidential action within a framework ordained by Congress. It did not sanction independent presidential action. As Justice Jackson wrote in the steel seizure case, Curtiss-Wright "involved, not the question of the President's right to act without congressional authority, but the question of his right to act under and in accord with an Act of Congress."

In writing the decision, Justice Sutherland faced a potential embarrassment. For the year before a unanimous Court in the Schechter case had struck down the law establishing the National Recovery Administration as an unconstitutional and invalid delegation of congressional power to the President. It was therefore necessary for the Court in upholding the presidential action in the Curtiss-Wright case to distinguish delegation in domestic policy from delegation in foreign policy. Drawing this distinction led Sutherland into a long and dubious historical excursion. He argued that the power to conduct foreign policy did not derive from the Constitution but was an attribute of sovereignty, transferred directly from the British crown to the new American government. He also gave Marshall's famous phrase about the President as "sole organ of the nation in its external relations" a substantive interpretation, asserting "the very delicate, plenary and exclusive power of the President as the sole organ of the federal government in the field of international relations—a power which does not require as a basis for its exercise an act of Congress." For these and other reasons, legislation in foreign affairs "must often accord to the President a degree of discretion and freedom from statutory restriction which would not be admissible were domestic affairs alone involved."

These views Justice Jackson dismissed as dicta—that is, as opinions aside from the point to be decided and therefore not part of the Court's holding. Nor indeed has the Court ever upheld the proposition that the President has an extra-constitutional source of power in international affairs.[16] The decision in Curtiss-Wright gave the Imperial Presidency rhetorical encouragement but not constitutional vindication.

My brief today is the intentions of the Framers, and I must leave subsequent changes in the legislative-executive balance to the masterful hands of Professor Burns. But I cannot refrain from noting the dilemma in which this historical recital places an administration fervently devoted to what the Attorney General has called "the Jurisprudence of Original Intention." [17] For no one can doubt that the original intent of the Framers was to deny the executive branch of government the power to bring the country into war. Their original intent was, beyond any conceivable or arguable question, to reject the heresy that foreign policy was the private preserve and property of the President. So far as presidential power in war-making and in foreign policy generally are concerned, the Attorney General's administration, like most administrations over the last forty years, denies, repudiates and tramples on the original intent of the Framers. Whatever happened to the Attorney General's passion for original intent when his President, without congressional authorization, initiated military action in Grenada, Lebanon, Libya and the Persian Gulf?

This should trouble the doughty champion of the Jurisprudence on Original Inten-

[13] 24 April 1790. "The Complete Jefferson," S.K. Padover, ed. (New York, 1943), 138-139.

[14] Wormuth and Firmage, "To Chain the Dog of War," 181-182.

[15] A.D. Sofaer, "War, Foreign Affairs and Constitutional Power: The Origins" (Cambridge, Mass., 1976), 377-379.

[16] See C.A. Lofgren, "United States v. Curtiss-Wright Export Corporation: An Historical Reassessment," 83 "Yale Law Journal" (1973) and the discussion in Wormuth and Firmage, "To Chain the Dog of War," 180-183, 206-211.

[17] Edwin Meese, Address before the American Bar Association, 9 July 1985 (mimeographed), 15.

tion, but I doubt that it does. Fortunately the Attorney General does not believe in original intent as a neutral principle to be applied impartially across the board. He invokes it only when it promotes the purposes of the administration he serves. Still I do not think it unfair to ask the paladins of original intent either to apply it to foreign policy and the war-making power or to shut up about it altogether.

Nor, I must confess, does the administration's departure from original intent trouble me on constitutional grounds. As one who agrees with Woodrow Wilson that the Constitution is "the vehicle of a nation's life," and that its meaning is determined "not by the original intentions of those who drew the paper, but by the exigencies and the new aspects of life itself," [18] I am prepared for a modulation and adjustment of the Constitution in response to the perceived and imperative needs of the day—always within the framework of basic constitutional principles. As Justice Holmes put it in Missouri v. Holland, the words of the Constitution "have called into life a being the development of which could not have been foreseen by the most gifted of its begetters. . . . The case before us must be considered in the light of our whole experience and not merely in that of what was said a hundred years ago."

We can agree, I think, first, that the original intent of the Framers on the legislative-executive balance in international affairs, is clear and indisputable and, second, that this original intent has never effectively controlled policy almost from the start of the republic and has been explicitly repudiated by most Presidents since President Truman's decision to go into Korea without congressional authorization in 1950.

Yet beneath the exact allocation as laid down by the Framers lies a deeper principle. In the field of foreign affairs the Constitution commands above all a partnership between the legislative and executive branches. The terms of the partnership may vary according to the pressures, political and geopolitical, of the day. That, in my view, is the way it should be. The essential questions of foreign policy belong in the political arena. They must be argued out before Congress and the electorate. The salient question must be the wisdom of the measures proposed. But, however, the balance shifts, the partnership must remain. Neither branch of government has a divine right to prevail over the other. Congress must understand that it cannot conduct foreign policy. The Presidency must understand that no foreign policy can last that is not founded on popular understanding and congressional consent. When we find means of making the partnership real, we remain faithful to the deeper intentions of the Framers.

In the end the nature of the balance is a political question. "If the people ever let command of the war power fall into irresponsible and unscrupulous hands," Justice Jackson reminded us in the Korematsu case," the courts wield no power equal to its restraint. The chief restraint upon those who command the physical forces of the country, in the future as in the past, must be their responsibility to the political judgments of their contemporaries and to the moral judgments of history."●

[18] Woodrow Wilson, "Constitutional Government in the United States" (New York, 1908), 157, 192.

FREE TRADE? WHY ONLY THE UNITED STATES?

● Mr. HEINZ. Mr. President, lately, it seems that many people have been striving to downplay the role that the decline of manufacturing has had on the U.S. trade deficit in as many various ways as possible. They argue that the U.S. service sector is growing, so we do not need increased manufacturing. Or they argue that we can export high technology and information-intensive goods instead of traditional manufactured ones, and still maintain our competitive edge. It is this latter argument which is quite forcefully rejected in a recent article in Forbes magazine entitled, "Does Anyone Really Believe in Free Trade?"

This article examines the Brazilian Government's role in the development of its nascent computer industry in the early 1980's and shows that the Government was very active in protecting and encouraging its growth. Not only did the Brazilians outlaw the domestic production of computers by non-Brazilian firms, but they also passed the 1984 Informatica Law, which, "in effect, legalizes stealing—so long as the victims are U.S. technology exporters," says the author. Brazilian companies can hire United States educated engineers, buy and copy expensively developed and produced high technology, and then make inexpensive copies which they export back to the United States. This obviously undermines the U.S. computer industry, since its knowledge and product development are its most valuable resources.

I bring this article to Senators' attention because it uses the example of Brazil to make an argument I have been making for some time—that free trade is in everybody's interest as a global concept, but that happy state will not be reached simply by the United States accepting more imports. Rather achieving it will likely demand some hard-nosed tactics. This article clearly presents a good example of why our trade balance problems must be confronted not simply with a weakening dollar, but with a comprehensive trade policy that employs carefully thought-out tactics to achieve its objectives, such as is found in the trade bill recently passed by the Senate.

Mr. President, I ask that this article be printed in the RECORD.

The article follows:

DOES ANYONE REALLY BELIEVE IN FREE TRADE?

(By Norman Gail)

Never mind if the U.S. loses its manufacturing skills, we'll just import manufactured goods and pay for them by exporting high technology and knowledge-oriented products. Steel in, software out. Autos in, microchips out.

That's a comforting theory held by a lot of people. Is it workable? Increasingly it looks as if it is not workable. The whole concept is being seriously undermined as U.S. innovations in technology are adopted not only by Japan but also by such fast-developing countries as South Korea, Brazil, Taiwan, even India.

While these countries are more than happy to sell us manufactured goods, they closely control their own imports of technology goods they buy from us. Exports of computers and other high-technology products from the U.S. are still huge, but the long-term prospects are in question. In areas of medium technology, mini-computers in particular, developing countries are adapting or stealing U.S. technology or licensing it cheaply to manufacture on their own. Many of the resulting products are flooding right back into the U.S.

The Japanese developed this policy to a fine art: Protect your home market and then, as costs decline with volume, manufacture for export at small marginal cost. A good many developing countries have adopted the Japanese technique.

Against such deliberate manipulation of markets, what avails such a puny weapon as currency devaluation? Whether the dollar is cheap or dear is almost irrelevant. Free trade is something we all believe in until it clashes with what we regard as vital national economic interests.

These are the broad trends. Now meet Touma Makdassi Elias, 41, an engineer born in Aleppo, Syria. Elias has a master's degree in computer science from San Jose State, in Silicon Valley, and a doctorate from Cranfield Institute of Technology in England. Grounded in European and U.S. technology, Elias is now a Brazilian.

His company, Microtec, is Brazil's first and biggest producer of personal computers. Elias came to São Paulo eight years ago to teach night classes in engineering. In 1982 the Brazilian government banned imports of small computers. Seizing the opportunity, Elias started making the machines in the basement of a supermarket in the industrial suburb of Diadema.

Technology? "We worked from IBM technical manuals," Elias told FORBES." We had a product on the market by 1983. We started making 20 machines a month. Soon we'll be making 2,400. Now my brother may be joining our firm. He's a graduate of the Sloan School of Management at MIT. He's been managing an investment company in Dubai, in the Persian Gulf, but we need him here. Brazil is one of the world's fastest-growing computer markets."

There you have it in a nutshell: foreigners, some of them U.S.-educated, copying—stealing, to be blunt—U.S. technology and reproducing it with protection from their own governments. An isolated development? No, this is the rule, not the exception, in much of the world. How, under such circumstances, can the U.S. expect to reap the fruits of its own science and technology?

Time was when technology spread slowly. Communications were sluggish and nations went to great lengths to keep technological innovations secret. In northern Italy 300 years ago, stealing or disclosing the secrets of silk-spinning machinery was a crime punishable by death. The machines were reproduced in England by John Lombe only after he spent two years at risky industrial espionage in Italy. At the height of the Industrial Revolution, Britain protected its own supremacy in textile manufacture through laws banning both exports of machines and emigration of men who knew how to build and run them.

These embargoes on the export of technology were eventually breached. France sent industrial spies to England and paid huge sums to get British mechanics to emigrate. By 18— there were some 2,000 British technicians on the European continent, building machines and training a new generation of technicians. A young British apprentice, Samuel Slater, memorized the design of the spinning frame and migrated to the U.S. in 1789, later establishing a textile factory in Pawtucket, R.I. So, in the end, the technology became commonplace, but it took decades, and, in the meantime, England was profiting handsomely from its pioneering.

Not so today, when 30% of the students at MIT are foreigners, many destined to return to their native lands and apply what they learn of U.S. technology. What once was forbidden, today is encouraged. Come share our knowledge.

Consider the case of Lisiong Shu Lee, born in Canton, China in 1949, raised in Rio de Janeiro, now product planning manager for SID Informatica, one of Brazil's big three computer companies. Like many leading Brazilian computer technicians, Lee is an engineering graduate of the Brazilian air force's prestigious Aerospace Technical Institute near São Paulo. Born in China, raised in Brazil, educated in the U.S. "When I was only 24," Lee says, "I was sent to the U.S. to debug and officially approve the software for the Landsat satellite surveys devised by Bendix Aerospace," Lee later worked eight years with Digital Equipment's Brazilian subsidiary.

Like Microtec's Elias, Lee had learned most of what he knew from the Americans. In teaching this pair—and tens of thousands like them—U.S. industry and the U.S. academics created potential competitors who knew most of what the Americans had painfully and expensively learned. Theft? No. Technology transfer? Yes.

In Brazil over the past few years, the Syrian-born, U.S.-educated Elias played cat-and-mouse with lawyers representing IBM and Mircrosoft over complaints that Microtec and other Brazilian personal computer makers have been plagiarizing IBM's BIOS microcode and Microsoft's MS-DOS operational software used in the IBM PC. The case was settled out of court. Brazilian manufacturers claimed their products are different enough from the original to withstand accusations of copyright theft.

Where theft and copying are not directly involved in the process of technology transfer, developing countries find ways to get U.S. technology on terms that suit them. They get it cheaply. Before President José Sarney departed for his September visit to Washington, the Brazilian government tried to ease diplomatic tensions by announcing approval of IBM's plans to expand the product line of its assembly/test plant near São Paulo. IBM will invest $70 million to develop Brazilian capacity for producing the 5-gigabyte 3380 head disk assembly (HDA).

Ah, but there is a tradeoff involved in the seeming concession by the Brazilians. The tradeoff is that IBM's expansion will greatly improve the technical capabilities of local parts suppliers to make a wider range of more sophisticated products. About a third of the key components in IBM's HDA catalog will be imported, but Brazilian suppliers will get help in providing the rest, some involving fairly advanced technologies.

But does what happens in Brazil matter all that much? Brazil, after all, is a relatively poor country and accounts for a mere $3 billion in the U.S. $160 billion negative trade balance. Brazil matters very much. For one thing, what happens there happens in similar ways in other developing countries—and some developed ones as well. Brazil, moreover, is fast adapting to the computer age. The Brazilian computer industry employs over 100,000 people. It includes everything from the gray market of São Paulo's Boca de Lixo district to the highly profitable overseas subsidiaries of IBM and Unisys. Both subsidiaries have been operating in Brazil for more than six decades and, for the time being, have been profiting from Brazil's closed-market policies. It includes many manufacturer/assemblers of micro- and minicomputers and of peripherals. Companies also are appearing that supply such parts as step motors for printers and disk drives, encoders, multilayer circuit boards, high-resolution monitors, plotters and digitizers. The Brazilian market is bristling with new computer publications: two weekly newspapers, ten magazines and special sections of daily newspapers.

Brazil is only a few years into the computer age. Its per capita consumption of microchips works out to only about $1.40 per capita among its 140 million inhabitants, vs. $100 in Japan, $43 in the U.S. and about $6 in South Korea. But given the potential size of the market and Brazil's rapid industrialization, it could one day absorb more personal computers than France or West Germany.

The point is simply this: In their natural zeal to make Brazil a modern nation rather than a drawer of water and hewer of wood, its leaders are determined to develop high-technology industry, whether they must beg, borrower of steal the means. Failing to develop high-technology industry would be to court disaster in a country where millions go hungry. But in doing what they must, the leaders of Brazil and other developing countries run strongly counter to the economic interests of the U.S.

Because of these nationalistic policies, foreign-owned firms are banned from competing in Brazil's personal computer and minicomputer market. Brazil's computer industry is not high tech, if that means being near the cutting edge of worldwide technological advance. But it does show the ability of Brazilian businessmen and technicians to shop for and absorb standard technology, without paying development costs. In computers, where knowledge is the most expensive component, it becomes cheap to manufacture if you get the knowledge free or almost free. The U.S. develops, Brazil copies and applies. There are perhaps a dozen Brazils today.

"We're a late entry and pick the best technology," says Ronald Leal, 36, co-owner of Comicro, a CAD/CAM equipment and consulting firm. "We don't waste money on things that don't work. In 1983 we saw a market here for CAD/CAM done with microcomputers. We shopped around the States and made a deal with T&W Systems, a $10 million California company that has 18% of the U.S. CAD/CAM market. T&W helped us a lot. We sent people to train and they came to teach us."

Comicro learned fast. Says Leal: "We developed new software applications that we're now exporting to T&W."

Brazil exporting computer designs to the U.S.? Only five years after IBM began creating a mass market for the personal computer, the U.S. home market is being invaded by foreign products—of which Comicro's are only a tiny part. Technological secrets scarcely exist today.

Aren't the Brazilians and the others simply doing what the U.S. did a century and a half ago—protecting its infant industries?

If that were all, the situation might not be so serious for the U.S. But pick up any U.S. newspaper these days and count the advertisements for Asian-made personal computers claiming to be the equivalent of the IBM PC but selling at maybe two-thirds of IBM's price.

According to Dataquest, a market research firm, Asian suppliers will produce nearly 4.5 million personal computers this year. At that rate, they should capture one-third of the world market by next year. Taiwan now is exporting 60,000 personal computer motherboards and systems monthly, 90% of which are IBM-compatible. Of these, 70% go to the U.S. and most of the rest to Europe. Korea, Hong Kong and Singapore together ship another 20,000 each month.

Dataquest says it takes only three weeks after a new U.S. made product is introduced before it is copied, manufactured and shipped back to the U.S. from Asia.

Thus the U.S. bears the development costs while foreigners try to cream off the market before the development costs can be recouped. That is the big danger. The days when a person could be executed for industrial espionage are gone.

President Reagan recently warned that the U.S. is being victimized by the international theft of American creativity. Too many countries turn a blind eye when their citizens violate patent and copyright laws. In 1985-86 U.S. diplomats successfully pressured Korea, Singapore, Malaysia, Taiwan, Hong Kong and Thailand to pass or at least to draft legislation enforcing patents and copyrights more strictly. Brazil is a major holdout.

The difficulties between Brazil and the U.S. over computers crystallized in the 1984 Informatica law, which Brazil's Congress passed overwhelmingly near the end of two decades of military rule. The law, in effect, legalizes stealing—so long as the victims are U.S. technology exporters. Complains the head of a leading multinational whose business has been curtailed under the new law: "They want our technology but want to kill our operations. This whole show is sponsored by a handful of sharp businessmen with connections in Brasilia who are making piles of money from their nationalism."

The new law formally reserved the Brazilian micro- and minicomputer market for wholly owned Brazilian firms. It allowed wholly owned subsidiaries of foreign companies—IBM and Unisys—to continue importing, assembling and selling mainframes, but not out of any sense of fairness. It was simply that Brazilian companies were unable to take over that end of the business.

Under the law, joint ventures with foreign firms were allowed only if Brazilians owned 70% of the stock and had "technological control" and "decision control."

The main instruments for implementing this policy were tax incentives and licensing of imports of foreign hardware and know-how, all to be approved by the secretariat of information [SEI].

In 1981 Brazil's then-military government decreed that SEI would control the computer and semiconductor industries and imports of any and all equipment containing chips. The implications are especially ominous for U.S. interests: Brazil's SEI is modeled, quite openly, on Japan's notorious Ministry of International Trade & Industry (MITI).

Brazil's computer policy today follows the line of a mid-Fifties report by MITI's Research Committee on the Computer.

In the 1950s and 1960s MITI used Japan's tight foreign exchange controls to ward off what its nationalist superbureaucrat of the day, Shigeru Sahashi called "the invasion of American capital." In long and bitter negotiations in the late Fifties, Sahashi told IBM executives: "We will take every measure to obstruct the success of your business unless you license IBM patents to Japanese firms and charge them no more than 5% royalty." In the end, IBM agreed to sell its patents and accept MITI's administrative guidance on how many computers it could market in Japan. How many Japanese products would be sold in the U.S. today if this country had imposed similar demands on the Japanese?

Some U.S. economists are describing the result of the Japanese policy as the "home market effect." They mean that protectionism in the home market tends to create an export capability at low marginal cost.

"Home market protection by one country sharply raises its firms' market share abroad," says MIT's Paul Krugman, reporting the results of computer simulations of international competition in high technology. "Perhaps even more surprising, this export success is not purchased at the expense of domestic consumers. Home market protection lowers the price at home while raising it abroad."

Brazil surely has similar intentions. IBM and other U.S. computer companies are transferring technology to Brazil as never before.

The Brazilians may have grasped a reality that the U.S. has been unable politically to address: that while there is no way to check the fast dissemination of technology today, the real prize in the world economy is a large and viable national market—a market big enough to support economies of scale and economies of specialization. In short, while a country can no longer protect its technology effectively, it can still put a price on access to its market. As owner of the world's largest and most versatile market, the U.S. has unused power.

Taiwan, Korea, Hong Kong and Singapore, lacking large internal markets, could develop only because they had easy and cheap access to the rich U.S. market.

Why doesn't the U.S. reciprocate? The Reagan Administration has threatened to restrict imports of Brazilian exports to the U.S. by Dec. 31 if Brazil doesn't 1) protect software with new copyright legislation, 2) allow more joint ventures with foreign firms, and 3) publish explicit rules curtailing SEI's arbitrary behavior.

But the Brazilians are hardly trembling in their boots. Brazilian officials hint that if Brazilian exports to the U.S. are curbed, Brazil won't be able to earn enough dollars to service its crushing external debt. Diplomats of both countries want to avoid a showdown, so they keep talking. And while they talk, the Brazilians do what they please.

U.S. Customs has responded to manufacturers' complaints by stopping pirated products at the border. But the Taiwanese now have such cost advantages that they can easily afford to license technology that they have already copied. The Koreans are more scrupulous, but pirated technology not reexported to the U.S. is very hard to control.

More than three years ago Edson de Castro, president of Data General, told a Commerce Department panel that foreign nations' computer policies "threaten the structure and future of the U.S. computer industry." De Castro explained why: "U.S. computer companies are reliant on international business and derive a substantial portion of revenues from exports. Because of the rapid pace of technological development, the industry is capital intensive. Growth and development rely heavily on an expanding revenue base. This can only come from full participation in established and developing global markets. Reliance upon domestic markets is not enough."

Yet after resisting the Brazilian government's demands for a decade, de Castro's Data General is selling technology for its Eclipse supermini to Cobra, the ailing government computer company. Other U.S. computer manufacturers are following suit.

