SENATE—*Friday, August 1, 1986*

(Legislative day of Monday, July 28, 1986)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Let us pray.

Gracious God of peace and love, approaching recess or adjournment seem always to be a time of increased aggravation, provoking battles, partisan and personal. Save us Lord from a disagreeable, divisive spirit. Spare us from victories in which nobody wins and defeats in which everybody loses. Quiet hearts—cool minds—strengthen the corporate will against fragmentation—dissolve frustration. Cause Your peace to descend upon each of us and all of us. Infuse us with the healing power of love and by Your grace, guide the Senate through these tempestuous days to a high hour of unity and achievement. In the name of the Prince of Peace we pray. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able and distinguished majority leader, Senator ROBERT DOLE, of Kansas, is recognized.

Mr. DOLE. Mr. President, I thank the distinguished President pro tempore, the Presiding Officer, Senator THURMOND, of South Carolina.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, we just recessed. So, after the recognition of the two leaders, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

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

(Mr. HECHT assumed the chair.)

SCHEDULE

Mr. DOLE. Mr. President, following morning business, the Senate will resume the debt limit. Pending is the Sasser amendment, No. 2250. Votes can be expected throughout the day's session.

I understand there are a number of amendments, including one from the Senator from New Jersey that Senator SASSER has agreed to be brought up first. It is one that we are going to accept. There may be others in that category. So I hope we could move some of those amendments.

It would seem to me that the list I had contained about 20 amendments and I think a couple of those have been resolved. In visiting with the manager on this side, Senator HEINZ, I understand that maybe as many as 10 of the others can be done very quickly. So I guess what I am leading up to is that we intend to finish this today, with the possible exception of potential amendments on South Africa and so-called Contra aid.

What I would hope to do—what I would like to do, put it that way—would be to advance this debt limit extension to third reading, with the exception that it would be in order to offer amendments on South Africa and Contra aid if we can work out some agreement—we have had a meeting on that—and that we would bring the debt ceiling extension back to the Senate floor at some specific time so that we would not preclude those who have amendments on South Africa or Contra aid. In other words, we would not take them up until the last day we are in and say, "Now we are back on the debt limit."

I would also say this: I know there are a number of ways it can be done. There are a number of amendments on the debt limit extension. I know the Gramm-Rudman amendment is going to be very controversial in the House and I am certain many of the others will never see the light of day if it follows the pattern of past amendments to the debt ceiling. So I would guess the conferees will need as much time as possible to work out all the differences.

Failing that, I assume we could have a temporary debt extension for 30 days until we come back, because we are advised by Treasury that as of September 2—and I have not checked with the Secretary of the Treasury for a week or so—but September 2 was sort of the magic date when Treasury felt it would be unable to meet the Government's obligations without a debt ceiling extension.

In any event, I think we made good progress yesterday afternoon; not quite as much in the evening. But, hopefully, we can continue working on the bill. And Members who would like to complete action early perhaps could keep that in mind when they are making their speeches.

In addition, we hope to lay down the DOD authorization bill later today. I am advised by Senators NUNN and GOLDWATER that they are optimistic about being able to complete action on that bill by next Wednesday evening.

Mr. MELCHER. Mr. President, will the Senate majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. MELCHER. I thank the majority leader for yielding.

There are two points I would like to raise, if he does not mind. First of all, when you speak about bringing out the proposition on Contra aid, does the majority leader contemplate that, when that is presented, it will be presented to us as it passed the House?

Mr. DOLE. I would have to defer to others who have looked at that. It is my understanding that probably is the case. But I am not certain of that.

Mr. MELCHER. Well, I would like to point out that, as the Contra aid bill passed the House, it not only had the issue of whether or not to provide the $100 million for the Contras in Nicaragua, it also carried with it the baggage of transferring $300 million, some of which could have been famine relief funds and Public Law 480 or Food For Peace funds for four other countries, economic aid in Central America. I want to be consulted and notified if that proposal is going to be brought to the floor before any agreement.

Mr. DOLE. I share the Senator's concern. I am advised by the distinguished Senator from Georgia, Senator MATTINGLY, the chairman of that subcommittee, that that problem has been taken care of. I am happy to yield to the Senator from Georgia for clarification.

Mr. MATTINGLY. That is correct. We added a separate title to the military construction bill to really take care of the "Dear Colleague" letter that you sent out. So that will not be a factor when that bill is brought to the floor. There is a copy of it probably in today's RECORD, so I will get it for the Senator.

Mr. MELCHER. I thank the majority leader and I thank my friend from Georgia.

My second point is, and I address it to the majority leader, last night at the conclusion of the debate on the drought relief for Southern States, there were some statements made as to the intent of the language of the

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

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amendment. The junior Senator from Rhode Island, for instance, said that it perhaps went too far and had in the language of the amendment some unknown factors.

In addition, the junior Senator from New Hampshire stated what was not correct as it was interpreted by the sponsors of the amendment, the two Senators from Tennessee. I would like to state this to the majority leader: that, indeed, the intent of the amendment as was described by the Senators from Tennessee certainly meshed and was incorporated in the language of the amendment.

□ 1010

I hope that the majority leader has had a chance to corroborate this because I think we left last night or early this morning with a great deal of confusion as a result of those statements made by the two Senators, the one from Rhode Island, the junior Senator from Rhode Island, and the senior Senator from New Hampshire as to what we were actually voting on.

I tracked the statements of the intent of the authors with the language itself and with the basic law that is in our agricultural sections of the code. Indeed, they were not misrepresenting the language.

Can the majority leader assure me that he also agrees with that?

Mr. DOLE. I am going to have to get off my statement here. But what I have done is to have my staff take a look at the amendment. I have not seen their analysis. Certainly the intent of the Senator from Tennessee and the other cosponsors was to do precisely what they said they were going to do. I do not have any quarrel with that. I did not get involved in the debate. It seems to me we have a problem that should be addressed. But there were questions I raised—and I think legitimate questions—which I hope we can resolve this morning. We want to get on with the amendment, and go on to something else.

Mr. MELCHER. I thank the majority leader for that.

Is the majority leader going to be in a position before we act on the amendment to corroborate that it does indeed track with the basic law?

Mr. DOLE. I hope so. That is what we are trying to do now.

Mr. MELCHER. I thank the majority leader.

Mr. DOLE. Mr. President, I will summarize my statement very quickly.

Mr. BYRD addressed the Chair.

Mr. DOLE. I am happy to yield.

Mr. BYRD. I do not want to interrupt the distinguished majority leader if he is intending to go to a statement with respect to the program. But if he is going into a different subject, I would like a moment.

The distinguished majority leader has made reference to the amendment on South Africa or a freestanding resolution.

Mr. DOLE. That is correct.

Mr. BYRD. The Foreign Relations Committee on yesterday did not get consent to meet during the business session of the Senate. That request was cleared on this side. Under the rule the distinguished majority leader and the minority leader can agree to give that committee and most other committees consent to meet. Therefore, a request of the committee does not require the consent of the Senate, it only requires the mutual consent of the two leaders.

In order to expedite action by the Foreign Relations Committee on that matter—the South Africa matter—I am prepared to join with the majority leader in giving consent to that committee to meet. I hope the Senate committee would not meet for just a couple of hours today and break up without acting on this important legislation.

So I ask the distinguished majority leader, Is he prepared to join with me in giving consent to that committee to meet today?

Mr. DOLE. I would say my understanding is that this has only been done very infrequently. The last time was in 1977. We do not just casually override the wishes of our colleagues—on either side. I think it can be resolved without giving consent. I discussed the matter with the Senator who, I believe, raised an objection, and who also had an objection on that side of the aisle to the Agriculture Committee meeting.

I think we can work this out, if he will not object to the Foreign Relations Committee. I would add the committee started their session this morning at 8 o'clock.

I visited briefly with the chairman about 1 a.m. He thought they could complete action by noon. But, if not, and if everything else fails, I believe I would be prepared to give consent for the committee to continue meeting. I want to check one more time.

I would like to avoid doing that if at all possible. The minority leader wants the Foreign Relations Committee to complete its work, and I understand the Senate Agriculture Committee would like to complete its work on what we know as FIFRA, the Federal Insecticide, Fungicide, and Rodenticide Act.

Mr. BYRD. Mr. President, would the distinguished majority leader yield further?

Mr. DOLE. Mr. President, I yield to the distinguished Senator 2 minutes from my time because I think he is entitled to some additional time.

Mr. BYRD. But I think this ought to be made clear, if the distingushed majority leader will yield on his time 2 minutes from my time given. The majority leader refers to this as a casual overriding of our colleagues' feelings or whatever it may be. Mr. President, this is the Senate rule that I am talking about. This is allowed. While we may not have done it often, and we have not, and I do not think that we should do it often, I do not want to be put in the position of giving consent that a committee meet if there are a lot of objections to us doing so.

But I had something to do with writing this into the rule. It is a rule. And the majority leader and the minority leader can mutually give consent to that committee and most other committees.

If the distinguished majority leader as a quid pro quo wishes to give the Agriculture Committee consent to meet today, I am willing to do that. I am willing to join with the distinguished majority leader in getting that to be in order to get this South Africa legislation out of the Foreign Relations Committee.

So I want to make it clear that as far as this side is concerned I am ready to give consent to the Foreign Relations Committee. It does not have to have the unanimous consent of the Senate if the distinguished majority leader will join with me.

I thank the majority leader.

Mr. DOLE. I thank the minority leader.

LOWER INTEREST RATES

Mr. DOLE. Last week Paul Volcker, Chairman of the Federal Reserve, testified to the Senate Banking Committee on the state of the economy, and the course of monetary policy. Earlier this week the Fed Chairman made a similar appearance before our colleagues in the House.

Much of what Chairman Volcker had to say is very welcome to this Senator; some points I would differ with, or give a different emphasis. Today, it may be appropriate to highlight the differences, although it should be clear that, as is usually the case, by and large, I am strongly in agreement with Paul Volcker. I also want to note that on Tuesday my good friend and distinguished colleague, PETE DOMENICI, spoke eloquently and forcefully about the need for a lower interest rate environment for the world economy. I agree, and that is the theme I want to stress this morning.

THE QUESTION OF STRATEGY

Chairman Volcker in his testimony said some very sensible things about the relationship between economic growth here in the United States, interest rates, and the trade deficit. Clearly Mr. Volcker agrees with me that lower interest rates are desirable. At the same time, he left no doubt that he is reluctant to take the lead toward lower interest rates at this time. The Chairman would rather

wait, see how things go, and move only when he is convinced there is no risk of excessive dollar depreciation that could lead to inflation.

Well, life is full of risks. If we agree that lower interest rates are good all around for the world economy, we should also be able to agree that someone needs to take the lead on this issue. Where Government action is involved, good things seldom happen on their own. The Fed demonstrated economic and political leadership a few weeks ago in lowering the discount rate by half a point. I hope and trust that Chairman Volcker has no intention of laying aside that leadership role.

In my view, there are sound strategic reasons for exercising leadership on the question of interest rates. Lower interest rates can help boost the volume of world trade, and dampen the fires of protectionism: The very concerns Chairman Volcker cites in cautioning against demand stimulus in the United States. They do so by reducing debt costs for Third World countries that are markets for U.S. exports; by moderating the dollar and making our exports more competitive; and by putting the pressure on our trading partners to take advantage of the great potential for stable growth in their economies—a potential that will slip away from all of us unless we act in a responsible and reasonably coordinated way.

APPROPRIATE CAUTIONS

I do urge that we exercise economic leadership, but I would never suggest we do so blindly. If we want lower interest rates, there are things we must do to make lower rates work, and to make them sustainable without inflation. On the top of the list, in my view, are reducing the U.S. budget deficit, and resisting any measures that would close off world markets as we seek to promote U.S. exports more effectively overseas. As Chairman Volcker told our Banking Committee:

> Taken by itself, depreciation of our currency in an effort to reduce the trade deficit poses a risk of renewed inflation.

That is not a risk I want to take: As the dollar moderates, so should the level of debt in the United States, and the pace of creation of that debt.

□ 1020

Fortunately, we are making some progress—and I would say only some progress—on that front. While our budget deficit has not been reduced nearly as much as I would like, it is coming down—by public demand, and under pressure from the Gramm-Rudman-Hollings limits. At the same time, we have so far resisted pressure to slide down the protectionist slope. We will bargain hard to open markets, but we are not going to slam any doors shut. If we can hold the line, or even make progress, on each of these fronts, then a low interest rate world offers great promise indeed. What we need is a determined effort to lead our friends and competitors in the world economy to the same conclusion.

FULFILLING THE PROMISE

The Reagan administration took office pledging to end the era of "stagflation," high taxes, and big Government. Much of that promise has been realized, a tribute to the exceptional leadership of a great President. But in the international economic arena—the arena we are in, and where we must stay—many risks still lie ahead.

Back in 1983, I had the privilege of addressing the United Nations Association of the United States. Some of the remarks I made at that time seem more relevant than ever today. If I may be permitted to quote:

> Foreign exchange markets are unruly because governments are unruly. In the real and imperfect world, there is no agreement on coordination of fundamental economic goals and how to reach them. Exchange rates simply reflect those basic differences.

I went on to suggest that:

> The time has also come for us to begin laying the groundwork for better ordering international economic relations. Not through massive government intervention of restrictions on market behavior—but through communication, consultation, and a real effort to build a consensus on shared economic goals * * * the alternatives, various forms of the economic straitjacket, are policies of the past.

That consensus I urged in 1983 still eludes us. We can advance the cause of that "better ordering" of economic relations among the nations of the world by leading the way to a lower interest rate environment—by reducing our own borrowing needs as a nation—and by encouraging, by example and by strong advocacy, the kinds of productivity enhancing tax and regulatory reform that are under way in the United States. We just cannot afford to sit this one out.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The minority leader is recognized.

Mr. BYRD. Mr. President, before the distinguished majority leader leaves the floor, I ask unanimous consent that my remaining 8 minutes be reserved for a later time, and I ask unanimous consent that the time of the majority leader under the standing order may be extended by 3 minutes.

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

PAC LEGISLATION

Mr. BYRD. Mr. President, I take this time because I see the distinguished Senator from Oklahoma [Mr. BOREN] on the floor. The distinguished majority leader, on yesterday, stated again his intention to bring up the Boren PAC legislation. That is the campaign financing reform legislation. I am a cosponsor of that legislation and I am very interested in seeing it brought up.

The distinguished majority leader has indicated that he intends to bring that legislation up on the 11th of August and complete it on the 12th.

Mr. BOREN had a meeting on yesterday of several supporters of the legislation. He is now here on the floor and I understand he wants to be certain that he should continue to make plans with the cosponsors thereof. I would like to join him in that plan for action on that legislation on the 11th of August.

May I ask the distinguished majority leader if that is a reasonable expectation and is that still the intention of the majority leader?

Mr. DOLE. Mr. President, I would say that it is still my intention, but I would also say that it depends on what happens to the debt limit ceiling, South Africa, aid to the freedom fighters, and a lot of other things that are piling up. I certainly intend to keep my word to the distinguished Senator from Oklahoma. It may mean staying here all day today and all day tomorrow to do it, but I am prepared to do it. It seems to me if we made that commitment, we ought to do it before the recess.

Mr. BOREN. Mr. President, I say to the distinguished majority leader, I appreciate the statement that has just been made. We did have a meeting of the cosponsors, since the distinguished majority leader had indicated to me that we would probably commence the debate and get a good portion of the debate out of the way actually on Monday, since plans were being made that it would be his intention to start on the 11th. We would plan to have our cosponsors here early enough in the day to commence the debate early in the day. I appreciate hearing that that is his intention.

Mr. DOLE. Let me just say to the Senator from Oklahoma, if we get something else jammed up in there that we cannot dispose of, it would pose some problems for the majority leader. I think we have to all understand if we are going to do all these things, and I certainly made this commitment and I will keep it, it is not going to be any bed of roses around this place the next couple of weeks. I would hope my colleagues would understand that all bets are off as far as no votes on Monday, votes after 6 o'clock on Monday, anytime in the next 2 weeks. Because we do want to do what the distinguished Senator from Oklahoma desires to do, as well as a number of other things: reconciliation, the Superfund conference, freedom fighter aid, South Africa, and finish the debt ceiling. And I know I have left out at least one or two items.

Mr. BOREN. Mr. President, I appreciate those comments. I know there are problems for the majority leader and the minority leader in arranging schedules, trying to move the Senate along.

I would point out that when we released the subject matter in S. 655, we did so with the knowledge that we would have a chance this year, early enough in the year, to have access so that we could complete action on campaign reform and the House could still act. I appreciate the majority leader's commitment to bring this up before the August 15 recess.

I will say that we will be ready to start on Monday. The cosponsors will be here and prepared to begin the debate.

I would like to request of the majority leader and the minority leader that they might give some consideration to working out some sort of a time agreement, or perhaps begin negotiations on that subject.

Under the parliamentary situation that we have, when S. 655 becomes the pending business, all time previously allocated to the subject of the debate has expired. Under the unanimous-consent request under which we were operating, previously entered into, there would not be time for debate.

I think it would certainly be the feeling of those on both sides of the issue that a certain minimum amount of time might be set aside, whether that be 5 hours or 10 hours equally divided, for debate on the amendment before we go to a vote, not going to a vote immediately without time for debate.

I would express the hope to my colleagues, the distinguished majority leader and the distinguished minority leader, that perhaps before we approach the 11th and begin debate on that day, or calling up the bill on that day, that the two of them would explore the possibility of at least allowing some time for debate on both sides before we go to a vote on that amendment. I would hope that could happen.

Mr. BYRD. Mr. President, I will do everything I can to assist the distinguished Senator from Oklahoma and the majority leader in attempting to work out something in this regard. This is important legislation. It would put limitations on the amounts of PAC contributions that a candidate could receive. It is long overdue. I very strongly support the legislation. I hope that everything can be done. I will do everything I can in regard to this matter.

Mr. BOREN. I thank the minority leader.

Mr. MATTINGLY. Mr. President, would the minority leader be willing to extend the morning hour when he has completed, to ask unanimous consent for an additional 5 or 7 minutes so I can make a statement?

Mr. BYRD. Yes, I would be happy to—morning business, not morning hour.

Mr. President, I ask unanimous consent that the period for the transaction of routine morning business—why not let the acting Republican leader make the request?

EXTENSION OF TIME FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. HEINZ. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended to no later than 10:40 a.m.

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

Mr. BYRD. Mr. President, may I ask if that is all right with the distinguished senior Senator from Wisconsin?

Mr. HEINZ. Mr. President, I ask unanimous consent that morning business be extended to 10:45 a.m.

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

Mr. KASTEN. Mr. President, I shall not object, but a parliamentary inquiry: We are not in morning business now, are we? Are we not on leaders' time?

The PRESIDING OFFICER. We are conducting leadership time.

Mr. KASTEN. Mr. President, I do not know how much time has been formally allocated, but I would like some time during morning business for a speech of between 3 and 5 minutes. If the senior Senator from Wisconsin and the Senator from Georgia are the only two Senators speaking, then there would be enough time.

Mr. PROXMIRE. With the two Senators from Wisconsin and the Senator from Georgia, there are three of us.

Mr. HEINZ. Mr. President, the Senator from Pennsylvania advises that he does not anticipate there will be any difficulty with Senators who wish to speak as in morning business being able to do so.

RESERVATION OF MINORITY LEADER'S TIME

Mr. BYRD. Mr. President, in order to accommodate the convenience and the needs of my colleagues who were being kept waiting here by this rather extended colloquy during the majority leader's time—but I think the colloquy was necessary; I have no problem with that—I ask unanimous consent that I may reserve the time under my order. I ask unanimous consent to have the 2-minutes restored, that I have the full 10 minutes, that I have reserved that time for use later in the day for my special order.

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

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, during which time Senators may speak for up to 5 minutes each.

WHY NOT AGREE TO CUT NUKE WEAPONS TESTS AND NUKE WEAPONS TOGETHER?

Mr. PROXMIRE. Mr. President, those of us who favor arms control have to grasp at straws and I would like to take a couple of minutes this morning to illustrate one straw we have to grasp at with the administration.

Mr. President, recently, the Reagan administration briefly floated a proposal to tie a superpower agreement to reduce nuclear weapons in with an agreement to reduce the number of nuclear weapons test explosions. This suggestion was reported to be included in a draft of a letter that might be sent by President Reagan to Secretary Gorbachev. The administration has apparently made no decision on whether the President will actually make such a proposal.

It appears that there is a division on this issue within the administration. On the same day, July 17, that this possible new arms control proposal was reported in the New York Times, Soviet Foreign Minister Eduard Shevardnadze said in London that a Reagan-Gorbachev summit meeting later this year would focus on negotiation of a total test ban treaty. American officials have denied this. They have insisted that the summit meeting will be concerned with verification of compliance with the present treaty limitations such as the 150-kiloton limit on underground tests.

Now, how about this proposed gradual movement toward some kind of new nuclear arms control agreement? Would a dual reduction of both the number of nuclear weapons on both sides and the number of underground tests, combined with more thorough verification procedures, represent a significant advance in arms control? The answer is easy. With the sad shape superpower arms control agreements are in these days, anything is better than nothing. Right now there is no significant and effective nuclear arms control agreement between the two superpowers. None: the nuclear arms race is only limited on both sides by budget limitations and a growing recognition that a superpower nuclear war would be so totally catastrophic for both sides that it won't be fought. It follows that if a nuclear war will never be fought, any additional increment of nuclear weapons is totally useless. And yet both superpowers are

plowing ahead, building up their nuclear arsenals.

If both sides really understand that a nuclear war can never be fought and that nuclear weapons for that reason are useless, why do we need an arms control agreement? The answer: the arms race could sweep both powers headlong toward an increasingly dangerous instability. Both superpowers solemnly promised in the Limited Test Ban Treaty of 1963 that was ratified by this body that they would both work to negotiate a comprehensive end to nuclear weapons tests. Such a treaty vigorously enforced, could stop the technological arms race because testing is quintessential to the development of new nuclear weapons. The Soviet Union has unilaterally stopped its testing for nearly a year. Secretary Gorbachev has declared this cessation of testing is a challenge to the United States to negotiate a mutual end to nuclear weapons testing. There has been no American response.

The Reagan administration has until now flatly refused to consider negotiating an end to U.S. nuclear weapons tests. Now we have the first gleam of light. The administration has not relented on their opposition to ending all nuclear weapons testing. They may, however, propose to negotiate a mutual partial reduction in the number of nuclear weapons tests conducted by both sides tied in with a mutual weapons reduction.

One suggestion has been that both sides reduce their nuclear arsenal and the number of tests by 30 percent. Would such an agreement represent a significant arms control advance? By itself—in this Senator's judgment—it would not. But as a process in moving toward an eventual end of both nuclear weapon production and nuclear weapons tests it has promise. It has special promise because it comes in the administration of this President. President Reagan—for all his virtues and merits—is, of all the Presidents who have served this country in the nuclear age, the most negative on arms control. If this President can agree to start the process of reducing both our nuclear weapons arsenal and the number of nuclear weapons tests that this country annually conducts, future Presidents should find it far easier to move to entirely stop the production and the testing that is essential to the development of newer, more devastating and dangerous nuclear weapons.

So far, this administration has made no progress on arms control. It has gutted every significant arms control agreement made by previous administrations. Now there seems to be at least an outside chance that arms control may be redeemed after all. That conclusion may be too optimistic based on the record of the past 5 years. But as I have said—it's sure better than nothing.

□ 1040

THE MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, the myth of the day is that the economy is going to boom in 1987 and grow by 4.5 percent after adjusting for inflation. Administration officials are leaking that forecast before its official release in early August.

Anyone who believes that forecast will prove that P.T. Barnum was right: A sucker really is born every minute.

Look at the record. Since 1984, the economy has been sluggish, growing at a rate of about 2.5 percent a year. Administration optimists remain undaunted by this record. Every 6 months they peer into their crystal balls and predict a boom—6 months later. Dr. Doom has been replaced by Dr. Boom.

Yet another optimistic forecast would not be worthy of comment except for two factors: one economic and the other political. The economy's weak performance recently has been keenly disappointing. This was to be the year when falling oil prices and interest rates were finally going to pull the economy out of the doldrums. That has not happened and time is running out on this expansion. Most economists, including many who were confidently predicting a boom, have now recognized that the economy is badly out of balance and are adjusting their forecasts downward. But not the administration.