Hewlett-Packard, in Brazil since 1967 with a wholly owned subsidiary to import and service the company's products, has just shifted its business into partnership with Iochpe, a Brazilian industrial and finance group. A new firm, Tesis, 100% Brazilian-owned, will make HP calculators and minicomputers under its own brand name.

"Only a few years ago HP refused to enter joint ventures, but now we have ones going in Mexico, China, Brazil and Korea," says a company executive. "In the past we felt since we owned the technology, why share the profits? Then we found we couldn't get into those foreign markets any other way."

Harvard Professor Emeritus Raymond Vernon, a veteran analyst of international business, says of world technology markets: "Except for highly monopolistic situations, the buyer has a big advantage over the seller. Countries like Brazil and India can control the flow of technology across their borders and then systematically gain by buying technology cheaply."

Vernon draws an ominous parallel: "A century ago the multinationals were in plantation agriculture and electric power. Now they're all gone because their technology and management skills were absorbed by local peoples. The same thing is happening in other fields today, including computers."

This is why it makes little difference whether the dollar is cheap or dear. In this mighty clash between nationalism and free trade, nationalism seems to be winning. Where does this leave the U.S. dream of becoming high-technology supplier to the world? Rudely shattered.

INFORMED CONSENT: MINNESOTA

● Mr. HUMPHREY. Mr. President, I once again bring attention to the issue of informed consent. I have received hundreds of letters from women in all 50 States expressing one common theme: All of them suffered medical or emotional trauma or both after undergoing an abortion, but were never told of such complications prior to the procedure. If this were the case involving other medical procedures, it would be a scandal of immense proportions. However, with abortion, the misinformation is allowed to continue.

My informed consent bill, S. 272, would eliminate the disparity between abortion and other operations. It would simply require that medical personnel supply women with the facts pertinent to the abortion procedure and its effects prior to the operation. Information of this type is amply provided for other medical procedures, and should not be denied for any reason. Therefore, I urge my colleagues to support my informed consent bill, S. 272.

I ask that three letters from the State of Minnesota be inserted in the RECORD.

The letters follow:

JUNE 18, 1987.

DEAR SENATOR HUMPHREY: Thank you for your interest in those of us who've had abortions and suffered greatly from them. An informed consent bill would help to keep others from the mistake I made.

I became pregnant when I was 20 years old. I was single and my boyfriend wanted nothing to do with a baby. I didn't want an abortion so I began going to pre-natal visits at the doctor—he assured me my "fetus" was a growing mass of tissue, nothing more, so I decided to abort. I was 4 and a half months along. A few years later I saw a fetal development and size of my "fetus". My baby was fully developed but needed time to grow.

I suffered tremendous guilt, shame and sadness for years. I struggled with a lack of trust relationships, fear of intimacy and fear of death (because I knew from the abortion how fragile life is). I felt like a murderer until I realized there is forgiveness from God and I could forgive myself.

I started a support group 2 years ago for those of us who've suffered from a wrong, uninformed choice for abortion. Forty women have attended our Conquerors, 9 step group. With the exception of 2 women, everyone has felt they were used by the abortionist system, they felt preyed-upon by someone using their crisis (pregnancy) for their gain (money).

Had I any idea what my baby's development was, I never would have had an abortion. I can say that with all certainty.

Thank you for the work you're doing.

Sincerely,

JANNA N. POAGE.

PLYMOUTH, MN.

FEBRUARY 13, 1987.

DEAR SENATOR HUMPHREY: I had an abortion 7 years ago. I was a junior in college pursuing a career. My boyfriend and I felt an abortion was the most "rational" thing to do at that time.

I went through the University Health Clinic and was referred to an abortion clinic out of state. The people were all very helpful to provide information on cost, procedure, directions to the clinic . . . yet no one gave us any information on fetal development, the risks to consider with abortion, nor the other options available to me.

I must of come across as a "together" young woman but inside I was very scared and confused. I believe now that if one person would have told me of the development of the baby inside me or suggested other options, that child would be 7 years old today.

I was raised in a Christian home where strong moral values were taught and deep down I knew abortion was contrary to those values. Yet I suppressed those thoughts and made a quick, uninformed and unchangeable decision. I deceived myself!

I now am married and have a beautiful 4½ month old daughter. After the experience of her developing within me, birthing from me and now developing among us I

find my grief over my first child much more intense. Fortunately I believe in a loving and forgiving God and this has facilitated my healing.

I would strongly encourage and support an informed consent bill. Women need to know, before they make an irreversible decision, all the facts.

Your stand on this issue is greatly appreciated and I trust you will continue to support legislation that values human life.

Sincerely,

SUSAN SPIEGLE.

MAPLES, MN.

MARCH 2, 1987.

Hon. GORDON J. HUMPHREY: In February of 1973, at the age of 19, I had an abortion. I had absolutely no idea what was going on. My parents brought me to this clinic in Minneapolis, 140 miles from my home. I had a brief exam and then was told I was 3 months pregnant. The woman doctor told my parents and I that if I wanted the pregnancy terminated it would cost less money if I quick had the abortion that night at 8:30 p.m. Otherwise, it would cost more tomorrow (that next day) because I would have to be admitted to a hospital.

My parents were not happy with my pregnancy. My original feelings were that I wanted to have the baby but the pressure put on me that afternoon by the doctor and my parents was too much. So, that evening we came back to the dark clinic and the abortion was performed. I was scared and was crying but the doctor sternly scolded me. I was shocked when the actual procedure got underway—only then did I realize that they were sucking a baby out of me!

For 3 months I suffered severe depression. I didn't want to see anyone or go any place. It took over 10 years for a healing to take place in my mind and body. My next few pregnancies (after marriage) ended in miscarriages. But now, the Lord had blessed my husband and I with 2 children. Yes, there is a definite need for women to understand what abortion is.

Unsigned.

MONTEVIDEO, MN.●

HUDA BINGHAM JONES

● Mr. McCONNELL. Mr. President, I rise today, to pay tribute to a constituent of mine from Beattyville, KY, Mrs. Huda Bingham Jones. The National Federation of Republican Women [NFRW], the largest women's political organization in the country, overwhelmingly reelected Mrs. Jones as its first vice president at its convention in Orlando, FL. At that convention, held September 18-20, Mrs. Jones received the support of federation members representing clubs in 50 States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

Her duties in this role will include starting new clubs in several States, and representing NFRW at functions when the president cannot attend.

Mrs. Jones has been involved with this organization since 1973 and has held many of its offices including member at large on the executive board, secretary, second vice president, and regional director.

Through an NFRW function known as the Comprehensive Advocacy Program, women throughout the country, both Democrat and Republican, are educated on political issues and encouraged to contact their elected representatives with their opinions. This promotion of nonpartisan awareness is indicative of the NFRW's commitment to the ideals of democracy upon which this Republic is based. I applaud their efforts to provide an educational service that leads to a more informed electorate.

Yet, Mrs. Jones' political service has not been limited to her participation in the NFRW. In my home State, she has held many offices with the Lee County Republican Women's Club as well as the Kentucky Federation of Republican Women.

Maintaining such an exhaustive political background is time consuming, but Mrs. Jones has found time for involvement in extensive civic functions as well. She is a member of the Beattyville Homemakers Club, the 4-H Club, Order of the Eastern Star, the Beattyville Women's Club, the Federated Women's Clubs of Kentucky, and the Daughters of the American Revolution.

I am pleased to take this opportunity, Mr. President, to salute Huda Jones and her commitment to community involvement and betterment. The Commonwealth of Kentucky is fortunate to have the benefit of her experience.●

ORDER OF BUSINESS

Mr. BYRD. Mr. President, while the distinguished Republican leader is on the floor I would like to see if we could get two or three consent requests ordered.

SESSIONS NOMINATION

Mr. BYRD. Mr. President, as in executive session, I ask unanimous consent that at such time but not prior to 8 o'clock p.m. tomorrow, Thursday, September 24, as the majority leader after consultation with the minority leader asks the Chair to lay before the Senate the nomination of William S. Sessions to be Director of the FBI in executive session, there be not to exceed 10 minutes of debate equally divided between the majority and minority leader or their designees and that at the conclusion of the 10 minutes or the yielding back thereof a vote occur immediately without any intervening action or quorum call to vote on the nomination.

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

MOTIONS WITH RESPECT TO SESSIONS NOMINATION

Mr. BYRD. Mr. President, I ask unanimous consent that no other motions be in order with respect to the nomination.

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

TIME LIMITATION AGREEMENT—H.R. 2907

Mr. BYRD. Mr. President, I ask unanimous consent that at such time as the Treasury, Postal Department, and general Government appropriations bill, H.R. 2907, is called up, that debate thereon be limited to 1 hour on the bill, to be equally divided in accordance with the usual form, that no amendments be in order other than the committee reported amendments, and that no motion to recommit be in order either with or without instructions.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, I guess the only indication I have on this side is it is after consultation with the Republican leader.

Mr. BYRD. Yes.

Mr. DOLE. In the event someone wants to talk to the majority leader.

Mr. BYRD. Yes, I make that request.

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

Mr. BYRD. Mr. President, I yield the floor.

THE DEATH OF H.R. GROSS

Mr. GRASSLEY. Mr. President, I take this opportunity, even though it is late in the day, to bring to this body's attention the death last night of former Congressman H.R. Gross, who served in Congress from 1948 to 1974 from the Third District of the State of Iowa.

I think last night we on Capitol Hill lost a friend and a colleague. The passing of H.R. Gross marks the close of a life dedicated to public service.

His commitment and tenacity as a Congressman earned him a legendary reputation, one that stayed with him throughout his 26 years in the House of Representatives, and exists to this day.

Iowans will not soon forget H.R., nor will I.

Having grown up in the Third District of Iowa and succeeding H.R. in the House, this great Congressman has been and always will be an inspiration and a model to me as I now seek to serve the people of the entire State of Iowa in the U.S. Senate.

H.R. Gross was totally and thoroughly incorruptible. He was, in short, one of the finest people I have ever known. He was a newscaster at WHO Radio in Des Moines at the very same time President Reagan was a sportscaster there during the 1930's. H.R. Gross also ran unsuccessfully for Governor of Iowa in the 1930's. But it was back in 1948, as a newscaster for

KXEL Radio in Waterloo, IA, that a young H.R. Gross decided to make a bid for the House of Representatives.

He was seen as something of a renegade, as he chose to take on a popular Republican incumbent. But H.R. Gross pulled it off.

In the first few years that he served, H.R. became a vocal opponent to corruption in the Truman administration. Again, he was seen as something of a renegade, gaining a reputation as a traditional Republican opponent of a Democratic administration.

But when Eisenhower became President in 1952, H.R. didn't skip a beat. He was leading again the charge in the House of Representatives against corruption and mismanagement in Government, even though this was now a Republican administration.

Gradually, the term "renegade" was dropped. Instead H.R. Gross became known as the "Conscience of the House."

H.R. may have stepped on the toes of a good many colleagues to gain that reputation, but eventually a vast majority of legislators came to respect and admire him.

When H.R. Gross said he would go along with something, he would. He was a man of his word. And when H.R. let it be know he could not support something, he did not. There was no way to coax H.R. to do anything that did not set well with his conscience.

So what, some may ask, was the effect of such a man in Washington? In my judgment, and I think in the judgment of people who knew him well and studied the Washington political processes, the answer to that question is, in a word: considerable.

I would venture to say that no other individual in congressional history has had a greater impact on the House of Representatives, without being in a leadership position or chairman of a major committee. And it was from this vantage point of being a single Member of the House of Representatives that we can say that probably no person has had a greater impact on how that body worked and considered legislation, than H.R. Gross.

Most in this process, particularly in the House of Representatives, get run over when they are trying to do the people's work. But not H.R. If there is any person that you expected to see on the floor of the House of Representatives every day, it was H.R. Gross. In fact, H.R. routinely knew more about pending legislation than the floor managers did.

It was generally understood that most managers of legislation in planning their debate always considered what questions H.R. Gross would ask. There was a general understanding that he not only asked those questions, but he personally, not his staff, knew what was in that legislation. This was, my colleagues, because H.R. Gross spent nights and weekends poring over bills, statements, and the studies supporting the legislation.

No, there will not soon be another like H.R. Gross.

If there is one quote that best sums up H.R.'s remarkable tenure on Capitol Hill, I think it springs from Sir Gallahad: "His strength was as the strength of 10 because his heart was pure."

Those on the receiving end of his drive to rid the Government of waste and mismanagement often made light of H.R. as the man who never met a vote he liked. Well, the truth is he never met a shady deal he liked, or could tolerate.

You see, if you do not have anything to hide, and if you have not made any deals, you can be a man of courage, and that is what H.R. was, a man of courage.

H.R. fought for the taxpayers for 26 years, with five administrations and with virtually every Federal agency. He wanted to know where our tax dollars were going, and once there, how they were going to be spent.

If he did not get that information, you knew where H.R. was going to stand. H.R. had a solid reason for every vote he cast. And he did not care if it meant standing alone—and many times he did stand alone—because H.R. knew where he stood.

In fact, it was not uncommon, I am told, whenever spending bills were discussed in committee, for someone to comment, "Well, now what's H.R. gonna say about it?"

He proved a lot, H.R. did. He proved that one guy, standing alone, can turn back tides, can made a difference, can lend a voice to the working man, and the taxpayer.

H.R. is gone now. But his memory lives on: In the mind of this Senator, in the thoughts of Iowans, and in the annals of congressional history.

God bless you, H.R. Gross.

Mr. HARKIN. Mr. President, I want to thank my colleague from Iowa for his very pointed remarks of the passing of a great Iowan, a truly remarkable man, H.R. Gross. I want to associate myself with his remarks.

I first met H.R. Gross back 25 years ago in 1962 when I came here as an intern in the other body. While I might have at times disagreed with Congressman Gross' votes or maybe the way he stood on issues, I can say this: H.R. Gross' demeanor and his approach were always that of a gentleman. He never got mad. He never got even. He stuck to his ground, and he stuck to his principles, which were always high. I had a lot of respect for H.R. Gross, and I know a lot of us on the Democratic side shared that kind of respect for H.R.

I knew his brother and other family members. I had a good association with them over the years.

H.R. Gross really did embody some of the the best principles of what it means to be a true representative of the people. As my esteemed colleague said, we all knew how many times he spent hours poring over the record, poring over the bills, examining every little detail to make sure that things were not slipping through that perhaps other people should have known about.

So I join my colleague in mourning the passing of a truly remarkable human being and a person that I think over his years of public service brought honor and esteem not only to our profession of being public servants, but he brought a lot of honor and esteem to our State of Iowa. His passing will be mourned.

As my colleague, Senator GRASSLEY, said, it is going to be a long time before ever we see the likes of H.R. Gross again grace the Halls of this Chamber or the House of Representatives.

Mr. GRASSLEY. I thank my colleague for his kind remarks. I think that they emphasize a key point. It was probably one of H.R. Gross' strengths that he had as much support from the Democratic side of the aisle as he did from the Republican side of the aisle. People knew him to be an intellectually honest person who knew his subject matter thoroughly. And that was H.R.'s strength.

Mr. DOLE. Mr. President, I would just add one comment, having served with H.R. Gross for 8 years. He was a delightful man; very sharp. Every year he introduced H.R. 144—gross. He was a fascinating person to watch in action. He had respect, as has been indicated by both Iowa Senators.

He knew everything about the legislation. He knew everything about the House rules. And he used the rules—he did not abuse the rules—he used the rules to make a point and the point was generally fiscal responsibility.

I certainly associate myself with the remarks of both of my distinguished colleagues.

Mr. BYRD. Mr. President, I, too, served with H.R. Gross. He was a very tough but fair individual; bright; sat on the floor all the time. He covered that floor. He knew what was in every bill. He knew the House rules and he was absolutely fearless. And he stood up for what he believed.

And, as the Republican leader has said, fiscal responsibility ran through his speeches and his actions like a never-ending thread.

I have always felt that it is in the interest of this country to have an H.R. Gross. I join with others in expressing our sorrow and our regrets at the same time we express our affection and admiration for a great American.

UNANIMOUS-CONSENT AGREEMENT—HOUSE JOINT RESOLUTION 362

Mr. BYRD. Mr. President, I ask unanimous consent that at such time as the Senate considers the continuing resolution (H.J. Res. 362), it be considered under the following time limitation: that there be 1 hour on the joint resolution to be equally divided between the chairman of the Appropriations Committee and the ranking member, or their designees, and an additional 10 minutes under the control of Mr. LEAHY; that no amendments be in order to the joint resolution; that no motions to commit the joint resolution be in order; and that the majority leader may call this joint resolution up after consultation with the Republican leader and, of course, after consultation with the managers on both sides.

Mr. DOMENICI. Mr. President, reserving the right to object and I will not object, I came to the floor when I knew this was coming up because I was not sure that in light of the vote today adopting the new Gramm-Rudman-Hollings fix with its timetable, which has a final sequester date of November 20, and knowing that there is at least some intention that we know where the final appropriations process is at the earliest possible time because part of the final determination as to where we are on that date depends on that, that perhaps since this bill had cleared the House days before the Gramm-Rudman-Hollings fix, maybe the time was too long. But I have, since that concern, talked with the leadership on our side, the leadership of the Appropriations Committee, and it is their considered opinion that by having this continuing resolution in effect for that long it is beneficial to the process of working the regular appropriations bills rather than harmful, for the longer that you have you may get more of those accomplished.

I am not quite certain of that and how all this is going to pay off, but since I was going to object on that basis I surely will not object because the leadership of the committee thinks it might be better to have it as the House sent it, which, incidentally, gives only a 10-day window between its expiration and the time we would have something in place to avoid a sequester, which will clearly be there as a result of what we did.

So I will not object, but I wanted everyone to understand what I had done and what my concerns were.

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

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—H.R. 2907

Mr. BYRD. Mr. President, also while the distinguished Senator from New Mexico is on the floor and the Republican leader is on the floor, I ask unanimous consent that in respect to the Treasury, Postal Department, General Government appropriations bill, the majority leader, after consultation with the minority leader and the ranking manager and the manager, may call up that bill at any time.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object again, I happen to be the ranking member of that committee, and I do want to state for the record, I say to the majority leader, that to the best of our ability, and after talking to the Senate Republican staff, we have cleared this with anybody who might have an objection, and no one had an objection.

I only state this because clearly it is the first full year appropriations bill that we will be considering. Again, this is in light of just having passed the Gramm-Rudman-Hollings fix. This bill will fit within the crosswalks as allocated by the budget resolution.

In spite of that, no one seems to want to object to it. I helped produce it. Obviously, if there is no one that wants to object, we can consider it as is, and that is what we will do.

You might wonder how we are going to have a full appropriations bill through without any assessment of the Gramm-Rudman-Hollings necessities or requirements. I want you to know that I just did not do this. We asked everyone around who might have some concern, and they are fully aware that this funds that function right up to the level of the budget resolution. It has no savings in it as compared with savings that might be required on the domestic side by the Gramm-Rudman-Hollings fix.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the Republican leader and I thank the Senator from New Mexico.

Mr. President, does any Senator have any further business?

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period for morning business.

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

CONCLUSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that morning business be closed.

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

ORDERS FOR TOMORROW

RECESS UNTIL TOMORROW AT 8:20 A.M.

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 8:20 a.m. tomorrow.

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

WEICKER AMENDMENT TO BE TEMPORARILY SET ASIDE

Mr. BYRD. Mr. President, I ask unanimous consent that it be in order to set aside the pending amendment by Mr. WEICKER temporarily tomorrow morning so that an amendment by Senator MCCAIN may be accommodated.

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

ROLLCALL VOTES TO BEGIN AT 6 P.M.

Mr. BYRD. Mr. President, I expect a series of rollcall votes tomorrow evening beginning at the hour of 6 p.m. I would expect to go late.

I hope that we could get unanimous consent that after the first rollcall vote tomorrow evening, the succeeding rollcall votes could be limited to 10 minutes each, with the understanding that a call for the regular order would be made at the end of 10 minutes if the request by the majority leader is granted. It may not make friends for me, but if we are going to have the first rollcall vote, everybody is on notice; they are here. It is late in the day, and if we have to take 20 and 25 minutes on each rollcall vote tomorrow evening, we will rapidly use up the time that we may have saved otherwise.

So if the distinguished Republican leader would have no objection and we let our Senators have the understanding that rollcall votes would not last, after the first one, beyond 10 minutes, and a call for the regular order would enforce that, I will make it either this evening or in the morning, whichever. I make that request at this time.

The PRESIDING OFFICER. Is there an objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the Republican leader. I know I have delayed him from going to the White House, I believe.

RECESS UNTIL 8:20 A.M. TOMORROW

Mr. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 8:20 tomorrow morning.

The motion was agreed to and, at 6:38 p.m., the Senate recessed until

Thursday, September 24, 1987, at 8:20 a.m.

NOMINATIONS

Executive nominations received by the Senate September 23, 1987:

THE JUDICIARY

STUART A. SUMMIT, OF NEW YORK, TO BE U.S. CIRCUIT JUDGE FOR THE SECOND CIRCUIT VICE IRVING R. KAUFMAN, RETIRED.

LAURENCE J. WHALEN, OF OKLAHOMA, TO BE A JUDGE OF THE U.S. TAX COURT FOR A TERM EXPIRING 15 YEARS AFTER HE TAKES OFFICE, VICE WILLIAM A. GOFFE, TERM EXPIRED.

DEPARTMENT OF JUSTICE

FRANK H. CONWAY, OF MASSACHUSETTS, TO BE A MEMBER OF THE FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES FOR THE TERM EXPIRING SEPTEMBER 30, 1990, REAPPOINTMENT.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

DEBORAH GORE DEAN, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF HOUSING AND URBAN DEVELOPMENT, VICE ALFRED CLINTON MORAN, RESIGNED.

DEPARTMENT OF THE TREASURY

CYNTHIA JEANNE GRASSBY BAKER, OF COLORADO, TO BE SUPERINTENDENT OF THE MINT OF THE UNITED STATES AT DENVER, VICE NORA WALSH HUSSEY, RESIGNED.

EXTENSIONS OF REMARKS

ANGOLA: WAR, POLITICS AND FAMINE

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. LELAND. Mr. Speaker, Angola has been a country of great interest to Congress in recent years. It is one of the "front-line" states bordering the Republic of South Africa and the only one that has been repeatedly invaded by the South African Army. The Benguela railway, which runs through the center of Angola, is essential to the independence and economic growth of southern Africa. The Angolan oil fields, guarded by Cuban troops, are dominated by two United States companies. Angola has been central to the administration's efforts to end South Africa's illegal occupation of Namibia. And since 1985, the United States Government has been funding UNITA, the South African-backed insurgency operating in Angola.

It now appears that Angola will be the focus of congressional attention for another reason: 2.3 million of Angola's 8.5 million people will face starvation if they do not soon receive food assistance. The U.N. and the Angolan Government are currently preparing an urgent appeal for international assistance that could call for as much as 215,000 metric tons of cereals, 43,000 metric tons of supplementary foods, and $23 million in nonfood emergency aid. To date, the administration has not indicated how it will respond to this crisis.

I commend the following piece, prepared by the staff of the House Select Committee on Hunger, as a useful background for understanding the situation in Angola and examining the United States Government response to the needs in that country.

ANGOLA, WAR, POLITICS, AND FAMINE

Angola, devastated by a twelve year civil war, subject to repeated invasion by South Africa, and caught in the middle of an ongoing superpower conflict, is facing famine. The government has prepared an emergency relief plan which calls for massive levels of international assistance—levels unprecedented in Angola's history. The lack of food and other essential items have put millions of lives in imminent danger.

While the origins of the situation are complex and multiple, most outside observers attribute the plight of the Angolan people to the continued intervention of South Africa and the debilitating assault on the country's infrastructure by the forces of the National Union for the Total Independence of Angola (UNITA), and, as well, the disastrous Marxist economic policies of the government. The survival of the present social structure in South Africa is linked to that country's ability to dominate the Southern Africa region both militarily and economically, and the destabilization of surrounding states is a chosen means to that end. Classic guerrilla warfare tactics by UNITA have shattered Angola's agricultural sector and transportation grid and precipitated an otherwise avoidable human tragedy.

As a result on this on-going conflict, the United Nations agencies estimate that 2.73 million people out of a total population of 8.5 million are in immediate need of emergency assistance. The basic socio-economic structure of the society has virtually ceased to exist. Schools and medical facilities, where not destroyed, have little or no remaining supplies or trained personnel. Health conditions are among the worst in the world: morality rates for children under five years old are estimated at 325-375 per 1,000 and as many as one in fifty mothers die in childbirth. An estimated 10,000-15,000 women and children have been mutilated by landmines, four out of five children have no access to safe drinking water, and the number of reported cases of severe malnutrition throughout the country is rapidly escalating.

Over one quarter of the population of the country has been displaced by the war and some 690,000 are totally dependent on government assistance for their survival, eighty percent of whom are women and children. If famine is to be avoided, the Angolan people will need over 255,000 metric tons (MT) of emergency food aid, almost thirty-nine percent of the country's annual food requirements. The period of greatest shortfall will extend from September, 1987, to March, 1988.

The information which follows provides a brief background on the recent history of Angola and outlines the origins of the human disaster now stalking the country. In the coming months the U.S. Government, as a key actor in the region, will have to address the human crisis in Angola. Angola's crucial position in the region, its role in the struggle against South Africa's illegal control of Namibia and against apartheid, are such that the U.S. Government response to the situation will be noted in Africa and around the world.

ANGOLA'S FAILED DECOLONIZATION

Angola gained independence from Portugal in November, 1975, after fourteen years of bloody anti-colonial war. With the abrupt departure of the 300,000 Portuguese who had held all but the most menial positions in the country's modern economic sectors, Angola's economy, like that of Mozambique's, came to a virtual standstill. Unlike the situation in Mozambique where there was only one faction considered capable of governing, in Angola there were three entities vying for power: the Popular Movement for the Liberation of Angola (MPLA), UNITA, and the National Front for the Liberation of Angola (FNLA). The Alvor Accord of late 1974 established a coalition government of the three organizations in anticipation of nationwide elections. The agreement quickly disintegrated, resulting in a civil war which entailed intervention by Zairian, South African and Cuban troops and eventually military assistance by both the United States and the Soviet Union.

The question of who intervened first remains open to debate, but it was the intervention of significant numbers of Cuban troops on the side of the MPLA that resulted in its dominance at formal independence in 1975. The MPLA consolidated control over most of the country by March, 1976. South African involvement on the side of UNITA and the FNLA during the civil war cost those movements what support they had on the rest of the continent and resulted in worldwide recognition of the MPLA as the government of Angola. The FNLA soon collapsed, but UNITA continued its war against the MPLA. That struggle, of course, continues through the present.

Following independence, the entire economy, with the exception of the oil industry, entered a steady decline. The mass departure of the Portuguese left Angola with an inadequately trained human resource base to run the agricultural system it had inherited. The MPLA government worsened the situation by trying to impose a strong centralized economy, based on the Soviet model, which soon stifled what remained of the modern agricultural and industrial sectors. The decline of Angola's economy was rapid and comprehensive.

RECENT CHANGES IN ANGOLA'S ECONOMIC POLICIES

Recognizing the disastrous effects of its efforts to impose a centralized planned economy in Angola, the MPLA has attempted in recent years to put in place economic reforms. In 1985, Angola joined the Lome Convention in order to get preferential trade status with the European Economic Community (EEC). Angolan President Jose Eduard dos Santos, in August of 1987, announced that Angola would apply to join the International Monetary Fund in order to receive loans to undertake significant structural reforms. At the grassroots level, the government is breaking up collective farms and putting in their place a more flexible, decentralized system. This will include a greater emphasis on private ownership and a recognition of the profit motive, in part through the implementation of more realistic consumer and producer commodity prices. Progress as a result of these reforms has been slow, in large part because of the demonitization of much of the economy. The government-issued currency, the kwanza, is virtually worthless, and as a result the change in official prices has a minimal impact on what is essentially a barter economy.

The actions of UNITA have, in fact, made recovery from the economic decline impossible. Both UNITA and South Africa have set about to destroy the country's fragile infrastructure, exacerbating the serious decline in per capita agricultural output and placing its ability to effectively distribute what can be produced in serious doubt.

THE CIVIL WAR AND OUTSIDE INTERVENTION

The twelve year old civil war between the Angolan army, backed by Cuban troops and Soviet logistical and material support on one side, and UNITA, supported by South Africa and now the U.S. on the other, continues in a stalemate. Presently, it seems unlikely that either side is capable of all-out military victory without significant in-

creases in external support. UNITA is in control of much of the southeastern part of the country and is able to stage hit and run assaults elsewhere. The MPLA is in control of the cities and central and northern regions of the country, as well as the Cabinda enclave to the north. There have been no elections in Angola and estimates of support for either the MPLA government or UNITA are regarded by most observers as extremely tenuous. While UNITA supporters claim that it represents the Ovimbundu, the largest tribal group in Angola, many of the MPLA forces fighting UNITA in the central region are themselves Ovimbundu.

UNITA has not only received military equipment and logistical support from South Africa, but it has also benefited from direct South African intervention. Angola is the only front-line state which has seen repeated mainforce invasions by the South African Defense Force (SADF). From 1976 to 1983, there were no less than twelve large-scale attacks by the SADF, and there were several incursions in 1985 and 1986 as well. During one of these invasions, South Africa occupied 55,000 square kilometers for a period of three years and carried out a scorched-earth policy that effectively eradicated much of the rural economic infrastructure. Prior to receiving assistance from South Africa, UNITA depended on aid from China and North Korea.

As a result of both South Africa's intervention on UNITA's behalf and UNITA's policies of terrorism, the credibility of the organization has been destroyed. UNITA has been publicly disavowed by the Organization of African Unity (OAU) and by each of its members. The MPLA, on the other hand, is officially recognized by practically every nation except the United States and the Republic of South Africa.

REGIONAL AND INTERNATIONAL COMPLEXITIES

I. Angola's Crucial Regional Role

Angola is squarely on the front-line of the struggle with South Africa. The country borders on Namibia and is the only front-line state to endure repeated South African invasions. While these incursions have ostensibly been in hot pursuit of forces of the South West African Peoples Organization (SWAPO) from Namibia, at times they have clearly been aimed at supporting UNITA and at disrupting Angola's economy. In both of these objectives, the South Africans have been highly successful.

Angola also could play a key role in the development of the region. A stable, prosperous Angola would be a threat to South Africa's strategy of regional domination. Oil-rich and fertile, Angola's economic potential (coffee, diamonds, oil and iron ore) coupled with its present oil revenues could, with economic stability, serve as the engine for the economic development of Southern Africa. In colonial times, the Benguela railway served as a major transportation link for Zaire's mineral-rich Shaba province, Zimbabwe and Zambia. Through the Southern African Development Coordination Conference (SADCC), Angolan economic prosperity would stimulate the region and would undercut the South African regime's contention that South Africa alone can provide conditions necessary to support a modern economy in the region.

II. Angola and the East Bloc

Since independence, Angola has relied heavily on technical and military assistance from the Soviet Union, Cuba and East Germany. At present it is estimated that some 30,000-37,000 Cuban troops are in Angola accompanied by 5,000-10,000 Soviet, Cuban and East German advisors. Numbers of Cuban troops have increased and declined in response to the perceived threat to the MPLA government from both South Africa and UNITA. While apparently unwilling to commit enough resources to ensure victory for the MPLA, the Soviets and Cubans continue to provide adequate assistance to prevent their defeat. In recent years, Cuban troops have made deliberate efforts to avoid direct confrontation with South African forces, and have been used primarily to guard key political and economic sites, such as Luanda and the Cabinda oil fields. There have been indications that the Cuban troops are tiring of their seemingly open-ended commitment; however, official statements in Havana, Luanda and Moscow are unequivocal in stating that the Cubans will stay as long as Angola wants them and South Africa remains a threat.

While the Eastern Bloc has provided substantial amounts of military aid and support to the Government of Angola since independence, little humanitarian and development assistance has been made available. Given Angola's enormous needs, this posture by the Soviet Union and other Eastern Bloc countries has become the major source of friction in the relationship.

III. Angola and the United States

U.S.-Angolan relations have been defined by superpower politics since the early 1970's. CIA support for the FNLA and UNITA during the early years of the civil war made the MPLA very wary of the U.S. The U.S. Government, in turn, has refused to recognize the Angolan regime because of the support it receives from Cuba and the Soviet Union. The U.S. is virtually alone in denying recognition to the Government of Angola. The Netherlands, Sweden, Italy, France, Portugal, Canada and the Federal Republic of Germany, among others, provide limited amounts of economic or humanitarian assistance to Angola. The United States, however, is Angola's largest trade partner outside of the Soviet bloc, and Angola is the U.S.'s third largest trading partner in Africa (primarily because of Chevron and Gulf Oil's dominant role in the Cabinda oil fields).

During the late 1970's, there were positive developments between the U.S. and Angola. In early 1976, Congress passed the Clark Amendment, banning any assistance to anti-government forces fighting in Angola. The U.S. played a leading role in the Western Contact Group which resulted in a Namibian peace plan and the passage of U.N. Resolution 435 in 1978. To date, however, neither the plan nor the resolution have been implemented.

The issue of "linkage" became the dominant element of U.S.-Angolan relations after 1981. As part of the Reagan Administration's policy of constructive engagement, normalization of relations with Angola and the independence of Namiba were linked to the withdrawal of Cuban troops from Angola. This was in response to what the Administration perceived as legitimate security concerns on the part of South Africa. Administration-sponsored efforts to repeal the Clark amendment in August, 1985, were successful, and shortly thereafter an aid package of $15 million was disbursed through the CIA to UNITA. UNITA received another $15 million or more in military equipment in 1987 from the U.S. Government. Jonas Savimbi, UNITA's leader, has indicated that the recent escalation in military operations being waged by his forces against the government has been made possible by the resumption of U.S. support.

The Angolan government has continued to negotiate with the U.S. concerning the withdrawal of Cuban troops. Recent negotiations between U.S. Assistant Secretary of State Chester Crocker and representatives of the Angolan government broke down in July, 1987, with the State Department claiming that the Angolans were offering only previously rejected proposals. Subsequently, a joint communique issued by Angolan President Jose Eduard dos Santos and President Fidel Castro indicated that they had agreed to make "their common position more flexible". The State Department has called for more specific proposals on the issue of Cuban withdrawal.

THE CAUSES OF THE EMERGENCY

The primary cause of the impending famine is UNITA's and South Africa's war with the Government of Angola. The current famine exists following a period of above normal rainfall levels in most of Angola.

The most immediate effect of the war is the destruction of agriculture and essential infrastructure by the forces of UNITA. The attacks on road and rail links have made it impossible for farmers to deliver their crops to markets and for relief agencies to provide assistance. The widespread use of landmines in fields, roads and footpaths by UNITA has driven farmers, primarily women and their children, out of Angola's most productive regions and into the cities. The landmines, in combination with UNITA attacks on farm communities and agricultural infrastructure, have resulted in a fifty percent decrease in agricultural output in recent years. There have been reports of people starving by the sides of ripening maize fields that they were terrified of entering. The mines have mutilated 10,000 to 15,000 women and children, and amputees are now a common sight in all Angolan cities.

The war has forced the Angolan government to divert its technical, managerial and financial resources away from the social sector and into the military. As a result, the basic social services, both in the countryside and in the cities, are in steep decline. The situation for rural dwellers has worsened as the government has been unable to provide sufficient military convoys to deliver required assistance.

The oil revenues that in past years were able to sustain the crumbling Angolan economy have themselves begun to diminish. Oil revenues account for ninety percent of Angola's export earnings; the decline in world oil prices in the 1980's has had a major effect on the country's earnings. The price drop, combined with the fall of the U.S. dollar relative to other hard currencies, has resulted in a fifty-five percent drop in foreign currency earnings. The drop in available foreign currency had drastically curtailed Angola's ability to purchase essential commodities on the world market, including staple food for its urban population.

SCOPE OF THE EMERGENCY

Over a million people, almost half of Angola's urban population, face near famine conditions. Reports of malnutrition throughout the country have risen dramatically in the last year. 2.73 million people, thirty-one percent of the entire population, have been displaced or severely affected by the emergency. Another 400,000 have taken refuge in surrounding countries.

In this emergency, it is the women and children whose lives are most threatened. As many as one in fifty mothers die in childbirth, and Angola's infant mortality rate is, along with Mozambique's, the highest in the world—among children under five, there are 325 to 375 deaths per 1,000. Nationwide, only one in five have access to safe drinking water. Basic health care and public health conditions have descended to levels where it seems likely that famine conditions could result in the rapid spread of life threatening disease such as cholera. Reports of epidemics have become common in the slums that encircle most of the major cities. Basic education has also suffered, as enrollment in schools has dropped from thirty-seven percent in 1980 to one percent today.

To address the crisis, the Government of Angola, in conjunction with the United Nations, has put together an appeal for urgent humanitarian assistance. To meet the minimum requirements for the affected population, Angola will need over 255,000 metric tons (MT) of food aid over the next seven months. Most of the estimated 340,000 MT produced domestically will be consumed at subsistence levels in the countryside. The non-food aid needs are equally urgent. The International appeal calls for $6.5 million for transportation costs, $5 million for health projects, another $5 million for basic relief and survival supplies, $1.4 million to provide safe water and sanitation, and $5 million for agricultural inputs.

The major problem in Angola at the moment is transportation and secure access to affected populations. The International Red Cross has had to rely on expensive airlifts for almost all of its operations in the countryside. U.N. officials report that, until recently, it was the lack of military escorts, and not a lack of food, that was causing the most serious problem. As the small food stocks dwindle, it is essential that both food and additional transport capacity be quickly provided if the emergency operation is to succeed in reaching those in desperate need.

It is likely that any U.S. Government assistance in response to the Angolan emergency will be directed through the U.N. agencies or non-governmental organizations operating in the country, given the lack of formal relations. In the past year, the U.S. Government provided 12,410 MT of food commodities through UNICEF, and it recently notified UNICEF that another 24,000 MT would be contributed for the Angola emergency program. The dimensions of the emergency unfolding in Angola are such, however, that considerably larger donations of food and non-food relief commodities are increasingly likely. Both the United States and the international donor community are faced with a grave humanitarian situation requiring extraordinary action, notwithstanding the serious political complications existent.

THE TIME HAS COME TO FIX THE "NOTCH"

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. WALGREN. Mr. Speaker, the time has come to fix the so-called Social Security notch. In the 99th Congress as well as now in the 100th Congress, there have been over 100 cosponsors of legislation that would smooth out the harsh transition from the old computation of Social Security System to the new one. The time is now for the committee with responsibility to hold hearings and get the legislative ball rolling.

As we celebrate the Constitution, we have all been reminded that our system of government draws its strength, not from coercion, but rather from the willing participation of the people. It is critical to our national interest then, if we are to remain strong, that the people of this Nation know that they are being treated fairly by their Government.

Our respect for public trust has moved the Congress to reach deep down inside ourselves to correct wrongs when they occur. The House of Representatives just this week set aside over $1 billion in settlement of the wrongs that were done to Americans of Japanese ancestry who were imprisoned without trial during WW II. We have reversed ourselves on a number of occasions.

Currently, the Social Security notch is undermining this public trust for millions of older Americans. These men and women have worked hard over the years and looked forward to retirement. Suddenly they are surprised to learn that a neighbor, friend, or a relative is receiving $50, $75 or $100 more each month than they, not because that person worked harder or had a better job, but because Congress just happened to pick the year that this retiree was born as the cutoff date for a new law.

Such arbitrary and random discrimination deeply undermines our society. It can only create doubt, mistrust, and bitterness among our constituents. I have cosponsored H.R. 1917 which would revise the transition formula by spreading out the shift from the old to the new formula. This bill and others takes into account the need for changes to be fair and equitable. It has been long enough for us to realize our mistake. I urge my colleagues to join me in this effort to correct this injustice.

CIVIL LIBERTIES ACT OF 1987

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. PANETTA. Mr. Speaker, I was unable to be present on September 17, 1987, to record my vote on H.R. 442, the Civil Liberties Act of 1987. Pope John Paul II was visiting my district—my hometown, in fact—and I was asked to participate in the welcoming ceremonies. I did, however, request that my votes be paired against all amendments to the bill and for final passage of the bill. Had I been able to record my vote, I would have voted "no" on roll No. 320 and "aye" on roll No. 321.

Because of my strong support for H.R. 442, I would like to take a moment to discuss this issue. As you know, the treatment of Japanese-Americans in the months following the attack on Pearl Harbor has long been a source of controversy and debate in this country. On February 10, 1942, 10 weeks after America's entrance in the war, President Franklin D. Roosevelt signed Executive Order 9066 giving the Secretary of War and regional military commanders the power to exclude any and all persons from designated areas for security reasons. In the end, more than 120,000 persons of Japanese ancestry—two-thirds of whom were American citizens—were uprooted from along the coasts of California, Oregon, and Washington and interned in remote relocation centers.

Today, more than 40 years later, the controversy surrounding that decision continues. Congress moved in 1980 to address this sensitive issue by establishing a bipartisan Commission on Wartime Relocation and Internment of Civilians to examine the circumstances leading up to the exclusion of Japanese-Americans from the West Coast and their subsequent detention under armed guard.

After months of hearings and extensive examination of public records, the Commission reported in January 1983 that circumstances in this country during the war did not warrant the internment of thousands of Japanese-Americans. In support of this conclusion, the Commission reported that there was not a single documented act of espionage or subversion committed by an American of Japanese heritage on the West Coast. The Commission also noted the unequal treatment of suspected nationals, pointing out that no mass exclusion or detention was ordered against Americans of German or Italian descent.

Frankly, we all recognize the necessity of extraordinary measures in times of national crisis. Mandatory military service and gas and food rationing were but a few of the hardships and sacrifices that touched the lives of all Americans during World War II. For the thousands of young Americans who lost their lives in that conflict, the war exacted a price that can never be repaid.

The question before Congress and the Nation is whether, some 40 years after the fact, we should try to compensate for losses suffered by Americans of Japanese ancestry. I believe that we must come to terms with this tragic moment of our history. The education programs provided for in the bill will finally give this nearly forgotten casualty of World War II. Children in schools across the Nation will learn about the cruelties of war and racism. And through this learning they will be able to avoid such a tragedy from happening again.

I recognize that the loss of liberty and the personal stigma attached to internment can never be erased. At the same time we must remember that ethnic Japanese lost an estimated $810 million to $2 billion, after adjusting for inflation, as the result of the relocation. In this connection, I believe that there should be some kind of justifiable response to the financial losses incurred as the result of Federal policy.