What about the politics of this situation? An optimistic economic forecast means that the administration can predict higher Government revenues. This, in turn, means that the administration and Congress will not have to cut spending as much to reach in theory the deficit targets established by Gramm-Rudman. This forecast of 4.5 percent real growth means that the administration can protect from cuts perhaps $4 to $5 billion in military spending. And congressional Republicans up for reelection will not have to defend cutting an equal sum from popular domestic programs. All happily begin their campaigns comforted by the fact that the public has been flimflammed again.

But these political benefits, so apparent in 1986, could backfire by 1988. If we do not meet the $144 billion deficit target in 1987, then we will have to cut even more to reach the $108 billion target in 1988. Sooner or later, the facts will overpower all the flimflams. The public will realize that deficits are not going down. The finger of blame will be pointing at the administration, which having heralded the passage of Gramm-Rudman, is now conspiring to pull its teeth.

Mr. President, when the public realizes that big deficits are a fact, and that the administration is winking at them, the Democrats will be able to shake the label as the party of big deficits. I can think of no better gift going into the election year of 1988.

I yield the floor.

TAX REFORM STAGGER—RECIPE FOR RECESSION

Mr. KASTEN. Mr. President, economic statistics released over the past few days are sending an important signal.

Real GNP rose only 1.1 percent in the second quarter of 1986.

The U.S. trade deficit increased by a huge 21 percent in the first 6 months of this year. And business capital spending fell at a 9-percent rate during the first two quarters of 1986.

The clear message—our current economic recovery is a fragile one. And clearly, we here in Congress should be working overtime to boost the economy, not undercut it.

Instead, we are perilously close to passing a tax reform bill that, while a boon for our economy in the long run, could be the force that pushes our economy into a recession in 1987.

The villain—one simple provision that insiders call the "6-month stagger."

The 6-month stagger in the tax reform bill would close tax loopholes effective January 1, 1987. Yet the offsetting tax rate reductions would not go into effect until July.

That means American taxpayers will experience a $23 billion tax increase next year. And what will that mean to our already sluggish economy?

Experience has shown how powerful the impact of anticipated tax policy changes can be. A recent survey by the chamber of commerce found that 42 percent of its business members have delayed or canceled investment plans because of the uncertainty surrounding the effective date of tax reform. It is no wonder that economic growth is down.

Back in 1981 Congress underestimated the importance of effective dates and decided to gradually phase-in the Reagan tax rate reductions. Taxpayers delayed investment decisions and deferred any income they could, waiting for tax rates to go down. The economy crept to a halt, fell into recession, and the paper savings that were to be realized from the phase-in transformed into triple-digit deficits.

Now we are about to make the same mistake again.

And the reason, once again, is revenue estimates. Congress still worships at the altar of static revenue estimates. This year, we are so devout we seem willing to offer up the health of our economy in sacrifice.

If you eliminate the stagger, it is argued, it will cost $29 billion. How would you pay for it?

Yet, according to a study run on the Washington University econometric model, eliminating the stagger would increase real economic activity by $31.7 billion over the next 3 years, create 900,000 additional jobs, and have no noticeable effect on inflation or interest rates.

Delaying the effective date, on the other hand, would slow the economy, reduce the tax base, decrease tax revenues, and increase outlays for social programs. Delay the effective date and the deficit will rise.

I believe that the revenue loss that might result from eliminating the stagger would be offset by the higher revenues that would follow from increased economic growth over the next 5 years.

In the real world, people adjust their behavior in response to incentives, not to the Joint Committee on Taxation's static revenue estimates.

Better to risk a short-term revenue shortfall coupled with robust economic growth than to suffer the consequences of imposing a major tax increase on what is now a very fragile economy.

Maintaining the 6-month stagger is a prescription for economic disaster. We must act to prevent an economic downturn and to provide jobs and growth in our economy.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1050

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

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

THE DISTRIBUTION OF THE BENEFITS OF TAX REFORM

Mr. MITCHELL. Mr. President, for 2 weeks, a conference committee of House and Senate Members has been meeting on the tax reform bill. The conference includes hundreds of matters of importance to individuals and businesses across the Nation.

But the central issue at stake is the appropriate distribution of tax burdens under the new system. I continue to think the conferees should give the highest priority to that matter.

The Senate bill should be changed to provide a fairer distribution of the benefits of tax reform to preserve the progressivity of the Federal tax system. Not only should middle-income taxpayers get more tax relief from this reform, but the wealthiest taxpayers should pay a fair share of the tax burden. I believe that will require a third tax bracket at a higher rate than the 27-percent level in the Senate bill.

When the conferees consider how to distribute the benefits of tax reform between income groups, they will be comparing the distribution of the tax burden under current law to the distribution under tax reform. That is an appropriate comparison, but it is an incomplete base from which to analyze the reform measure.

It is incomplete because it accepts the erosion of progressivity which has occurred in the Federal tax system over the last several years. The overall trend away from taxation based on ability to pay dates from about 1965. But the 1981 tax bill, which sharply cut rates for the rich while creating a host of new tax shelters opportunities, dramatically accelerated the shift of the tax burden to lower and middle-income taxpayers and away from wealthy taxpayers.

The nonpartisan Congressional Research Service has found that the 1981 tax bill increased the after-tax income of wealthy individuals five to six times more than it increased the after-tax incomes of middle-income taxpayers.

And since 1982, in response to the budget deficits caused by the 1981 tax and spending bills, the administration and Congress have relied to a greater extent on other taxes which are not related to the ability to pay, such as excise taxes and user fees. Combined with payroll tax increases and the rapid growth of tax shelters, this has caused a further shifting of the tax burden down the income scale.

This process has undermined public confidence in the Federal income tax system. People believe the system is unfair. And they are right.

Tax reform is an effort to correct a system where tax rates are too high and tax avoidance too common. That is the major source of public support for tax reform. And, in a budgetary climate where the Federal Government borrows a quarter for every dollar it spends, it is the only legitimate basis for the bill.

We should not, therefore, ratify the distortions of this system by perpetuating them in the reform bill. But if we give all the revenue we recapture by limiting tax shelter abuses back to the highest income group in the country, that is exactly what we will be doing.

Both the Senate and House tax bills give the $200,000-plus income group the largest increase in after-tax income. Yet, the argument persists that a tax reform bill with a top rate of 27 percent will not give disproportionate benefits to the wealthy because the average tax cut that would go to the highest income group is not greater than the average tax cut to other income groups.

While that is true, the averages do not accurately reveal the enormity of the tax cut that most of the rich will receive from a top rate of 27 percent. Indeed, the House bill gives the above $200,000 income group a larger average tax cut than is provided in the Senate bill. Nevertheless, the implications of the Senate bill are far more disturbing because the tax cuts for most high income taxpayers are much greater than in the House bill. The Senate bill does a far more effective job in limiting tax shelters and thus increasing the tax liabilities of those taxpayers who have most aggressively avoided taxes. That their taxes should go up is a logical and expected result of tax reform but it does not necessarily follow that the tax reduction for all other income taxpayers who have not avoided taxes in the past should consequently be greater.

Yet, that is the result of the essentially flat rate tax structure in the Senate bill. All of the additional revenue raised from the more stringent tax shelter limitations would be returned to the same income group that has made the most use of tax shelters over the last few years. As a result, more than half of the top income group—about 359,0900 taxpayers—will receive an average tax cut of $53,000 in 1988. That's $19 billion shared by 359,000 taxpayers.

The tax incentives that will be eliminated by tax reform were not designed to provide tax reduction to the wealthy. Instead, the resulting tax avoidance by high-income earners was an unintended side effect of congressional decisions to encourage investment in certain socially desirable areas. It follows, therefore, that the repeal of these provisions should not inure soley to the benefit of the high-income earners, but should be shared by all taxpayers.

Recent studies by the Congressional Joint Economic Committee on the changing economic status of American families are particularly relevant to this debate. Those studies show that American society is becoming increasing stratified by a growing concentration of wealth and income.

Last November the Joint Economic Committee released a study on "family income in America" which reveals the steady deterioration of real income—income adjusted for inflation—that middle-income families have experienced since 1973.

Despite an enormous increase in work effort by the entry of millions of married women and mothers to the full-time labor force, median household income has fallen in real terms by 6 percent. The income families with children has fallen almost twice as much.

Average weekly earnings have declined by a full 14.3 percent since 1973. Most Americans are working more and

earning less for their work today than they did 10 or 15 years ago.

The share of national income received by the middle 60 percent of Americans is at the lowest level since such statistics were first compiled in 1947. The poorest 20 percent of Americans have also seen a decline in their income to the lowest level since 1947. Meanwhile, the richest 20 percent claim a growing portion of national income.

The Joint Economic Committee released an even more startling study last week on "the concentration of wealth in the United States." That study shows that the richest Americans are claiming a larger share of the Nation's wealth than at any time since 1922. This trend toward greater concentration of wealth has been particularly dramatic over the last 10 years. Today, the richest one-half of 1 percent of all American families—about 420,000 families—now hold an incredible 35 percent of the Nation's wealth, up from 25 percent just 20 years ago. The richest 10 percent of the population hold 72 percent of the Nation's wealth. Meanwhile, the remaining 90 percent hold only 28 percent of the Nation's wealth.

This greater disparity in wealth and income has been reinforced by recent changes which have reduced progressivity in the tax system. The economic forces which cause growing inequality in incomes are magnified by taxes which shift the tax burden down the income scale.

Following enactment of tax reform, the trend away from tax progressivity will continue. After 18 months of often contentious debate, Congress is not likely to reopen income tax issues in the near future.

But of course our budget deficit will force us to consider an increase in Federal revenues. The Gramm-Rudman deficit targets demand it. The President's budget recommended it. The only debate is over which taxes and who pays.

In fact, one reason for the haste in completing work on the income tax reform bill is to prevent it being used as a revenue raising vehicle.

Some tax policymakers have already suggested that the taxes needed to comply with the Gramm-Rudman deficit target for fiscal year 1987 could be obtained from more excise tax increases.

We have already started down that road. In its budget reconciliation measure, the Senate Finance Committee voted last week for another $8.5 billion in tax increases over the next 3 years, all of it to come from payroll and excise taxes.

That regressive excise taxes are being increased even while progressive income taxes are being reduced by over $100 billion is not a surprise. It continues the public policies of the last few years which have been marked by an indifference to the needs of the less fortunate in our society.

But the American system is based on the expectation of improvement for the majority, not the concentration of wealth in a few hands. Americans will not long tolerate such dramatically increased inequality in incomes.

It is on this point that decisions by the tax conferees become most relevant. No one suggests that tax reform should be used as a means of redistributing income by increasing the tax burden on the rich. But neither should tax reform be a further shift of the tax burden to the middle class.

The final tax reform bill must recognize the shift in relative tax burdens that occurred over the last several years and the diminished role of the individual income tax in the immediate future.

In recent weeks, a consensus has emerged that tax reform must give greater relief to the middle class than is provided in the Senate bill. Yet this desirable outcome is coupled with the claim that the so-called maximum Senate rate of 27 percent in the Senate bill is essential.

Last month, the President traveled to Alabama to proclaim that a rate higher than 27 percent is not acceptable to him. That is interesting because for 12 months he had been promoting a top rate of 35 percent. Certainly few, if any, in the Dothan, AL crowd he was addressing had such high incomes that they would be affected if the tax conferees agree on a rate higher than 27 percent.

Many Members of Congress have also drawn the line at a 27-percent rate. But their concern is directed to a very small number of taxpayers. Fewer than one-half of 1 percent of all taxpayers have incomes in excess of $200,000. That is the income group that has most at stake in the 27-percent maximum rate. The great majority of taxpayers with incomes over $75,000 already face a higher rate than 27 percent because of the phaseouts of the lower marginal tax rate and the personal exemption.

It is only when joint adjusted gross income exceeds $185,320 that the 27-percent rate applies again. This is the income group that reaps huge windfalls from the Senate version of tax reform.

For several weeks now we have heard a chorus of cheers inside the beltway for the virtues of the Senate bill with its 27 percent tax rate.

But we have not heard the same chorus from the American people.

Americans don't like the current system because it is unfair. It lets too many high-income individuals avoid paying a fair share of taxes. So why should American applaud a reform that will give 359,000 of the highest income people in the country a tax cut averaging $53,000?

Why should Americans applaud a tax bill that will put single taxpayers earning less then $18,000 a year in exactly the same tax bracket as multimillionaries?

There is no evidence of public support for this kind of change in the tax system. Indeed, the evidence is to the contrary.

A recent Roper poll showed an overwhelming majority of Americans—77 percent—believe high-income families pay too little in Federal income taxes. Only 1 in 5 supported a cut in the maximum tax rate from 50 to 35 percent; two-thirds felt it was a bad idea.

So it is not surprising that the applause for the "top" 27 percent rate resounds inside the beltway. There is no public support for it out in the country.

This and other recent polls show continued public support for the principles of progressive taxation—the principle of taxes based on the ability to pay. In fact, the Roper poll indicates public support for a more progressive system, not a less progressive system, to achieve greater tax fairness.

We have come a long way and overcome many obstacles in our effort to restore public confidence in the Federal income tax system. But we will not have properly discharged our responsibility—nor will we have earned the people's confidence—if the final bill enacted into law has the rate structure in the Senate bill.

The conferees must be made aware of this. They should construct a tax reform bill that will enjoy broad public support by preserving the principle of progressivity. Ability to pay should continue to be a factor in assessing tax liability.

EULOGY FOR AVERELL HARRIMAN

Mr. DODD. Mr. President, "life is action and passion," Oliver Wendell Homes, Jr., once wrote, so "it is required of a man that he should share the action and passion of his time at the peril of being judged not to have lived at all." In a remarkable lifetime that encompassed nearly half that of the nation he served so well, Averell Harriman lived with a passion that never faded and in a rush of activity that rarely flagged.

While still a boy he travelled on fabled trips of exploration to the American West, Alaska and Siberia. In his 10th decade he journeyed to Moscow to nurture the chances for lasting peace between the superpowers and blunt the threat of nuclear annihilation. All the years between were crowded with excitements and accomplishments and adventures too numerous to catalog. The irony is that 94

years seem too brief a span to do what he did.

His breadth of interest, talent, and achievement equalled his length of years. He was banker, entrepreneur, publisher, author, diplomat, administrator, politician, philanthropist, art collector, and negotiator par excellence.

He was Ambassador to the Soviet Union, field director of the Marshall plan, Secretary of Commerce, and Governor of New York. He was friend, adviser, and faithful servant to a half dozen Presidents. His diplomatic service ran the gamut from helping forge World War II's "Big Three" alliance to negotiating responsibilities for Presidents Kennedy and Johnson on Southeast Asia. If his accomplishments in World War II alone had been rewarded with hash marks, Theodore White once remarked, "they would have run up his sleeve from wrist to shoulder."

Of course the thing that stands out most was his pivotal contribution to Soviet-American relations. He knew the Soviet leaders from Trotsky through Andropov, dealt with them more often and more intimately, interpreted their motivations and behavior more acutely, and represented to them the interests and goals of the American people and their Presidents more faithfully than anyone else in history.

He went as Franklin Roosevelt's personal emissary to Stalin when Hitler's armies were on the verge of knocking Russia out of the war and held out the hand of American friendship, support and alliance.

When wartime cooperation froze into a cold war, he represented President Truman's and the American people's firm resolve not to permit a Soviet tyrrany to sweep across Europe.

He was President Kennedy's choice to symbolize America's commitment to restraining the inexorable spread of nuclear weapons. The Limited Test Ban Treaty he negotiated, which remains in effect more than two decades later, still stands as the single most striking success in the course of nuclear diplomacy.

As a result of all this experience, his memory was a national archive of history and anecdote. Much of what we know of Stalin's cold calculations and sadistic humor, for example, comes from Harriman's numerous meetings with him. One story he enjoyed repeating may serve as illustration.

At the Potsdam conference in 1945, where the allies met to chart the course of the postwar world, he approached the Soviet dictator to congratulate him on the defeat of Hitler. He must take great satisfaction, Harriman suggested, to be here on the outskirts of Berlin, after all the Russians had suffered, in total victory. "Czar Alexander," Stalin replied, "got to Paris."

Earlier this week, I paid my respects at his funeral in New York City. Among those there to celebrate his life and mourn his passing, I believe there was a sense of loss beyond that customarily felt at the death of a great man.

Perhaps it was because Averell Harriman was a human link, the last truly significant one probably, with chapters in our national history which continue to hold strong emotional and intellectual sway over us, even as they recede in time.

He played such a prominent role in times when American Power was preeminent and American morality unquestioned and there seemed no gap between them. His death not only deprives us of a noble spirit but makes us more aware of the ambiguities and uncertainties of America's role in today's world.

HELSINKI HUMAN RIGHTS DAY

Mr. DOLE. Mr. President, today is the 11th anniversary of the signing of the final Act of the conference on security and cooperation in Europe—better known as the Helsinki accords.

Unfortunately, the promise of the accords—for assuring human rights for all men and women, have not been realized. And in fact, in many ways, there has been a sad regression.

The Soviet Union, and other Eastern bloc countries continue to refuse to open up their societies and allow the most basic of freedoms—freedom of speech, religion, the freedom to choose where to live.

Every once in a while these governments throw their people a bone and the rest of the world hopes for more. They let a separated couple reunite, or allow a hero like Anatoly Shcharansky to emigrate. But for the millions left behind, or in prison, or afraid to speak out, these countries have failed miserably. They have failed to abide by the documents they signed 11 years ago.

So, it is the responsibility of those of us who cherish and ferociously protect basic rights, basic freedoms, to continue to decry the absence of these rights whenever and wherever we see it. This anniversary should be a time of rededication—a time to pledge never to relent in our commitment to make the Helsinki accords a reality.

RETIREMENT OF DR. FREEMAN H. CARY

Mr. BENTSEN. Mr. President, Dr. Freeman H. Cary will soon retire after 14 years of dedicated service as Attending Physician to the U.S. Congress.

Throughout his long and distinguished career, Dr. Cary has discharged his professional responsibilities with a dedication that has earned the admiration of a great many of us who are privileged to count him as a friend. Whether engaging in a casual conversation or supervising the emergency treatment of one of the more than 80,000 patients seen by the Congressional clinic each year, Dr. Cary was unfailingly professional, kind, and generous of his time and knowledge.

Dr. Cary has left an indelible mark of service to the Congress. He developed a CPR course through which hundreds of Capitol Hill employees have been trained to administer this life-saving technique. He has worked closely with our Food Service Department to educate members and staff on proper nutrition, and he served as unofficial adviser to the Senate Staff Club on wellness campaigns designed to improve the overall physical condition of congressional employees.

Freeman Cary has devoted thousands of hours to community and national service through his affiliation with the American Heart Association, and in recognition of his contributions to the prevention and treatment of heart disease, he won the Silver and Bronze medallions from the Georgia and Florida Heart Associations. Dr. Cary is also a fellow of the American College of Physicians, the American College of Chest Physicians, and the American Heart Association Council of Clinical Cardiology.

Before his service in Washington, he was director of the Cardiac and Stroke Rehabilitation Clinics at Emory University and Grady Hospital in Atlanta, and subsequently served as clinical professor at the University of Southern Florida and Florida Tech.

In addition to his many professional and community activities, Freeman Cary found time to remain an active member of the U.S. Naval Reserve, and rose to the rank of rear admiral.

For those of us who know him, it comes as no surprise that this quiet, unassuming and dedicated individual should have given so much to those around him for so long. Freeman Cary will be missed, and I am sure that I speak for his many friends on Capitol Hill and throughout the Nation when I wish him, his wife Sara and their children the very best as they enter the next chapter of a lifetime of service to the Nation.

SALE OF SUBSIDIZED AMERICAN GRAIN TO THE SOVIET UNION AND THE PEOPLE'S REPUBLIC OF CHINA

Mr. MOYNIHAN. Mr. President, this afternoon President Reagan authorized the sale of 4 million metric tons of American wheat to the Soviet Union under the 1985 farm bill's Agricultural Export Enhancement Program.

Over the years in the Senate I have had repeated occasions to warn of the

danger of confirming the few tattered prophecies which still sustain the ideology of Soviet communism.

On occasion after occasion, as specific examples have arisen, I have offered this simple proposition. The Soviets are a "People of the Book." This is something we, surely, can understand. Theirs is a different book, the writings of Marx and Engels, followed by the great exegeses of Lenin, but a book even so, and above all a book of prophecy.

In simplified form this prophecy foretells the collapse of capitalism through a process of over production, the consequent decline of profit margins, and the immizeration of the masses.

When this sequence did not arrive as soon as expected, which is to say a half century or so after Marx and Engels first prophesied, their disciple Lenin offered a simple and vastly important intermediate prophecy. The collapse of capitalism, he preached, had been somewhat postponed by the advent of colonialism which gave the industrial nations an outlet for their surplus production. (Note that under Leninist doctrine the capitalists do not exploit the colonies. They heap treasure on them. But no matter.) When Lenin himself came to power in 1917 he predicted that the West would treat Russia as an underdeveloped colony in this respect. We imperialists would vie with one another to dump our surplus turbines and locomotives and wheat and whatever on the new Soviet motherland.

In a 1982 article in the New Republic, "Trading with the Russians," Henry A. Kissinger took note of this prophecy, but noted also the further irony of which I have been speaking on this floor for almost a decade. The irony that is, that the most anti-Soviet Government of a generation should be interested in subsidizing this process, thereby reinforcing the prophecy:

> Lenin's legendary dictum that capitalists would compete to sell the rope with which they would be hanged is coming true with a vengeance—for Lenin never guessed that Western governments would provide the money to buy the rope and subsidize the price to facilitate the purchase.

If we are to take this matter seriously, as I believe we should, then we have to be careful in our documentation. I don't think the term can actually be traced to Lenin. There does not appear to by any solid textual evidence that Lenin ever actually said: "The imperialists are so hungry for profits that they will sell us the rope with which to hang them." However, there is reason to believe he wrote something similar. Shortly after Lenin's death, the Russian artist I.U. Annenkov claims to have copied the following passage from Lenin's papers. (Years later the passage appeared in the New York Russian-language publication Novyi Zhurnal, 1961, p. 147):

> The capitalists of the whole world and their governments in their rush to conquer the Soviet market will close their eyes to the activity referred to above (various diplomatic subterfuges of the Soviet government) and will thereby be turned into blind deaf mutes. They will furnish credits which will serve us for the support of the Communist Party in their countries and, by supplying us materials and technical equipment which we lack, will restore our military industry necessary for our future attacks against our suppliers. To put it in other words, they will work on the preparation of their own suicide.

Indeed, the Bolsheviks seem to have been obsessed with the idea. In "Russia and the West Under Lenin and Stalin" (1961, pp. 184-85), George Kennan describes what he calls the "imaginary statement of the Soviet leaders to the Western governments":

> * * * since we are not strong enough to destroy you today * * * we want you during this interval to trade with us; we want you to finance us; * * * An outrageous demand? Perhaps. But you will accept it because you are slaves to your own capitalistic appetites * * * you will wink at our efforts to destroy you, you will compete with one another for our favor * * *. It is, in fact, you who will, through your own cupidity, give us the means wherewith to destroy you.

Kennan then says, for himself (p. 185):

> I can only assure you that this formulation is not one whit sharper or more uncompromising than the language consistently employed by the Soviet leaders at that time. I do not believe that it embraces a single thought which did not then figure prominently in their utterances.

Another important source is a 1964 book by Louis Fischer, "The Life of Lenin" (pp. 563-4), which includes Fischer's account of Lenin's address to the Ninth All-Russian Congress of Soviets, delivered on December 23, 1921:

> The capitalist nations had refused the Soviet government diplomatic recognition, yet they traded with it. A thousand locomotives had been ordered abroad. "We have already received the first thirteen Swedish, and thirty-seven German" locomotives (said Lenin). "This is the smallest beginning, still it is a beginning * * * we are overpaying, nevertheless they are helping our economy. They brand us as criminals yet they help us * * *."

We have every reason to believe that this view continues. In large part, we continue to perpetuate it.

Following the invasion of Afghanistan, President Carter put an end to our sale of surplus wheat to the Soviets. Came the 1980 Presidential election and candidates competed with one another in proclaiming both their anticommunism and the speed with which, if elected, they would end the grain embargo. As it happened, Ronald Reagan was elected and he did exactly that on April 24, 1981.