Finally, the passage of this bill proves that the country is finally willing to take responsibility for the inequities that we have for so long tried to ignore. I applaud my colleagues for supporting this legislation and hope that in some way it helps heal the wounds of World War II.

CONSTITUENT HAS GOOD IDEA TO SAVE HUD MONEY

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. STARK. Mr. Speaker, recently a constituent came to me with the following proposal. The condominium that he lives in was built as part of the subsidized housing section 235 Program. The project was financed when interest rates were much higher than they are today, with 15½ to 16½ percent 30-year mortgages. These mortgages continue to be faithfully paid by the homeowners and subsidized by HUD. As the interest rate is much lower now, he proposed that section 235 mortgages be refinanced.

Refinancing these mortgages would save the Government and section 235 homeowners a substantial sum of money. Given our ever-increasing national debt and our lack of adequate public housing we can't afford to waste this money that could be put to much better use.

Currently another type of low income housing project, which had locked-in low rents for 20 years for low income people because of federally guaranteed mortgages, is being phased out because the 20-year use restriction will be expiring. Many of the tenants in these projects will be turned out to find new places to live. Many of them won't be able to. This is just one example of where, if we picked up this money that is essentially being tossed down the drain, we could properly house those who cannot afford housing.

Earlier this year we passed a 2-year housing authorization bill. I voted for this bill although I do not think that the bill goes nearly far enough. It is an improvement, however, over this administration's continual proposals of deep, sharp cuts in these important programs. It is time to end this administration's hostility to public housing and build an effective national policy.

Reexamining policies we already have in place, such as the section 235 Program, and updating them to be effective by today's criteria is a step in this direction. To this end I am introducing legislation today that would require HUD to refinance section 235 housing mortgages that are at interest rates more than 3 percentage points above the average interest rate charged on similar new mortgages. A provision is provided to assist the homeowner with the refinancing.

To take full advantage of this savings Congress needs to act quickly. Delay in refinancing could cost additional millions of dollars if interest rates rise. I hope that my colleagues will take the time to consider this very worthy proposal and join me in this effort as a cosponsor.

PARALYZED VETERANS OF AMERICA SUPPORT ELEVATING THE VETERANS ADMINISTRATION TO CABINET LEVEL

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. SOLOMON. Mr. Speaker, Jack Powell, who is doing an outstanding job as executive director of the Paralyzed Veterans of America, recently drafted and sent out a letter to the major newspapers in the country requesting readers to write their legislators to support legislation (H.R. 1707), elevating the VA to cabinet level.

Over 230 Members of the House of Representatives have already cosponsored this bipartisan legislation. According to the Congressional Budget Office the cost of implementing H.R. 1707 is insignificant, and the bill is the top priority of every veterans' organization in the country. I urge all of my colleagues to support this very important legislation.

Mr. Speaker, I wish at this time to submit into the RECORD the letter to the editor by the Paralyzed Veterans of America.

The letter follows:

PARALYZED VETERANS OF AMERICA,
Washington, DC, September 9, 1987.

DEAR EDITOR: The U.S. Congress now is giving serious consideration to legislation which would establish the Veterans Administration (VA) as a cabinet-level agency. If enacted, this measure will elevate the Administrator of the VA to the level of Secretary, thereby enabling our nation's veterans and their survivors and dependents to have their concerns represented at the highest level of the executive branch.

On the basis of size alone, the VA belongs in the cabinet. The VA, directly and indirectly, impacts virtually every American family. It already is larger than most cabinet-level agencies—State, Interior, Labor, Commerce, Education, Transportation, Energy, Justice, and Housing and Urban Development. The agency has an annual operating budget of more than $27 billion and administers the largest health care system in the Free World—including 172 hospitals, 229 out-patient clinics, 117 nursing homes and 16 domicilaries. In addition, the VA ranks second only to the Department of Defense in number of personnel.

And if statistics aren't compelling enough, consider that the VA has as its mission the provision of medical care to our nation's veterans and is the first line backup to the Department of Defense during times of national emergency. Consider also some of its innovative programs which affect millions of Americans—such as the GI Home Loan and the GI Bill Programs—which have improved the economy and have provided educational and training opportunities.

The VA is the largest trainer of health care manpower in the U.S.—with nearly half of the physicians in the U.S. today having received all or part of their training through the VA. In fact, if you counted all the Americans who received medical attention from VA-trained health care personnel, it probably would cover virtually every American family.

Further, the agency's award-winning research program—second in size only to the National Institutes of Health—is working to confront the AIDS crisis and the mysteries of Alzheimer's Disease with the same intensity it used to find the cure for tuberculosis and develop the heart pacemaker.

In addition, the VA administers America's largest vocational rehabilitation and training programs, which have led to ever-increasing job opportunities and employment for disabled veterans.

Insurance policies offered by the VA would qualify the agency to be one of America's largest insurance companies.

Yet, in spite of all of this—the fact that the VA impacts all Americans, that it is the largest health care system in the Free World, the largest vocational trainer and equal to some of the largest insurance companies—the VA, operating as an independent agency, has been lost in the bureaucratic shuffle and is unable to present the concerns of its constituency directly at the cabinet level.

In a major bipartisan push now underway, 25 U.S. Senators and 194 Members of the House of Representatives have endorsed the proposal to elevate the VA to cabinet-level status (S. 533 and H.R. 1707).

The Paralyzed Veterans of America applauds this effort and we urge your readers to write their legislators to press for passage of this important legislation in time for Veterans Day 1987.

Sincerely,

R. JACK POWELL,
Executive Director.

IRELAND: HOG-WILD OVER EXPORTS

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. ECKART. Mr. Speaker, it is now September 23, 1987, and I rise to remind my colleagues that the ongoing debate over trade legislation continues to weight heavily on our agendas. New arguments continue to be added to the debate surrounding the trade bill. I find one particularly interesting and would like to draw your attention to it today.

For years, U.S. agriculture has supported the U.S. balance of trade with its surplus of exports. In fiscal year 1987, the United States exported $27.5 million of agriculture products while importing about $20 million worth—a surplus of $7.5 million for American trade. Although favorable, this agricultural balance is rapidly eroding.

Mr. Speaker, I insert into today's RECORD an article that appeared in an Ireland newspaper 2 months ago. This news article was brought to my attention by a constituent from my district in Ohio. It details a plan by Ireland's agriculture Minister to increase pork exports to the United States market.

We cannot allow our farmers to be at this unfair disadvantage. We need a strong, yet balanced, trade bill to allow our farmers a fair chance in the global marketplace.

The news article reads as follows:

IRELAND INCREASES PORK EXPORTS TO UNITED STATES

(By Time Ryan)

A new £140 million expansion plan for the pig industry involving the creation of 1,500

jobs, was today announced by the Minister for Agriculture, Mr. Michael O'Kennedy. And in a major breakthrough for the industry, two pigmeat processing facilities have been given licences to export to the lucrative US market.

Today's announcement is intended to bring the country's ailing pig industry into the top of the international league and follows, close on a similar plan for the beef industry launched by the Minister for Food, Mr. Joe Walsh, just two weeks ago.

The massive £140 million package will include the building of three new slaughtering facilities capable of handling up to 6,000 pigs per week. The factories are in Naas, Kilkenny and Mitchelstown.

The Naas factory is being built by Paschal Phelan of Master Meats, the Mitchelstown factory by Galtee Foods and the Granagh factory by Queally Bros. of Dawn Meats. Taken in conjunction with existing facilities, the total output of pigs in expected to rise to a total of three million per annum by 1992.

The factories awarded by the US export licenses are Galtee Meats in Mitchelstown and the Limerick Bacon Company. The failure of any slaughtering plant to obtain such a license up to now has been a cause of major concern. The market offers unlimited potential for Irish factories capable of meeting the American consumer needs.

Within the past two years members of the Limerick Bacon Company have travellied to the United States where extensive research into the market was carried out. To make an initial start, the company took the unusual step of importing Danish bacon, already approved for export to the States, and sliced it in accordance with their research findings.

Today's plan is being backed by both FEOGA, the agricultural grant section of the European Community, and the IDA.

Galtee Meats has long been to the fore in the pig processing industry and today's announcement of a US export licence was originally expected before the end of the year. However, detailed examination and continual upgrading of the slaughtering line caused the six-month delay.

The new plan will be warmly welcomed by the country's pig producers who have suffered constant decrease in margins during the last decade. Now considerable expansion is expected in sow numbers, in particular from farmers who have suffered from cutbacks in most other areas of output.

BROKEN PROMISES, BROKEN HEARTS

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. WALGREN. Mr. Speaker, I rise today to address one of the most crucial issues facing our Nation's elderly. That is the issue of pension security. A decade ago, people could depend on a sound pension throughout retirement. Most businesses had established federally insured retirement plans for their workers. From large corporations to small businesses, it was common practice for individuals to have a fully vested retirement after 10 years (sometimes less) of service.

All that has changed now. With the collapse of the steel industry in the last recession, the Pension Benefit Guarantee Corporation has been saddled with an unbearable burden. Its solvency was in question after assuming $2.2 billion of liabilities arising from the LTV Steel chapter 11 bankruptcy. While it is still uncertain whether the courts will uphold the recent decision by the PBGC to return three of the unfunded pension plans to LTV, in the worst case scenario the plans may fall back on the PBGC in poorer shape than they are now. This could push the PBGC's deficit as high as $4 billion.

Even more important than the funding questions—though I am sure it is related—is that the PBGC has recently begun to pursue policies that leave it unclear whether they are serving the interests of those retirees that the PBGC was set up to serve or whether the PBGC has been driven by its motivation for self-preservation. In the contract negotiations between the United Steelworkers Union and the LTV Corp., the steelworkers successfully negotiated a retroactive repayment to its retirees of most of the $400 per person early retirement bonus that had been lost when the PBGC picked up the retirement plan. Yet each step of the way the PBGC has moved to block the agreement first in court and then with threats to veto any restructuring proposal that includes the new pension arrangement.

Yesterday the PBGC returned to LTV the responsibility for funding and managing three of the plans that it had terminated in January. This move fills me with hope and fear. I have hope that perhaps this will be a strong signal to the business community that we take pension obligations seriously. Such strong action by the PBGC, if it is upheld, would act as a strong deterrent to future schemes that would put the pension guarantee system at risk for a corporate strategy of shedding obligations that become to difficult to continue.

But we should greet this news with skepticism as well. I believed the PBGC in January when it said that these plans were at risk. And I want to believe them now. But "Yes" cannot be "No" and something cannot be on and off at the same time. Either the plans are at risk or they are not. I am afraid, in spite of PBGC's assurances, that LTV will yet default on these plans and will return them to the PBGC with an even greater deficit than currently exists.

In light of all of this, there is nothing less that we should do than to overhaul the Federal pension guarantee system. We need to make it clear to the PBGC that they are to serve the retirees first and all other interests second. We need to address the need for more funds, not only by raising the insurance premiums charged to companies with pension plans, but also by strengthening the penalties for underfunded plans. No company should be able to walk away from its commitment to its employees without securing its promise to provide in the future. If a company files for chapter 11, the PBGC should have every means available to schedule repayment of its debt in a way that serves the retirees and protects the taxpayer from unnecessary losses; yet it should, as a government agency, avoid becoming embroiled in the daily decisions the management of that company will have to make.

All told, there have been 49 bills introduced in this session of Congress alone that address pension security issues. I have cosponsored a number of them that address the LTV situation in particular. I urge my colleagues on the committees of jurisdiction not to linger too long in their deliberations but to act with sureness and provide clear leadership to remedy this horrible situation.

We are now on the threshold of a day when the average age of all Americans will rise dramatically. One study shows that between the year 2010 and 2030 the number of elderly will rise from 39 million to 65 million. What we say now about the retirement security of our elderly will set important precedents for that day. For the sake of the aged of the future, we cannot afford to turn our backs on the elderly of today. Justice demands that we take every step to prohibit broken promises and prevent broken hearts.

DRUG MAKER PROFITS: WHY ARE THEY BLOCKING THE MEDICARE CATASTROPHIC PROTECTION BILL?

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. STARK. Mr. Speaker, it is reported that the pharmaceutical manufacturers have launched a $3.5 million campaign against H.R. 2470, the Medicare Catastrophic Protection Act and have pulled out all stops to block further consideration of this House-passed bill.

Following is data from the Congressional Research Service of the Library of Congress showing how this industry is very profitable relative to other American lines of business. With profits of this level, their action in opposing a generic drug amendment for Medicare beneficiaries simply displays gross greed.

They say they need more profits to do more research. An examination of the annual reports of the major drug makers shows they all spend more on sales and advertising and general overhead than they do on research. Our amendment making drugs more affordable to those with severe illnesses should increase sales. The drug firms should take some of the sales money they spend wining and dining doctors and use it for research. That would be good medicine for all concerned.

The Library's data follows:

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, DC, August 23, 1987.

To: Hon. Fortney H. (Pete) Stark.

From: Analyst in industrial organization and corporate finance economics division.

Subject: Pharmaceutical industry.

This memorandum is in response to your request for information on the pharmaceutical industry. You were specifically interested in information on the pharmaceutical industry's profits and how these profit levels compare with other industries.

Table 1 lists sales and profits for the drug industry as well as profits as a percentage of sales for years 1984-1986. These statistics were obtained from Business Week Corporate Scoreboard for various years. The industry composite is called drugs and is made up of firms that produce ethical, proprietary, medical and hospital supplies.

TABLE 1.—SALES AND PROFITS FOR DRUG INDUSTRY 1984–86

[Dollar amounts in millions]

Year	Sales	Profits	Profits as percent of sales
1984	$52,428.3	$5,700.2	10.87
1985	49,927.2	5,471.0	10.96
1986	58,967.0	6,604.4	11.26

Source: Corporate Scoreboard. Business Week, various issues.

You indicated that you were interested in how sales and profits in the drug indusry compared with other industries. We chose the beverage, fuel, and office equipment and computer industries to make the comparison. Tables 2-4 contain this data. We have enclosed Corporate Scoreboard annual reviews for years 1984-1986. If you are interested in obtaining complete copies of the Corporate Scoreboard please call 287-7130.

TABLE 2.—SALES AND PROFITS FOR BEVERAGE INDUSTRY

[Dollar amounts in millions]

Year	Sales	Profits	Profits as percent of sales
1984	$27,691.9	$1,524.5	5.51
1985	27,608.5	1,813.0	6.57
1986	32,125.9	2,216.0	6.90

Source: Corporate Scoreboard. Business Week, various issues.

TABLE 3.—SALES AND PROFITS FOR FUEL INDUSTRY

[Dollar amounts in millions]

Year	Sales	Profits	Profits as percent of sales
1984	$436,655.0	$19,650.1	4.50
1985	416,021.8	13,168.3	3.17
1986	309,637.5	9,798.0	3.16

Source: Corporate Scoreboard. Business Week, various issues.

TABLE 4.—SALES AND PROFITS FOR THE OFFICE EQUIPMENT AND COMPUTER INDUSTRY

[Dollar amounts in millions]

Year	Sales	Profits	Profits as percent of sales
1984	$115,019.7	$10,709.1	9.31
1985	116,999.1	9,078.1	7.76
1986	121,674.1	8,046.1	6.61

Source: Corporate Scoreboard. Business Week, various issues.

We are enclosing background material on the pharmaceutical industry from Standard and Poor's Surveys and the 1987 U.S. Industrial Outlook. If we can be of further assistance, please call 287-7577.

CONGRESSIONAL STUDY MISSION AND SYMPOSIUM ON THE CARIBBEAN BASIN INITIATIVE

HON. GEO. W. CROCKETT, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. CROCKETT. Mr. Speaker, on September 18-20, the Foreign Affairs Subcommittee on Western Hemisphere Affairs, in conjunction with the Subcommittee on Economic Policy and Trade, cosponsored a study mission in Bridgetown, Barbados, on the Caribbean Basin Initiative [CBI].

The objective of this study mission was to expand the consultative mechanism which was considered a key element of the original Caribbean Basin Economic Recovery Act by hearing from a wider variety of groups affected by the CBI, including not only Government and the private sector, but also community groups, farm groups, church groups, labor groups, and academics.

The analysis, critiques, views, and recommendations which were presented during our meetings provided new insight into both the policy and implementation of the CBI. I would like to share a summary of these views with my colleagues by providing a copy of the concluding remarks of the study mission for the RECORD.

CONCLUDING REMARKS OF HON. GEORGE W. CROCKETT, JR., CHAIRMAN, SUBCOMMITTEE ON WESTERN HEMISPHERE AFFAIRS, AND HON. DANIEL A. MICA, SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY AND TRADE

On behalf of the U.S. House of Representatives Foreign Affairs Subcommittees on Western Hemisphere Affairs and on International Economic Policy and Trade, we wish to express our most sincere appreciation to all the presenters and participants, to the Government of Barbados for its warm hospitality, to Ambassador Russo and the Embassy staff for their assistance and especially to the Development Group for Alternative Policies for their outstanding work in arranging the symposium.

Over the past two days we have engaged in a wide-ranging, thorough and particularly frank discussion of the problems facing the Caribbean nations, the shortcomings of the CBI, and paths we might pursue now to promote economic growth and development in the region. We believe we have had a most enlightening and successful symposium.

Our exchange of views has served a principal objective of the Study Mission: to consult with our friends in the Caribbean in order to obtain their unique but diverse perspective on the CBI and related issues. We have, as one participant put it: "Talked to, rather than at one another."

But consultation implies an on-going process. The Prime Minister of Barbados stressed yesterday the need to institutionalize consultations. We intend to follow up on this notion with our colleagues in the recently-formed Congressional "Friends of the Caribbean" group. As we review a variety of mechanisms that would provide for on-going consultations, it is imperative that we assure that all perspectives are represented: nongovernmental and regional organizations; the academic and business communities; and government and Congressional leaders.

We believe that another primary goal of the Study Mission has been accomplished by our presence here: the reaffirmation of the United States' commitment to the promotion of economic growth and social equity in the Caribbean.

The Members of the Study Mission, even those of us who believe we know the region well, have learned an enormous amount in our two days of meetings. We have gained a greater and deeper appreciation of the strong economic ties between our countries, and especially of the significance of America's economy to the region. Our recognition of the need to strengthen and respond to growing regionalism among the islands and of the support the U.S. can offer in this regard has been sharpened. Perhaps most importantly, the vitality and seriousness that has characterized our sharing of ideas under-scores the fact that the Caribbean people—the region's human resources—more than compensate for the limitations on the area's natural resources.

Our mission is impressed and indeed overwhelmed by the number of concrete recommendations we have received in such a short span of time. Although we cannot list them all, several merit particular attention.

Within the general heading of aid: Special sensitivity must the paid to the needs of the rural poor, and in particular the needs of women; the infrastructure needs on-going development in order to sustain other areas of the economy; greater emphasis should be placed on the needs of the Caribbean and in particular the OECS states in development programs; development aid projects should recognize the contribution small entrepreneurs make to the economy; more scholarship and training opportunities (particularly in administration, management, and tourism) should be offered in both the Caribbean and the U.S., and assistance should be given for the development of higher education in the region; tourism should be recognized as a legitimate development sector, and accordingly, more resources should be devoted to this area; emphasis should be placed on sectors that produce for the domestic economies rather than exclusively for export; The need for more credit should be addressed through the greater involvement of A.I.D. with the Caribbean Development Bank, with particular reference to making credit available to those who now lack adequate access to it; we should review the effects of military aid in the reigon; and above all, we should do more to ensure that our aid packages in fact benefit those who they are intended to benefit.

Under the general rubric of trade: stronger support for intra-Caribbean trade; the pursuit of export diversification strategies; the establishment of the CBI as a treaty organization, with a permanent Secretariat that would serve, among other things, as a consultative mechanism; improved access to and assistance in penetrating the U.S. market for products from the region, as reflected in H.R. 3101, the Gibbons bill; elimination of a specific statutory expiration date for the CBI in order to provide more stable trade and investment incentives; better information on U.S. imports laws and regulations, by conducting informational seminars and offering training; assistance for tourism marketing in the U.S.; and greater efforts to focus CBI benefits on small producers in both agriculture and manufacturing.

Finally, within the umbrellas of investment: more investment in non-assembly enterprises; easing restrictions on the use of Section 936 twin plant funds, and better information on the use of Section 936 monies; the need for the U.S. to explore ways in which it can provide greater investment incentives and support; decoupling the convention tax exemption and the use of Section 936 funds from the requirement that a Tax Information Exchange Agreement be in place; enhanced emphasis on tourism, particularly the creation of a data bank with OPIC to gather information on investment opportunities within the sector, and an update of the Commerce Department's 1985 assessment of the investment potential in tourism; and consideration of an investment

code to, among other things, protect workers rights.

Finally, we must pay attention to the relationships among these three areas of aid, trade, and investment so that all of our policies complement each other and help produce balanced development. We heard, for example, that it is not clear whether current policies produce more jobs than they cost. As we proceed, we must pay the necessary attention to such questions.

In conclusion, we make a commitment to you that we will not return to the United States and forget the extremely important and productive discussions we have had. Rather, we wish to announce that our respective Foreign Affairs Subcommittees, working closely with other relevant Committees intend to develop a legislative package based on the recommendations we have received here. The legislation would be complementary to HR 3101 by focusing on the areas that are within the purview of the Foreign Affairs Committee: development assistance, education and training, foreign investment promotion, tourism, and export marketing assistance. The process of preparing this legislation would offer the opportunity to continue the consultations begun here, and we would hope that all participants would consider contributing to this effort.