Then came the celebrated affair of the Yamal pipeline designed to bring Siberian natural gas to Western Europe. At a summit meeting of Western leaders held in Ottawa in July 1981, the new President proposed that the West not provide the credits and technology to build the pipeline. Ten days later, however, it was announced that the administration had approved an export license for the Caterpillar Co. to sell the Soviets 100 pipelaying tractors such as they would need to build the pipeline. On August 6, the First National Bank of Chicago announced it would head a syndicate of banks to lend the Soviets the money to buy the Caterpillar equipment.

It appears the President's decision was made impulsively, at a meeting in the Cabinet Room with the Republican congressional leadership. The Caterpillar Co. headquartered in Peoria, IL, was in trouble, the Republican leader of the House of Representatives was, and is, from Peoria, and the then chairman of the Senate Foreign Relations Committee was a former business executive from Illinois. Even as the President was making his decision, the State Department was working up an options paper. But this is precisely the point. No one is to blame, at least from the Soviet point of view—their scientific socialism which explains historically determined events. Everyone acted as they had to act. Having glutted the American market with tractors and earth-moving equipment, the Caterpillar Co. had to, as Lenin wrote:

> Rush to conquer the Soviet market * * * supplying us materials and technical equipment which we lack.

As it turns out, before delivery of the tractors, Caterpillar's export license was canceled on December 29, 1981, when the President prohibited the export of oil and gas equipment to the Soviet Union. The Commerce Department also suspended consideration of a license to sell an additional 200 tractors to the Soviets.

Still, the problem for us in Lenin's prophecy is that he wasn't all that wrong. All the more important then to keep in mind that when we behave as we do, we shore up an otherwise collapsing set of Soviet doctrines.

Marxist-Leninist ideology is now largely a spent force in the world. It was once a hurricane force. It is almost impossible from this distance to reconstruct the absolute conviction of crucial sectors of Western political and intellectual elites 50 and 60 years ago that the future belonged to Moscow.

No one any longer believes this. Evidently not even in Moscow. To be sure, Marxist-Leninist regimes appear from time to time. But at the risk of being harsh, on the periphery of events, not the center.

Moreover, Soviet society just isn't working. What was to have been a transformation in personal and social relations has simply turned into a

mess. I date our first real glimpse into this development from the study prepared by Murray Feshbach and Stephen Rapawy for the Joint Economic Committee in 1976, where for the first time it was reported that, contrary, you might say, to all possibility, infant mortality in the Soviet Union was going up, and the life expectancy of males was going down. Demography is destiny, and there was the future of Soviet society for all to see.

They can't feed themselves: Soviet grain production has fallen from a high of 229 million tons in 1978 to 190 million tons in 1985. The Soviet Union must now import one-fifth of its grain supplies, some 35 to 55 million tons of grain yearly since 1978. The Worldwatch Institute's report, "State of the World" (1986, p. 19) predicts that continuous massive imports will be needed. It says:

> The 1985 massive crop shortfall, the seventh consecutive one, signals a systematic deterioration of Soviet agriculture that * * * assures grain deficits far into the future.

The Soviets even depend substantially on the technology they get from the West to arm themselves. They pay for this, when they do, with natural gas, crude oil, and seal skins. Clearly the Soviets are a vast and menacing military power. They are, and so they will remain. I have written again and again that our grand strategy must be to wait out the Soviets, to traverse an excruciatingly dangerous period of history in which their decline progresses until it comes to some equilibrium far down the scale from the present.

It is an incredible irony that while we wait, we often help to prop up the faltering Soviet economy, and in so doing give credence to Lenin's dictum. The Export-Import Bank Act Amendments of 1986, S. 2247, which the Senate passed by voice vote last Tuesday, contained an amendment to the Agricultural Export Enhancement Program offered by the distinguished majority leader. The majority leader's amendment, which the Senate agreed to without objection, required the Secretary of Agriculture to allow the Soviet Union and the People's Republic of China to purchase subsidized United States grain through the end of this fiscal year. For wheat the Government now pays a subsidy of $2 per bushel. Wednesday, the House Agriculture Committee reported an even stronger provision—a bill, H.R. 5242, that would permit such sales through September 1987, when the export subsidy program expires.

The $1.5 billion Agriculture Export Enhancement Program, which passed as part of the 1985 farm bill, was created to promote exports of American agricultural commodities to countries where other exporters of arm products with their own subsidy programs, such as our Western European allies, were in competition for the market.

Earlier this year, Secretary of State George P. Shultz, succeeded in excluding Soviet block nations from the Agricultural Export Enhancement Program. He has reportedly called the proposed legislation that would eliminate the exclusion ridiculous.

This exclusion upholds the 1982 accord the United States joined with its Western allies as part of its settlement of the trans-Siberian pipeline dispute, in which the allies agreed not to subsidize the Soviet economy.

Now Congress threatens to reverse the policy against subsidized sales to Soviet bloc nations, and again jeopardizes the preeminence and unity it seeks among its allies—this time most acutely in the south Pacific and to the north, where we would undercut grain sales by Australia and Canada. Australian Prime Minister Robert Hawke is quoted in Thursday's Washington Post as warning that the proposed legislation would have "devastating implications" for his country and questioning the U.S. leadership of the Western world. Canadian Ambassador Allan E. Gotlieb said his Government was "extraordinarily concerned" that this country was "beginning to subsidize the Soviet consumer."

An editorial in Thursday's New York Times explains:

> It is far from clear that selling food below cost to the Russians serves American's strategic interests. But the folly of this case is evident. Subsidizing grain exports would slam the Australian economy, already suffering from depression in commodity prices. Besides, the subsidies could harm American farmers. Their gain in market share might be more than offset by the resulting reduction in the price of wheat exported without subsidy.

Apparently the only logic, if it may be called that, fueling the grain sales legislation is the need to bail out the failed farm policies of this administration; and that should tell us quite a lot. The President's top advisors debated the legislation in a meeting on Monday. The Washington Post quotes a senior White House official who said that the foreign policy advisers "made a good case" in the meeting but that "the political logic" on the other side was "pretty hard to refute."

Mr. President, in response, I quote again from the New York Times editorial:

> As a policy, dumping food is senseless. Export subsidies are far more costly than compensating farmers directly, with cash. And in the few months since the American program was authorized, subsidies have created bitter conflicts with Thailand and the Philippines as well as Australia.

So, Mr. President, there are many problems with the proposal to sell subsidized surplus grain to the Soviet Union and to the People's Republic of China. For this Senator, one of the most perplexing is our penchant for proving what the early Communist theorists predicted.

CONCLUSION OF MORNING BUSINESS

Mr. HEINZ. Mr. President, what is the pending business?

The PRESIDING OFFICER. If there is no further morning business, morning business is closed.

INCREASE IN STATUTORY LIMIT ON THE PUBLIC DEBT

The PRESIDING OFFICER. The clerk will report the unfinished business.

The assistant legislative clerk read as follows:

> A joint resolution (H.J. Res. 668) increasing the statutory limit on the public debt.

The Senate resumed consideration of the bill.

Pending:

Sasser Amendment No. 2250, to provide emergency assistance to farmers and ranchers adversely affected by this year's drought and excessively hot weather. (By 55 yeas to 40 nays (Vote No. 173), Senate agreed to waive section 302(a) of the Congressional Budget Act for consideration of the amendment.)

Mr. HEINZ. Mr. President, is the amendment of the Senator from Tennessee still pending?

The PRESIDING OFFICER. The Senator is correct, it is pending.

Mr. HEINZ. Mr. President, I have discussed this with the Senators from Tennessee [Mr. SASSER and Mr. GORE]. I ask unanimous consent that their amendment be temporarily set aside so that we can take up an amendment to be offered by the Senator from Washington [Mr. EVANS] and the Senator from New Jersey [Mr. BRADLEY].

Mr. GORE. Mr. President, reserving the right to object, just to clarify the request, after the amendment by the Senator from New Jersey and the Senator from Washington, it would be in order to move directly back to the amendment of Senator SASSER.

The PRESIDING OFFICER. That would be automatic, under the precedent.

Mr. HEINZ. The Senator is correct.

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

The Senator from New Jersey.

AMENDMENT NO. 2253

(Purpose: To clarify the income tax exemption of Indian fishing rights)

Mr. BRADLEY. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from New Jersey [Mr. BRADLEY], for himself and Mr. Evans, proposes an amendment numbered 2253.

Mr. BRADLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the amendment, add the following:

SEC. . INDIAN FISHING RIGHTS

(a) Notwithstanding any other provision of law—

(1) income derived by an Indian from fishing, whether for commercial or subsistance purposes, shall not be subject to, or taken into account in determining, any income tax imposed by the Internal Revenue Code of 1954, by any other provision of Federal law, or by any law of a State or political subdivision of a State, and

(2) any activities conducted by any Indian in connection with fishing shall not be subject to any tax imposed by the Internal Revenue Code of 1954, by any other Federal law, or by any law of a State or political subdivision of a State,

if the rights of such Indian to fish are provided for, or secured by, any treaty or other provision of Federal law, regardless of whether such rights are limited to subsistence or commerical fishing.

(b) The provisions of subsection (a) shall apply notwithstanding any other provision of Federal law that may be enacted on or after the date of enactment of this Act, unless such subsequent provision of Federal law specifically cites this section.

Mr. BRADLEY. Mr. President, this amendment is offered on behalf of myself and the distinguished Senator from Washington [Mr. EVANS].

The amendment will stop an attempt by the Internal Revenue Service to impose Federal taxes on Pacific Northwest tribal fishermen on income derived from treaty designated waters.

Mr. President, the Lummi Indian Tribe has fished in coastal waters and rivers in the Pacific Northwest for generations. An 1855 treaty between the U.S. Government and the Lummis confirms the tribe's fishing rights largely unencumbered by regulation. The U.S. Supreme Court has upheld seven times, twice in the last decade, these Indian tribal fishing rights, including commercial fishing and its economic benefits.

The Internal Revenue Service has decided to attack this long-standing and recognized right and to tax the Lummi's revenues from fishing.

There is an important principal at stake here. I think we should not break any more treaties with native Americans, and certainly we should not allow the Internal Revenue Service to break a treaty that has been adhered to by the U.S. Government for 131 years. This amendment would rectify that situation.

Mr. EVANS. Mr. President, I am pleased to join my colleague from New Jersey in rectifying a wrong which the Internal Revenue Service would impose not only on the Lummi Indians but also the other Indians of the Northwest who have treaties with the United States and who have operated under those treaties for more than 130 years.

Recent court decisions, as the Senator from New Jersey has pointed out, have clearly and consistently, time and time again, pointed out the absolute right of those Indians not only to seek but also to take a certain percentage of that cash. This is an encumbrance by the IRS.

Interestingly enough, the Solicitor for the Department of the Interior has written what I believe is a significant legal opinion which upholds the Indian position, and it was opposed by the Justice Department. So there is a split—an internal conflict, if you will—between the lawyers of the Federal Government.

Unfortunately, since the Justice Department prevails on the side of the IRS, the argument of the Solicitor of the Department of the Interior will not be heard in the Government's case.

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I have tried for a year now to get the IRS to change its mind, change its position. They have refused to do so.

The only alternative remaining open to us is this piece of legislation. I believe that it is accurate to say it has been cleared on both sides of the aisle, and I urge its passage.

Mr. President, I ask unanimous consent that the Solicitor's opinion of the Department of the Interior be printed in the RECORD.

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

U.S. DEPARTMENT OF THE INTERIOR,
Washington, DC, March 12, 1985.

Memorandum To: Secretary.

From: Solicitor.

Subject: Federal income taxation of Stevens treaty fishing income—Response to IRS opinion of November 23, 1983.

You have asked me to comment on the legal arguments made in an opinion of the Office of Chief Counsel, Internal Revenue Service, dated November 23, 1983. The IRS opinion was issued in response to Solicitor Coldiron's memorandum of September 21, 1983, which expressed his view that income earned by members of certain Washington State treaty tribes in the exercise of their treaty fishing right is not subject to federal income taxation. The Internal Revenue Service takes the position that such income is subject to federal income taxation.

I have already conveyed to you my reconfirmation of Solicitor Coldiron's 1983 opinion. In my view, the principal weakness of the IRS response to that opinion is its misapprehension of the Supreme Court's holding in *Squire* v. *Capoeman*, 351 U.S. 1 (1956). The IRS considers *Capoeman* to require an express exemption from federal tax. However, the General Allotment Act, which the Supreme Court construed in *Capoeman* to have created a tax exemption for income from the sale of timber on allotted land, did not contain such a tax exemption in explicit terms. The Court inferred an exemption from the government's undertaking, expressed in section 5 of the act, 25 U.S.C. § 348, to convey the allotment at the end of the trust period "free of all charge or encumbrance whatsoever" and a 1906 amendment to section 6 of the act, 25 U.S.C. § 349, which provides for removal of "all restrictions as to . . . taxation" after issuance of a fee patent. That language, construed in conjunction with the underlying purpose of the General Allotment Act, i.e., "to protect the Indians' interest and 'to prepare the Indians to take their place as independent, qualified members of the modern body politic' ", was sufficient, the Court held, to constitute the clear expression necessary to create a tax exemption. 351 U.S. at 6-9. See our 1983 opinion at 5-7.

The Internal Revenue Service takes the position that the policy underlying the Stevens treaties is not relevant to the determination of whether the treaties created a tax exemption. In so doing, the IRS ignores the practice established by the Supreme Court in *Capoeman* and followed consistently by the lower courts. That practice requires the identification of language in a treaty or statute which is arguably a tax exemption but then allows consideration of the underlying purpose of the enactment for the purpose of interpreting the arguable language to determine its tax exemption effect. The practice is discussed at some length in our 1983 opinion at pages 5-9. The proper role of policy in tax exemption analysis was succinctly described by the Ninth Circuit in *United States* v. *Anderson*, 625 F.2d 910 (9th Cir. 1980) cert. denied, 450 U.S. 920: *Capoeman* and every other Supreme Court and Ninth Circuit case have held that . . . policy arguments are fruitless in the absence of statutory or treaty language that arguably is an express tax exemption. Such policy arguments, however, might persuade courts to construe such arguable language, if any exists, actually to be an express tax exemption.

625 F.2d at 914, n.6. IRS quotes this statement from *Anderson* for the proposition that express exemptive language in a treaty a statute is required. IRS opinion at 6-7. It misses, however, the real thrust of the statement, which is that policy may indeed be examined to assist in the determination of whether arguable language is an express exemption.

In a recent decision, the Ninth Circuit demonstrated that it is still of the view that the purpose of a statute is relevant to the determination of whether a tax exemption is present. That court held in *Karmun* v. *Commissioner*, 749 F.2d 567 (9th Cir. 1984), that income from the sale of reindeer or reindeer products by Alaska natives was not exempt from federal income tax because the Reindeer Act, 25 U.S.C. §§ 500-500n, did not contain a clear expression of intent to exempt. The court considered, inter alia, the purpose of the Reindeer Act, which it found to be the provision of a continuing food source to the Eskimos of northwestern Alaska through the establishment of a native-operated reindeer industry. The court concluded, "That purpose is not undermined by requiring the owners and operators of the reindeer herds to pay federal income taxes on their profits from the successful conduct of such operations." 749 F.2d at 570.

Thus, it is amply clear that past and present judicial analysis requires a consideration of the underlying purpose of the Stevens treaties in order to determine whether the language in the treaties which secures a fishing right to the tribes creates a tax exemption. To conclude that the "right of taking fish" does not include a tax exemption, without any attempt whatsoever to determine the scope of the fishing right in-

tended by the parties to the treaties, would directly contravene the well-established principles of the tax cases. Authoritative judicial analysis of the scope of the treaty right is readily available in the well-developed body of law culminating in the Supreme Court's decision in *Washington* v. *Washington State Commercial Passenger Fishing Vessel Ass'n (Fishing Vessel)*, 443 U.S. 658 (1979). In my view, there is neither a legal basis nor a practical justification for ignoring this body of law, as IRS does.[1]

The treaty cases and their relevance to the tax exemption issue are discussed in our 1983 opinion at 2-4 and 9-12. One case cited in that opinion warrants some further mention. In *Tulee* v. *Washington*, 315 U.S. 681 (1942), the Supreme Court held that the State of Washington was precluded from imposing a license fee upon Indians engaged in the exercise of their Stevens treaty fishing right. In striking down the fee, the Court stated that it "acts upon the Indians as a charge for exercising the very right their ancestors intended to reserve" and "that such exaction of fees as a prerequisite to the enjoyment of fishing . . . cannot be reconciled with a fair construction of the treaty." 315 U.S. at 685.

Tulee involved a state license fee and not a federal tax. The rationale of that case, however, is relevant to any tax which would diminish the value of the treaty right because any such tax would necessarily be a "charge" for exercising the right. An income tax, in fact, might well be a more onerous burden on the right, because greater in amount, than a license fee would be. Further, the fact that an income tax does not fall directly upon the fishing activity but upon income therefrom is, under *Capoeman*, irrelevant if the treaty precludes taxation of the fishing right.[2] See 1983 Solicitor's opinion at 7.

Another concern I have with the IRS opinion is its heavy reliance on *Strom* v. *Commissioner*, 6 T.C. 621 (1946), aff'd per curiam, 158 F.2d 520 (9th Cir. 1947) and *Earl* v. *Commissioner*, 78 T.C. 1014 (1982). For the reasons discussed in our 1983 opinion at 12-15, I believe that *Strom* has been effectively eroded by subsequent case law and that *Earl* is seriously flawed. While these two Tax Court cases are clearly relevant to the present issue, they cannot be considered controlling because they are completely inadequate in treaty analysis.

I can understand that, from the perspective of the IRS, this matter may appear to be solely a tax issue, with respect to which Tax Court decisions might be considered controlling and federal tax cases might constitute the sole appropriate body of law by which to analyze the issue. This is not only a tax issue however; it is also an Indian treaty issue. There are two bodies of law which must be considered in relation to each other. The controlling cases here are not the two Tax Court cases but the two Supreme Court cases, *Capoeman* and *Fishing Vessel*, which represent the paramount authority in those two bodies of law. A proper analysis of the issue should begin with those cases and must relate the two bodies of law in proper perspective. This, IRS simply has not done.

I am somewhat concerned with some erroneous statements made in the IRS opinion about positions taken in our 1983 opinion. I point these out primarily for clarification purposes.

The IRS opinion states at page 6 that our 1983 opinion "argues that Interior Department's policies of promoting optimal land use on Treaty land with a goal towards eventual Indian economic independence precludes taxation of the fishing income earned by enrolled Tribal members." The 1983 opinion contains no such statement. Nor does it take the position, as the IRS opinion implies, that policy, standing alone, is a sufficient basis for a tax exemption. Our position on the proper role of policy is discussed above and at pages 5-9 of the 1983 opinion.

The IRS opinion states at pages 7-8 that "Interior's memorandum also places substantial reliance on the Ninth Circuit's statement in *Stevens* v. *Commissioner*, 452 F.2d 741, [746] ([9th] Cir. 1971), to the effect that as the agency charged with the administration of the Indian laws and responsible for drafting many of them, Interior's interpretation is entitled to 'great weight' and 'is not to be overturned unless clearly wrong.'" The IRS memo then proceeds at some length to construe the *Stevens* statement as applicable only to the facts at issue in that case. While our 1983 opinion cited the *Stevens* case for another proposition, it did not, in fact, cite or rely on the language quoted by IRS. That language, however, simply expresses a well-established general principle, and I find it somewhat puzzling that IRS considers it so alarming. This Department's authority to interpret federal Indian statutes and treaties derives from its paramount responsibility for Indian affairs within the federal government, just as the authority of the IRS to interpret the federal tax laws derives from its responsibility to administer those laws. Courts commonly look for guidance to federal agency interpretations of statutes wihtin the jurisdiction of the agencies.

These last two points are minor ones, of course. My primary objections to the IRS opinion are, as discussed above, its incorrect analysis of *Squire* v. *Capoeman* and its failure to address the treaties which are at the heart of the issue under discussion.

FRANK K. RICHARDSON.

Mr. BRADLEY. Mr. President, I move the amendment.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment.

The amendment (No. 2253) was agreed to.

Mr. BRADLEY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EVANS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, let me just say one word. Senator HEINZ is here. Let me indicate that as I have indicated privately to the distinguished Senators from Tennessee, it would be my hope we can dispose of the amendment that is pending rather quickly. We are just trying to go over it one quick time to make certain there is some change that ought to be made. I am certain the Senators from Tennessee would be happy to look at it. We ought to have that information, I think, within the next 15 minutes.

Perhaps in the meantime if the manager has a few other amendments we could wipe out, it would really be helpful.

Mr. HEINZ. Mr. President, I see the Senator from Iowa on the floor. Does he have an amendment? Mr. President, I would like to know if the Senator from Iowa has an amendment that he wishes to offer.

Mr. GRASSLEY. Yes, I do, but I am not ready to let it go right at this minute.

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

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

AMENDMENT NO. 2254

(Purpose: To reestablish food bank special nutrition projects)

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is the Senator asking unanimous consent to set the pending amendment aside?

Mr. HEINZ. Mr. President, I ask unanimous consent that the amendment of the Senator from Tennessee be temporarily laid aside.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

Mr. SASSER. Mr. President, reserving the right to object, may I ask the distinguished Senator from Pennsylvania how long he anticipates this amendment will take?

Mr. HEINZ. Just a few minutes.

Mr. SASSER. I ask my friend from Pennsylvania, has it been cleared on both sides?

Mr. HEINZ. This amendment has been cleared on both sides.

Mr. SASSER. I would like to get some idea of when we could move back on the Sasser amendment.

Mr. HEINZ. It would be the hope of the Senator from Pennsylvania we would be back on the Sasser amendment upon disposition of this amendment and I understand the Senator from Iowa has a very short amendment. I would estimate maybe 10 minutes at the most.

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[1] IRS simply dismisses it: "The non-tax cases which are cited by Interior are, in our view, inapposite to the issue considered herein." IRS opinion at 10.

[2] The State of Washington recognizes that treaty fishermen are immune, even though not expressly exempted, from a state fish sales tax. See *Washington Dept. of Fisheries* v. *DeWatto Fish Co.*, 660 P.2d 298, 301 (Wash. Ct. App. 1983). Such a tax, of course, is one which, like an income tax, would attach after exercise of the fishing right and would not therefore be a prerequisite to exercise of the right. As explained in our 1983 opinion at page 4, the United States, absent exercise by Congress of its power to abrogate treaties, is subject to the same limitations as the states with regard to the Indians' treaty rights.

Mr. SASSER. I take it this amendment will not require a rollcall vote.

Mr. HEINZ. The Senator is correct.

Mr. SASSER. I thank the Senator.

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

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ] proposes an amendment numbered 2254.

Mr. HEINZ. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the amendment, add the following new section:

SEC. . FOOD BANK SPECIAL NUTRITION PROJECTS.

The first sentence of section 211(d) of the Agricultural Act of 1980 (7 U.S.C. 4004(d)) is amended by striking out "a progress report on July 1, 1983, and a final report on January 1, 1984," and inserting in lieu thereof "an annual report".

Mr. HEINZ. Mr. President, there are some 600 million pounds of cheese in federally-supported warehouses, all OK which could be distributed to the poor and to emergency feeding groups around the country. It costs $48 million per year for the cheese to be stored. At the same time, a project which utilizes the efficient distribution networks of the Nation's food banks has been allowed to lapse, and the amendment I offer would simply make a technical correction to the Agriculture Act of 1980 to restore existing authority for food banks to receive commodities under the Temporary Emergency Food Assistance Program [TEFAP], and distribute them through their network of emergency feeding organizations.

In 1983 and 1984 the U.S. Department of Agriculture ran the food bank demonstration project, which successfully used food banks as distribution centers for surplus commodities—cheese, butter, nonfat dry milk, flour, rice, and honey. These commodities are all in surplus, and there are many, many residents of our cities who need them desperately. It strikes me as a great wrong to overlook the effective work our food banks can do for needy Americans.

I recognize that some have raised concerns that additional TEFAP distribution would displace commercial sales—but I must emphasize that in the urban areas served by food banks that is just not the case. These people are the truly needy, and their ability to purchase these commodities is very limited. The market displacement, it appears, would be minimal. At the same time, I understand that the USDA is concerned about additional distribution costs if this amendment is enacted. I recognize that concern, but must emphasize that $48 million in needless storage costs seems a far greater cost than that of distributing the food to those that need it.

This amendment is very simple but its enactment would assist thousands of needy Americans to receive surplus food and feed themselves and their families. Food banks are now unable to provide TEFAP commodities to their feeding organizations. My amendment seeks to change that inequity by reopening authority for food banks to receive those commodities which are distributed through the TEFAP program. The amendment simply deletes statutory language relating to the date when a progress report and an annual report are due under the 1983 demonstration project, and substitutes a requirement for an annual report. The statutory requirement for commodity distribution is mandatory.

Some food banks are able to structure themselves to the point where they are able to assist TEFAP distribution. The nature of food banks, however, is not to distribute commodities themselves, but to be a center of distribution for emergency feeding organizations. They are able to provide the management and storage skills which often have been lacking in the TEFAP Program. Let me emphasize the importance of these skills. Last December I received a GAO study which Senator EAGLETON and I had requested. The study found shocking incidents where surplus cheese and butter had been left to rot in inadequately managed warehouses. Inventory management was inadequate, and some warehouses just had no idea what commodities had been received, or where they were to be distributed. Food banks provide far superior commodity management, and the use of their abilities would be a real boon to the program.

I see no reason to debate the amendment at length. It is simple and straightforward. I am ready to discuss the amendment if there are any questions.

Mr. President, we have been debating here the Sasser-Gore amendment to permit a substantial distribution of a good deal of commodities to farmers in need. This amendment, in comparison to what the Senate is about to do, and that is to pass some version of that amendment, is small indeed, because this amendment only deals with making it easier, making it possible, and facilitating the distribution of some of the surplus commodities, specifically some of the 600 million pounds of cheese that we have in federally supported warehouses where the taxpayers are bearing the costs of those storage facilities, which cheese could be distributed to the poor and to emergency feeding groups around the country.

It cost $48 million a year to store that cheese and this amendment that I offer would make what I could call technical corrections to the Agricultural Act of 1980 to restore existing authority for food banks to receive commodities under the Temporary Emergency Food Assistance Program, TEFAP, and to distribute them through their network of the emergency food organizations.

Mr. President, I am advised that the minority, Senator LONG's staff have examined this amendment. They have indicated to me that there is no objection to it on their side.

I know of no objection to it on our side.

I move the amendment.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment.

The amendment (No. 2254) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2255

(Purpose: To amend the Internal Revenue Code of 1954 to allow a charitable contribution deduction to farmers who donate agricultural products to assist victims of natural disasters)

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask the clerk to report.

The PRESIDING OFFICER. Is the Senator requesting unanimous consent to set aside the Sasser amendment?

Mr. SASSER. Mr. President, reserving the right to object, may I inquire of my friend from South Carolina how long this amendment will take?

Mr. THURMOND. It should not take over 3 or 4 minutes.

Mr. SASSER. Will it require a rollcall?

Mr. THURMOND. No.

Mr. SASSER. Following the disposition of the amendment of the Senator from South Carolina, the Senate will return to the Sasser amendment, is that correct?

The PRESIDING OFFICER. That is automatic under the precedents.

Mr. SASSER. I thank the Chair.

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

The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. THURMOND] for himself and others proposes an amendment numbered 2255.

Mr. THURMOND. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the amendment, add the following:

SEC. . CONTRIBUTIONS OF AGRICULTURAL PROPERTY FOR VICTIMS OF NATURAL DISASTERS.

(a) IN GENERAL.—Subsection (e) of section 170 of the Internal Revenue Code of 1954 (relating to contributions of ordinary income and capital gain property) is amended by adding at the end thereof the following new paragraph:

"(6) SPECIAL RULE FOR CONTRIBUTIONS OF AGRICULTURAL PRODUCTS FOR VICTIMS OF NATURAL DISASTERS.—

"(A) IN GENERAL.—For purposes of this paragraph, a qualified contribution means a charitable contribution of an agricultural product by a taxpayer who produced such agricultural product, if such taxpayer is actively and regularly engaged in the trade or business of farming, but only if—

"(i) the donee is a State, political subdivision of a State, or an agency of such State or political subdivisions.

"(ii) the agricultural product is to be used by the donee within the 3-month period beginning on the date on which such contribution is made for the care of individuals who have been adversely affected by a drought, flood, or other major natural disaster that occurred during the 6-month period ending on such date.

"(iii) the agricultural product is not transferred by the donee in exchange for money, other property, or services,

"(iv) the taxpayer receives from the donee a written statement certifying that the donee's use and disposition of the agricultural product will be in accordance with the provisions of clauses (ii) and (iii), and

"(v) in the case in which the agricultural product is subject to regulation under the Federal Food, Drug, and Cosmetic Act, such product fully satisfies the applicable requirements of such Act and regulations promulgated thereunder for 180 days before the date of contribution.

"(B) AMOUNT OF DEDUCTION.—Notwithstanding any other provision of this subsection, the amount allowable as a deduction under subsection (a) for any qualified contribution (as defined in subparagraph (A)) shall be an amount equal to the wholesale market value of the agricultural product reduced by the amount of any costs or expenses incurred in the production of such product and for which a deduction has been taken by the taxpayer.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) FAIR MARKET VALUE.—The term 'fair market value' means, with respect to any agricultural product, the lowest wholesale market price for such product in the regional market nearest the taxpayer during the month in which the contribution is made.

"(ii) AGRICULTURAL PRODUCT.—The term 'agricultural product' means any hay, feed, crop, livestock, poultry, or product thereof, which is not subject to any excise tax imposed under chapters 51 and 52.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to contributions made after June 30, 1986, in taxable years ending after June 30, 1986.

Mr. THURMOND. Mr. President, I will just take about a minute and a half here. I think it is all agreed to.

Mr. President, many farmers have been donating hay and feed grains to help farmers suffering from the impact of a natural disaster. Unfortunately, current law does not entitle these generous farmers the opportunity to take a fair deduction for their charity. Instead of receiving much needed income for this hay, farmers who have contributed the source of their livelihood can only deduct their actual cost in the product.

This bill and amendment to the debt limit extension resolution would provide a charitable contribution to the extent of the lowest wholesale market price for the agricultural product. The deduction would only be available to agricultural products donated for the benefit of individuals who have been adversely affected by drought, flood, or any other natural disaster. Farmers would be able to donate their products to a State agency which would certify that all reasonable efforts would be made to distribute the products to those truly in need. The contribution must be made within 6 months of the natural disater.

Mr. President, the cosponsors of this amendment are Senators HOLLINGS, GRASSLEY, ZORINSKY, ABDNOR, BOREN, DENTON, COCHRAN, ROCKEFELLER, HELMS, NICKLES, QUAYLE, SIMPSON, MATTINGLY, NUNN, EXON, PRYOR, WALLOP, GORE, HEFLIN, RIEGLE, HECHT, COHEN, SIMON, ANDREWS, WILSON, BURDICK, and HAWKINS.

If any other Senators desire to be added I would be glad for them to be added, and I ask unanimous consent that they can add their names any time today.

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

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Mr. THURMOND. Mr. President, I ask unanimous consent that the names of Senator LUGAR, Senator TRIBLE, and Senator STEVENS be added as cosponsors.

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

Mr. THURMOND. Mr. President, I understand Chairman PACKWOOD has agreed to accept this amendment and the acting chairman of the Finance Committee has now agreed to accept it, the distinguished Senator HEINZ, and also Senator LONG on the Democratic side has agreed to accept it.

Mr. HEINZ. Mr. President, if the Senator will yield, the Senator is correct. Both Senator PACKWOOD and I have examined the amendment. It does exactly what the Senator from South Carolina says it will do. It enables the donation at the lowest applicable wholesale price of commodities by those producers of those commodities to help disaster victims. Those commodities would be donated in a carefully controlled fashion through a designated State agency.

Speaking for Senator PACKWOOD and also for this Senator, we have no objection to the amendment.

● Mr. QUAYLE. Mr. President, on July 23, 1986, the U.S. Senate adopted a resolution to commend those farmers who have donated feed grains and hay to farmers in areas of the drought-stricken Southeast so they may feed their livestock. I am proud to have been a cosponsor of that resolution, and even more proud to represent in the U.S. Senate the over 110 Indiana farmers, and other citizens of 48 Indiana counties who were involved in this relief effort—Hoosiers like Gale McFarland who donated the hay production of an entire field, which amounts to nearly 2,000 bales. Another Hoosier, Bob Sheets, trucked approximately 250 bales of hay to be loaded for delivery to the Southeast. CSX Transport of Greenfield, IN, donated a train to transport hay to South Carolina, Indianapolis State Avenue Railyard donated their facilities, and Superior Truck Training Service of Indianapolis donated the use of 50 trucks to transport hay from local collection sites to the designated pickup sites, while the Mennonite Disaster Services provided the labor needed to load the hay on the rail cars and trucks. Eli Lilly & Co. of Indianapolis donated 100 tons of hay. These are just of few of the Hoosiers who were willing to help others in the time of adversity. Today it is my privilege to cosponsor the amendment offered by the distinguished senior Senator from South Carolina, Senator THURMOND, which would allow farmers who make such donations in times of natural disasters a tax deduction equal to the wholesale market value of the donated commodities.

This amendment would afford farmers who donate agricultural goods to States which have been adversely affected by drought, flood, frosts, or any natural disaster equitable treatment under the Tax Code. Under current law, money contributions to charitable organizations who provide disaster relief are tax deductible in most instances. Donations of ordinary income property, however, are subject to special rules in order to prevent fraud and overvaluation. The amendment of which I am a cosponsor would tailor these special rules governing gifts of property to accommodate emergency circumstances, and would apply only to agricultural products.

Mr. President, the American farmer embodies the character of perseverance and generosity which has made our Nation great. Our Nation's farmers, although still the most productive in the world, are in the midst of dire financial straits. These economic bad times have been exacerbated for farmers in the Southeast who face the worst drought in the past 100 years—spanning the period that weather records have been kept. Farmers throughout the Nation have rallied to

donate hay and feed grains to Southeastern farmers and ranchers so that they may feed their livestock which would surely otherwise die. These donations certainly represent charitable giving and should be treated as such under our tax laws. The scope of this amendment is limited strictly to agricultural commodities and catastrophic emergency circumstances. Furthermore, it limits the deduction to the lowest wholesale market value of that commodity in the market nearest the farmer at the time of the contribution. This amendment does not allow abusive tax avoidance, but rather provides a fair deduction like that afforded others who come to the aid of their fellow Americans in the face of a disaster.●

● Mr. WILSON. Mr. President, it is painfully evident that our Nation's Southeastern farmers are facing an economic catastrophe due to the severe drought within the region. In the past few weeks, we have heard of the desperate conditions which have already claimed an estimated 700 million dollars' worth of agriculture losses. In response to this severe situation, Senator THURMOND has introduced an amendment, which I am pleased to cosponsor, which will provide a glimmer of hope to address this crisis. Under existing law, these unselfish farmers have no opportunity to obtain a tax deduction for their generosity. If enacted this amendment would provide a tax deduction for farmers who donate agricultural products to individuals who have been adversely affected by drought, flood, or any other natural disaster.

This legislation has been carefully drafted to protect against tax fraud. The State departments of agriculture would certify that the donated products would actually go to those individuals who are truly in need. The bill states that farmers shall account for their contributions based on the lowest wholesale price at the time of donation and that these donations are limited to agricultural products donated within 6 months following a natural disaster.

In my State alone, the State department of agriculture has coordinated an effort entitled "Operation Haylift," which has united the generous donations from California farmers with their fellow farmers throughout the country. These California farmers have donated over 2,000 tons of hay representing a value of over $150,000 which would normally be fed to their own livestock or sold to help alleviate their own farm debts. The Southern Pacific Railroad is providing—at no charge—the transportation service to ship these donated commodities from the west coast to the Southeast.

I believe the generous actions of our Nation's farmers are very admirable. Currently, they are facing their own economic crisis; however, these farmers are willing to donate hay to the farmers of the Southeast for their livestock in order to survive this devastating drought. Although these farmers are not asking to be reimbursed or subsidized for their efforts, they are entitled to a tax deduction.

I feel that this bill will be an incentive for additional farmers to contribute additional commodities to their Southeastern counterparts.

Mr. President, I would like to thank my distinguished colleague from South Carolina for his prompt actions to help these drought stricken farmers throughout the Southeast, and I am pleased to join him as a cosponsor of this legislation.●

CHARITABLE CONTRIBUTIONS TO FARMERS

Mr. WALLOP. Mr. President, I speak in support of Senator THURMOND's amendment to the debt limit extension resolution, Senate amendment No. 2255. This bill amends the Internal Revenue Code to allow an equitable charitable deduction to individuals who contribute agricultural products to victims of a natural disaster.

This amendment would help those generous Americans who are donating hay and feed to Southeastern farmers whose livestock are starving because of the worst drought seen in over 100 years.

I am proud of the American spirit and especially want to recognize the people in my State of Wyoming who are donating their agricultural products. Wyoming, like other States, has experienced financial difficulties in the agricultural industry during the past year, but we are not as unfortunate as Southeastern farmers who were hit with a double-barrel—first the financial crisis and then the drought.

In this spirit, I encourage my colleagues to support this amendment which is similar in concept to the charitable contributions we make to our church, or to preferred organizations, but current law does not apply when personal property is the gift donated. This legislation has been drafted to avoid abuse of the tax law as it applies to charitable contributions.

This amendment applies to only gifts distributed by the proper agency to those persons who have suffered misfortune due to a natural disaster. The contribution must be made within 6 months of the natural disaster.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2255) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, I am advised that the Senator from Iowa has an amendment. I do not know if he is as yet prepared to offer his amendment.

Mr. President, I am advised that that amendment is not yet ready to go. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1120

Mr. GRASSLEY. 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. GRASSLEY. Mr. President, I ask unanimous consent that the consideration of the Sasser amendment be set aside for the consideration of an amendment that I am prepared to offer.

Mr. SASSER. Reserving the right to object, Mr. President, may I inquire of the Senator from Iowa how long this amendment will take?

Mr. GRASSLEY. I believe I am very accurate in saying to the Senator from Tennessee that it should take just a few minutes. About three Senators are desiring to speak. Further, the determination of that conclusion is the fact that we had offered this with relatively no controversy on the tax bill a month ago. It was controversial at that time because of the time constraints we were under. So we were promised to bring it up on this legislation.

Mr. SASSER. Mr. President, may I inquire of the Senator from Iowa whether or not this amendment will require a rollcall vote?

Mr. GRASSLEY. This amendment will not require a rollcall.

Mr. SASSER. Mr. President, it is my understanding that the amendment deals with terrorists in Libya.

Mr. GRASSLEY. Yes.

Mr. SASSER. Mr. President, we have no objection to temporarily setting aside our amendment to take up the amendment of the Senator from Iowa, with the stipulation that we return immediately to our amendment.

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

AMENDMENT NO. 2256

(Purpose: To deny foreign tax credits attributable to activities conducted in foreign countries which repeatedly provide support for acts of international terrorism)

Mr. GRASSLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa Mr. GRASSLEY, Mr. LAUTENBERG, Mr. PROXMIRE, Mr. DENTON, Mr. DOLE, Mr. HARKIN, and Mr. MATTINGLY, proposes an amendment numbered 2256.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the committee amendment, insert the following:

SEC. . DENIAL OF FOREIGN TAX CREDIT FOR TAXES PAID TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.

(a) IN GENERAL.—Section 901 (relating to taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) Denial of Foreign Tax Credit, Etc. With Respect to Countries Which Support International Terrorism.—

"(1) IN GENERAL.—Notwithstanding any other provision of this part—

"(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) during the taxable year to any country identified under paragraph (2) as repeatedly providing support for acts of international terrorism, and

"(B) subsections (a), (b), and (c) of section 904 and sections 902 and 960 shall be applied separately with respect to income for such taxable year from sources within any country so identified.

"(2) IDENTIFICATION OF COUNTRIES.—Paragraph (1) shall apply to countries which the Secretary of State, pursuant to section 6(j) of the Export Administration Act of 1979, as amended, has designated as countries that repeatedly support acts of international terrorism. Notwithstanding subparagraph (2)(A), paragraph (1) shall not apply whenever the Secretary of State determines and certifies to Congress that a specific country listed as a terrorist country under 6(j) of the Export Administration Act of 1979, as amended, no longer supports nor carries out terrorist activities.

"(3) PART-YEAR RULE.—If an identification under paragraph (2) is in effect for less than an entire taxable year, paragraph (1) shall be applied by taking into account only that portion of the taxes and income which accrues (as determined under regulations) with respect to activities which occur in the portion of the taxable year for which such identification is in effect."

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall apply with respect to taxes the liability for which accrues with respect to activities conducted after August 1, 1986, in taxable years ending after such date.

(2) EXCEPTION FOR SALE FOR DIVESTITURE OF ASSETS.—The amendment made by subsection (a) shall not apply to any taxes the liability for which accrues with respect to activities—

(A) in connection with the sale or divestiture of assets held by a taxpayer in a foreign country to which the amendments made by this section apply, and

(B) which are authorized by the Secretary of the Treasury or his delegate.

Mr. GRASSLEY. Mr. President, today in accordance with the agreement that was made—and I already alluded to it—with the leadership during the consideration of the tax reform bill, I am offering an amendment to the legislation now under consideration, and I am doing this on behalf of myself and a bipartisan group of Senators: Senator LAUTENBERG, Senator PROXMIRE, Senator DENTON, Senator HARKIN, and Senator DOLE. DENTON

□ 1130

The purpose of this amendment is to deny tax advantages to companies for their operations in countries that actively support terrorists, and therefore, to require our tax policy to conform with our foreign policy of combatting terrorism. Presently, the Secretary of State has designated the countries of Libya, Syria, Iran, Cuba, and South Yemen as terrorist countries, under the Export Administration Act.

Mr. President, under current U.S. tax laws, U.S. corporations are permitted to credit, on a dollar-for-dollar basis, foreign taxes they pay against U.S. taxes that would otherwise be due on overseas earnings.

The intent of these credits is to prevent double taxation to those who work or invest abroad, a laudable tax policy for our country to have. We do not question the overall positive effect of this policy, but we do seriously question whether these tax benefits should be available to those whose activity provides bread and butter for State sponsored terrorism.

Mr. President, a glaring example of the unintended effect of these tax credits can be seen in Libya, where these incentives benefited terrorists more than American citizens. Last year, taxes from American corporations reportedly amounting to $2 billion were paid to Qadhafi, which he used, I feel comfortable in saying, to bankroll his State-sponsored terrorism.

Although we have witnessed a profound decrease in Libyan-related terrorist acts since the American bombing of Libya, Qadhafi has vowed he will strike again.

In addition, a potentially more serious terrorist threat can be seen in the country of Syria, which has one of the largest armed forces in the Middle East. Just 2 weeks ago, British authorities directly implicated the Syrian Government for the first time in the outrageous attempt 3 months ago to plant explosives on an Israeli airliner with nearly 400 passengers aboard.

We all know there are terrorist training camps in Syria, Libya, and other terrorist countries. Mr. President, how can we in Congress stand by and allow American companies and individuals to help prop up these terrorist regimes? I say we cannot permit some Americans to profit from revenues used to kill and terrify other Americans.

Therefore, I urge my colleagues to join me and my fellow cosponsors in this bipartisan effort to kick the economic crutches out from under terrorists and the cowardly nations that support them. A vote for this amendment is a strong and clear vote against world-wide terrorism.

Mr. President, I yield the floor.

Mrs. HAWKINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mrs. HAWKINS. Mr. President, I rise to offer a modification to the pending amendment. I offer this modification to the amendment offered by my good friend and distinguished colleague, the senior Senator from Iowa. Senators D'AMATO, CHILES, DECONCINI, and HOLLINGS join me as supporters of this modification.

Mr. President, I fully support Senator GRASSLEY's amendment, but I do not think it goes far enough. My modification not only will eliminate the foreign tax credits for companies or subsidiaries doing business in terrorist-supporting nations, but it will also repeal a related tax credit that allows U.S. companies to avoid paying taxes on profits earned by their foreign subsidiaries operating in such nations.

This modification also expands upon the Grassley amendment by including nations we do not recognize or with whom we have severed diplomatic relations as well as the terrorist nations. In all, my modification affects 11 nations: Albania, Angola, Cambodia, Cuba, Iran, Libya, Mongolia, North Korea, Southern Yemen, Syria, and Vietnam.

The provision repeals the tax credits for U.S. foreign subsidiaries of U.S. companies to continue to avoid taxes by simply reinvesting the profits in other foreign ventures without the profits ever being repatriated to the parent company. Without this modification repealing deferral on these taxes, eliminating the foreign tax credit will really have no teeth. The U.S. corporations will simply launder all business profits through a subsidiary.

It is unconscionable that we support such international pariahs through our Tax Code.

In terrorist nations which the State Department has designated under the Export Administration Act, Libya, Iran, Syria, Cuba, and South Yemen, United States companies operating abroad get a 1 for 1 tax credit for every dollar of tax paid to foreign nations. Thus, these foreign taxes cost U.S. companies nothing, zero, but they cost the U.S. taxpayers plenty.

Mr. President, for too many years, our tax policies have subverted our foreign policies. We should not encourage, through our Tax Code, what we discourage through diplomacy. The

trade impact of this amendment is significant. We are talking about trade impact all the time here. The nations affected ran a net trade surplus with the United States of more than $1.4 billion in just 1985. In effect, we are encouraging other nations to levy high taxes on U.S. firms operating abroad.

It is wrong, Mr. President, to use our tax policies to subvert our foreign policies. The United States is leading the battle against international terrorism. Our allies are watching closely what we do. Our allies may want to join us in our fight, but must be puzzled by our contracting actions between our foreign policies and our tax policies.

State-sponsored terrorism is one of the worst crimes against humanity. Nations that support such malicious and cowardly acts are the indisputable pariahs of the world and should be treated accordingly.

It is difficult enough, Mr. President, trying to convince our allies to join us in economic sanctions against terrorists, but to have to worry whether U.S. companies are legally compromising our efforts is something else.

Mr. President, I compliment the senior Senator from Iowa for his amendment.

I understand there is no opposition to my modification to the amendment.

The PRESIDING OFFICER. Only the Senator from Iowa can modify his own amendment.

Mr. GRASSLEY. Mr. President, I do accept the modification.

Mr. BYRD. Mr. President, as the Chair has said, only the author of the amendment can modify his amendment. He can modify it in accordance with the wishes of the distinguished Senator from Florida.

Mr. GRASSLEY. The Senator is very correct. I do so modify my amendment.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

At the end of the committee amendment, insert the following:

SEC. . DENIAL OF CERTAIN TAX BENEFITS WITH RESPECT TO ACTIVITIES IN CERTAIN FOREIGN COUNTRIES.

(a) DENIAL OF FOREIGN TAX CREDIT.—Section 901 (relating to taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) DENIAL OF FOREIGN TAX CREDIT, ETC. WITH RESPECT TO CERTAIN FOREIGN COUNTRIES.—

"(1) IN GENERAL.—Notwithstanding any other provision of this part—

"(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) during the taxable year to any country to which this subsection applies, and

"(B) subsections (a), (b), and (c) of section 904 and sections 902 and 960 shall be applied separately with respect to income for such taxable year from sources within any country so identified.

"(2) COUNTRIES TO WHICH SUBSECTION APPLIES.—

"(A) IN GENERAL.—This subsection shall apply to any foreign country.—

"(i) the government of which the United States does not recognize, unless such government is otherwise eligible to purchase defense articles or services under the Arms Export Control Act,

"(ii) with respect to which the United States has severed diplomatic relations,

"(iii) with respect to which the United States has not severed diplomatic relations but does not conduct such relations, or

"(iv) which the Secretary of State has, pursuant to section 6(j) of the Export Administration Act of 1979, as amended, designated as a foreign country which repeatedly provides support for acts of international terrorisms.

"(B) PERIOD FOR WHICH SUBSECTION APPLIES.—This subsection shall apply to any foreign country described in subparagraph (A) during the period—

"(i) beginning on the later of—

"(I) January 1, 1987, or

"(II) 6 months after such country becomes a country described in subparagraph (A), and

"(ii) ending on the date the Secretary of State certifies to the Secretary of the Treasury that such country is no longer described in subparagraph (A).