We hope that such a bill will take us a step closer in our partnership and help you, our Caribbean friends, on your path to economic prosperity and well-being for all your people. For, as one of our panelists said, perhaps the one thing we all agree on is that things cannot keep going on as they are.

DRAGO NAJMAN SOUNDS A WARNING ON UNESCO'S FUTURE

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. MOODY. Mr. Speaker, Dragoljub Najman is a well-known and highly respected international civil servant who has spent more than 30 years in top positions with UNESCO, the United Nations Scientific, Cultural, and Education Organization.

I have had the privilege of meeting Mr. Najman, a Yugoslavian national, on a number of occasions. I can tell my fellow House Members that his reputation for brilliance and insightfulness is both earned and well-deserved.

Many of us in this Congress are familiar with the disastrous and tragic disintegration of UNESCO that precipitated the withdrawals of the United States and Great Britain. And many in this Congress are also familiar with the central role in this disintegration played by UNESCO's Director General Amidou Mahtar M'Bow. Mr. M'Bow brought sighs of relief to many when he announced earlier in the year that he would not seek a third term at UNESCO's helm.

Drago Najman has published a thoughtful and well-reasoned article in today's New York Times which casts serious doubt on whether or not Mr. M'Bow is actually going to depart UNESCO at the end of his current term. Because M'Bow's departure is probably the single most important act, perhaps the only act, that can offer any hope of UNESCO being revived and rehabilitated, I urge my colleagues to give careful thought to Najman's observations.

A FATEFUL DECISION FOR UNESCO

(By Dragoljub Najman)

PARIS.—Today's meeting of UNESCO's executive board is without a doubt the most important in the agency's 41-year history. On the agenda whom to recommend to the General Conference as the next Director General. The decision may make or break UNESCO.

To understand what is happening in the only United Nations agency from which two founding members, the United States and Britain, have withdrawn, one must start with its orgins. The United Nations Educational, Scientific and Educational Organization began life with no fewer than three "original sins."

The first was that UNESCO's areas of responsibility were intrinsically areas of ideological confrontation. All United Nations agencies are political, and to talk about the "politicization" of this or that agency is not enlightening. However, only in UNESCO was ideological confrontation unavoidably on the agenda from the beginning. And while there can be compromises in politics, they are much more difficult in the field of ideology.

To live with the resulting problem, successive heads of UNESCO—from the British biologist Julian Huxley in the 40's to the French educator Rene Maheu in the 70's—tried to find gaps in the general ideological confrontation where it would be possible to develop limited areas of cooperation. They performed this task with considerable success over the years, but it called for fine judgment, sensitivity and an absence of partisanship.

Second, UNESCO was put in charge of organizing intergovernmental cooperation in areas where governments often have nothing or very little to say. How do you organize intergovernmental cooperation in the social sciences? Where are the ministries of social sciences? How do you organize such cooperation in the fields of communication when, in many countries, it is considered vital to the health of society that governments should have very little control over information? The same holds for culture once one goes beyond the superficial level of "exchanges."

Third, UNESCO was virtually the only agency not created to take charge of a big well-defined international system. If there was no Universal Postal Union, it would have to be invented: The coordination of the world's postal service into a coherent system requires it. If there was no International Telecommunications Union, the same would be true. UNESCO, on the other hand, was put in charge of areas—education, science, culture—that do not represent discrete systems at the international level. It therefore never had the same clear-cut management function, nor as well-defined a sense of limits.

These three characteristics have made UNESCO the most vulnerable of all international organizations. The crisis that it now faces results from the combination of these inherent weaknesses and the disastrous management provided by its current Director General, Amadou-Mahtar M'Bow, a Senegalese.

It has been a despotic management, demoralizing the secretariat and alienating many member countries. It has been an ideological management, deliberately substituting confrontation for cooperation. It has been a reckless management, wasting scarce resources and dissipating good will. The public image of the organization is catastrophically bad. It damages the whole cause of international cooperation by confirming the prejudices of its opponents.

If it does not want to destroy the organization, the executive board must emphatically reject the idea of a third mandate for Mr. M'Bow. He has said that he will not seek a third term, but if the board does not unite behind one of the many able candidates for the job, he is likely to get it anyway. That would spell the end of UNESCO.

The executive board should propose a candidate of unchallengeable integrity whose commitment to international cooperation, the free circulation of information and the defense of human rights would bring back the United States and Britain. It should propose a candidate capable of bringing the organization back to a program centered on "conflict-free zones" such as the promotion of scientific cooperation and the fostering of literacy.

Such a person (no matter where he or she came from) would easily be elected in November by the General Conference and turn the page on a tragic period in the life of UNESCO.

INAUGURAL ADDRESS OF THE PRINCIPAL CHIEF OF THE CHEROKEE NATION

HON. JAMES M. INHOFE

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. INHOFE. Mr. Speaker, on August 14, the Cherokee Nation swore in its new Principal Chief, Hon. Wilma P. Mankiller. Chief Mankiller's inaugural address outlines the current status and future goals of one of the most progressive tribes in the United States. Its significance extends beyond the Cherokee Nation and the State of Oklahoma to everyone involved in the efforts of Native American tribes to improve the well-being of their people. For that reason, I would like to submit Chief Mankiller's inaugural address for the RECORD.

Chief Mankiller's inaugural address follows:

Good afternoon. I'd like to tell you how truly delighted I am to be here today. There's no greater honor I've ever had than to be chosen by my own people to lead them and I think that feeling is shared by Deputy Chief John Ketcher and members of the Tribal Council.

I heard someone say this week, "How are all these "ordinary" people elected to the tribal council going to make the weighty decisions for the Cherokee Nation?" I can tell you quite frankly that "ordinary" people take very seriously the responsibility and trust that's been given them. So I think you'll see a change in these people who've been elected to make decisions for you, merely from the weight of that responsibility. People say that crisis changes people and turns ordinary people into wiser people or more responsible people. As crises develop within the Cherokee Nation and we begin to resolve those crises, you'll see many changes.

I'd like to talk just a little about the Cherokee Nation, where I see us today and where

I see us going in the future. I think I can say without the tiniest bit of false pride that we are one of the most progressive tribes in the U.S. today. That progress we enjoy today, the Cherokee Nation that you see today—a very progressive, large, diverse organization—is not the result of the work of one person. It's the work of many, many people. There are a lot of people who laid the foundation for the work we're doing today, beginning principally in this latest revitalization, with Chief Milam, moving to Chief Keeler, to Chief Swimmer, who was my immediate predecessor, and myself.

The tribal council members who have become more active and assumed more responsibility within the tribal government are responsible for much of that work. I don't ever forget that much of the good work at the Cherokee Nation and much of our success can be attributed directly to the hundreds of tribal citizens who become involved in our work, as well as the tribal employees who carry out the policies established by the tribal government. Many people only see the employees. They rarely get to see the inner workings of the tribal government, so I would like to thank all the tribal employees who make our government what it is today.

We've grown very rapidly in the last 15 years, just in the past 10 years that I've been associated with the tribe. That growth has been phenomenal and the manifestation of the growth over the past 15 years is all around you. You can see the new Hastings Hospital, Cherokee Nation Industries, Cherokee Gardens, rural health clinics, the head-start centers and many other examples of this growth. When I came to the Cherokee Nation 10 years ago, there were 200 or 300 tribal employees. There are now well over 700 permanent employees and several hundred more have seasonal employment.

That growth has not occured without problems. Growth is a painful process. I'd like everybody to remember that we're still growing, we're still young. In the totality of Cherokee history, 15 years isn't very long. And we've got many more painful processes to work through before we reach a point where we will level off.

Our overall goal determined by the last tribal council and the last chief and deputy chief was a goal of self-sufficiency. People outside our communities sometimes misinterpret self-sufficiency as total independence from federal aid. That's not at all what we mean. I personally think that the U.S. Government owes us much in federal aid. We paid for much of what we receive today in lost lives and lost land. Our interpretation of self-sufficiency could simply be described as capability, the capability to do things for ourselves . . . the capability to do things with some assistance from the BIA, but basically running the tribe ourselves . . . with some assistance from the IHS, but basically making the decisions ourselves. If you'll look where we are today, we're well on our way to self-sufficiency. Many people talk about self-sufficiency, self-reliance and self-determination in a rhetorical sense, but to translate that into reality is a very difficult task that I think the Cherokee Nation is doing fairly well.

We have an excellent group of elected officials, a very diverse group of people from various areas throughout the Cherokee Nation, from various backgrounds. We have some very serious challenges ahead of us. I will talk very briefly about one related to the Constitution. Because the rest of the United States is talking about the U.S. Constitution, I'm going to talk about the Cherokee Constitution.

In this election of 1987, the Cherokee voters overwhelmingly passed an amendment to our Constitution which would allow the council members to be elected by districts. One of the major tasks of this newly elected tribal council, the legislative body of the tribe, is to develop a plan for districting. That is a monumental undertaking. The voters have said "we want districting," but the details have to be worked out during the next four years.

I also think there's a need for a constitutional convention. In fact, our constitution requires us to have one within the next 15 years. The reason we review our constitution is the same reason the U.S. Government reviews its constitution—it should reflect the collective values of the Cherokee people. As time changes our values and needs, the constitution needs a new look and some amendments. This amendment we just passed is the first to our constitution, but I certainly don't think it's the last. The Cherokee Constitution, as you heard in our oaths, basically provides a legal infrastructure for our government.

That's our Bible, everything we do follows that so that's one of the very important challenges we have to undertake in the next four years. It's principally the task of the tribal council. Another important task we face is that of protecting tribal rights. By tribal rights, I mean the protection of these rights that are afforded us because we are a tribal government. This is something that I, the deputy chief and the tribal council are going to have to spend a great deal of time on. There are powerful anti-Indian lobbyists who are constantly trying to diminish tribal rights and I think that what we have to do is stay constantly alert to protect our tribal rights. Many of the services and programs we enjoy today are a direct result of the special government-to-government relationship with the U.S. government that has to be protected.

I also believe that we need to concentrate on the stimulation and development of the economy in this area. As I've told many of you before, we can't do economic development in a vacuum. We don't have the resources to do that by ourselves. We have to work in a team effort with the Oklahoma Chamber of Commerce, state government, local bankers and the business community to develop the economy of this area. Oklahoma in general is suffering from a depressed economy. I believe the Cherokees are suffering even more. Our people are very hard working. That's a well-known fact. You can look at Cherokee Gardens, Cherokee Nation Industries, many of the industries in Arkansas that recruit and bus Cherokees across the border into Arkansas because they are good workers. We have hard working people, but many of them don't have a place to work. One of our priorities is searching for ways to develop the economy of this area. That's critical.

We also must continue to move our health care system outward. When we proposed this eight or nine years ago, it seemed like a radical idea. At that time we didn't have rural health clinics and we were only developing a tribal specific health plan and talking about moving services closer to the people. Today that's a reality. We have many clinics in outlying areas and are looking at developing more. We should look very closely at our whole health care system and begin to place more emphasis on prevention and education. With all of the progressive work we do in economic development, protection of tribal rights and in running a very complex organization, we must not forget who we are. We must pay attention to the protection and preservation of tribal culture. There are many definitions of tribal culture, but we must sit down and define for ourselves those things we consider important to protect for future generations.

In the past, promotion of tribal culture has been viewed as a function of the community and family, not of tribal government. But we've reached a point where we need to assume a leadership role. We need to explore what we as a government can do to promote and protect our culture.

I don't think that anybody, anywhere can talk about the future of their people or of an organization without talking about education. Whoever controls the education of our children controls our future, the future of the Cherokee people and of the Cherokee Nation. There are many new programs I'm going to propose and I'm sure the council will propose, regarding education. We're doing a lot of innovative things in education but there's more we can do. We have always placed a great deal of importance on education and that has helped us as a people. We must continue to do that.

In our education programs, I would like to incorporate education about tribal government and tribal history. If we know where we've been as people, our history, our culture and our ancestry, we have a better sense of where we are today and, certainly, a better sense of where we're going.

I've talked about some of the battles we face in terms of education, economic development. It's easy to talk about these problems but it takes the teamwork of many people to address them.

Finally, while there are a lot of external threats to the Cherokee Nation, the really great threat is one that is internal.

As any young organization and as officials elected to tribal government, we must develop an environment where dissent and disagreement can be handled in a respectful way. Dissent is natural and good. Out of respectful dissent and disagreement comes change that is usually positive. As tribal officials we can set an example how to disagree in a respectful and good way. We all have many goals for our tribe that will require myself, the deputy chief, the tribal council, the tribal citizens and tribal employees working together to reach.

We certainly can't do it if we focus on our disagreements. If we begin to focus on the things that we agree, we can forge ahead. We come from different backgrounds and certainly we've going to disagree. We must figure a way to balance that and the things we can work on. The darkest pages in Cherokee history, the greatest tragedies that occurred to us as a people came when we were divided internally.

People say I'm, a positive person, that I focus on positive things. I do. We've done a lot. I'm very proud of the Cherokee Nation, I'm very proud of the many people in our communities, I'm very proud of our history, I'm proud to be Cherokee. But that doesn't mean I don't know there aren't a lot of serious problems in our organization, that there aren't a lot of serious problems we still face in the communities and that I don't realize how much work remains to be done. As we continue to work on these problems, we need to be aware that the things we do will have a profound effect on the future of the Cherokee Nation, its government and the Cherokee people.

We take our responsibility extremely seriously. We work very hard and we welcome your input. As I said, we didn't acquire instant wisdom by being elected but we do take our jobs seriously and I think you'll see that over the next four years.

This is a very exciting time for me, for all these people. I hope that in the next four years we return in a very real sense to the Golden Era of the Cherokee Nation where we have economic prosperity, where we begin to do some really innovative things in education, where we do more in the health care field, and continue the revitalization of our communities.

With that, I ask for your continued support throughout the next four years. You have certainly been supportive during this time, during the election and during the 18 months I served as principal chief prior to the election. I thank all of those who helped me. I wouldn't want to start thanking everyone from my kindergarten teacher on up, but I would like to thank my husband. Without his support, I could not have run for office, nor could I continue in this position. I won't ask him to stand up but I would like to thank my husband, Charlie Soap, for all his help and all his work. I, too, would like to recognize the family of Clarence Sunday, because Clarence Sunday helped me an awful lot, not only in the campaign but by talking through a lot of issues.

So with that, again, I'll like to thank you for your attention, hope you'll stay very involved in the Cherokee Nation and continue to give us your ideas, your support and your prayers.

WASTE REDUCTION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 23, 1987, into the CONGRESSIONAL RECORD:

WASTE REDUCTION

Local officials from Indiana communities frequently talk to me about how to get rid of wastes. They want to put it in landfills, burn it, or recycle it. These communities are struggling with a hard fact: we are producing far more waste than we can handle. I am persuaded that we need a new, preventive strategy which puts the emphasis on producing less waste in the first place.

The wastes overwhelming our capacity range from household garbage to agricultural, industrial, and municipal wastes. Yet, as communities and industries evaluate waste disposal options, few address the basic need to prevent waste as much as to manage it. Waste reduction—cutting the generation of waste to avoid its handling, treatment, and disposal—must become a central part of our thinking and our practice.

We produce about 400,000 tons of garbage a day in this country. Since the most efficient way to control waste is simply not to produce it, private-sector decisions about the type and quantity of materials produced will play a critical role in waste reduction efforts. In a society which increasingly clamours for plastics and disposable products ranging from diapers to razors to cameras, neither producers nor manufacturers have sufficient incentive to alter their products. Also, those who create and sell the goods which become municipal wastes generally do not have to dispose of them. While landfill shortages are leading to greater use of incineration and recycling, they are not increasing demands for waste reduction.

The outlook for significant hazardous waste reduction is different. There are major incentives for industries to reduce hazardous wastes in their production processes. An estimated $9 billion was spent by industry in 1985 to manage solid and hazardous waste. Producing less waste can quickly cut the costs of pollution control. Companies producing less hazardous waste reduce the high costs of handling and disposing of wastes; find it easier to comply with environmental regulations; and lower their long-term liabilities. A recent government report estimated that a 50% reduction in hazardous waste over five years might be possible.

Significant reductions in the amount and toxicity of waste can be achieved by changing production processes, using different raw materials (including waste by-products), and reformulating products. For example, a large producer of gift wrapping paper eliminated a substantial amount of toxic waste by switching to water-based printing inks, eliminating the use of hazardous solvents in its cleaning processes. Another company collected chemical waste before it reached the waste-water facility and treated it to produce fertilizer. Besides reducing environmental pollution, waste reduction efforts can increase plant efficiency and improve industrial products and processes—often without expensive new technology or equipment.

Even with these incentives, industry has been slow to adopt hazardous waste reduction practices, for a variety of reasons. Environmental regulations and industry practices tend to focus attention on waste treatment and disposal rather than reduction. Likewise, of the $16 billion spent last year by federal, state, and local governments on environmental protection, only $4 million was spent on waste reduction. Production people must make waste reduction decisions, but many do not know what wastes are being generated, and how these wastes can be avoided. There have been limited federal and state resources for programs offering in-plant assistance, waste audits, and research grants.

Government interest in waste reduction is growing among industrialized countries, with the Western Europeans taking the lead. Countries such as Austria, Denmark, France, and The Netherlands have large government programs funding research on new low-waste technologies. European programs generally cover both hazardous and nonhazardous wastes. Some countries have separated waste reduction programs from pollution control programs to emphasize that waste reduction is economically, as well as environmentally, sound. The Soviet Union has also recognized the importance of waste reduction, making low- and non-waste technologies an important part in planning industrial development.

Recent studies done for the Congress have indicated that greater federal leadership could help encourage widespread waste reduction in the US. Congress directed the Environmental Protection Agency in 1984 to move waste management away from land disposal. It should now give explicit instructions to encourage waste reduction as an alternative to incineration and underground wells. New Superfund requirements will collect some information about the release of toxic chemicals into the environment, but they will not include information about reducing these wastes. Congress may consider legislation which would coordinate and improve the collection of information on where and how waste reduction can occur. This would be part of a nonregulatory, five-year program of grants to states to provide education and technical assistance for industry waste reduction efforts. Strong federal leadership can help redirect resources and attitudes toward waste reduction. Once waste reduction becomes a common practice within the private sector, the federal role could be eliminated.

Waste reduction involves a fundamental shift in our way of looking at waste. But it is the most logical way to protect public health and the environment, while making industry more efficient and profitable. If hazardous waste reduction is incorporated into industrial processes and thinking, we may also see reductions in the sheer volume of municipal waste which threatens to overwhelm us. A strong demand from the public and firm leadership from federal, state, and local governments could give the private sector the boost it needs to begin effective waste reduction.

YEARNING FOR MAYBERRY, N.C.

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. NEAL. Mr. Speaker, North Carolinians are extremely proud of their native son, Andy Griffith, and his achievements as an actor. In the 1960s, we watched his "Andy Griffith Show" on CBS with delight and came to know well the characters in the fictional town of Mayberry, NC.

Occasionally, tourists come through North Carolina in search of Mayberry. We have to tell them there's no such place, but we point out that Mayberry resembled many towns in North Carolina and the South. Andy Griffith grew up in Mount Airy, in my congressional district, and now has a home near Manteo on the Outer Banks, so he certainly knows the territory.

In fact, some of my friends in Mount Airy would be disappointed if I didn't claim Mount Airy as the model for Mayberry. You'll recall that Mayberry was near Mount Pilot; well, Mount Airy is just up the road from Pilot Mountain. Mount Airy has a Mayberry Mall shopping center and a Mayberry theater.

The nine-season run of the "The Andy Griffith Show" ended nearly 20 years ago, but reruns are still popular nationwide. The Andy Griffith Show Appreciation Society, headquartered in Clemmons, NC, keeps the torch burning. It publishes The Mayberry Gazette, a quarterly newsletter billing itself as "The World Authority on Mayberry, NC."

John Meroney, a constituent of mine, edits The Mayberry Gazette. He recently published a tribute to the Griffith Show by Donna McCrohan, a New Yorker, who hopes that one day there may be a real-life Mayberry. As she points out, Mr. Griffith doesn't think that's such a great idea.

Mr. Speaker, because the Andy Griffith Show and Mayberry are cherished pieces of

Americana, I ask, without objection, that Donna McCrohan's article, entitled "Yes, Andy, There Is A Mayberry," be published in the RECORD. The article follows:

YES, ANDY, THERE IS A MAYBERRY

(By Donna McCrohan)

Recently, John Meroney and The Andy Griffith Show Appreciation Society raised an interesting question. They wondered whether a North Carolina town—any North Carolina town—would change its name to Mayberry. When the story reached Andy Griffith's ears, far from being tickled pink, he was embarassed that a town would be asked to exchange a name rich in heritage for a name from "just a comedy."

"Just a comedy" indeed! But you can't blame Andy Griffith for thinking the gesture was out of proportion to the significance of the show. After all, we have the advantage over him. He was involved in constructing the fiction. He knew Mayberry as props on a set. Our involvement was to enjoy the fiction. We've only known Mayberry as it was on television, a town on its way to becoming a legend.

Yes, Andy, there is a Mayberry. Just as there's a Camelot, a Brigadoon, a Shangri-la. You can drive your car all through North Carolina and not find it, but that doesn't mean it isn't there. Legends, unlike myths, are real. How much poorer our lives would be if proof deprived us of our legends.