"(3) PART-YEAR RULE.—If this subsection applies to any foreign country for any period less than an entire taxable year, paragraph (1) shall be applied by taking into account only that proportion of the taxes and income described in paragraph (1) for the taxable year as the portion of the taxable year which includes such period bears to the entire taxable year."

(b) DENIAL OF DEFERRAL OF INCOME.—

(1) GENERAL RULE.—Section 952(a) (defining subpart F income) is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", and", and by inserting immediately after paragraph (4) the following new paragraph:

"(5) the income of such corporation derived from any foreign country during any period during which section 904(i) applies to such foreign country."

(2) INCOME DERIVED FROM FOREIGN COUNTRY.—Section 952 (defining subpart F income) is amended by adding at the end thereof the following new subsection:

"(e) INCOME DERIVED FROM FOREIGN COUNTRY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of subsection (a)(5), including regulations which treat income paid through 1 or more entities as derived from a foreign country to which section 904(i) applies if such income was, without regard to such entities, derived from such country."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1987.

Mr. GRASSLEY. Mr. President, those who might argue—though I have not heard it yet—that somehow foreign policy issues of terrorism have no business being discussed with the general subject of tax reform or tax legislation in general, I think miss a very important point in the area of foreign tax credits as applied to terrorist countries. Our tax system is in direct conflict with our foreign policy interest of defeating terrorism. Foreign policies and tax policies are closely interrelated.

If we are really serious about getting tough with the terrorists, we have to strike at terrorism in every conceivable legitimate way. This surely includes denying terrorists indirect tax subsidies.

□ 1140

Mr. President, I do see the Senator from New Jersey on the floor, who cosponsored this legislation. I shall yield the floor if the Senator seeks recognition.

Mr. LAUTENBERG. Mr. President, yes, I joined with Senator Grassley in offering this amendment to deny foreign tax credits to companies operating in countries that actively support terrorism. This amendment is similar to S. 2429, legislation that Senator GRASSLEY and I introduced as the Anti-Terrorism Tax Act on May 8, 1986. It will save tax dollars, not spend them.

Our Tax Code currently permits U.S. corporations that do business in foreign countries to credit the taxes they pay to foreign governments against their U.S. tax bill. The purpose of this "foreign tax credit" is to prevent corporations that operate abroad, and those that invest in them, from being subject to double taxation. That principle is not at issue here. The issue is whether American taxpayers should subsidize, even indirectly, governments that support and sponsor terrorism. I say they should not.

To prevent that subsidy, and to encourage companies to leave countries that sponsor terror, this amendment would deny the foreign tax credit to corporations that operate in countries that have exhibited a pattern of support for terror as verified by the Secretary of State on his terrorist list. Initially, we started with five countries, which particularly were listed because of their support of terrorism. Of course, that amendment has now been modified by the author of the amendment and while we have some concerns about whether or not we invade the province of the foreign policymakers in our country, we believe that all nations that are identified with terrorism should be included on this list.

The one thing I do not want to do, however, is get confused with other foreign policy objectives. When we discuss Angola, it seems there are other sides of that issue that include some support from the Government of South Africa. Therefore, while I am troubled by some parts of the amendment, I support it, because I think we have to do whatever we can to suppress terrorism and not in any way, di-

rectly or indirectly, lend our support to it.

Governments that support terror are specifically defined by reference to the terrorist list that is kept by the Secretary of State pursuant to the requirements of the Export Administration Act. Right now, as I said, there are five countries on that list—Libya, Syria, Iran, South Yemen, and Cuba. We prohibit tax credits if countries participate in an international boycott; why should we do less with countries that support terrorism?

This amendment will deny the benefit of American tax dollars to countries who practice terror, dollars that often provide the financial support for a regime dedicated to terror. Libya is a case in point. Last year, Qadhafi garnered $2 billion in tax revenue from the taxes of American companies operating in Libya; $2 billion used for the killing of innocent Americans and others around the globe; $2 billion to train and equip those who blow up discotheques and airplanes.

If we are to destroy Libya's ability to foment terror around the world, we must undercut the oil revenues that keep her afloat by making it less profitable for American companies to pump oil in Libya. How can we expect the cooperation of our allies in our program to isolate Libya economically and diplomatically if we ourselves provide tax benefits to companies operating there?

Although most American companies have now left Libya, this amendment applies to all companies that could operate there or in any other terrorist country in the future.

When we introduced S. 2429, the Anti-Terrorism Tax Act, it required that the foreign tax credit be denied to companies operating in terrorist countries immediately upon enactment of the bill. For companies operating in Libya who have been under orders to leave the country for some time, this is not unfair.

However, Mr. President, to give companies now in Syria, South Yemen, Iran, and Cuba time to leave without selling their assets at bargain basement prices, we have provided some leeway in our amendment. It permits companies to receive the foreign tax credit during the time it takes to sell or divest themselves of assets in terrorist countries, provided the Secretary of the Treasury grants such an exception. It will also provide time for companies operating in countries put on the terrorist list in the future to adjust to losing the foreign tax credit.

Mr. President, the Senate has already voted to deny tax benefits to Americans who continue to work in Libya in defiance of President Reagan's orders. We should do the same for corporations who operate in terrorist countries.

I urge my colleagues to adopt this amendment to send a message that the U.S. Government will no longer credit taxes paid to terrorists against taxes owed to the U.S. Treasury.

I thank the Senator from Iowa.

Mr. GRASSLEY. Mr. President, I compliment the Senator from New Jersey because, in this and many other areas, I have had an opportunity to work with him. He has been very helpful and I hope I have been helpful to him in several areas. He has really been out in front on this issue and I want to recognize that.

Mr. LAUTENBERG. Mr. President, I thank the Senator from Iowa. I share his sentiments. We have worked on many things and I think they have always been fruitful and positive. I appreciate the opportunity to work with him in this area as well.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the following Senators be added as cosponsors of the modified amendment: Senators D'AMATO, CHILES, DECONCINI, and HOLLINGS.

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

● Mr. D'AMATO. Mr. President, I support the modification to Senator GRASSLEY's amendment to eliminate certain tax preferences for U.S. companies operating in nations which we do not recognize, with which we do not have diplomatic relations, or which are supporters of terrorism.

Mr. President, for far too long, we have allowed our tax policy to subvert our foreign policy. It is unconscionable that U.S. companies operating in nations hostile to the United States are provided the same tax preference treatment as if they were doing business in our closest allied nations. It is unthinkable for me that we allow nations which we do not recognize, with which we do not have diplomatic relations, or which support international terrorism against Americans to benefit from our Tax Code.

U.S. companies operating overseas are provided a dollar-for-dollar tax credit against U.S. taxes for taxes paid abroad. The Tax Code also allows U.S. taxes on income earned abroad by foreign subsidaries of U.S. firms to be deferred until that income is remitted to U.S. parent corporations. Our amendment eliminates these tax breaks for income earned in nations hostile to the United States.

Only four countries—Albania, Angola, Mongolia, and North Korea—are withheld United States diplomatic recognition. Cuba, Iran, Cambodia, South Yemen, and Vietnam are nations with which we have severed relations. Under the Export Administration Act, the State Department has listed five nations which support international terrorism: Libya, Iran, Syria, Cuba, and South Yemen. These 11 pariah nations are eligible to benefit economically from tax breaks provided by an indiscriminate application of the U.S. Tax Code. This is in spite of the fact that we officially hold these hostile powers in the lowest regard. Surprisingly, some of these nations also enjoy most-favored-nation trading status and, in the case of Angola, Syria, and Iran, there is substantial United States trade.

We believe the nations listed above should no longer benefit from this preferential tax treatment. We should not encourage through our Tax Code what we discourage through diplomacy. We therefore propose that U.S. firms be denied foreign tax credits for payments they make to governments we do not recognize, have severed relations with, or which are officially considered sponsors of terrorism.

Presently, if a U.S. firm pays $1 of tax to any of these hostile governments, it receives an equivalent $1 reduction in its U.S. corporate taxes. This arrangement helps illegitimate and outlaw governments, in effect, to finance their activities by drawing on the resources of the U.S. taxpayer. Essentially, our tax policy is encouraging them to set their taxes as high as possible.

To reduce the rewards to such governments and to increase the taxes paid to the U.S. Treasury, our amendment will eliminate this tax credit for firms doing business in these nations. This favorable tax treatment, however, will be restored once normal relations are resumed. Making restoration contingent upon the reestablishment of normal relations will give U.S. firms operating inside the borders of our enemies an increased incentive to work toward reconciliation.

The trade impact of this amendment is significant. The naitons listed above ran a net trade surplus with the United States of more than $1.4 billion in 1985. Many argue that we should conduct no business with these regimes; here we argue merely that we should at least not use our Tax Code to worsen our trade imbalance with these nations. A more rational tax policy in this instance will help our trade balance, increase our tax revenues, create new jobs at home, and improve our security.

To make the foreign tax credit repeal truly effective, it also is necessary to eliminate a complementary tax break. Under current law, corporate income earned in foreign countries is not subject to U.S. tax until it is eventually repatriated back to the United States. In many cases, this could take years. This provision is also repealed for these hostile nations by our amendment. Otherwise, companies could choose never to repatriate their earnings. Perversely, this would encourage them to use the profits earned in these nations to further expand

their business operations in enemy countries.

The effective date of this amendment is January 1, 1987; this is sufficient notice to provide U.S. firms with an opportunity to prepare for its imposition. In the future, our amendment would provide a 6-month grace period before the imposition of these restrictions whenever we refuse to recognize or sever relations with a nation, or name that nation formally as a sponsor of terrorism.

Mr. President, this amendment makes good sense economically and politically. It is time that we align our tax policy with our foreign policy. The United States is leading the battle against international terrorism and to isolate pariah nations. Our allies which may want to join us in our fight must be puzzled by our contradicting foreign and tax policy actions. It is difficult enough, Mr. President, trying to convince our allies to join us in economic sanctions against outlaw nations to have to worry whether U.S. companies are, legally, compromising our efforts.

I urge strong Senate support for this important measure.●

Mr. GRASSLEY. Mr. President, I have no further statement to make at this point. I hope that following my promise to the Senator from Tennessee, we can move to consideration of this amendment.

Mr. LEVIN. Mr. President, I commend my friend from Iowa for his leadership and others who have worked on this. It is obviously an important contribution. I ask unanimous consent that I be added as a cosponsor.

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

The question is on agreeing to the amendment.

The amendment (No. 2256), as modified, was agreed to.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SASSER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2250

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Tennessee.

Mr. HEINZ. 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. LEVIN. 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. LEVIN. I ask unanimous consent that I be permitted to proceed for 4 minutes as in morning business.

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

THE ADMINISTRATION'S TRADE POLICY AND TRADE RECORD

Mr. LEVIN. Mr. President, yesterday, the administration announced the conclusion of an agreement with Japan regarding semiconductors. The administration hopes that the agreement will limit the dumping into our country of subsidized Japanese semiconductors while opening up the Japanese market to our semiconductors. I hope so, too. But it is too early to judge the effect of that agreement as the industry itself pointed out this morning.

It is not, however, too early to judge the administration's overall trade policy and trade record. It has been a disaster—and it can lead to a debacle if it isn't changed to recognize reality.

The President can begin that process when he discusses trade in his Saturday radio address to the Nation. In that speech, he will need to do more than point to a semiconductor agreement whose value has yet to be determined and whose alleged relief comes too late to help thousands of workers and hundreds of businesses. He cannot just praise an uncertain future while we have an all-too-certain present.

Two days ago, the Commerce Department announced that we had a negative trade balance of $14.2 billion for the month of June alone. That gives us a trade deficit for the first 6 months of 1986 of almost $84 billion. At this rate, 1986 will be a banner year for trade deficits—we could easily exceed last year's record deficit of $148 billion. I hope the President will explain the threat the record-breaking trade deficit poses to our economy. Even more importantly, I hope that he will give us an alternative to continuing in this direction—concrete ways to reduce the trade deficit substantially.

That is my hope. But my fear is that the President will simply attack the House of Representative as it gets ready to vote on an override of his veto of the textile bill which Congress passed last year. Congress put off an override vote for almost 8 months in order to give the President time to negotiate limits on the imports that are threatening to completely bury our domestic textile and apparel industry in a mountain of foreign-made fabric. What we've gotten are several bilateral agreements with some of the major foreign exporters of textiles which limit the increase in the textiles they may send to the United States. And that is something that those exporters have pledged to do before—and failed to do before. The House will be deciding next week whether they are satisfied with a strategy which simply might slow down the rate of increase in imports and in the trade deficit—but does nothing to reduce those imports and that deficit.

Rather than attacking the Congress, I hope the President will acknowledge that congressional concern—from both parties—is evidence that his trade policy isn't giving American workers or American industry the attention and support they deserve.

Finally, I hope the President will talk about the future of the American worker. About 25,000 American jobs are lost for every $1 billion of our trade deficit. With our deficit heading toward the $160 billion mark this year, that translates into 4 million Americans who may not be working next year because of our trade imbalance.

It is obvious to me that the President's trade policy did not work last year, it is not working this year, and unless some changes are made, millions of Americans will not be working next year because of the President's policy.

In his speech on Saturday, I hope the President indicates that he is willing to work with Congress to fix what is not working. I hope he avoids the temptation to merely condemn Congress for succumbing to "special interests" or for seeking to pass "kamikaze" legislation. This kind of rhetoric will not reduce the trade deficit. It is going to take an aggressive, activist trade policy, one which goes after other countries' unfair trade practices, one which opens up markets in countries that currently keep out our goods, and one which helps to improve our country's competitiveness in the world market.

While I hope the President will say these things, I am afraid all we will hear tomorrow is lots of talk about the inherent virtues of free trade and next to nothing about the fact that free trade only works when everyone plays by the same rules.

Right now the Congress understands those rules. We understand that the time to play has long since passed. We should not play under unfair rules; they do not work and as a result neither do millions of Americans. It is time for some fair play. And that means it is time to adopt a firm and decisive policy designed to deal with the unfair trading practices of other nations and the ineffective trade policy adopted by our own.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1150

Mr. HEINZ. Mr. President, I ask unanimous consent that the call of the quorum be rescinded.

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

INCREASE IN STATUTORY LIMIT ON THE PUBLIC DEBT

The Senate continues with the consideration of the joint resolution.

Mr. HEINZ. Mr. President, last night the Senate entered into a unanimous-consent agreement limiting debate on the amendment proposed to be offered by the Senator from North Carolina [Mr. HELMS]. I rise to indicate to Senators with an interest in this amendment that it would be the intention of this Senator to ask unanimous consent to lay aside the pending amendment for the period of 1 hour, which is what the Senate agreed to, so that we might conclude debate on Senator HELMS' amendment. I am advised that the Senator from Illinois [Mr. DIXON] has asked protection until 1 o'clock. It is 5 minutes to 12 and it seems to me, if we took up that amendment, it would work to his and the advantage of many other Senators. The key thing that I want to advise my colleagues of is that there are opponents to the Helms amendment, and I want them to be able to be present before I make that unanimous-consent request. I do not wish to in any way preclude their opportunity to debate the Helms amendment.

Mr. President, at this time I am not going to make that request. I am going to suggest the absence of a quorum, but it is the intention of the Senator from Pennsylvania to renew that request in a few minutes.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1200

Mr. HEINZ. 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. HEINZ. Mr. President, I indicated a moment ago that it would be my intention to ask unanimous consent to set aside the pending amendment. I am still not ready to do so, but I want to encourage the principal opponents to Senator HELMS' amendment, Senator EAGLETON and Senator MATHIAS, who should be concluding at this very minute the business of the Foreign Relations Committee, to come to the floor. The Foreign Relations Committee can meet only until noon today. Unanimous consent has not been entered into for them to continue past 12 noon today. It is this Senator's hope that at the conclusion of their hearing, those two Senators will come to the floor of the Senate so that we may take up the Helms amendment.

We may be forced to take up the Helms amendment rather quickly, to try to expedite the business of the Senate, or we may be forced to proceed to a vote on the Sasser amendment.

It is the desire of at least one Senator, Senator DIXON, who has a commitment to meet Father Jenco, to not have a vote before 1 o'clock. I hope we do not put ourselves in a position where we have to vote on any amendment before 1 o'clock.

Mr. SASSER. Mr. President, we have been very cooperative in setting aside the pending amendment in order to take up other amendments and to accommodate our colleagues. We want to continue to do that.

We will be agreeable to setting aside the pending amendment at some juncture, if the Senator from Pennsylvania so requests, to accommodate him and the Senator from North Carolina. But I do wish to emphasize that following disposition of the amendment to be offered by the Senator from North Carolina, which I understand has a time agreement of 1 hour and 15 minutes——

The PRESIDING OFFICER. The time agreement is for 1 hour.

Mr. SASSER. I thank the Chair.

Following the expiration of the 1 hour, or such time shorter than that which may be required, I do intend to press for the pending amendment and to dispose of that expeditiously. The yeas and nays have been ordered.

I say that so that my colleagues who may be within the sound of my voice or in their offices will know that there will be a rollcall vote sometime shortly following disposition of the Helms amendment.

Mr. HEINZ. Mr. President, I want to thank the Senator from Tennessee for his cooperation. It is quite true that he has been most helpful. He has done everything he can to help expedite our consideration of other business, and I want to express my appreciation to him.

Mr. SASSER. I thank the Senator from Pennsylvania.

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

The PRESIDING OFFICER (Mr. HATFIELD). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2257

(Purpose: To void D.C. Law 6-170.)

Mr. HELMS. Mr. President, I presume that it will be in order for me to call up the amendment. Incidentally, I wish to modify it or send a new version to the desk. Maybe the latter would be better. I send the amendment to the desk.

The PRESIDING OFFICER. The Senator from North Carolina will have to ask unanimous consent to temporarily set aside the pending amendment.

Mr. HELMS. I am sorry. I thought the distinguished Senator from Pennsylvania had done that. I do make such a request.

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

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS], for himself and Mr. DENTON, proposes an amendment numbered 2257:

At the end of the pending amendment, add the following:

SEC. . DISAPPROVAL OF ACTION OF THE DISTRICT OF COLUMBIA COUNCIL.

The Congress disapproves of the action of the District of Columbia Council described as follows: The Prohibition of Discrimination in the Provision of Insurance Act of 1986 (D.C. Law 6-170); and, notwithstanding any other provision of law, D.C. Law 6-170 shall be null and void effective from June 6, 1986.

Mr. HELMS. I yield myself such time as I may require. Also, I ask the distinguished occupant of the chair to notify me when I have used 20 minutes of my time.

Mr. SASSER. Mr. President, may I make a parliamentary inquiry?

It is my understanding that a time agreement has been entered into on the Helms amendment of 1 hour.

The PRESIDING OFFICER. The Senator is correct. The time agreement is 1 hour.

Mr. SASSER. I thank the Chair, and I thank the Senator from North Carolina.

Mr. HELMS. The Senator is quite welcome.

Mr. President, the pending amendment is a result of an agreement I have made with about 600 black ministers whose congregations represent 150,000 members in the District of Columbia—a very fine, dedicated group of ministers who are concerned, and rightly so, about an action by the District of Columbia City Council.

The D.C. City Council passed an unfair and unwise law—the number of it is D.C. Law 6-170—and it is identified as the D.C. AIDS law. Congress, of course, has the authority, under both the Constitution and the D.C. Home Rule Act, to veto this law.

I am going to get into the details as I move along, but first let me pay my respects to the ministers who are so perceptive about this matter. They are fine, dedicated ministers in Washington, DC.

The point, Mr. President—and this has been emphatically made by the ministers—is that D.C. Law 6-170 discriminates in favor of a special class of people whose lifestyles places them at risk of developing AIDS; and this law would require everybody else to pick up the tab.

It involves insurance, health, life, and disability insurance. Of course, as we all know, insurance is, and should

be, a matter of contract between the insurer and the insured. It has been a longstanding practice of the insurance industry to base premiums on individual or group risk, and actuarial standards are established, of course. Those at higher risk of developing a disease, whatever it may be, pay higher premiums. That is the way it works. Those who are healthy pay a standard premium. This system of freedom of contract, without Government interference, has served the people of this country well, providing insurance at fair rates for well over a century. But along comes the D.C. City Council, Mr. President, deliberately upsetting the apple cart.

□ 1210

The D.C AIDS law is an unfair law because it would suspend longstanding risk assessment practices for a relatively few individuals and would force insurance companies to carry such individuals at low risk premiums. It is an unwise law, Mr. President, because it will ultimately frustrate, if not deny, thousands of D.C. citizens the opportunity to obtain life, health, and disability insurance. The insurance simply will not be available because insurers will have ceased doing business in D.C., as some have decided to do, or the insurance will be too costly to obtain. Either way, the majority of residents of the District of Columbia lose, and lose big, for the sake of a special group.

That is the case as stated by the hundreds of black ministers and the 150,000 members of their congregations.

Mr. President, the insurance industry spent thousands of dollars lobbying against D.C. law 6-170. Since the D.C. council turned a deaf ear, the fine black ministers of the District of Columbia and their congregations have come together to oppose D.C. law 6-170 and to support my efforts to overturn this unjust law.

Let us look at the facts in detail. D.C. law 6-170, which was passed on May 27, prohibits health, disability and life insurers in the District of Columbia from all testing for acquired immune deficiency syndrome [AIDS], aids related complex [ARC] and the HTLV-III infection and from using any test to deny, amend, cancel, or refuse to renew a policy. D.C. law 6-170 also prohibits an insurer from asking an applicant his or her occupation, sex, sexual oreintation, marital status, age or similar factors for the purpose of determining the probability of his or her contracting AIDS. For 5 years under this D.C. law, insurers are prohibited from raising the rates of those who test positive for the presence of any probable causative agent of AIDS, ARC or the HTLV-III infection. Unless the applicant has been diagnosed by a licensed physician as having AIDS or the applicant displays other symptoms to show that the applicant has developed AIDS, the insurer cannot conduct any AIDS test to determine insurance or to set premiums.

If ever there was a piece of unjustified special interest legislation, Mr. President, this is it. For every other disease, an insurer can use any available medical information and tests to determine whether an applicant has a disease or is at high risk of contracting a disease or illness. The insurer can test an applicant for high blood pressure, diabetes, cancer, allergies, anemia, alcohol, drug abuse, paralysis, and heart attacks. The insurer can run blood tests to determine the applicant's health status. The insurer can consider if the applicant is overweight, or if he smokes. The insurer can ask the applicant about his medical history. The insurer can consider the applicant's occupation. And the list goes on and on. If the insurer determines that the individual is at high risk, he is either denied insurance or the applicant's premiums are set in accordance with his individual risk.

That is the way the game works everywhere except in the District of Columbia where these people with a lifestyle of their own who deliberately put themselves at risk in contracting AIDS are singled out by the D.C. Council and told, "We are going to put you on a little bit of a pedestal and we are going to give you preferential treatment."

The fine black ministers and their congregations do not like this and I do not blame them.

So if the D.C. AIDS bill takes effect, and it will unless Congress does something about it or unless the courts do something about it, insurers will have to suspend these longstanding practices for those applicants who have contracted the AIDS virus and are at risk of developing AIDS. The Centers for Disease Control [CDC] estimated that 5 to 10 percent of those who are infected with the AIDS virus will develop a severe case of AIDS possibly within 5 years and 20 to 30 percent will develop ARC. A July 22, 1986, report prepared by the Library of Congress said flatly, "Current estimates are that at least one-third of those who test positive will develop AIDS."

Representatives of the insurance industry have testified before Congress opposing State laws forbidding insurers from using antibody tests to determine insurability.

On November 1, 1985, the House Subcommittee on Health, of the Committee on Energy and Commerce held hearings on the financing of health care costs associated with AIDS. In his testimony, Dr. Donald Chambers, vice president and chief medical director of the Lincoln National Life Insurance Co. testified:

This violation of sound underwriting principles is one to which the industry takes exception, as it marks an unprecedented departure from an insurers traditional ability to underwrite with access to all pertinent medical information. Legislative sanctions of this type simply foster adverse selection—a process by which a disproportionate number of high-risk individuals are given incentive to purchase health insurance, resulting in a severely skewed and unfair subsidization of the high-risk group by the low-risk population. The industry feels it is incumbent upon us as insurers of the population at large to do all we can to detect the minority of applicants who have been infected with the AIDS virus. Testing applicants for the presence of the HTLV-III antibody does indeed provide the underwriter a reliable tool on which to base his risk assessment.