And if the real-life Mayberry didn't live up to its name, what then? Then it would join the ranks of other towns in North Carolina that don't entirely live up to their names. Carthage, NC wasn't burned to the ground by Scipio Africanus. Ulysses and Achilles never fought the Trojans on the streets of Troy, NC. Let's face it. Even Washington, DC doesn't always live up to the name of George Washington.

That city names evoke other distinguished city names or people's names, real or imagined, is neither new nor undesirable. If this is "trying to turn a fantasy world into the real world"—"flawed thinking"—as a distinguished professor of English had remarked—what about Eldorado, NC, named for the mythical kingdom of gold? What, for that matter, about NASA, sending a name from the TV show "Star Trek"—the U.S.S. Enterprise—into space?

As for "The Andy Griffith Show" being "just a comedy," comedy is a noble calling, with positive social value. Shakespeare wrote comedy. Few scholars hold it against him.

If Ben Franklin were alive today, he'd probably be writing monologues for Johnny Carson instead of Poor Richard's Almanac. If Charles Dickens were alive today, he'd probably be writing situation comedies instead of Pickwick Papers. Both reached their audiences through the popular medium of the day: print. The equivalent of that medium in our day is television. Popular, universal television.

Whether this is good or bad is another question. But it would certainly be worse if there had never been an "Andy Griffith Show" which—had he been alive in the 1960s—would have been written by Mark Twain.

So we come to the question: Do you name a town after it? The suggestion was offered. There were no takers. Yet there was plenty of favorable comment. Apparently it wasn't a meaningless notion. Apparently, it struck a popular chord. There's a little Mayberry in every town in North Carolina.

Maybe in the future, some small town will become Mayberry for a day. Maybe years from now, a new North Carolina town will come into being and take the name Mayberry.

Either would be a boon to tourism.

Either would do honor to something very significant and very real—a moment in time and a combination of talents known as "The Andy Griffith Show" that celebrated the values we call "American."

Nobody ever said the show was The Bill of Rights.

But, in its own unassuming way, it's becoming part of our national heritage, commanding our affection and our respect. Andy Griffith and company have contributed to this heritage, and their combination—no less real than Camelot, Brigadoon, and Shangri-la—is Mayberry, U.S.A.

IN CHINA, KREMLIN WATCHING

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. COELHO. Mr. Speaker, much attention over the past several weeks has been given to the Reagan administration's efforts to reach an arms control agreement with the Soviet Union. And rightfully so, since these negotiations represent an historic opportunity to improve United States-Soviet relations.

These prospects should not overshadow the importance of enhancing our relationship with China, however. This decade, we have witnessed the awakening of the other Asian power, as the Chinese seek to make economic reforms and renew their diplomatic ties with the West. Pamela Harriman recently returned from a visit to China, and has shared some of her very insightful views in a column in the New York Times. I urge my colleagues to pay heed to her advice.

The column follows:

[From the New York Times, Aug. 19, 1987]

IN CHINA, KREMLIN WATCHING

(By Pamela C. Harriman)

WASHINGTON.—During a recent visit to China, I asked my dinner host, an urbane provincial official, what he thought of Mikhail S. Gorbachev's prospects for success with economic reforms. He said, somewhat unconvincingly, "I suppose he will succeed." Then, his face brightening, he added, "but not before the Chinese."

Without doubt, the Chinese, who have embarked upon their own ambitious program of economic reform and decentralization, take a wry pleasure in watching the Soviet Union, their former economic mentor, following the lead of its disciple.

China is seriously attentive to Soviet developments. How do the Chinese view them? What significance do they see in them for Chinese-Soviet relations? What are the implications of this perspective for America?

I recently led a small, invited delegation of Americans who explored these questions with senior Government officials and experts on China's relations with the Soviet Union.

Chinese specialists begin with the conviction that Mr. Gorbachev is serious and determined about economic reform. Moreover, they believe that Soviet restructuring is essential if the Soviet Union is to regain economic momentum, overcome the widening technological gap between East and West and maintain strategic parity with the United States.

Yet, even as the Chinese see Mr. Gorbachev solidifying his position internally, they are uncertain about his prospects for success.

Why are the Chinese reserved about Soviet prospects for reform while remaining doggedly optimistic about their prospects for success?

First, as one official said, the Soviet Union has had 70 years of centralized economic control and planning—nearly twice China's dosage. The fatherland of modern Communism, he seemed to say, will have a harder time disavowing its ideological identity than China has had.

Second, the Cultural Revolution discredited revolutionary utopian policies. Moreover, it severely weakened the bureaucracy and produced a total turnover in leadership. The Soviet Union's institutional apparatus and apparatchiks, in the Chinese view, are far more entrenched and resistant than those in China.

Third, China's foreign policy does not seriously compete for scarce resources with economic reform, as the Soviet Union's does. The Chinese see limits to the degree to which Mr. Gorbachev can shift priorities from the military to the civilian sectors without undermining military strength—the foundation of the country's claim to great-power status.

Finally, a visitor is struck by how strongly Chinese leaders are gripped by a sense of their nation's underdevelopment. "We are a poor country," one official said. "We have no choice but to reform."

The same wary fascination that characterizes the way the Chinese see Soviet domestic developments also pervades their view of Mr. Gorbachev's foreign policy initiatives, particularly as they affect Asia.

Chinese leaders describe the changes in Soviet posture toward Asia as evidencing shifts in "tactics and style" but not yet demonstrating changes in basic objectives.

The Chinese continue to insist firmly upon overcoming the "three obstacles" before high-level party-to-party relations can resume. They are: Soviet withdrawal of forces from Afghanistan (the Chinese view the recent withdrawal of six regiments as cosmetic); the withdrawal of forces from Mongolia and along China's border (the Chinese acknowledge greater progress here), and, most importantly, withdrawal of the Soviet-backed Vietnamese Army from Cambodia (where they see diplomatic scurrying but not much movement).

Nonetheless, from the Chinese perspective the tenor and tone of China-Soviet relations has improved—and the Chinese clearly are fascinated by the prospects of further improvement—but the fundamentals have not yet shifted decisively.

Yet despite their reservations about Soviet developments, the Chinese appear to want Mr. Gorbachev to succeed. An economically preoccupied Soviet Union poses less of a security threat to China's northern border, freeing China to concentrate more on its pressing economic agenda. An economically more vibrant Soviet Union is a healthier trading partner for China. And a steady widening of the United States-Soviet economic gap may make the Chinese—who are most comfortable with a superpower balance—uneasy over the long run.

What then does this Chinese-Soviet minuet mean for America? There appears to

be little danger, for the foreseeable future, of any resumption of a Chinese-Soviet alliance, or even a Chinese tilt away from America, unless the Soviet Union makes fundamental concessions in Asia.

The Soviet Union has little to offer the Chinese that would warrant China's antagonizing the West and Japan, where the capital and technology China needs now lies.

America should not fear a gradual—and likely—Chinese-Soviet rapprochement so long as it is undertaken without the Chinese making concessions on basic regional interests we both share. Such a reduction of tensions could defuse an always dangerous border situation and facilitate progress on resolving regional conflicts that can erupt into broader confrontations.

It is important for America to continue pursuing a constructive relationship with China on its own merits, not as a corollary of our policy toward the Soviet Union. China, embodying one-fourth of mankind, is important to America today; as it gains in economic strength, its global significance will become even more profound.

SANDRA ANN ROBINSON OF THE ESSEX-NEWARK LEGAL SERVICES

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. RODINO. Mr. Speaker, It is a great pleasure to share with my colleagues the outstanding contributions of Sandra Ann Robinson. Sandra has recently completed her first term as the executive director of the Essex-Newark Legal Services. This exemplary organization offers legal assistance to the citizens of the city of Newark and Essex County in New Jersey. Sandra has played an important role in these activities. With kindness, intelligence and dedication, she has provided a vital lifeline to those in need of legal aid.

Mr. Speaker, with your permission I would like to submit for publication in the RECORD the following Newark Star-Ledger article on Sandra Ann Robinson.

[From the Newark Star-Ledger, Sept. 13, 1987]

LEGAL AID CHIEF GIVES THE "LITTLE MAN" LEGAL STATURE

(By Angela Stewart)

Not a day goes by in Sandra Ann Robinson's life when she is not faced with a crisis.

Her dilemmas run the gamut from how to keep a family of five from spending the night on the street to working out an agreement with the utility company so that a senior citizen will not freeze to death in a cold apartment.

Robinson arrives at her job at Essex-Newark Legal Services early and her car usually remains in the parking lot well beyond the standard quitting time of 5 p.m.

If there are several clients in the waiting room and it is 5:05 p.m., she personally sees to it that their needs are met. The problem could relate to anything from unemployment compensation to a divorce.

"She is about people," said Lucinda Williams of Newark, a client who said Robinson and her staff have helped her with an ongoing landlord-tenant dispute.

It is this dedication that resulted in Robinson being awarded a six-year contract extension as executive director of the countywide agency that provides legal representation to about 10,000 poor persons annually.

The motion by the board of trustees to extend her contract was approved by a 13-3 vote during a meeting in August. The meeting was attended by many staff members and clients who gave her their overwhelming stamp of approval.

"It's a life-giving commitment for her," said Teresa Donohue, a staff attorney who specializes in housing problems. "She is credible. She is willing to go the extra mile for the client."

Dennis Lowery, vice president of the board, said Robinson's contract extension has brought "stability" to an agency which has been plagued by controversy.

There have been problems with previous executive directors and appointments of new board members also have not gone without controversy.

About a year ago, the agency was placed on "month-to-month" funding by its parent group, the Legal Services Corporation in Washington, D.C., after a legal dispute erupted over the reappointment of a board member.

Legal Service workers nationwide have expressed concern over what they view as the "less-than-sympathetic" attitude of the Reagan administration toward legal aid programs for the poor.

Board President Joyce Morgan feels Robinson's extension has made clients feel "a lot more secure."

"We're going through troubled times. Sandra is a face they are familiar with. The community feels sure of her. They know what they've got."

Robinson, a Hackensack native where has worked for the agency for 15 years, completed her first term as executive director on June 30. She had previously worked as a staff attorney for the agency and as assistant executive director and then acting executive director.

She began her work with the legal service poverty program as a Reginald Heber Smith Graduate Fellow in the agency's "Joint Law Reform Project in 1973. It was during that time that she did extensive work helping residents of public housing developments like Stella Wright Homes and Baxter Terrace obtain rent abatements.

Since she has been executive director, Robinson has established an "open-door" policy which her subordinates and clients, alike, report make her very approachable. She has been accused of being a workaholic, but she said it is because she believes in what she is doing.

"She has kindness, softness and act as though she cares," noted Elizabeth Collins, a senior citizen volunteer for the agency. "I've seen her calm down clients who are very upset."

While her staff of 33 attorneys handle individual client cases, Robinson often finds herself becoming involved when the need arises. She also frequently calls upon the services of volunteer attorneys who also handle cases.

The Howard University Law School graduate admits that she has sacrificed salary and perhaps, prestige, to serve as an advocate for the poor, but people also sacrificed for her, she is quick to add.

"Somebody helped me to make it. My family was not rich. I received scholarships from my church and from other sources," said Robinson, who comes from a family of teachers, nurses and business professionals. "I want to give something back to the community," she said.

Those who know Robinson say one of her biggest assets is that she has expertise in several areas of law, including bankruptcy and matrimonial proceedings. She once worked for the law firm of McCarter and English.

She is eligible to practice before the U.S. Supreme Court, the U.S. District Court for the District of New Jersey, the United States Court of Appeals for the Third Circuit and the New Jersey Supreme Court.

Her professional affiliations include the Association of Black Women Lawyers of New Jersey, the Garden State Bar Association, the Essex County Bar Association and the New Jersey State Bar Association.

Noting all the people which daily fill the waiting room of the agency looking for help, Robinson said it would be "devastating" for legal aid for the poor to be abolished.

"People have to care about people," she says matter-of-factly. "When you can really help people, it's fulfilling."

PROGRESS IN THE WAR AGAINST INTERNATIONAL TERRORISM

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. BROOMFIELD. Mr. Speaker, I commend the fine efforts of the FBI in their successful capture of a suspected international terrorist who is wanted under U.S. law. Bold and imaginative operations as this one are necessary if the free world is to ultimately defeat the menace of terrorism. Attorney General Edwin Meese III has sent a clear signal to all terrorists that the long arm of American law can reach out and make them pay for their heinous acts against humanity. It is now clear to the world that terrorists can run, but they cannot hide.

The FBI arrested Mr. Fawaz Younis on Septmeber 13, 1987, in international waters in the Mediterranean Sea. Mr. Fawaz was lured aboard a boat with the promise of a drug deal and a shipboard party. After his arrest, the terrorist was put aboard a U.S. Navy vessel and was flown back to the United States where he pleaded not guilty at his arraignment at the U.S. District Courthouse in the District of Columbia.

In 1985, Mr. Fawaz and other accused terrorists hijacked a Royal Jordanian Airlines flight in Beirut. Two U.S. citizens and two U.S. nationals were aboard that flight and were threatened by the hijackers. Mr. Fawaz and his colleagues later released the hostages, and then destroyed the aircraft.

I am pleased to see that the FBI has prudently used the hostage-taking statute that the Congress passed in 1984 and commend the Department of Justice for this first arrest outside the United States by U.S. law enforcement officials of a suspected terrorist being sought under U.S. laws. I commend the following article on this successful operation to my colleagues in the House.

[From the Washington Post, Sept. 18, 1987]

TERRORISM SUSPECT IS TRICKED BY FBI, FLOWN HERE FOR TRIAL

(By George Lardner, Jr. and Nancy Lewis)

An accused Shiite Moslem terrorist, who officials said was arrested after being tricked onto an FBI-rented yacht in the Mediterranean, was brought to the United States yesterday to stand trial for hostage-taking.

Fawaz Younis, 28, an alleged ringleader of the 1985 hijacking of a Jordanian airliner with four Americans aboard, pleaded not guilty in a tense 10-minute hearing before U.S. Magistrate Jean F. Dwyer at the federal courthouse here. Marshals, some with automatic weapons beneath their jackets, ringed the courtroom, then took Younis back into custody at an undisclosed location.

Dressed in a black overshirt and black pants rolled up at the cuffs, Younis spoke only twice during the proceeding, indicating through an interpreter that he could not pay for an attorney. Occasionally he looked up at Dwyer as she explained his rights.

Attorney General Edwin Meese III, meanwhile, announced the unprecedented apprehension to reporters at FBI headquarters. Meese called the arrest a "unilateral action by the United States" and "an important step in our policy of bringing terrorists to justice."

Younis, who is Lebanese, was charged in a five-count indictment with conspiracy, destruction of an aircraft and hostage-taking, under recent legislation giving the United States "long-arm" jurisdiction over offenses committed outside the country if U.S. nationals are taken hostage. The hostage-taking count carries a maximum penalty of life in prison.

Meese refused to take questions and turned over the session with reporters to senior Justice Department officials who said they were reluctant to spell out details. But they outlined what amounted to an FBI "string" operation. Sources said it was dubbed "Operation Goldenrod."

Younis, they said, "voluntarily" came aboard a vessel that was rented and crewed by FBI agents. He was arrested in international waters on a warrant issued in Washington last Friday, the officials said. He was then flown to this country in U.S. military aircraft, arriving at Andrews Air Force Base early yesterday. The indictment against him was returned by a federal grand jury here on Tuesday.

The hijacking took place on June 11, 1985, when five Shiite Moslems armed with hand grenades and other weapons seized control of a Royal Jordanian Boeing 707 jetliner at the Beirut airport. They forced the crew to fly the plane, with about 70 passengers aboard, to Cyprus, Tunisia and Sicily before returning to Beirut the next day.

The hijackers demanded removal of all Palestinian guerrillas from Lebanon, severely beat several Jordanian skymarshals aboard the plane, and at one point said the passengers would be killed one by one unless their demands were met. At a news conference, one of the hijackers, identified as Younis, threatened to "deliver the corpses" to an Arab League leader they wanted to speak with.

Eventually, however, the terrorists blew up the plane after releasing all the people aboard, and escaped into the Shiite-controlled suburbs adjacent to the airport.

The hostages included two American citizens—Landry T. Slade, a professor at the American University of Beirut, and his teenage son—and two other American "nationals" whose names were not immediately available, officials said.

In his statement, Meese said he wanted to emphasize that "acts of terrorism are criminal acts, pure and simple" and must be dealt with as such.

"As President Reagan has said, terrorists throughout the world must know that 'they can run, but they can't hide,'" Meese said. He said Younis' arrest was "the first such operation, but it will most certainly not be the last."

At the courthouse, Younis' court-appointed attorney, Frank Carter, asked Dwyer to postpone the bond hearing until Tuesday so he can learn more about the way his client was brought to the United States. He also asked that Younis' dietary restrictions as a Moslem be respected.

FUNDS FOR FISHERIES RESEARCH

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. YOUNG of Alaska. Mr. Speaker, today I am introducting the Fisheries Research Funding Act of 1987. This bill is designed to provide additional money to acquire data on those marine resources that are important to our Nation's commerce and recreation.

As we all know, budgets are getting tighter while needs are expanding. In the case of fisheries research, we have seen decreases in both Federal and State funding levels. At the same time, American fishermen are taking more fish as U.S. harvesting and processing capabilities replace foreign efforts in our 200 mile zone. In addition, recreational fishing has shown tremendous growth. If these trends continue, we will soon reach the point where fishing—both commercial and recreational—may have to be curtailed because we do not know enough about what effects we are having on fish populations.

Our fisheries managers, both State and Federal, have done an excellent job with limited resources. However, they need help. My proposal will secure that help from commercial and recreational fishermen and processors.

Under this bill, recreational fishermen would pay an annual fee of $15 each; commercial vessels would pay $45 each; and processing vessels—both foreign and domestic—would pay $2 per ton of fish. At a minimum, this should raise $35 million each year. The money would be deposited in a fund and distributed to the regional fishery management councils, coastal states via the marine fisheries commissions, and the National Marine Fisheries Service. The money could only be spent for fisheries research.

Those subject to the various fees include only fishermen and processors operating in the U.S. exclusive economic zone; no one operating in State waters—out to 3 miles—would be required to pay any fees. Processing plants located on shore would also not be affected.

I recognize that this proposal will generate a great deal of controversy. Some fishermen I have talked with support it; others oppose it. However, unless someone comes up with a better idea that is fair and reasonable, I believe that this approach should be considered.

WE CAN REDUCE INFANT MORTALITY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. MILLER of California. Mr. Speaker, America ranks 17th in the world in infant mortality. Yet we know how to combat this problem. Prenatal care reduces premature births and low birthweights, the leading cause of infant mortality and disabilities. Today, we have new evidence not only that investment in prenatal care is effective in producing healthy babies, but also that it yields a high financial return.

A recent report from the Children's Research Institute of California demonstrates that the State's Medi-Cal Program spends $2,200 more to hospitalize a baby whose mother did not receive prenatal care than one whose mother did. It estimates that it would cost taxpayers $1,000 to provide adequate prenatal care for an indigent mother and to deliver a healthy baby, compared to the $19,000 the State now spends when a low-weight infant must be hospitalized.

California's 13-county prenatal project yielded similar results: For every $1 invested in prenatal care, the State saved $1.70. If all counties were providing prenatal care, the State would save more than $54 million each year in averted hospital costs.

As a result of these stunning findings, California has established a comprehensive prenatal program, and the State expects to save $22.4 million in the first year alone.

The human dividend is equally dramatic. In just 3 years, California's pilot program saw a one-third drop in low birthweights and a tenfold reduction in very low birthweights. But in communities where prenatal services were scarce, infant-mortality rates were as much as 11 percent higher than expected.

Sadly, finding prenatal care continues to be difficult for low-income women. In Orange County, one of the richest counties in the State, prenatal clinics turned away 2,000 indigent patients in 1985 alone.

This scenario is occurring across the country. Babies die needlessly or are born with preventable health problems because their mothers do not receive adequate health care during pregnancy. The California study reminds us that by extending services to pregnant women, we can save lives, reduce suffering, and at the same time save millions of taxpayers' dollars.

IMPERIAL CONGRESS

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. FAWELL. Mr. Speaker, some 15 years ago, Arthur Schlesinger wrote "The Imperial

Presidency" warning of the growing power of the highest office of the land. The pendulum has now swung completely the other way. If anything, we now have an "Imperial Congress."

Nowhere is this swing more evident than control, or lack thereof, over Federal spending. And what a mess Congress has made of it.

Since the Congress convened last January, it has missed five consecutive deadlines required by law for action on the budget.

One week before the fiscal year begins, Congress has not sent to the President even 1 of the 13 appropriation bills required to keep the Government running. The law requires that the House complete action on all of them by June 30.

The budget resolution, which is supposed to set overall spending levels, was passed more than 2 months late. The spending limits set by Congress' budget have been waived over 100 times by the Democrat-controlled House Rules Committee in the 99th Congress alone. In sum, the budget resolution has had little effect on limiting spending.

The "reconciliation" bill, which is the key legislation needed to make spending cuts to meet Congress' budget targets, was to be completed by June 15. We're still waiting for a reconciliation bill. However, since the massive reconciliation bill usually spends more than it saves, we are probably better off without it.

When Congress passed Gramm-Rudman almost 2 years ago, it put into law that the deficit would be reduced to $144 billion in 1987, and $108 billion in 1988. Neither of these targets will be met—a direct violation of this statute. In fact, the true deficit for fiscal year 1987, including private and public incurred debt, will be about $250 billion.