On July 24 I received a letter signed by 15 independent D.C. life underwriters. In that letter, similar points were reiterated. They stated:

As professionally trained and experienced insurance underwriters, we oppose D.C. Act 6-170's ban on all forms of AIDS testing for the following reasons:

(1) Sound insurance underwriting requires the questioning of applicants on all factors which would impact on that applicant's expected mortality. D.C. Act 6-170 prohibits questioning on an important aspect of an insurance applicant's present and future health.

(2) Sound insurance underwriting principles require that policyholders' premiums cover the policyholder's risk. By barring an investigation of a major risk factor, D.C. Act 6-170 requires that increased costs incurred by that factor to be imposed on all other policyholders. Insurance costs will increase substantially as a result.

(3) Insurance firms unwilling to assume the burden of an unknown, vastly expensive risk may well do not more business in the District of Columbia, reducing the choices available to District residents.

(4) Other high risk groups such as victims of hypertension already pay substantially higher premiums. Those premiums must increase still further to cover the risk created by AIDS exposed policyholders.

Senator Helms, we urge you to keep up your fight to overturn D.C. Act 6-170, the only law in the nation which bans any and all forms of AIDS testing for insurance purposes.

As this letter indicates, and as I have said before, if D.C. law 6-170 takes effect, Mr. President, one of two things will happen. The insurance companies will cease doing business in D.C. because it is uneconomic, or policyholders not at risk of developing AIDS will be forced to foot the bill for the AIDS group in the form of higher premiums, including those policyholders who are already paying higher premiums because they are at risk of developing another illness such as cancer or a heart attack, or whatever.

As this last letter indicates, the insurance industry will not ultimately be the one to suffer. Whether insurers stay in the District or leave, the ones who will suffer will be the residents of the District of Columbia. If the insurers stay, the person who works at a small company, who makes, let us say,

$15,000 a year, and who participates in a small group health insurance plan, will be forced to pay higher premiums for someone else's health risk. And, of course, if the employer pays 50 to 60 percent of the premium, he will have to dish out more money as well.

Or what about a single mother struggling to keep her income above the poverty line, where every penny counts? She will be the one forced to pay for someone else's health risk.

It is important to note that three insurance companies have already decided to pull out of D.C. In a June 28, 1986 Washington Times article, it was reported that three insurance companies—Geico, Bankers Security, and Berkshire Life—intend to leave D.C. Another life insurance company—Golden Rule Life—has scrapped its plans to open a regional marketing office in the District for health policies.

It is not coincidental, Mr. President, that these companies are pulling out. They are packing up and moving away because they cannot afford to stay if the D.C. AIDS bill takes effect. In the June 28 Washington Times article, Berkshire Life's president, Albert Cornelio, is quoted as saying:

> The law essentially takes away our ability to underwrite in a normal fashion as we would for any other disease. . . . For a company such as Berkshire, this is a risk we just can't handle.

Concerned D.C. ministers and the Federation of Citizens Associations of the District of Columbia have written me supporting my efforts to overturn the D.C. law 6-170.

The Reverend John G. Martin, founder and executive director of the Third World Assembly, Inc., wrote me a letter dated July 30, 1986. In the letter he said:

> The Third World Assembly, Inc. domiciled in Washington, D.C. and whose executives mostly reside in the District of Columbia, support S.J. Res. 366 to disapprove D.C. law 6-170. . . . It is my hope that the Senate can see the wisdom of your decision to morally uphold their constitutional responsibilities.

The Reverend Cleveland B. Sparrow, chairman of the moral majority and pastor of Sparroworld Baptist Temple, wrote me on July 24, 1986. In his letter he stated:

> I thank God continuously for your outstanding leadership in the United States Congress to repeal the poorly conceived D.C. Act 6-170 and to protect the citizens as well as the three million annual visitors to Washington, D.C., the Capital of the United States of America and a shining star in the Free Western World.

At another point in the letter he states:

> I urge you to keep up your fight to overturn D.C. Act 6-170, the only law in the nation which bans any and all forms of AIDS testing for insurance purposes. I have been assured that you will receive additional letters in support of the position stated in this letter.

On July 30, I received a letter from the Reverend John D. Bussey. In his letter he stated:

> This comes to urge you and to commend you in all the efforts you have made and are making to overturn D.C. Act 6-170, which was recently passed by the D.C. City Council and signed into law by the Mayor.

At another point in the letter he states:

> The Baptist Ministers' Conference of Washington, D.C. and Vicinity is an organization of Baptist pastors and ministers with a membership of more than 600. They voted that I should testify on their behalf at a regular meeting in June. The pastors who are members of this Conference represent approximately 150,000 members in their churches.
>
> I am a pastor of long standing and high respect among the ministry and the people of the District of Columbia, having been Pastor of Bethesda Baptist Church for the past 32 years. We urge you, sir, to do whatever you can to overturn this unreasonable Act.

Mr. President, I have not had the pleasure of meeting Reverend Sparrow, Reverend Martin or Reverend Bussey, although I hope that I have that opportunity in the near future. I do appreciate, however, their leadership on this issue. They, as citizens of the District of Columbia and as ministers of the Gospel, have done a remarkable job in alerting District residents to the dangers of the D.C. AIDS law.

The Federation of Citizens Associations of the District of Columbia supports my efforts as well. A letter from the Federation's president, Mabel Morris, stated:

> The Federation of Citizens Associations of the District of Columbia represents thousands of District residents through their memberships in neighborhood citizens associations concerned with all phases of community life such as health, education, transportation, public works, etc.
>
> It does, through unanimous action of its Executive Board in a meeting on June 10, 1986, oppose D.C. Act 6-170 known generally as the AIDS Insurance Act.
>
> It does also support resolutions by Senator Helms and Representative Dannemeyer urging Congressional disapproval of this Act.

Mr. President, in my mind, the choice is simple. We can ignore the concerns of the insurance industry—that they will have to raise premiums for everyone, or pull out of D.C. We can ignore the D.C. ministers and the thousands of members of their congregations who are pleading with us to overturn D.C. law 6-170—or—we can listen and exercise our constitutional power and overturn this unwise and unjust law.

I ask unanimous consent that copies of the letters of Reverend Sparrow, Reverend Bussey, Reverend Martin, Reverend Fuller and the letter from the 15 D.C. life underwriters as well as the letter from the Federation of Citizens Associations of the District of Columbia and other letters be printed in the RECORD at the conclusion of my remarks.

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

SPARROWORLD BAPTIST TEMPLE,
July 24, 1986.

Hon. JESSE HELMS,
U.S. Senate, Washington, DC.

DEAR SENATOR HELMS: I thank God continuously for your outstanding leadership in the United States Congress to repeal the poorly conceived D.C. Act 6-170 and to protect the citizens as well as the three million annual visitors to Washington, D.C., the Capitol of the United States of America and a shining star in the Free Western World.

Mayor Marion Barry and the D.C. City Council chaired by Mr. David Clark have shown disregard, if not total contempt for approximately 98 per cent of the people of the District of Columbia in that far less than 2% of the population have tested positive for aids. This is a blatant act of discrimination against innocent victims of cancer, cardio-vascular diseases, muscular dystrophy and other illnesses. This is not only discrimination, but a flagrant violation of the Equal Protection Provision of the 14th Amendment to the U.S. Constitution. Congress is required to take appropriate action when the U.S. Constitution has been violated and the anticipated action is in complete accord with Section 601 of the D.C. Home Rule Act.

I am deeply concerned over the illogical action taken by the Mayor and City Council when they passed D.C. Act 6-170. In my capacity as Pastor of the Sparroworld Baptist Temple, a father of five children, a citizen of Washington, D.C. for 30 years and Chairman of the Washington, D.C. Chapter of the Moral Majority I have been made aware of a broad base effort to repeal D.C. Act 6-170.

(1) By copy of this letter, the City Council is again requested to call-back D.C. Act 6-170.

(2) The Baptist Ministers Conference of Washington, D.C. and Vicinity of which I am one of approximately 500 Baptist Ministers voted to condemn the bill because it was discriminatory.

(3) The D.C. Board of Elections has authorized a referendum for the 4 November 1986 general election and efforts are underway to obtain the required 13,000 signatures on petitions. It is estimated that this effort will cost the citizens of Washington, D.C. over $100,000.00 and would not be necessary if Congress would repeal D.C. Act 6-170.

(4) On 22 July 1986, Ministers of Washington united with the Insurance representatives to repeal D.C. Act 6-170's ban of AIDS testing for the following reasons:

(1) Sound insurance underwriting requires the questioning of applicants on all factors which would impact on that applicant's expected mortality. D.C. Act. 6-170 prohibits questioning on an important aspect of an insurance applicant's present and future health.

(2) Sound insurance underwriting principles require that policyholders' premiums cover the policyholder's risk. By barring an investigation of a major risk factor, D.C. Act 6-170 requires the increased costs incurred by that factor to be imposed on all other policyholders. Insurance costs will increase substantially as a result.

(3) Insurance firms unwilling to assume the burden of an unknown, vastly expensive risk may well do no more business in the

District of Columbia, reducing the choices available to District residents.

(4) Other high risk groups such as victims of hypertension already pay substantially higher premiums. Those premiums must increase still further to cover the risk created by AIDS exposed policyholders.

I urge you to keep up your fight to overturn D.C. Act 6-170, the only law in the nation which bans any and all forms of AIDS testing for insurance purposes. I have been assured that you will receive additional letters in support of the position stated in this letter.

Thank you again for what you will do.

Yours-in-Christ,

REV. CLEVELAND B. SPARROW, SR.,
Pastor, Sparroworld Baptist Temple, Chairman, Washington, D.C. Moral Majority.

THE THIRD WORLD ASSEMBLY, INC.,
Washington, DC, July 30, 1986.

Hon. JESSE HELMS,
U.S. Senate, Washington, DC.

SENATOR HELMS: The Third World Assembly, Inc. domiciled in Washington, D.C. and whose executives mostly reside in the District of Columbia, support SJ Res. 366 to disapprove D.C. Law 6-170.

After joining congressman Dannemeyer in his initial effort to overturn the deadly legislation contained in D.C. Law 6-170, and appearing in testimony before Hon. Walter E. Fauntroy, Chairman of Subcommittee on Fiscal Affairs and Health July 14, 1986, and being thwarted by a minority group on a proposed D.C. Referendum temporarily, it is a blessing from God that we have such men as yourself morally persuaded that what is good for the nation is good for all.

The Third World Assembly, Inc. wholeheartedly supports SJ Res. 366 which you have introduced in the Senate for the good of all.

It is my hope that the Senate can see the wisdom of your decision to morally uphold their constitutional responsibilities.

Yours for a better nation,

REV. JOHN G. MARTIN,
Founder/Executive Director.

FEDERATION OF CITIZENS ASSOCIATIONS OF THE DISTRICT OF COLUMBIA,
July 16, 1986.

DISTRICT OF COLUMBIA COMMITTEE,
U.S. House of Representatives, Washington, DC.

TO MEMBERS OF THE COMMITTEE: The Federation of Citizens Associations of the District of Columbia represents thousands of District residents through their memberships in neighborhood citizens associations concerned with all phases of community life such as health, education, transportation, public works, etc.

It does, through unanimous action of its Executive Board in a meeting on June 10, 1986, oppose D.C. Act 6-170 known generally as the AIDS Insurance Act.

It does also support resolutions by Senator Helms and Representative Dannemeyer urging Congressional disapproval of this Act.

It hereby communicates to the Congress its action and reasons therefor on the attached sheet. It further believes that its large constituency makes it deserving of recognition at public hearings on any matter which it deems to be in the public interest.

Respectfully submitted.

MRS. EDWARD B. MORRIS,
President.

D.C. ACT 6-170 OPPOSITION

The Federation of Citizens Associations of the District of Columbia opposes Act 6-170 for a number of reasons:

1. It prohibits insurors from considering lifestyle choices as they do in the case of smoking.

2. It excludes an obviously correlated factor, sexual lifestyle, from basic underwriting decisions.

3. It treats AIDS differently from other insurance underwriting.

4. It will increase the insurance premiums of the general population above those in surrounding jurisdictions.

5. It will price the poor out of affordable insurance.

6. It will extend the price regulation of insurance into this one unique area.

7. It will drive insurance companies from the District, such as Geico.

8. It condones illegal acts such as sodomy and drug use.

9. The D.C. Council treats insurance as an industry non grata while giving favorite treatment to other industries such as development and liquor.

10. It is slapping the Congress in the face for disapproving the "sex act" five years ago.

11. The AIDS bill is mislabeled. Titled to prohibit insurance discrimination, it fails to address many "discriminations" of other kinds. The description of the bill talks about testing and benefits but also contains a great deal more.

The Federation does not see Congressional disapproval of the AIDS insurance Act as being contrary to the principles of home rule which include possible Congressional disapproval as part of the legislative process.

Moreover, if the District of Columbia becomes a mecca for persons infected with AIDS and if affordable insurance becomes scarce, the quality of life here will deteriorate to such an extent that the ability of the Federal government will be impaired due to low morale and difficulty in recruiting employees, and tourists (Americans from all over the nation wishing to visit their nation's capital) will be deterred.

These issues are germane to the Federal interest and merit disapproval of D.C. Act 6-170.

If the Congress does not wish to disapprove D.C. 6-170, it can take action remanding the issue to referendum and facilitate the local referendum process by extending the Congressional review period to enable referendum sponsors to gather enough signatures to get the issue on the ballot in September or November.

The House District of Columbia Committee should send some sort of action to the House floor even if a negative recommendation to permit the duly elected Representatives of the people to debate, amend, and vote on the matter.

This Federation urges that the Congress disapprove D.C. Act 6-170.

JULY 23, 1986.

Hon. JESSE HELMS,
U.S. Senate,
Washington, DC.

DEAR SENATOR HELMS: We, the undersigned are firmly opposed to D.C. Act 6-170 and support your efforts to overturn that legislation in the United States Senate.

As professionaly trained and experienced life insurance experts, we oppose D.C. Act 6-170's ban on all forms of AIDS testing for the following reasons:

(1) Sound insurance underwriting requires the questioning of applicants on all factors which would impact on that applicant's expected mortality. D.C. Act 6-170 prohibits questioning on an important aspect of an insurance applicant's current health.

(2) Sound insurance underwriting principles require that policyholders' premiums cover the policyholder's risk. By barring an investigation of a major risk factor, D.C. Act 6-170 requires the increased costs incurred by that factor to be imposed on all other policyholders. Insurance costs will increase substantially as a result.

(3) Insurance firms unwilling to assume the burden of an unknown, vastly expensive risk may well do no more business in the District of Columbia, reducing the choices available to District residents.

(4) Present practice of classifying risks is non-discriminatory. Persons in higher risk groups, such as victims of hypertension pay higher premiums than those who are in good health. This bill is unfair because it denies equal treatment to all applicants.

Senator Helms, we urge you to keep up your fight to overturn D.C. Act 6-170, the only law in the nation which bans any and all forms of AIDS testing for insurance purposes.

Sincerely,

FIFTEEN INSURANCE EXPERTS.

BETHESDA BAPTIST CHURCH,
Washington, DC, July 30, 1986.

Hon. JESSE HELMS,
Dirksen Senate Office Building,
Washington, DC.

DEAR SIR: This comes to urge you and to commend you in all the efforts you have made and are making to overrun D.C. Act 6-170, which was recently passed by the D.C. City Council and signed into law by the Mayor.

I recently spoke before Congressman Dannemeyer for the Baptist Ministers' Conference and have since then spoken before the D.C. House Committee in opposition to the enactment of D.C. Act 6-170. Since that time I have organized a committee entitled "The Committee Against D.C. Act 6-170." This Committee is in the process now of gathering signatures in an attempt to place this on the ballot in November for the people to vote for or against.

I am enclosing a copy of the testimony I gave before the House Committee on D.C. Affairs. This will give the reasons for our opposition.

The Baptist Ministers' Conference of Washington, D.C. and Vicinity is an organization of Baptist pastors and ministers with a membership of more than 600. They voted that I should testify on their behalf at a regular meeting in June. The pastors who are members of this Conference represent approximately 150,000 members in their churches.

I am a pastor of long standing and high respect among the ministry and the people of the District of Columbia, having been Pastor of Bethesda Baptist Church for the past 32 years. We urge you, Sir, to do whatever you can to overturn this unreasonable Act.

Yours in Christian service,

Rev. JOHN D. BUSSEY.

STATEMENT OF REVEREND JOHN D. BUSSEY

TO Hon. JESSE HELMS, Hon. WILLIAM DANNEMEYER.

I am pastor of Bethesda Baptist Church of Washington, D.C. and the chairman of

the Committee Against D.C. Act 6-170. I am speaking for the committee and on behalf of the Baptist Ministers Conference of Washington, D.C. and vicinity of which the Reverend William H. Montgomery is president.

Sirs, I urge you and your committee to put in motion the necessary procedures to cause D.C. Act 6-170 to be overturned or repealed for the following reasons.

The first ground is that the measure is anti-business.—It forces the insurance industry to cover persons who have tested positive on any test to screen for the presence of any probable causative agent of AIDS.

An insurer may not use age, marital status, geographic area of residence, sex, sexual orientation or any other similar factors or combination of factors for the purpose of seeking to predict whether any individual may in the future develop AIDS or an AIDS related complex.

An insurer may not use age, marital status, geographic area of residence, occupation, sex, sexual orientation in determining rates, premiums, dues assessments, benefits covered or expenses reimbursable.

An insurer may not require or request any individual directly or indirectly to take any test to screen for the presence of any probable causative agent of AIDS or AIDS related complex.

An insurer may not request any individual directly or indirectly to disclose whether he or she has taken such test.

Sirs, it is my conviction and that of the Committee Against D.C. Act 6-170 and the Baptist Ministers Conference, that the above mentioned provisions of D.C. Act 6-170 run blatantly and foolhardedly counter to the established and sound business practices of the insurance industry. We are convinced,

Sirs, that a law of this kind in the District of Columbia could very well force every major insurance company to flee the District of Columbia or Bankrupt them if they dare to stay. The only other obvious alternative for them would be to increase their rates and premiums beyond the ability of all but the most affluent to afford.

D.C. Act 6-170 is anti-business in that it criminalizes traditionally sound business practices of the insurance industry.

The bill states that it is illegal to discriminate because of age. If such logic were applied to the automobile insurance industry, such insurers would be compelled to charge every driver the same rates regardless of whether they were experienced and settled senior citizens with no history of accidents or young teenagers out to burn up the road. The bill also states that it is illegal to discrimination because of marital status. Once again looking at the automobile insurers as an example, the bill would require the industry to charge a parent driving carefully because his vehicle is loaded with his small loved ones as a single young person who cares about no one but himself. I am not suggesting that the measure applies to automobile insurance. I cite these examples to demonstrate how each of us has been living with "quote-unquote" discrimination by the insurance industry for decades except we have long recognized the validity and legality of the logic supported by actuarial tables.

The bill makes it illegal to utilize the results of any test to determine the likelihood that a person will develop or actually has AIDS for the next five years. The logic is that it takes five years for any test to prove statistically reliable. The error with that logic is that is assumes that no one in the field of medical science is already in the process of developing a test which will prove accurate next year because they started four years ago or two years from now because they started two years ago and so on. The city council and the mayor, in enacting this legislation, have stated that it is just too bad if such a test is announced before five years is up! If this act is not repealed, any person with stock in an insurance company in the district is well advised to trade it in.

D.C. Act 6-170 is unreasonable.—This act purports to safeguard AIDS victims against discrimination where insurance coverage is concerned. What this act really does, sirs is to blatantly discriminate against every other citizen in D.C. and eventually the entire Nation. It seeks to force, by law, the insurers to issue policies to many persons who are totally uninsurable. We contend that this is unwarranted preferential treatment at the obvious expense of all of us. Everyone knows that family medical history of high blood pressure, cancer, heavy smoking, heart disease, sickle cell anemia, stroke, etc. have long been used by the insurance industry to determine the insurability of an individual and the costs of his premium.

By the enactment of this measure, the city council and the mayor have lead the citizens of the District of Columbia to believe that the protections of the act do not extend to persons who actually have AIDS at the time of application for insurance. That is not correct. Only persons who have actually been diagnosed as having aids are exempt from the protections of the act.

If a person has AIDS, but does not know it or if he knows he has AIDS, but he has not been to a doctor for treatment he is protected by the act—even though he has AIDS. What rational reason can the city council give for refusing an insurer the ability to administer the test and to require further diagnosis by a physician for a person who tests positive? The act simply goes too far.

As a matter of fact, the act possibly hurts the very citizens it purports to protect by prohibiting the testing. Many individuals who have aids unknowingly would find out when they applied for insurance, tested positive and followed up the test with medical diagnosis by a qualified physician.

The citizens for whom I speak are convinced that the unreasonableness of D.C. Act 6-170 is enouth to recommend its repeal by Congress.

[This section addressed to Mr. Fauntroy, personally]

Our efforts in coming before you today are not anti-homerule.—Mr. Chairman, we are in the process of seeking to have this law repealed through the referendum process. The initiative, referendum and recall procedures are part an parcel of the ability of any jurisdiction to exercise homerule. In this jurisdiction, however, the referendum process is fatally defective. A proposer of an initiative has 180 days within which to secure the required number of signatures. We are given a mere thirty days that is cut short by a ten day challenge period and cut further by the possibility of litigation by the opposers of the referendum.

By proposing a referendum, we are submitting that the majority of the voters in the District of Columbia do not favor the law. However, we may not get the opportunity to exercise homerule and prove it because of the unreasonably short period of time that we have to secure the necessary signatures. Mr. Chairman, if you as an outspoken supporter of homerule, believe that Congress should let the city decide, then we challenge you to introduce a measure to extend the congressional review period on this act to afford district residents the opportunity to vote on the matter. We are really asking you to give us the necessary time to exercise homerule.

Thank you for your consideration.

MARANATHA CHURCH
ON CAPITOL HILL,
July 23, 1986.

Hon. JESSE HELMS,
U.S. Senate,
Washington, DC.

DEAR SENATOR HELMS: As a pastor in the District of Columbia I am opposed to D.C. Act 6-170. I as a district resident am embarrassed to admit that our city council showed the neglect that they did for the well being of the citizens of this community. I thank you for taking the responsible concern for our city that should have been demonstrated by our elected officials.

In conclusion I am in support of the Resolution of Disapproval that you are sponsoring in the Senate.

Thank you for your help.

Sincerely,

BRETT FULLER, *Pastor.*

ASSEMBLIES OF GOD-POTOMAC
DISTRICT COUNCIL,
Fairfax, VA, July 15, 1986.

Hon. JESSE HELMS,
U.S. Senate,
Washington, DC.

DEAR SENATOR HELMS: As a minister of the gospel and an executive working with thousands of our ministers and church members, I wish to express my deep concern that your influence and support will be solidly behind the House Bill dealing with AIDS—S.J. Res. 366, the Resolution of Disapproval of D.C. Act 6-170, the AIDS insurance legislation. I join with the overwhelming majority of my fellow citizens who have no interest in subsidizing an immoral life style and who do not wish to see their insurance rates raised in such an arbitrary manner. Thank you for your consideration of this matter.

Sincerely yours,

T. BURTON PIERCE,
Executive Secretary.

Mr. HELMS. I thank the Chair and I reserve the balance of my time.

Mr. MATHIAS. Mr. President, I am happy to join the Senator from Missouri in opposing this amendment. I appreciate the forebearance of the Senator from Missouri in letting me move forward.

Mr. President, I do strongly oppose the amendment offered by the Senator from North Carolina. As he knows, beyond anything else, it is an attempt to circumvent the work of the duly elected representatives of the District of Columbia and should not be condoned by the Senate.

In 1973 Congress returned to the citizens of the District of Columbia the right to govern themselves, a right they had lost nearly 100 years earlier. In enacting the District of Columbia Self-Government and Governmental Reorganization Act of 1973, also known as the Home Rule Act, Congress recognized the disservice it had

done to the citizens of the Nation's Capital a century earlier. I said at that time:

The passage of this bill would restore local self-government to the Capital and would return to the citizens of the District of Columbia, after far too long a time, the basic democratic privileges which the citizens of every village, every town, every city, every county, every State now enjoy.

Mr. President, if the Senate today acts to adopt the amendment of the Senator from North Carolina, we act to take back that "local self-government," the "basic democratic privilges" to which every citizen of this country—including every citizen of the District—is entitled. I urge my colleagues not to allow this to happen.

In the early days of the home rule, as the Senator from Missouri will recall, the District of Columbia Court of Appeals held that "[t]he core and primary purpose of the Home Rule Act * * * was to relieve Congress of the burden of legislating upon essentially local matters 'to the greatest extent possible consistent with the constitutional mandate'." And that is just what home rule has done. Where before the Congress would, on a regular basis, concern itself with alley closings and street renamings, regulation of local industries and local businesses, establishing pay levels, benefits and working conditions for local workers, Congress has now been able to step back and allow the local legislature to make these local decisions.

Under the provisions of the Home Rule Act, Congress delegated much of its authority over the day-to-day operations of the city to a locally elected government. However, Congress did not relinquish its duties and responsibilities with respect to the city as set out in article 1, section 8 of the Constitution. We have retained the power to legislate for the District as the Constitution requires, and to review the actions taken by the city government. We have established a scheme by which Congress can overrule an action of the city council. And, in fact, that scheme has been utilized, sparingly, when the Congress felt that the council had overstepped its bounds.

When the council of the District of Columbia enacts a measure and it is signed by the Mayor, the matter is transmitted to the President of the Senate and the Speaker of the House for a 30 legislative-day layover period, pursuant to the provisions of the Home Rule Act. In the Senate, every such measure is referred to the Governmental Affairs Subcommittee on Governmental Efficiency and the District of Columbia, where each is reviewed based on certain criteria. The subcommittee reviews a measure to determine whether the council has stayed within the boundaries of its authority as delineated in the Home Rule Act; whether the measure violates the Constitution; and, whether the measure conflicts with some strong Federal interest.

And that, really, is the process that we should be dealing with Mr. President. Not an amendment on a national debt limit bill.

In fact, a resolution of disapproval was filed on this matter by the Senator from North Carolina. But it has not been pursued. The District Committee volunteered to have a hearing on it and tried to make it at a time convenient to the Senator from North Carolina, but no such hearing has been held. I would renew the invitation to have such a hearing if the Senator from North Carolina wishes to have it, because that is the process, that is the statutory way to proceed.

To continue, when a piece of council legislation violates one of the principles that I have outlined, the Home Rule Act provides for a resolution of disapproval to be used to keep the legislation from becoming law. Only twice in the 11-year history of home rule, during which time hundreds of measures have been enacted, has Congress judged that one of the criteria was violated, necessitating congressional intervention.

Mr. President, council act 6-170, the Prohibition of Discrimination in the Provision of Insurance Act of 1986, does not violate these criteria; it is, in fact, the purest form of a local legislature addressing a local issue. It requires no interference from the Congress.

D.C. Act 6-170 was unanimously passed by the Council of the District of Columbia on May 27, 1986, and signed by the Mayor on the 6th of June. Its purpose is to eliminate a perceived discrimination within the city in the provision of insurance. Based on the decision of the elected representatives of the citizens of the district that there is no reliable test to screen for the possible occurrence of acquired immune deficiency syndrome, the bill prohibits an insurer from using the results of such a test in determining whether to provide insurance and at what rates. It does *not* require insurers to insure anyone who has AIDS. It merely freezes for 5 years the current insurance rate structures until sufficient actuarial data can be developed to assess risk and determine rates for those exposed to the AIDS virus.

Mr. President, D.C. Act 6-170 is a purely local law affecting a purely local matter—the regulation of insurance in the District of Columbia. It is by no means outside of the boundaries of the Home Rule Act authority delegated to the council. It is clearly not unconstitutional. And there is no overriding Federal interest that must take precedence over that of the local government and it citizens.

So I urge, Mr. President, that the Senate defeat this amendment on the grounds of substance and on the grounds of constitutional practice with respect to home rule in the District of Columbia.

I yield the floor to the Senator from Missouri.

Mr. EAGLETON. Mr. President, I thank my colleague from Maryland.

Mr. President, I am here on the floor to seek to debate and, once again, explain home rule in the District of Columbia.

The Helms amendment would overturn a D.C. bill that deals with a civil issue. Both Houses of Congress must vote to do so. Just 2 weeks ago a subcommittee of the House District of Columbia Committee voted to allow enactment of the city's law. Last week the full House refused to consider this matter. Thus, should the Senate agree today to support Mr. HELMS' amendment, the House will not accept it and the District bill will become law. Thus, consideration of this Helms amendment is truly an exercise in public relations.

□ 1230

D.C. Act 6-170, the Prohibition of Discrimination in the Provision of Insurance Act of 1986, prohibits insurance companies operating in the District of Columbia from discriminating against individuals who test positive for exposure to the AIDS virus by either refusing coverage to such persons or by increasing health insurance premiums to such individuals for 5 years. The measure has no effect in cases where AIDS has been diagnosed. It is strongly opposed by the insurance industry and by those who believe that all individuals who test positive for exposure to AIDS will move across District lines and become District residents in order to obtain insurance coverage.

I am not here to debate the wisdom of the D.C. bill. I am not here to debate whether or not insurance companies should be allowed to establish premiums based on individual differences, such as sex, age, health conditions, and habits, such as smoking.

I quite frankly, am a smoker. I know an insurance company has the right to deny me and other smokers insurance coverage based on the higher risk posed by my own self-inflicted smoking. I an not arguing that substantive matter. I am not here to debate the moral questions of whether those who test positive for AIDS should or should not be given special treatment by society.

I am here simply to state that under the D.C. Self-Government and Governmental Reorganization Act of 1973—the Home Rule Act—the District of Columbia is fully within its rights and powers to pass D.C. Act 6-170. Under the Home Rule Act, Congress has reserved for itself the power

to review all D.C. bills and, indeed, to overturn such legislation. Since home rule commenced, however, Congress has seen fit to exercise that power only twice, once in 1978, and again in 1981. I personally approved of the first disapproval because the D.C. Council had exceeded its authority under the home rule charter, usurping zoning powers that under the home rule legislation belonged to the city's board of zoning adjustment and zoning commission. The second disapproval, a criminal matter which could be overturned by a one-House vote at that time, succeeded in the House. I opposed that disapproval and would have argued strenuously against it had it come to the Senate. So, let me repeat. Resolutions of disapproval have been adopted by Congress on only two D.C. acts. Since enactment of home rule, Congress has reviewed and allowed to stand around 1,000 D.C. acts.

As I mentioned above, passage of the Helms resolution of disapproval will also let this measure stand, given last week's House action. And the House is right. Senator MATHIAS and I each have served on the District of Columbia Committee—now Subcommittee—for 18 years. We wrote the Home Rule Act, and by that act, promised as much self-government to the District of Columbia as we found constitutionally allowable. No one today would be arguing that North Carolina, or Georgia, or the State of Washington, or California did not have the right to pass the legislation passed by the District regardless of how stupid that legislation might be.

During the years we have implemented the provisions of the Home Rule Act, we have tried to review D.C. bills by three standards: Is the bill consistent with the provisions of the home rule legislation; is the bill constitutional; and does the bill contain matters of overriding Federal interest or concern. D.C. Act 6-170 satisfies all of the three standards if not the standard of legislative wisdom.

Home rule means the District of Columbia has the freedom to legislate its own local destiny. Included within that concept of freedom is the freedom to act stupidly. Every State legislature exercises that freedom. The U.S. Senate exercises that freedom to the fullest. We did so as recently as 1:30 a.m. this morning when we deliberated beyond meaningful human acuity.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair. I appreciate the review of the Home Rule Act by my friend, the distinguished Senator from Missouri [Mr. EAGLETON].

Just for the record, I was here as administrative assistant to a Senator in 1951, 1952, and 1953 when the question of home rule came up repeatedly. It did not happen when I was here at that time. But on July 10, 1973, the Senate passed S. 1435, which as Senator EAGLETON has said, bears the title "The District of Columbia Charter Act," the home rule charter creating a representative role of government for the District by providing for election of major and city council by the voting citizens of the District of Columbia. That is correct, but it is important to note that the very same act recognized the constitutional powers vested in Congress over the District of Columbia affairs, and the charter provided for a congressional veto of any act of the city council of the District of Columbia.

It is true that since that law was passed the appropriate committees in the House and the Senate have construed their own litmus test. They decided they will consider only those laws passed by the D.C. Council if the D.C. Council actions violate one of the three conditions: one, if there is a Federal interest; two, if there is a violation of the Constitution; three, if there is a violation of the home rule charter. All testimony is confined to those three issues. But that is not what the act itself says. The act itself contains no such litmus test. This is a set of parameters adopted by the relevant committees.

House hearings were held on July 15, and up until the day before, the D.C. ministers and the insurance companies were prohibited from testifying according to what they tell me. Then, Mr. President, the House committee attempted to vote before the GEICO Insurance Co. was allowed to testify. Fortunately, one Member objected to the unanimous-consent request to vote at that time, and GEICO testified. But their minds were made up. And away she went. Only two Members voted to report the bill out of committee.

I have just been in a conversation with the distinguished Senator from Maryland, who is my chairman on the Rules Committee, a Senator whom I admire greatly. We had requested a hearing, and he said that we were offered a hearing, if I understand my conversation correctly.

□ 1240

I know of no offer, which does not imply whatsoever that a letter was not sent.

Mr. MATHIAS. Let me say these communications gaps do occur.

Mr. HELMS. Mr. President, in all fairness, I stand corrected up to a point. I did not receive anything from a staff member offering a hearing this week. Frankly, I did not know about that. But there was a time when we were dealing with subjects ranging to and including South African options and that sort of thing, and it was not possible to have a hearing.

Let me ask the Senator, and he may not know the answer to it, about receiving testimony from ministers in the hearings.

Mr. MATHIAS. We have always welcomed ministers. My door has been open as chairman of the District Committee to these ministers. We have always made it possible for them to testify in appropriate cases. Our open door policy operates in dealing with them.

Mr. HELMS. I admire the Senator for the manner in which he operates.

Mr. MATHIAS. As the chairman himself knows, sometimes it is difficult to accommodate all witnesses, but we make every effort to do that. We certainly do not keep any group out.

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

Mr. MATHIAS. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I yield myself such time as I may require.

There was a communication. The distinguished Senator is exactly right. I apologize for not being aware of it. As I indicated earlier, it was a time when he and I were both tied up with other matters.

Let me ask the Senator this question: Is my impression correct that only those laws passed by the D.C. Council will be considered for override if they violate one of three conditions I set forth a while ago: Federal interest, violation of the Constitution, or violation of the home rule charter. Is that correct?

Mr. MATHIAS. Well, I think it is clear that if any one of those conditions existed, that would be prima facie grounds for overruling an action of the council. I would not say that those would be the only rules because any man is capable of very creative mischief and it is possible that other things might be considered. But, clearly, those are the prima facie grounds on which an action of the Council can be overruled and should, in my judgment, be overruled.

Mr. HELMS. I thank the Senator.

Mr. President, let me read into the RECORD an item in the remainder of my time before I ask for the yeas and nays.

Mr. President, I have a communication from Mrs. Edward B. Morris, president of the Federation of Citizens Associations of the District of Columbia, writing to me on July 16, 1986, and stating:

The Federation of Citizens Associations of the District of Columbia represents thousands of District residents through their membership in neighborhood citizens associations concerned with all phases of community life such as health, education, transportation, public works, et cetera.

Then she goes on to say:

It does also support resolutions by Senator HELMS and Representative DANNEMEYER urging congressional disapproval of this act.

It hereby communicates to the Congress its action and reasons therefore on the attached sheet. It further believes that its large constituency makes it deserving of recognition at public hearings on any matter which it deems to be in the public interest.

Under a previous unanimous-consent request, the Chair graciously authorized me to insert that and other material into the RECORD.

Mr. President, let me summarize very briefly.

The distinguished Senator from Missouri [Mr. EAGLETON] made it crystal clear that any discrimination in favor of, frankly, a homosexual group who placed themselves at risk through their chosen lifestyle is pertinent.

As he said, he had no quarrel with the substance of this amendment. He said that he understood, and I think he said he agreed with, the insurer's right to consider the habits of citizens, such as smoking, overweight, and other things.

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

Mr. EAGLETON. Mr. President, I yield 2 minutes from my time to the distinguished Senator.

Mr. HELMS. I thank the Senator.

The Senator, as I understand it, is basing his objection purely on the grounds that he considers it to be an invasion of the authority of the D.C. City Council.

I would say to him that the Congress is not only authorized but it has the duty to intervene when it perceives such injustice as has been outlined in letter after letter by the black ministers of the District of Columbia.

So, that is the issue. Should preferential treatment be given to this group, or will they be treated like all other citizens?

That is all the ministers are asking for. I think that is a good question.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair.

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

The Senator from Maryland has 9 minutes remaining and the Senator from Missouri has 5 minutes remaining.

□ 1250

Mr. EAGLETON. Mr. President, I believe as anyone does on a commonsense basis, that insurance companies have the right to take into account actuarial risks, actuarial tables in writing insurance. I used, in my opening remarks, the illustration of myself as a lifelong smoker. An insurance company can find me an infinitely greater risk than someone else of comparable age who has abstained from cigarettes for all of his or her life. But the issue before us, as I see it, is not the wisdom or brilliance of the ordinance passed by the District of Columbia Council. The issue is Home Rule for the District of Columbia.

Are we going to superimpose our judgment over every bill or over every ordinance that is passed by the D.C. Council? Are we going to become a sort of appellate District of Columbia Council? Are we going to go back to the old days, when we virtually were, in many respects, the District of Columbia Council?

We did away with that because we thought that a body of American citizens, those living in the District of Columbia, were entitled to determine their own destiny, to elect their own representatives, to decide their own civil matters before an elected D.C. Council. If we vote for the Helms amendment, we are on the way back to the bad old days. We are on the way back to the U.S. Senate and the U.S. Congress becoming a sort of super District of Columbia Council.

Regardless of how one feels about the wisdom or the substantive merits of the bill that the District of Columbia Council passed, the issue is, do we want to go back to those bad old days? I suggest not.

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

Mr. MATHIAS. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from Maryland has 9 minutes remaining, the Senator from Missouri has 4 minutes.

Mr. MATHIAS. Mr. President, I agree with the Senator from Missouri. The question here is a home rule question: Do we think that we are doing such a great job on legislating for the Nation and the world that we have time left over to go back into the business of being a city council? Questions such as whether we should have dogs running in heat on the streets of the District of Columbia—that is the kind of thing that used to be legislated on here, before home rule.

There are those myriad activities that go on in any modern urban center that we could be legislating on. Do we want to go back into that business? Have we done such a splendid job on the national scene and have we so much time left over that we want to become once again a municipal council? That is the kind of question we are considering here.

Mr. President, no one doubts that serious interests are at stake. No one doubts that there can be honest differences of views on issues that come before the city council. But what we have tried to do with home rule is adopt a system that is both a matter of political equity and political fairness, a system which allows local citizens to have local government on a democratic basis. Do we want to put Congress back in the municipal business?

In the case at hand, the District of Columbia Act 6-170 is a purely local law affecting a purely local matter, the regulation of insurance in the District of Columbia. It is by no means outside the boundaries of the Home Rule Act, the authority delegated to the city council. It does not seem to be unconstitutional.

There is no overriding Federal interest involved that might take precedence over that of the local government of local citizens. There is a provision and a procedure by which such questions could be legislated if Congress wishes to do so. That procedure has not been followed. Instead, here we are, on a debt limit bill, a matter of the greatest urgency, with a municipal ordinance problem.

Mr. President, I shall feel constrained when the time has expired to make a motion to lay this amendment on the table. In the meantime, I yield 2 minutes to the Senator from Massachusetts.

Mr. KERRY. Mr. President, I thank the distinguished Senator from Maryland. I shall be very, very brief.

Mr. President, I rise in opposition to the amendment of the Senator from North Carolina.

The issue raised by our colleague is very simple: What is the role of the Congress in legislating purely local issues regarding the District of Columbia?

To answer this question we need look no further than the opening lines of the 1973 legislation which created the present form of local government for Washington. In granting home rule to the District we declared:

It is the intention of Congress to the greatest extent possible, consistent with the constitutional mandate, to relieve Congress of the burden of legislating upon essentially local District matters.[1]

If any area of economic regulation has been considered historically to be local in nature, it is the regulation of insurance. Ever since the enactment of the McCarran-Fergusen Act in 1945,

[1] District of Columbia Self-Government and Governmental Reorganization Act, § 102.

the Congress has taken a hands-off position with respect to State and local regulation of insurance. The result is a highly sophisticated and effective system of State law and regulation governing our country's insurance industry.

That system of State regulation takes into account the differing interests and policies unique to each State. For example, a growing number of States are enacting legislation similar to that recently enacted by the District of Columbia Council. Both California and Wisconsin restrict the right of insurance companies to discriminate in coverage involving HTLV-3 carriers. My own State of Massachusetts and five others—New York, Illinois, California, Louisiana, and Maryland—all prohibit discriminating in writing insurance policies involving the sickle-cell trait. Illinois, Maine, and New York also prohibit special insurance treatment of persons who have been exposed to the drug DES.

The recently enacted legislation of the District of Columbia Council is in this tradition and reflects the considered judgment of the District's elected political officials about what is in the interests of the citizens who elected them.

Indeed, the local legislation which would be overturned by Senator HELMS was enacted by a unanimous vote of all 13 elected representatives—Republican and Democratic—on the District of Columbia Council.

Mr. President, I can think of no area of District government policy more appropriately covered by the language which I just cited from the 1973 Home Rule Act than the regulation of insurance.

If we in Congress are to begin second guessing the District government on an issue as local in nature as this, then we will be setting a dangerous precedent for the business of the Senate to be interrupted any number of attempts to interfere in District government affairs.

We have far too many serious responsibilities which only we in the Senate can address, to be distracted with requests to function in the place of a local city council.

Mr. President, apart from the obvious fact that the amendment of the Senator from North Carolina violates the mandate of the 1973 home rule statute and threatens to distract the Senate with innumerable local issues in the future—I believe there is another strong reason for opposing it.

The most important reason is that it is simply wrong for us to impose our will on a District of Columbia government which is unrepresented in this body.

The abolition of slavery, universal sufferage—for men and women—the principle of one person-one vote, have brought to the governing of our State and local governments a sense of fairness and equity not imaginable 200 years ago.

One of the few remaining obstacles to the perfection of democratic principles of Government in the United States is the archaic status of the District of Columbia.

More than 600,000 of our Nation's citizens are permanent residents of the District of Columbia. They are all Americans. They pay taxes, they serve in the Armed Forces, they attempt to participate in local self-governance, as do the citizens of every 1 of the 50 States. Yet they are completely unrepresented by voting membership in the Congress of the United States.

The amendment of the Senator from North Carolina serves to highlight this inequity.

Without exception, every elected official of the District of Columbia government supports the local legislation the Senator would overrule. Yet he would impose his own will on them and the constituents they represent.

I strongly believe that approval of his amendment would be a giant step backward in the development of this Nation as well as an inappropriate use of the Senate's time and energy.

If we in Congress are to concern ourselves with the welfare of the citizens of the city of Washington, we would do far better to devote ourselves to seeing that they one day can send one of their own to this body to speak for them, and to end the anachronistic system of denial of basic democracy which has blighted our Nation's Capital for generations.

Mr. President, 13 people have spoken for the District of Columbia. Yet the District of Columbia, of all the places in the United States, where there are 600,000 of our Nation's citizens who pay Federal taxes, are subject to the Armed Forces and everything else, has no representation in Congress. There is no reason that several Senators should overturn that expressed will of their elected body, their elected officials.

● Mr. LEVIN. Mr. President, the issue here is not whether we agree with the decision of the D.C. City Council restricting certain insurance company practices nor is it in any way a question of whether we approve of AIDS or the behavior which makes it likely that someone may contract that disease. In fact, I do not agree with it. Rather the issue is simply one of whether or not the District of Columbia has the right to make its own decisions and its own mistakes.

Both the chairman and ranking member of the District of Columbia Subcommittee, people who wrote the home rule law and have had the responsibility of seeing that it is obeyed, have indicated that the D.C. action was within the law. They may not support the decision made by the District, but they do support the right of the District of Columbia to make a decision. So do I. And that is why I am voting to table this amendment.●

The PRESIDING OFFICER. The time has expired. Who yields time?

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

The PRESIDING OFFICER. The clerk will call the roll.

□ 1300

Mr. MATHIAS. Madam President, I ask unanimous consent that the call of the quorum be suspended.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Without objection, it is so ordered.

Mr. MATHIAS. I move to table the amendment of the Senator from North Carolina 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 clerk will call the roll.

The legislative clerk called the roll.

Mr. ARMSTRONG. I announce that the Senator from Oregon [Mr. PACKWOOD], the Senator from Wyoming [Mr. SIMPSON], the Senator from Idaho [Mr. SYMMS], the Senator from Virginia [Mr. Warner], and the Senator from Connecticut [Mr. WEICKER], are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Maine [Mr. MITCHELL] are necessarily absent.

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

The result was announced—yeas 41, nays 53, as follows:

[Rollcall Vote No. 174 Leg.]

YEAS—41

Andrews	Eagleton	Mathias
Baucus	Evans	Melcher
Biden	Goldwater	Metzenbaum
Boschwitz	Gorton	Moynihan
Bradley	Harkin	Nunn
Bumpers	Hart	Pell
Burdick	Hatfield	Proxmire
Chafee	Heinz	Riegle
Chiles	Johnston	Sarbanes
Cohen	Kennedy	Simon
Cranston	Kerry	Specter
D'Amato	Lautenberg	Stafford
Dodd	Leahy	Stennis
Durenberger	Levin	

NAYS—53

Abdnor	Gore	McClure
Armstrong	Gramm	McConnell
Bentsen	Grassley	Murkowski
Bingaman	Hatch	Nickles
Boren	Hawkins	Pressler
Broyhill	Hecht	Pryor
Byrd	Heflin	Quayle
Cochran	Helms	Rockefeller
Danforth	Hollings	Roth
DeConcini	Humphrey	Rudman
Denton	Inouye	Sasser
Dixon	Kassebaum	Stevens
Dole	Kasten	Thurmond
Domenici	Laxalt	Trible
Exon	Long	Wallop
Ford	Lugar	Wilson
Garn	Matsunaga	Zorinsky
Glenn	Mattingly	

NOT VOTING—6

Mitchell	Simpson	Warner
Packwood	Symms	Weicker

So the motion to lay on the table the amendment (No. 2257) was rejected.

□ 1330

Mr. HELMS. Madam President, I move to reconsider the vote by which the motion was rejected.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Madam President, I see no point in a rollcall on the amendment itself. I ask unanimous consent to vitiate the yeas and nays.

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

The question is on agreeing to the amendment of the Senator from North Carolina [Mr. HELMS].

The amendment (No. 2257) was agreed to.

Mr. DOLE. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. 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 is on the amendment of the Senator from Tennessee [Mr. SASSER]. The yeas and nays have been ordered.

Is there further debate?

Mr. DOLE addressed the Chair.

Mr. BOSCHWITZ. Madam President, may we have order?

The PRESIDING OFFICER. The Senate will please be in order so we can hear the majority leader.

Mr. KENNEDY. Madam President, I wonder if I could have the attention of the majority leader and also the chairman of the Foreign Relations Committee.

The PRESIDING OFFICER. Will the Senator from Massachusetts suspend a moment until the Senate is in order?

The majority leader.

Mr. DOLE. Madam President, first let me indicate that I have had a number of inquiries about the balance of the day. I think it will be as long or short as people would like to make it.

We still have about 15 amendments. It is my intention to finish this bill today or tomorrow, with the exception of—and I think that would be part of the question—with the exception of the amendments on Contra aid and South Africa; in other words, advance this bill to third reading with the exception of those two amendments—they would still be in order, with a certain date, so we would not be pushed up against the recess—and then lay down the DOD authorization bill, have opening statements, and then on Monday we would be on that with amendments.

I am happy to yield to the Senator from Massachusetts.

Mr. KENNEDY. Madam President, as the leader probably knows by now, the Senate Foreign Relations Committee reported out, by a vote of 15 to 2, economic sanctions on South Africa. I believe that is a very clear signal to Pretoria. I think it is also a clear signal to the White House about what is going to be the outcome of the debate and discussion on South Africa.