The law also requires that a bill "sequestering" excessive spending be reported to the full Congress for consideration by September 15. A special congressional committee violated the law by simply not reporting the bill.

The majority party in Congress has exhibited an almost total disregard for its responsibilities to manage the appropriation of funds for the U.S. Government. It has broken the letter and spirit of laws it passed less than 2 years ago. The taxpayers of this country should be outraged.

Yes, I am a member of the Congress. But, I'm not a member of the Democratic leadership or party. Let's face it: They control the agenda.

No one wants the draconian cuts of a sequestration bill, a $49 billion spending cut. Nevertheless, if the Democrats found themselves faced with the threat of such a cut, they would then be forced to take seriously the responsibilities they have as the majority party of Congress. They would have no alternative but to begin making the hard decisions prioritizing Federal spending—a responsibility they have dodged up to now.

Some have blamed the administration for the budget stalemate. It seems unfair to blame the President, however, when Congress has failed to send him even one of the 13 budget bills for his consideration. At least the President has sent—on time—budgets to Congress which set spending priorities. Congress, in its wisdom, has rejected these priorities. Congress has this power. But, Congress has not been willing to set alternative priorities and stick with them.

Congress' leadership is now proposing rolling all 13 appropriation bills and the reconciliation measure into one enormous continuing resolution. This CR would contain discretionary funding for the entire Federal Government, some $600 billion. It would, presumably, include everything but the kitchen sink—tax increases, new programs, cost-of-living increases, and every imaginable pork-barrel program.

The scenario is a familiar one: At the last minute, on October 1, as the Federal Government is about to shut down due to lack of funding, Congress would make a take-it-or-leave-it proposition. The President either signs this monstrosity of excessive spending and taxing or vetoes the entire measure, thereby shutting down the entire Federal Government—defense and all—an obviously impossible alternative.

This is a sad way to manage our Nation's finances. Congress has, in effect, abdicated its most important constitutional power—the power of the purse. By rolling 11 months of work and 13 appropriation and countless other measures into one giant bill, then threatening to shut down the Government if it's not signed, Congress has subverted the checks and balances so vital to our constitutional Government. The Congress has, in effect, rendered useless the President's power to review and veto individual bills.

Just as important, Congress bypasses orderly committee review and floor debate on many of these measures. The taxpayer gets bad legislation never put to the test of thoughtful congressional scrutiny and debate.

Many Members of Congress have worked all year on their committees carefully setting spending priorities. For example, in my Science Committee, we spent hundreds of hours in hearings and meetings deciding how best to spend limited funds for scientific research. All of this work suffers; the "continuing resolution" for the entire Government will decide how funds will be spent. A few Members of Congress' leadership will make all the final decisions. One begins to wonder why Congress spent the last 9 months legislating, when all that matters is the last 2 weeks of an expiring fiscal year during which the CR and reconciliation measure is slapped together.

It's difficult for one Member to change things. But I have joined with a number of my colleagues in urging President Reagan to veto any continuing resolution. Also, I'm cosponsoring two bills which would make it more difficult for Congress to resort to continuing resolutions. H.R. 3199 would provide the President with the opportunity to consider appropriation bills individually, even when lumped together in a continuing resolution. H.R. 3201 would require a 60-percent majority for passage of the catchall measures. I am also cosponsoring legislation giving the President line-item veto power which would allow him to trim the fat from spending measures.

TOWN OF BETHANY, NY

HON. LOUISE M. SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Ms. SLAUGHTER of New York. Mr. Speaker, I rise today to pay tribute to the town of Bethany, NY, on the occasion of its 175th anniversary.

The town was formed from neighboring Batavia on June 8, 1812. Bethany is located on the scenic White, Black, and Tonawanda Creeks and is the site of the only Genesee County park. This community of 1,876 residents has a long and distinguished history.

The town of Bethany has several historical landmarks including its town hall which dates back to 1832. This stately building, currently under renovation, was founded as a Methodist church and later served as the Bethany Academy, an institution of higher education, before assuming its current role as town hall. The former Genesee County Nursing Home also stands in town.

Bethany boasts such illustrious residents as Leonard Wells Volk, who was a world renowned sculptor. Leonard Volk's son, Stephen Douglass Volk, was a famous portrait painter whose portrait of Abraham Lincoln now appears on the Lincoln stamp.

This community has maintained a friendly, small town atmosphere where ties to family and friends remain strong. Farming is the main industry of the area and the citizens remain intensely proud of the brave pioneers who first cleared the land.

I extend my warmest regards to all residents of this town on its 175th anniversary. I know that my colleagues will join me in honoring the town of Bethany and in wishing the entire community continued success and good fortune in the years to come.

MINORITY ENTERPRISE DEVELOPMENT WEEK

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. GEKAS. Mr. Speaker, on Wednesday, September 30, 1987, the city of Harrisburg, PA, will host the Capitol City's Celebration of Minority Enterprise Development Week at the Dr. Martin Luther King, Jr., City Government Center. The week is intended to focus on the role of the minority business owner and the growing and outstanding contributions minority business enterprises make to the local and national economy.

I can think of no better way to highlight the importance of minority businesses than to pay recognition to those minority business owners who have contributed to the economic vitality of the downtown area of the city. The following owners and their businesses will be recognized during Minority Enterprise Development Week: Eddie Ruth, Eddie's Men's Shop; Warren Chiu, Canton Inn; Carl Payne, C. Payne and Associates; Hsiao-Sheng Chen,

Hunan Restaurant; James Williams, Williams Shoe Repair Service; James P. Wise, Shoes and Shine Store; and Kyong Kim, Young One Fashions.

Mr. Speaker, I would ask my colleagues in the U.S. Congress to join me in congratulating the city of Harrisburg for recognizing the role of the minority business owner through Minority Enterprise Development Week. I would also like to pay special tribute to those business owners being honored.

THE NURSING SHORTAGE RELIEF ACT OF 1987

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. WYDEN. Mr. Speaker, today I am introducing the Nursing Shortage Relief Act to help alleviate what has become a crisis in our health care industry.

Two major factors have combined to create this nurse scarcity. Registered nurses often don't stay in the profession. While 80 percent of registered nurses remain in the workforce, many pursue other careers in health care—like hospital management and nursing home administration—where hours are less demanding and pay is better.

As a result, hospital vacancy rates for registered nurses went from 6.3 percent in September 1985 to 13.6 percent in December 1986. The American Hospital Association recently reported that over 80 percent of hospitals had a shortage of registered nurses and 87 percent had extreme difficulty recruiting nurses for intensive care and coronary care units.

Secondly, potential nursing students are increasingly pursuing careers in health care administration and medicine. Since 1983, nursing school enrollments have dropped 20 percent. The number of annual nursing graduates is expected to fall from a high of 82,700 in 1985 to a low of 68,700 in 1995. While the declining number of college-age students plays some role in this, the problem is heightened by a 50-percent decline in the number of college freshmen planning to pursue nursing careers.

To attack the nursing shortage, we must keep nurses and get more people into the profession. That's what the Nursing Shortage Relief Act does. The bill authorizes Federal dissemination of information about ways hospitals can design programs to reduce nursing vacancies, restructure the hospital nursing role to make it more attractive as a career option, and test creative wage structures and benefits for nurses.

The bill encourages schools of nursing to include course work in long term and home health care settings and to train students in gerontologic nursing.

And, the bill establishes regional and local education programs to assess local areas' needs, identify potential nurses in that area and provide educational opportunities to those students.

Mr. Speaker, a similar version of this legislation has already been approved by the Senate. S. 1402, introduced by Senator KENNEDY, authorizes $5 million in grant authority for these programs. My bill authorizes up to $8 million for fiscal year 1988.

Mr. Speaker, I'm joined in introducing this bill by the two leaders of the Health and Environment Subcommittee, Mr. WAXMAN and Mr. MADIGAN, the chairman and ranking member, respectively. Mr. FLORIO, Mr. COOPER and Mrs. COLLINS and Mr. CHANDLER are also original cosponsors of the legislation. I hope others will join us in sponsoring the Nurse Shortage Relief Act.

MRS. R.A. (LEX) GREEN, WIDOW OF CONGRESSMAN, DISTINGUISHED FLORIDIAN

HON. BILL GRANT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. GRANT. Mr. Speaker, it is my sad duty to inform the House of Representatives of the passing of Mrs. Bessie Lucile Harris Green, the widow of former Congressman R.A. (Lex) Green of Starke, FL.

Mr. Green served in the House of Representatives from March 4, 1925, until his resignation on November 25, 1944. Mr. Green was a colorful politician and leader in our great State in a critical period of its development.

Prior to his election to Congress, he had served as county judge of Bradford County and as a representative of that county in the Florida Legislature.

Mrs. Green, 75, was a community and political leader in her own right. She moved to Starke more than 50 years ago from Gainesville.

She was a member of the Bradford County Democratic Executive Committee and Bradford Hospital Board of Directors. She was also a member of the United Daughters of the Confederacy and the Order of the Eastern Star.

Mrs. Green was past president of the Women's Club in Starke and past State executive board member of the Florida Federation of Women's Clubs. She was president of the Women's Missionary Union of the First Baptist Church in Starke.

She is survived by a daughter, Sandra Lucile "Lu" Green Sanders of Starke, and three sons, R.A. (Buzzy) Green, Jr., of Starke, William H. Green, of Tallahassee, and Michael Andreau Green, of Gainesville.

ROC WEEK—A TRIBUTE

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. FAUNTROY. Mr. Speaker, a unique tribute was paid recently in celebration of the sister-State relationship between the Commonwealth of Virginia and the Province of Taiwan of the Republic of China. This tribute took the form of a weeklong series of cultural events called "Roc Week in Richmond."

Roc Week was organized and sponsored by the Coordination Council for North American Affairs in association with the University of Richmond, the Virginia Museum of Fine Arts, the Richmond Children's Hospital, Philip Morris, U.S.A., and the Universal Leaf Tobacco Co.

These diverse organizations put together a delightful program of events that would enrich the lives of the people of the Richmond community by allowing them to share in the culture of the Chinese in Taiwan.

The program, which took place from September 14 through 19, included a Chinese historical costume show, presented by Mrs. Fredrick F. Chien during a charity luncheon to benefit children's hospital.

The program continued at the children's hospital, where Mrs. Chien introduced the Chinese Golden Dragon Acrobats and Magicians Group of Taipei, who did a benefit performance before an audience of handicapped children. The children were delighted by the magnificent display of acrobatics, dancing, magic, and comedy.

Other events of Roc Week included a Chinese film festival at the Virginia Museum of Fine Arts, during which six new films heralded as the finest in Chinese filmmaking were open free to the public. There was also a live demonstration of Chinese painting and calligraphy at the University of Richmond by renown artists, Helene Sze McCarthy and George Liu. A photograph exhibit of the work of China's first photojournalist, Long Chin-san was also on display free to the public all week at the Virginia Museum.

This fascinating series of events gave the people of Richmond a rare opportunity to learn first hand about the history, culture, and art through the generous efforts of the Richmond area organizations, in conjunction with the Coordination Council for North American Affairs.

TRIBUTE TO MR. HOWARD KELLER

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. CARDIN. Mr. Speaker, on November 19, Mr. Howard Keller will be honored at a surprise luncheon for his 50 years of service to the Federal Government.

Mr. Keller is currently the Chief of the Quality Assurance Division of the Defense Contract Administrative Service Management Area [DCASMA] in Baltimore. However, this is not the only office in which Mr. Keller has served. The Federal Government has benefited from Mr. Keller's service in all four services of the Department of Defense.

For more than 20 years, Mr. Keller has been in top management for the Defense Logistics Agency [DLA]. During his tenure, the commodities have become much more diversified, meaning that, as the Chief of the Quality Assurance Division, Mr. Keller has had to learn about an increasing variety of products from weapons systems to clothing, electronic equipment to shipboard furniture, spacecraft to missiles.

Mr. Keller has twice received the meritorious Civilian Service Medal; once for his contribution toward the finalization of project 60 into what is now known as DCAS, and the second time for his innovative ideas, positive attitude and significant accomplishments toward the efficiency and effectiveness of the DCASMA.

Additionally, Mr. Keller was selected as the Outstanding Civil Service Employee of 1975 and in 1978 as one of the 10 most outstanding employees of the Defense Logistics Agency. He received the DLA award for excellence in assisting small business in May 1982. He has received Certificates of Achievement in 1972, 1975, and 1977, the Special Accomplishment Award in 1983, and the Sustained Superior Performance Award in 1984. These are only a few of the many awards, recognitions, and commendations Mr. Keller has received during his tenure with the Federal Government.

In short, Mr. Keller has served his country for 50 years as an outstanding Federal employee. I am honored to have him as my constituent.

IN SUPPORT OF H.R. 1917

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. HORTON. Mr. Speaker, I join my colleagues today in urging consideration of H.R. 1917, sponsored by my good friend from California, ED ROYBAL. Almost three-quarters of a million people are affected by the notch situation in my State of New York, thousands of whom live in the 29th District, which I represent.

This important legislation has the support of more than 170 Members in the House. Although the costs of correcting this mistake are high, the resources in the Social Security trust fund are more than sufficient to make the necessary changes.

I voted against the Social Security amendments in 1977. Ten years later, the committee of jurisdiction has yet to even hold hearings on this issue, much less report a bill.

Mr. Speaker, as a member of the newly-formed "notch coalition," I have cosponsored legislation for the past several Congresses to correct the inequity of the notch years. Fifteen hundred senior citizens affected by the notch die each week, but the cause remains unaddressed.

Mr. Speaker, I urge prompt consideration and passage of legislation to correct the notch years problem. Our senior citizens deserve nothing less.

TRIBUTE TO MR. CLAUDE FINNELL

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. HUNTER. Mr. Speaker, I am very proud to come before the House today to honor a man I, along with many others, consider an institution in California agriculture.

His name is Mr. Claude Finnell. On September 30, he is retiring from government service after a long and distinguished career. He has been the agricultural commissioner of Imperial County, CA, for the last 30 years and leaves behind a legacy virtually unequalled in the field of agriculture.

Claude Finnell was appointed as commissioner of agriculture in 1954. Since that time, he has been a tireless advocate of reforms and a true commander in a tough era of valley agriculture. His career began with the battle against the Kapra beetle that threatened to devastate grain in the valley. Throughout his career, he pioneered and implemented many pest control laws and regulations in California. His Pest Control Advisor Certification Program became a major aid in fighting the spread of dangerous pests.

He has served as a consultant to numerous California directors of food and agriculture, elected officials and the agricultural industry. His valued expertise has been requested before committees of this body, as well as State legislative committees and commissions. He has been a vital resource for training and equipping the next generation of agricultural leaders in California.

I had a chance to work closely with Claude on the hydrilla program, and I was struck by the dedication he possessed to seeing a project through to its final outcome. He is a tireless worker and the next generation of public servants can derive a great many lessons from the example of Claude Finnell.

Above all, I believe Claude Finnell will be remembered as someone who cared about people and the real problems they faced in every day life. He combined good will and common sense to help farmers find workable solutions to the wide array of problems in California agriculture.

ALLOW THE TERLITSKY FAMILY TO LEAVE THE SOVIET UNION

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. FEIGHAN. Mr. Speaker, I rise today to call the attention of my distinguished colleagues in the House to the tragic situation of the Terlitsky family of Moscow. Mark Terlitsky, his wife Svetlana Kredova, their daughter Olga Terlitskaya, and his mother Fanya Terlitskaya, have been trying to leave the Soviet Union for over 10 years. Although Mark's brother and Svetlana's sister were allowed to immigrate to the United States, the other family members haven't gotten the good news from the Moscow Visa Office for which they've long hoped.

Mark Terlitsky and his family first applied to emigrate from the Soviet Union in 1976, but their requests have always been denied, allegedly for "possession of state secrets." Mark Terlitsky was employed as an architect by Mosproject-2, an office that designs civic projects in Moscow, and as such was required during that time to hold a low-level security clearance. However, he never worked with any classified documents nor was he ever familiar with the details of any classified projects.

The family's situation has grown increasingly desperate since their first application for exit visas in 1976. Mark Terlitsky was demoted from architect to draftsman after 16 years of professional experience. His wife, an economics analyst, also lost her job. Both have been unable to find permanent employment. Their daughter, a talented violinist, has not been allowed to continue her education or pursue her musical career. In addition, Mark's mother is suffering from Alzheimer disease which leaves her with only a few years more of active life.

I urge Soviet leader Mikhail Gorbachev to reconsider Mark Terlitsky's request to allow his entire family to emigrate from the Soviet Union and to join the rest of their family in the United States whom they have not seen in nearly 11 years. And I urge my colleagues to continue to make vocal and repeated appeals to the Soviet leadership to allow the reunification of families who have been tragically separated as the Terlitsky family has been.

HONDA'S INVESTMENT

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. OXLEY. Mr. Speaker, last January, Honda Motor Co. announced that they would be investing some $450 million in their Anna, OH, engine plant facility, and many of us in the Fourth Congressional District of Ohio thought we had heard about everything for a while.

That is, of course, until Honda's most recent announcement last Thursday in Columbus, when Honda officials totally removed that notion. In fact, on September 17, 1987, Honda deepened their commitment to the production of high quality automobiles in the United States and Ohio by announcing a broad five-part strategy calling for, among other things, an additional $561 million investment in their Ohio operations, including plans for the construction of a second U.S. auto plant with a production capacity of 150,000 automobiles a year.

The new $380 million auto plant is to be built in East Liberty, OH, providing some 1,800 jobs alone.

Under their five-part strategy, Honda intends to export 70,000 American- and Ohio-made vehicles to Japan and other countries in 1991, increase United States research and development by nearly tripling employment in this area by 1991, increase domestic content to 75 percent by 1991, and expand Honda's production engineering in the United States, focusing on the development of new models here.

Honda also plans to invest about $150 million in their Anna, OH, engine plant located in my congressional district. By completion of the expansion, the engine plant will employ 1,500 people, 500 more than previously

planned, and production capacity at the plant will climb to 500,000 units per year.

In 1991, Honda will have invested more than $1.7 billion in U.S. manufacturing, providing thousands of jobs. Now, Mr. Speaker, that is the definition of commitment in my book.

For those of us who have been talking for some time about the Honda commitment to the American auto market, American workers and American suppliers, the magnitude of this announcement may have been surprising, but the continued commitment it represents certainly is not.

Indeed, Honda continues their efforts to find domestic suppliers for their products, and in so doing they continue to spread economic benefits throughout the Midwest and in other areas of the country. In the Fourth Congressional District, Honda has suppliers in St. Marys, Upper Sandusky, Findlay, Lima, and Sidney, to name a few.

Unemployment rates for Shelby and Auglaize Counties have dropped from highs of 20.3 percent in Shelby and 16.6 percent in Auglaize in January 1983, to 5.6 percent and 6.1 percent in Auglaize in July 1987. Undoubtedly, Honda deserves a great deal of credit for this reduction.

By 1991, Honda will be directly responsible for some 8,650 jobs in the United States.

A U.S. Chamber of Commerce study claims that every 100 new manufacturing jobs in a community means an additional 64 nonmanufacturing jobs, in addition to many other benefits. According to these figures, Honda's new investment will result in an additional 1,472 jobs in the area by 1991.

Honda is now America's fourth largest automobile manufacturer, a position achieved largely because of tremendous cooperation, dedication, and a strong desire to improve and perpetuate a special beneficial relationship.

The Honda story is one of great success, and I congratulate and applaude all those who have contributed to this success.

As work continues on the omnibus trade bill, we in the Congress must ensure that we enact no provision which will jeopardize this relationship or discourage such investment and faith in American workers and suppliers.

ALAMEDA COUNTY GERIATRIC DENTAL CARE

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. DELLUMS. Mr. Speaker, I take great pride in calling to the attention of my colleagues a new program which will bring dental care to the nursing home elderly of Alameda County. This program is the result of the combined efforts of two concerned organizations in the Eighth Congressional District, the Alameda County Health Services Agency and the Alameda County Dental Society.

On Sunday, September 27, there will be a benefit to launch this effort and I commend to the House the following statement which describes this very worthwhile program.

The Alameda County Health Care Services Agency has joined together with the Alameda County Dental Society to cosponsor the Alameda County Geriatric Dental Care Program which is being launched to bring dental care to the residents of long term care facilities throughout the County. Recent surveys conducted by the California Dental Association have shown that 55-percent of the elderly residents are in need of care by a dentist and 20-percent are in need of acute dental care.

Despite the fact that each skilled nursing facility has, by law, a dental consultant providing dental care to the non-ambulatory patient at bedside, it is quite difficult to accomplish without portable dental equipment. The objectives of the program are to: (1) focus community attention on the dental health needs of the institutionalized senior population; (2) purchase the portable equipment needed to enable dental care to be provided by dentists wherever that care is not available; and (3) establish an ongoing community based committee with senior representatives dedicated to the dental care of the senior population.

Along with the Alameda County Dental Society and the Alameda County Health Care Services Agency, the program is being inititiated with the cooperation of Ombudsman, Inc., the Alameda County Commission on Aging and other groups and individuals committed to the wellbeing of senior citizens.

THE DEATH OF FANNIE ERLICH WEINSTOCK

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. WAXMAN. Mr. Speaker, I would like to take a few moments to honor the memory of my constituent, Fannie Erlich Weinstock, who passed away on June 15, 1987, at the age of 97.

Fannie Weinstock was dedicated and committed to helping out others less fortunate than herself. She was very active in working on behalf of human rights and community interests.

Honored with the Emma Lazarus Jewish Women's Organization's "Mother of the Year" award in the 1950's, Fannie Erlich Weinstock is survived by two children and five grandchildren.

THE 76TH NATIONAL ANNIVERSARY OF THE REPUBLIC OF CHINA

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. COLEMAN of Texas. Mr. Speaker, I would like to take this opportunity to point out to my colleagues that on October 10, 1987, we will be celebrating the 76th National Anniversary of the Republic of China.

In light of the significant contributions of the Republic of China to the security and economy of our own country, I would like to join my colleagues in the United States Congress in congratulating this great nation. In the past, Taiwan has always been an ally of the United States despite the derecognition of Taipei in 1979. Taiwan has developed a very close economic relationship with us and in fact has become the sixth largest trading partner of the United States.

In the last year or so, Taiwan's trade surplus has created many frictions. We obviously must do something to reduce this surplus, but we must also remember that we need to negotiate as friends and allies, and not as adversaries. The trade issues are extremely complex, but given Taiwan's willingness to work and cooperate with us, we can find solutions that will meet the needs and satisfactions of both countries.

Mr. Speaker, our two nations share a common history and a common destiny. We will continue to be close friends and allies. I would urge all of my colleagues in joining me in this congratulation of the Republic of China on their 76th National Anniversary, with the hope for a continued close relationship that meets the needs and desires of both nations.

A ROSH HASHANAH MIRACLE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. SOLARZ. Mr. Speaker, on the eve of one of the most joyous and sacred days of the Jewish calender—Rosh Hashanah—I rise to bring to the attention of my colleagues a remarkable story of religious conviction, individual courage, and community spirit.

Last July, a terrible explosion and fire rocked the community of Boro Park, in the heart of my Brooklyn district. We experienced the loss of four precious lives, and I continue to grieve for those who died and to pray for those who were injured. Yet from the depths of this tragedy emerged some stories filled with hope. Through a series of miracles, Miriam and Henry Steinberg, and their eight children, escaped the explosion unharmed and are preparing to celebrate the holiday in their new home. The Steinberg's "new lease on life" was made possible by the outpouring of generosity from the Boro Park community, an effort led by my close friend, Rabbi Morris Shmidman, executive director of the Council of Jewish Organizations of Boro Park.

I commend to my colleagues the following article which appeared in the New York Times. And I would like to wish all of the Members of this House—Jews and non-Jews alike—a happy and healthy New Year.

[From the New York Times, Sept. 23, 1987]

FOR A BROOKLYN FAMILY, A HOLIDAY OF RENEWAL

(By Aril Goldman)

When Rosh ha-Shanah begins at sundown tonight, the Steinberg family—Henry, Miriam and their eight children—will try to forget that they lost virtually everything in a thunderous explosion in Brooklyn this summer and will instead embrace what they have: each other and their faith.

The Steinbergs will gather around a new table covered with white linen in a new apartment just blocks from their devastated

Borough Park home. In accordance with the holiday custom, each member of the family will dip a slice of apple into honey and wish one another a sweet new year, 5748 on the Jewish calendar.

Just two months ago, the Steinbergs and two others families were left homeless by a blast that leveled three buildings at 18th Avenue near 50th Street in the heavily Jewish Brooklyn neighborhood. Four men were killed in the accident, which fire investigators attributed to the improper handling of propane tanks in a plumbing supply store on the ground floor.

The aftermath is a story of a community pulling together to help neighbors in distress and of the successful efforts of emergency and social-service agencies, both private and municipal. All the families have been resettled in the community in time for the Jewish New Year—traditionally a time for new beginnings—and money was collected for the burial of the dead.

THERE ARE SO MANY MIRACLES

It is also a story of miracles. For the Steinbergs, a Hasidic family of unshakeable faith, God's wonders did not cease with the creation of the world—according to Jewish tradition 5748 years ago tomorrow—or with the revelation of Moses on Mount Sinai, but continues in their lives day after day.

"There are so many miracles, I can't count them on my hand," Mrs. Steinberg said, cradling her 6-week-old son, Shmuel, in her arms. She tells of dreams in which rabbis long dead told her to be careful, and of her decision, just minutes before the blast at 10 A.M., to leave the apartment to keep an appointment with her obstetrician.

"It was a very hot day," recalled Mrs. Steinberg, who was nine months pregnant at the time. "I almost went back to the house for a drink. But I didn't want to walk up the steps again. If I had, I never would have come back live."

"I was three doors away and I heard the explosion," she added. "I turned and saw the whole building collapse, like a toy set of Legos."

A SPECIAL POWER

Her husband, who is a rabbi, was in the apartment, and, with the floor giving way beneath his feet, he crawled to the balcony and leaped to the safety of a nearby roof.

"Miracles, a million miracles," Mrs. Steinberg said. "He had a special power that pushed him to save his life."

Rabbi Steinberg, who received 25 stitches for cuts on his shoulder and left side, was the only family member injured. All the children were out of the apartment that day in summer camp.

Everything in the apartment was destroyed—the silver candelabra for the Sabbath, the porcelain honey dish for Rosh ha-Shanah, the fine china for the holidays, the jewelry and treasured holy books. "Usually, I bake challah and honey cake for the holidays," Mrs. Steinberg said. "But I don't have my electric mixer or my bowls. Even my hand mixer is gone."

Still Mrs. Steinberg—who speaks in a mixture of English, the Yiddish of the Hasidim and the Hebrew of her native Israel—is overwhelmed with thanks. "This year I have to go to shul early to daven to Hashem," using the words for synagogue, prayer, and God. "The only thing I am going to buy myself is a machzor," or holiday prayerbook.

"My son bought me a leather one with my name on it from Israel," she said lapsing into melancholy. "But that, too, is gone."

PEOPLE HAVE BEEN WONDERFUL

After the July 21 explosion, the American Red Cross found the family two rooms in a hotel in Borough Park. It was while living there that Shmuel was born, an active, healthy black-haired child with big brown eyes.

"When we get depressed," Mrs. Steinberg said, "we go and see Shmulie. The baby makes the whole family happy. When we see him, we forget everything painful."

With the help of the Council of Jewish Organizations of Borough Park, the family moved into a seven-room apartment earlier this week. The freshly painted apartment has a curious newlywed feeling about it. There are gift boxes, only half open, with toasters and new hats pouring out of them. They came from friends and anonymous contributors responding to appeals made in neighborhood synagogues.

"People have been wonderful," Mrs. Steinberg said. "But we can never replace what we had. It is like starting all over again.

RECALLING A LOST BIKE

While the family laments its many ritual objects and holy books, there are also the things that are universal to children, Hasidic or otherwise. Twelve-year-old Eliezer misses his bicycle, the one he bought with money he saved over the last year; 10-year-old Bracha wants her charm bracelets and her report card, the one with the good marks she got in school last year, and 6-year-old Shlomo cried for his fish tank.

The Council of Jewish Organizations of Borough Park raised some $13,000 to help resettle the three displaced families; nearly half of it went to the Steinbergs, by far the largest family involved.

"The mere knowledge that you are never alone, that you have friends and community people to help you, that is the most comforting thing and the nicest message of Rosh ha-Shanah," Rabbi Morris A. Shmidman, executive director of the council said.

"For us, our fate is determined on Rosh ha-Shanah," he continued. "In the prayers, it says, 'Who will live and who will die? Who by fire and who by water?' "

"When you see it before your eyes, some living and some dying in our community, you recognize the awesomeness of the day of judgment."

H.R. 3030—TITLE III—BORROWERS RIGHTS

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1987

Mr. JEFFORDS. Mr. Speaker, I rise to address an extremely important subject which will be debated on October 6 when this body considers H.R. 3030, the Agricultural Credit Act of 1987, and more specifically title III, the creation of an agricultural secondary market.

My esteemed colleagues on the House Committee on Agriculture, as well as several members of the House Banking Committee and the Energy and Commerce Committee, have expressed concern over a secondary market for agricultural lending. They recognize, as do I, that a secondary market is likely to cause further erosion in the financial condition of the Farm Credit System, as the System's best loans would be sold into the secondary market. Such a result could ultimately increase the need for financial assistance at a time when we are trying to minimize Federal outlays. In any event, assuming the existence of a secondary market, the committee debated how the market should ideally operate.

A key phrase used in our committee debate on the secondary market was that the "playing field must be level." No secondary market participant should be given an economic advantage—especially those advantages that could lead to the Farm Credit System's better loans being lost to competitors.

During the House Agriculture Committee consideration of H.R. 3030, many provisions were added, falling within the framework of "borrower rights." Currently, Farm Credit System borrowers: First, have rights beyond those provided to borrowers from commercial lenders; and second, have rights as owners of the farm credit institutions themselves. Yet, the rights added in committee went well beyond these present rights and, indeed well beyond the rights provided to borrowers of other credit institutions.

Yesterday, I was given a cost analysis of these additional borrower rights provisions in H.R. 3030. The first year cost of implementing the new borrower rights provisions in H.R. 3030 is likely to reach over $900 million; this equates to over $1,300 in increased interests costs for every borrower of the Farm Credit System. This cost is in addition to the present costs now associated with restructuring loans and forebearance and mainly result from provisions in H.R. 3030 relative to: First, the right of first refusal; second, homestead protection; and third, the holding period for foreclosures. This analysis points out that we are saddling some of the most financially troubled farm credit banks and associations with added requirements at a time when existing borrowers and the U.S. Congress can little afford such additional costs. We must not forget that a farmer cooperative lending institution must recover added costs from its members—in this case, its borrowers. Moreover, the U.S. Government can ultimately be at risk if, as contemplated under H.R. 3030, the institution is in need of Federal assistance. For purposes of illustration, I have attached to my statement a chart showing the most likely increase in interest costs to the average Farm Credit System borrower in each farm credit district resulting from the borrower rights provision in the bill.

I am not coming to the floor to argue against the borrower rights provisions in H.R. 3030, although I do believe that they are clearly excessive. My argument, which I intend to offer in the form of an amendment to H.R. 3030, title III, is that the playing field for all users of the agricultural secondary market must be level. If the Farm Credit System is being forced to undertake these borrower rights at the costs just referred to, then all institutions participating in the secondary market must step up and be counted by being required to provide borrowers those same rights. Either the provisions should apply equally to all users, commercial lenders as well as the Farm Credit System, or to none. I am told that farm mortgage loans without borrower rights attached will likely sell in a secondary market for much less than those that have such rights attached. To apply differen-

tial and costly borrower rights provisions to only the Farm Credit System, and not to others will lead to the result that most of us desire to avoid, the destabilizing of the Farm Credit System, exposure of taxpayers to an excessive future liability, and the reduction in the ability of the System to work out of the financial problems while assisting troubled farmers.

By granting a Federal guarantee to commercial lenders they will be receiving a substantial benefit. It is only fair to ask them to accept additional protection to farm borrowers during these difficult times.

Let's make the "planting field" level for borrowers from commercial lenders and Farm Credit System lenders.

Support my amendment on title III.

MOST LIKELY SCENARIO—ADDITIONAL COST OF BORROWER RIGHTS

	Volume (thousands) at March 31, 1987				Number of loans			Average loan size	Basis pts	Cost per borrower
	FLB	PCA	Total	Rights cost	PCA	FLB	Total			
Springfield	814,225	542,679	1,356,904	6,695	11,956	14,236	26,192	51,806	49	256
Baltimore	1,799,140	710,946	2,510,086	14,617	21,479	30,015	51,494	48,745	58	284
Columbia	3,894,369	955,653	4,850,022	70,098	28,884	67,695	96,579	50,218	145	726
Louisville	2,945,469	833,897	3,779,356	108,951	50,994	45,583	96,577	39,133	288	1,128
Jackson	1,827,651	469,180	2,296,831	70,715	7,839	24,148	31,987	71,805	308	2,211
St. Louis	3,684,783	544,766	4,229,549	139,674	23,841	48,130	71,971	58,767	330	1,941
St. Paul	5,506,908	1,840,655	7,347,563	176,669	38,168	70,765	108,933	67,450	240	1,622
Omaha	3,985,631	528,893	4,514,524	145,956	11,554	54,813	66,367	68,024	323	2,199
Wichita	3,691,179	578,427	4,269,606	51,396	8,828	50,433	59,261	72,047	120	867
Texas	2,333,526	920,052	3,253,578	41.023	14,139	34,341	48,480	67,112	126	846
Sacramento	4,105,183	2,045,142	6,150,325	43,069	12,054	20,305	32,359	190,065	70	1,331
Spokane	2,869,451	452,309	3,321,760	63,588	8,579	32,186	40,765	81,486	191	1,560

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, September 24, 1987, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 25

9:00 a.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

9:30 a.m.
Governmental Affairs
Federal Spending, Budget, and Accounting Subcommittee
To resume hearings to examine the results of a General Accounting Office survey regarding the accounting procedures and processing of seized cash and properties by Federal agencies.
SD-342

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
Business meeting, to mark up provisions of H.R. 2783, appropriating funds for fiscal year 1988 for the Department of Housing and Urban Development and related agencies.
SD-192

Environment and Public Works
Business meeting, to resume markup of proposed legislation to provide limited extensions in the Clean Air Act deadlines for areas that violate the health-protective national air quality standards.
SD-406

Finance
To hold hearings on the nomination of John K. Meagher, of Virginia, to be Deputy Under Secretary of the Treasury for Legislative Affairs.
SD-215

Judiciary
To resume hearings on the nomination of Robert H. Bork, of the District of Columbia, to be an Associate Justice of the Supreme Court of the United States.
SR-325

SEPTEMBER 28

9:30 a.m.
Governmental Affairs
To hold oversight hearings to review inventory control and surpluses by Federal agencies.
SD-342

10:00 a.m.
Judiciary
To resume hearings on the nomination of Robert H. Bork, of the District of Columbia, to be an Associate Justice of the Supreme Court of the United States.
SR-325

SEPTEMBER 29

9:00 a.m.
Select on Indian Affairs
To hold hearings on S. 1645, authorizing funds for certain Indian educational programs.
SR-485

9:30 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit Subcommittee
To resume markup of S. 1665, Farm Credit Act of 1987.
SR-332

Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study to review coastal zone management consistency provisions.
SR-253

Governmental Affairs
Oversight of Government Management Subcommittee
To resume oversight hearings on Federal procurement decisions concerning Wedtech Corporation.
SD-342

10:00 a.m.
Judiciary
To continue hearings on the nomination of Robert H. Bork, of the District of Columbia, to be an Associate Justice of the Supreme Court of the United States.
SR-325

Small Business
Business meeting, to mark up S. 437, to permit prepayment of loans made to State and local development countries.
SR-428A

2:00 p.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

2:30 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on H.R. 2121, to authorize and direct the National Park Service to assist the State of Georgia in relocating a highway affecting the Chickamauga and Chattanooga National Military Park in Georgia, H.R. 1983, to authorize the Secretary of the Interior to preserve certain wetlands and historic and prehistoric sites in the St. Johns River Valley, Florida, and S. 858, to establish the title of States in certain abandoned shipwrecks.
SD-366

SEPTEMBER 30

9:30 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit Subcommittee
To continue markup of S. 1665, Farm Credit Act of 1987.
SR-332

Commerce, Science, and Transportation
Aviation Subcommittee
To hold oversight hearings on the safety of military charter flights.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Governmental Affairs
Oversight of Government Management Subcommittee
To continue oversight hearings on Federal procurement decisions concerning Wedtech Corporation.
SD-342

10:00 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to consider proposed legislation to provide to shareholders more effective and fuller disclosure and greater fairness with respect to accumulations of stock and the conduct of tender offers, H.R. 2741, to authorize the minting of commemorative coins to support the training of American athletes participating in the 1988 Olympic Games, and the nomination of William F. Sullivan, of Virginia, to be a Member of the Board of Directors of the National Corporation for Housing Partnerships.
SD-538

Judiciary
To resume hearings on the nomination of Robert H. Bork, of the District of Columbia, to be an Associate Justice of the Supreme Court.
SR-325

2:00 p.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit Subcommittee
To continue markup of S. 1665, Farm Credit Act of 1987.
SR-332

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

OCTOBER 1

9.30 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit Subcommittee
To continue markup of S. 1665, Farm Credit Act of 1987.
SR-332

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

2:00 p.m.
Energy and Natural Resources
To hold closed hearings on the status of the Department of Energy's efforts to address issues concerning the defense materials production reactors located in the United States.
S-407, Capitol

OCTOBER 2

9:00 a.m.
Select on Indian Affairs
Business meeting, to mark up S. 1645, authorizing funds for certain Indian educational programs; to be followed by oversight hearings on implementation of the Indian Self-Determination and Education Assistance Act (P.L. 93-638).
SR-485

9:30 a.m.
Energy and Natural Resources
To hold oversight hearings on the implementation of the Reclamation Reform Act of 1982.
SD-366

OCTOBER 5

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on the effect of current tax laws on American competitiveness.
SD-215

OCTOBER 6

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on pipeline safety.
SR-253

10:00 a.m.
Environment and Public Works
Water Resources, Transportation, and Infrastructure Subcommittee
To resume hearings to review infrastructure issues.
SD-406

2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on H.R. 1044, to establish the National Maritime Museum in San Francisco, California, S. 963, to amend the boundaries of Stones River National Battlefield, Tennessee, S. 761, to provide for the establishment of a Western Historic Trails Center in Iowa, and S. 1165, to authorize the Secretary of the Interior to provide for the development and operation of a visitor and environmental education center in the Pinelands National Reserve in New Jersey.
SD-366

OCTOBER 7

9:00 a.m.
Select on Indian Affairs
To hold oversight hearings on certain provisions of the Omnibus Drug Enforcement, Education, and Control Act (P.L. 99-570).
SR-485

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To resume hearings on S. 1600, to create an independent Federal Aviation Administration.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

OCTOBER 8

9:30 a.m.
Commerce, Science, and Transportation
Foreign Commerce and Tourism Subcommittee
To hold hearings on tourism marketing.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on government handling of Soviet and communist bloc defectors.
SD-342

OCTOBER 9

9:30 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on government handling of Soviet and communist bloc defectors.
SD-342

OCTOBER 13

9:00 a.m.
Select on Indian Affairs
To hold hearings on S. 1236, authorizing funds for certain programs of the Navajo-Hopi Relocation program.
SR-485

OCTOBER 15

9:00 a.m.
Select on Indian Affairs
To resume hearings on S. 721, to provide for and promote the economic development of Indian tribes.
SR-485

10:00 a.m.
Small Business
To hold oversight hearings on the Small Business Administration small business development center program.
SR-428A

OCTOBER 19

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To resume hearings on the effect of current tax laws on American competitiveness.
SD-215

OCTOBER 20

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 816, S. 1026, and S. 1040, bills relating to the construction, acquisition, or operation of rail carriers, and to review the Interstate Commerce Commission consideration of railroad line sales.
SR-253

OCTOBER 21

9:00 a.m.
Select on Indian Affairs
Business meeting, to consider proposed amendments to the Indian Self-Determination and Education Assistance Act (P.L. 93-638), S. 1236, to authorize funds for certain programs of the Navajo-Hopi Relocation Program, and S. 795, San Luis Rey Indian Water Rights Settlement Act; to be followed by hearings on S. 1321, to declare that the United States holds in trust cer-

tain lands for the Camp Verde Yavapai Apache Indian community.

SR-485

9:30 a.m.
Commerce, Science, and Transportation
Foreign Commerce and Tourism Subcommittee
To hold oversight hearings on activities of the Foreign Commercial Service, Department of Commerce.

SR-253

10:00 a.m.
Environment and Public Works
Water Resources, Transportation, and Infrastructure Subcommittee
To resume hearings to review infrastructure issues.

SD-406

OCTOBER 28

9:00 a.m.
Select on Indian Affairs
To hold hearings on S. 1415, to facilitate and implement the settlement of Colorado Ute Indian reserved water rights claims in southwest Colorado.

SR-485

NOVEMBER 4

10:00 a.m.
Environment and Public Works
Water Resources, Transportation, and Infrastructure Subcommittee
To resume hearings to review infrastructure issues.

SD-406

NOVEMBER 5

9:00 a.m.
Select on Indian Affairs
To hold oversight hearings on implementation of the Kamehameha elementary education project as applied on the Navajo Reservation at Rough Rock, Arizona.

SR-485

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold oversight hearings on activities of the Federal Aviation Administration, Department of Transportation.

SR-253

NOVEMBER 10

9:00 a.m.
Select on Indian Affairs
To hold oversight hearings on implementation of the Indian Child Welfare Act (P.L. 95-608).

SR-485

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To resume hearings on S. 1600, to create an independent Federal Aviation Administration.

SR-253

NOVEMBER 12

9:00 a.m.
Select on Indian Affairs
To hold hearings on S. 1039, to review and determine the impact of Indian tribal taxation on Indian reservations and residents.

SR-485

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To resume hearings on S. 1600, to create an independent Federal Aviation Administration.

SR-253

NOVEMBER 19

9:00 a.m.
Select on Indian Affairs
To hold oversight hearings to review Federal agency actions related to the implementation of the Department of the Interior's Garrison Unit Joint Tribal Advisory Committee final report recommendations.

SR-485

CANCELLATIONS

SEPTEMBER 24

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.

SD-366