I wonder, in light of the very strong bipartisan effort by the committee, what the intention of the leadership would be in terms of the scheduling action by the Senate on South Africa. I am aware of the complex parliamentary situation once we address the substance of the issue, but I am just wondering what the leader might be able to tell us on the schedule.

The people of South Africa should have no doubt where the Senate of the United States stands on this battle against apartheid. We stand firmly and strongly against apartheid and for a free South Africa, and I hope that the Senate can act as soon as possible.

But I am just interested in what the majority leader and the chairman of the Foreign Relations Committee can tell us as to when we might be able to expect the debate on this issue to begin.

Mr. DOLE. Madam President, let me indicate that I first want to commend the Senate Foreign Relations Committee and the chairman for reporting out a bill this morning. It is an indication, I think, to everyone that there is no game playing on this issue. We are just trying to resolve it.

I commend Senator LUGAR, Senator PELL, and others. After staying in until 2 o'clock, they were there at 8 o'clock this morning to start the markup, and that is how it was completed. So I congratulate the members of the Foreign Relations Committee.

It seems to me that there is only one issue left. If we could complete all the amendments on this bill, advance it to third reading—I am talking about the debt limit extension—and lay down the DOD authorization bill and hopefully get an agreement to conclude action on that by Wednesday evening, this coming Wednesday, August 6, then the only thing remaining would be in which order we take the freedom fighters aid, the Contra aid and South Africa.

It seems to me that is the one area we need to work out some agreement on. We have not given up on that, I might say, because we had a meeting on it yesterday. We are still working on it today. As soon as I have any information, I will be happy to pass it on to the Senator from Massachusetts.

Mr. KENNEDY. Madam President, do I understand that there would have to be final disposition of this measure, then, prior to the time of the August recess?

Mr. DOLE. The disposition of the debt limit extension?

Mr. KENNEDY. The debt limit extension including an amendment on South Africa. I, for one, would be quite prepared to see the anti-apartheid legislation of the Foreign Relations Committee made the pending business, either as a free-standing bill or as an amendment to the debt limit. Is it the leader's understanding that the debt limit has to pass and we will have to resolve the South Africa issue one way or the other before the recess?

Mr. DOLE. And the issue on Contra aid, yes.

Mr. LUGAR. Will the leader yield for a moment?

Mr. DOLE. I am happy to yield to the distinguished chairman of the Foreign Relations Committee.

Mr. LUGAR. Madam President, I simply wish to thank the leaders on both sides of the aisle for convening a meeting yesterday that was very helpful, because the distinguished Senator from Massachusetts was involved, the Senator from California, the Senator from Connecticut, and others who have been deeply interested in South Africa legislation. They were willing to allow the committee process to work.

We came in early, as the Senator has pointed out. We had good bipartisan activity and a spirit of comity and, by a vote of 15 to 2, reported, I think, a good bill for which the Senate will then work its will.

I am going to follow my leader in terms of priorities here.

□ 1340

I really am very hopeful that we will pass the Contra legislation and South Africa if we somehow can come to time limits, have a good debate in which Members have a chance to offer their amendments, and get votes on them. I think we will work our will best that way.

I congratulate everybody for taking the time yesterday to allow us to do our work. We think we have a good product to submit to the Senate.

Mr. KENNEDY. Will the Senator yield?

Mr. DOLE. I am happy to.

Mr. KENNEDY. I want to express my appreciation to the Foreign Relations Committee. I think this is a good bill. I think it is a very fine beginning. I want to express appreciation to the chairman of the committee, and to the ranking minority member, Senator PELL, and other members of the committee for the work that has been done. I think we are off to a very strong start.

I thank the leader.

Mr. BYRD. Madam President, I say to the distinguished majority leader that I did not hear everything that was said because I was not in the Chamber at the time he began. But I came in when I saw him on the tube. He mentioned a number of things which I would merely want to make a brief comment on.

First, he indicates something about a Saturday session. That is fine with me. But if we are going to have a Saturday session, I think we ought to tell people now that we are going to have one.

Perhaps the majority leader is in no position to say we can complete action on this resolution today up to the point that there are only two remaining issues, one being South Africa, and the other being Contra.

In that event, if it is the desire of the distinguished majority leader to indicate that if we do not finish that point today we will be in tomorrow, then all Senators will know. But I think we ought to have some more definite indication as to what we are going to do here. If we do not do it, then what are we going to do? That is No. 1.

I will yield briefly, either at this point or in a moment if the distinguished majority leader wishes to respond.

Mr. DOLE. I believe if the Senator will yield, that is precisely what I said. I even held up a list. Obviously I want to go home. If we can complete at 3:30 today we will go home at 3:30. If not, I want to try to complete it because we are trying to accommodate various issues we raised in a meeting yesterday which would get us down to those two amendments.

Mr. BYRD. I take it, Madam President, that the distinguished majority leader is saying if we do not complete that list today, we are going to be in tomorrow. Is that what he is saying?

Mr. DOLE. That is correct.

Mr. BYRD. I think that is good for all Senators because they will know better now to adjust their schedules, whether or not to call up their amendments and whether or not they would be willing to enter into time agreements on that.

Second, may I say that the distinguished majority leader has indicated that he would like to take up DOD next. I hope that will be done. He hopes that we can have an agreement that that will be completed by the close of business next Wednesday, I believe he said.

Mr. DOLE. Yes.

Mr. BYRD. I hope that, too. But I must say, so that everybody will know the realities of the situation here, it is one thing to say we are working on that, but it is quite another to say that we will be able to reach an agreement that as of 4 o'clock next Wednesday, or as of 4 o'clock next Thursday, we want an agreement that that bill will be advanced to third reading at that point. We do not know what amendments are going to be called up. We do not have the bill up yet. Until we get the bill up and know what amendments Senators are going to offer or want to offer, nobody on either side of this aisle will be prepared to agree that there will be final action on the DOD bill next Wednesday or next Thursday or next Friday or next Tuesday.

I do not want to be misunderstood. I want as much as the distinguished majority leader does to see us achieve these goals that we are attempting to set out here. The RECORD will show that for a week I have been standing on this floor saying we have got to get some action, we have to get this done, we want to get DOD up, if we are not careful we will be up to the last minute, have all this work to do and it will not be done.

I want a realistic picture about this DOD bill. We do not know what amendments will be called up. Maybe it can be finished in 2 days. I hope it can be.

But as to agreement right now or today that final action will come on that bill next Tuesday or Wednesday, I seriously doubt that can be gotten on either side. We will try however on our side. Perhaps the agreement does not have to be gotten today. I do not think the majority leader has said that. But it is not going to be as easy as it sounds. We all need to work hard to achieve this.

Finally, and on that point, of course the managers can work to try to complete by a time certain. They will do that, I am sure.

Finally, whatever agreement can be worked out here on these various packages is to some considerable degree going to depend upon what is worked out on South Africa. We cannot allow ourselves to get into a situation whereby South Africa is pushed off, pushed off, and pushed off for one reason or another, and then when it gets down to the end of the period before the recess we only have a little time or we do not have enough time on South Africa.

So I just should say, and I want to compliment the Foreign Relations Committee for acting to report out a measure today. That is good news. It should give us all encouragement. But that is a major player in this whole mix.

I am saying all of that. I compliment the distinguished majority leader. He is attempting to work out and achieve the goals that we discussed yesterday in his office. We, on our side, want to work with him. But a lot of these things are going to require unanimous consent in order to get them done. I do not know how many amendments remain today. I do not know whether we can get consent on either side that we will have final action and set the bill over with only the last two issues remaining, they being South Africa and Contra aid. I do not know. We put our hotline out on amendments, and there are three other amendments that want to be offered.

So I do not say this to put me in a counter position with the majority leader on what he is seeking to do. I want to help. But I want Senators to look at things realistically and not get their expectations raised too high unless we are willing in the interim to agree to consent that there will be no more amendments and we can finish it by a certain time.

Otherwise, I compliment the majority leader on saying we will just have to plow ahead and get the work done if we have to be here tomorrow.

Mr. DOLE. I thank the distinguished minority leader. I regret that they put out those hotlines. I regret that they had a response, I guess I am saying. We do not need any more amendments. Some of these the managers now have. There will be 15 that will be forgotten by midafternoon. But I guess some are not controversial. The important thing is after disposing of the Sasser amendment that everybody who has amendments be around here. Things are going to happen pretty fast. I have a feeling once this train starts rolling it will roll fairly quickly. Certainly I do not want to be here tomorrow. I am in town, but I do not want to be here. And I do not know anyone else who would like to be here tomorrow.

I think we have to when we look at the fact we have 10 legislative days, maybe 11, depending on whether you have a Saturday session next week or something. In addition, we have talked about South Africa being a priority. So is Contra aid a priority. So we have agreed to let Senator BOREN talk about a day and a half on political actions committees. We have been trying to work with Senators DOMENICI and CHILES on reconciliation which is 20 hours under the statute. There is Superfund, if the tax-writing committees can work out how to pay for it. That may not be available before the recess. There are two or three nominations on the Executive Calendar—Abramowitz, Salem, Carlisle, and others that I do not recall.

I am optimistic. I do not know why. [Laughter.]

Mr. BYRD. Madam President, if the distinguished majority leader will yield, I am optimistic too, Madam President. I will tell you why. I have been around here a long time. I have seen this place work. Oftentimes when we have some of the most difficult problems before us, as the distinguished majority leader says, some of the amendments go away, the thing begins to roll, and it works out.

If one is not an optimist, you had better not seek this job of being leader. The majority leader is an optimist. I am also. I can tell you why. I have seen it work. I hope it will again.

Mr. DOLE. I understand the question is on the Sasser amendment.

□ 1350

Madam President, I would just like to point out very quickly, if I might, to the Senator from Tennessee, some of the problems which have been raised. I think this will concern whatever the sponsor wants to do, to have a rollcall vote or a voice vote, whatever.

As I indicated earlier today, I had the staff take a look at the amendment. I did not become too involved in it last evening.

There is a problem. I am aware that USDA has been working on a program which has been announced.

I ask unanimous consent to include in the RECORD the statement from Secretary Lyng which was issued this morning.

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

SECRETARY LYNG EXPANDS PROGRAMS TO AID DROUGHT-STRICKEN S.E. FARMERS

WASHINGTON, Aug. 1.—Secretary of Agriculture Richard E. Lyng today announced significant new and expanded programs to aid drought-stricken farmers in Southeastern states designated as agricultural disaster areas.

"The drought continues to devastate farms from southern Pennsylvania to northern Florida," Lyng said. "Today, at the behest of the President, the U.S. Department of Agriculture is launching an intensified effort to help farmers who are victims of this national tragedy."

Lyng also announced today that over $1 billion worth of crops—including peanuts and tobacco—in the effected areas is covered under USDA's crop insurance program, a subsidized federal program.

The following new or expanded programs are in effect immediately:

Under the Feed Cost-Sharing Program, formerly known as the Emergency Feed Program, USDA will share with livestock producers the cost of purchasing feedgrains, including hay. The cost share will be up to 50 percent of the cost of feed, not to exceed 5 cents per pound—an increase from 3 cents per pound—feedgrain equivalent.

Lyng said the cost-sharing payments will be made in generic certificates. "Farmers will have the flexibility to convert the certificates into cash or to redeem them for Community Credit Corporation commodities," he said.

"To help make grain available to livestock," Lyng said, "CCC is moving grain from storage facilities in the Midwest where crops are good to areas in the Southeast where storage is available."

Lyng said drought-stricken farmers in the Southeast who participated in federal farm programs for corn, wheat, cotton and rice will be eligible for over $500 million worth of 1986 crop deficiency payments.

"Because many of these farmers need payments now, I am authorizing a nationwide, across-the-board 10 percent increase in 1986 advance deficiency payments, at a cost of about $1 billion," he said.

The 1985 Farm Bill specifies that up to 50 percent of crop deficiency payments may be paid in advance. Up to now, cotton and rice producers received 30 percent; producers of other program crops received 40 percent. With today's announcement, all farmers, in every state, will receive an additional 10 percent in generic certificates.

According to Lyng, farmers in counties designated as disaster areas also are immediately eligible for the following programs:

Under the Emergency Feed Assistance Program, eligible farmers may purchase feedgrains owned by the Commodity Credit Corporation at 75 percent of the basic county loan rate. The program does not include hay.

Under the Farmers Home Administration's emergency loan assistance program, family farmers who cannot obtain credit elsewhere are eligible for low-interest loans. The interest rate is 5 percent for loans up to $100,000, and 8 percent for loans above $100,000. Loan amounts are limited to the government's estimate of farmers' losses.

Lyng said today's actions are in addition to those previously announced, which include:

Haying and grazing of all crops is permitted on acreage set aside under the Acreage Conservation Reserve requirements of the commodity programs, including cotton.

Acres designated to be put to a conservation use under the Acreage Conservation Reserve requirements may be planted for winter pasture with fast-growing grasses or small grains for grazing.

Producers participating in federal farm programs will still be eligible to receive deficiency payments on planted acreage, even though the crop is used for forage or not harvested at all. Participating producers who harvest their crops for forage will be permitted to retain their acreage bases.

Designated counties are eligible for cost-sharing of reseeding, applying necessary minerals and controlling competitive shrubs.

The Forestry Incentive Program cost-sharing assistance is available to re-establish stands of planted pine trees lost due to drought conditions.

In addition, clerical workers in county offices will be shifted to the areas of greatest need, Lyng said.

Lyng said USDA is processing damage assessment reports as rapidly as possible and so far has designated 189 counties in Alabama, Delaware, Maryland, North Carolina, South Carolina and Virginia for emergency relief. Additional states or parts of states should be designated in the next few days, he said.

"With all the tragedy the drought has brought, I am tremendously impressed with the overwhelming voluntary response," said Lyng. "Every American can be proud of how neighbors are assisting neighbors in need."

The department's efforts are under the guidance of Drought Coordinator Jim Boillot.

USDA continues to operate a toll-free hotline to respond to farmers' questions and to facilitate drought relief efforts, he said. The hotline so far has handled over 2,200 calls. The national toll-free number is 1-800-433-0703; the number in the Washington metropolitan area is (202) 447-2637.

Mr. DOLE. Madam President, I will try to list some of the concerns we have because if we go to conference, I think everyone wants to make certain that we are not going to permit the program to be abused. That is certainly not the intention of the sponsors. But on some of the questions raised by some of the technicians—not the policymakers but the technicians at USDA—there have been some questions raised.

I think, first of all, what we are doing is establishing a Feed Donation Program. The Emergency Feed Program now in place, according to USDA officials, is more efficient in getting feed to those who need it through existing channels.

The Emergency Feed Program allows farmers to seek the best feed purchases because it is a Cost-Sharing Program. This means there are limits on the prices farmers will pay for feed.

Under the Sasser donation scheme, the Commodity Credit Corporation must transport feed into the disaster area. Availability will be limited to feeds which the Commodity Credit Corporation has on hand. Feed donated would reduce commercial sales from other areas of the country where surpluses exist. The surpluses would flow into the Price Support Loan Program and it is estimated that the additional loan activity would cost about $300 million.

Transportation costs associated with Commodity Credit Corporation grain donations could add another $50 million.

Of course, it is the Department's belief that there is no need for a new donation program when the Emergency Feed Program is already in place. There will be no incentives for farmers to obtain the best price for feed.

Also, it neglects a major need which is to provide hay, since donations would be from Commodity Credit Corporation stocks. There is also no incentive to find the most economical means of transportation.

That is all with reference to section 3 of the Sasser amendment. I believe those who support the amendment certainly do not intend for anybody to have a windfall, but I am advised that processors, to be specific, will reap quite a windfall if this legislation should become law.

With reference to section 4, according to USDA technicians—this is not those who make policy or those who might be accused of getting into politics—they have indicated to me that this introduces a complex and difficult program that would be very hard to administer.

The first question is what value do you assess a person who raises their own feed rather than purchasing it in domestic markets?

Second, which foreign buyers would we base the price on? Current export prices vary under individual contracts. Under this provision, how would we determine if we are fulfilling the law?

Third, this scheme would make the Export Enhancement Program captive to drought assistance measures. Already existing are sufficient restrictions on the EEP.

This action would also require the Secretary to pay 80 percent of the cost of hay transportation without placing any upper limit on the amount we would pay. There is no dollar limit per ton.

It also implements an unworkable procedure requiring involvement of the Secretary of Agriculture, State Governors, and the President in handling an emergency crisis situation, which would bring a lot of new paperwork into play.

Finally, with reference to section 5, that would make disaster payments available on 1986 program crops. It does not indicate that the Secretary could offset the value of disaster payments with the value of deficiency payments currently within the authority of the farm bill which, I think, is the major problem USDA has.

It is likely that producers would opt for deficiency payments since they would be greater than disaster payments, which amount to only 30 percent of the target price.

This section also makes a separate payment limitation of up to $100,000. I raised this question last evening. This would worsen the current situation where producers have taken advantage of the present $50,000 payment limitation through reconstitution, or dividing of farm units.

Madam President, I do believe that all of us from farm States want to be very careful because there is a lot of criticism of farm programs. I read a wire story this morning that they are starting to send out the cotton payments and the rice payments, and there are already complaints coming from other farmers who do not receive those large payments. In fact, this was a Wichita area paper, where they are complaining about the rice and cotton payments, and why are they not receiving larger payments in the State of Kansas.

That was the extent of the article.

Madam President, I would hope this amendment would pass. I think it is necessary. I think it sends a signal to the USDA. But I hope that if, in fact, there is a conference and if the amendment survives, it will not upset the sponsors that we should tighten up the program to make certain that none of these things that have been pointed out by technicians take place.

I know the sponsors have only one intention: to help farmers.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Madam President, I would like to speak on the amendment offered by the senior Senator from Tennessee. It is the amendment which, as the majority leader pointed out, is intended for farmers who are in great stress and farmers who have, indeed, come upon hard times through no fault of their own.

First, somewhat historically, it is important to point out that we have done certain things in the past and we have not done other things.

The most recent large crisis in U.S. agriculture was in the Middle West in 1983 when there was a drought. A billion and a half bushels of corn were lost, as well as significant losses to other crops. That would have been $4.5 billion at $3 a bushel of relief which perhaps should have gone to those farmers. Nevertheless, there was no relief, there was no program at that time, for a disaster that was far larger than the disaster which has occurred in the Southeast.

So there is no precedent to react in what is really a grandiose way for the support of this particular emergency.

Let me say first that section 3, the emergency feed donations, would provide feed at no cost, no cost whatsoever, to farmers and ranchers who are in the drought disaster areas. Of course, that is a good part of the Southeast. These donations would be provided where there is not enough feed to take care of livestock needs for 72 hours.

We do not think that 72 hours is much of a safeguard. We think that feedstuff supplies can be pretty well jimmied around so that there is not 72 hours' worth of feed available in a given community. For everybody in that community, without exception, a large or small farmer, whether he has 8,000 cows, as one farmer does down in Florida, or if he has eight cows, or if he has a million turkeys or if he has fewer, all the feed is free.

What the cost of that feed would be to the taxpayers is quite something to behold. This is going to be a very expensive provision in an amendment which is well-intentioned. We should know that as we vote on that particular provision.

At no cost, surplus stocks of commodities held by the Commodity Credit Corporation are going to be given, without limitation, to every farmer who is in this particular area in the event there are no stocks capable of providing 72 hours' worth of feed.

Madam President, that will mean, of course, that very few people in the Southeast will buy feed commercially during this period. The program will increase free stocks of grain which will depress markets throughout the country, perhaps throughout the world, with the result that deficiency payments could increase.

□ 1400

So the cost of this program is not just a cost as it applies to the emergency feed but it also will raise deficiency costs on all of the crops in all of the States.

Furthermore, in the event that feed is not purchased and is instead given from CCC stocks, certainly, the price will fall. At the end of the season, we will find that the CCC will simply be compelled to buy up more of the crop that is not otherwise needed because it has been displaced in the marketplace by grain that has been given away. As CCC stocks go out the front door, in effect, they come back in the back door because of this particular phenomenon.

All of the transportation costs will be recovered as well. There is no real limitation in this bill to cover or in some way limit transportation costs, which can be very excessive and get out of hand very quickly.

In the event that a community would have more than 72 hours' worth of feed, then the emergency livestock feed assistance provisions would come into play where the cost to the Government would be 50 percent. A farmer would go out and buy the feed; then he would get 50 percent of his cost in payment in kind, PIK commodities. In other words, if the corn was bought for $2, he would get $1 worth of certificates that are negotiable and could be redeemed for any commodity owned by the CCC. That, too, would transfer a great deal of commodities from CCC inventories and make them into free stocks which would drive down prices all over this country. That would increase the cost of this program perhaps exponentially, so there is no way to know what the real upper limit to the cost of this program will be.

In the event that foreign purchasers, because of an export enhancement program, were able to buy feed grains somewhat cheaper, then the farmers assisted by this provision would receive grain at the same price. I must say I have no argument with that particular provision, but it, too, will add to the cost; 80 percent of the transport costs would be covered by the Federal Government under the Emergency Livestock Feed Assistance Program as well.

The disaster payments program with respect to crops of wheat and feedgrains, upland cotton, rice, and soybeans would be made as an entitlement—regardless of whether a farmer has been cautious and gone out and bought some insurance or in some way provided for this eventuality. The fact that he was cautious, in effect, would work against him because he would lose the full value of the insurance premium. If he did not buy insurance he will get up to $100,000 worth of free commodities. So the farmer who didn't buy insurance will be better off. He gets the same amount of Govern-

ment assistance and never has to pay for any insurance.

Once again, huge stocks would flow out of CCC inventory to flood the market, drive down prices, increase deficiency payments and other payments for farmers in every State of this country, and create enormous budgetary costs.

The disaster payments programs is available in counties which are declared disaster areas due to drought, the actual payment is triggered simply at the request of the farmer. That is the only condition. It is an entitlement. There is no loss even required; there is just a loss assumed. In many of these disaster programs we have had, at least a farmer had to come in and show that he lost a crop. There is no such provision in this bill to the best of my reading of it here. There would just be an entitlement for all of these producers and there would be a cap of $100,000.

The milk program part of the amendment does not look particularly expensive. The excusing of the dairy assessment of 40 cents for a 3-month period and then making it up in the first 9 months of 1987 would not be so costly. It should be understood, though, that those cows would be eating free food or, at most, feed that costs the farmer 50 percent.

Madam President, this is an amendment that gives relief of a scope that is very, very broad. It gives relief of a scope that we can almost not measure and that will certainly be in the billions of dollars. It will not only have a positive impact on farmers in the Southeast, but all other farmers will suffer because market prices will surely go down as this huge amount of commodities is put onto the marketplace.

There is no provision here for natural disasters other than drought. Certainly, in my State, there have been some natural disasters—instead of too little water, too much water. I know in the surrounding States there have been some of those problems. No provision is made in the bill for farmers who have been flooded. I suppose, to be fair to farmers of our area, we should make provisions for them as well. So it will go, that we continue to make provisions one after the other and insure and compensate each farmer for each loss.

Frankly, Madam President, I find this amendment by my friend from Tennessee to be without limits, without controls, excessive, certainly having a major impact on the budget, and having also a major impact on farmers in all States. So I oppose the amendment.

Madam President, I yield the floor.

Mr. SASSER. Madam President, I thank my colleagues for their insights on the pending Sasser-Gore amendment. I also express my appreciation to the majority leader and officials from the U.S. Department of Agriculture for their support as stated in the majority leader's remarks not long ago here on the floor. I have long been cognizant of the majority leader's concern for the farmers of this Nation and I very much appreciate the statement of our distinguished majority leader that this is an amendment that is needed.

I would say with regard to the concerns that the majority leader raised, that had been expressed by the Department of Agriculture, that some are legitimate. But I think, clearly, that they demonstrate the need for the passage of this amendment. It is time now to move past the bureaucratic phase of providing relief to these farmers who have been hard hit by drought, and move into a legislative phase which will mandate that some relief be given to them.

The litany which the majority leader shared with us today of the concerns of the Department of Agriculture, I believe clearly demonstrates why the Department of Agriculture has been immobile and unresponsive to the needs of these desperate farmers in the Southeastern part of the United States.

For my part, Madam President, I welcomed the statement this morning of the distinguished junior Senator from Georgia [Mr. MATTINGLY] in support of this amendment. The distinguished junior Senator from Georgia indicated that this amendment was necessary for precisely the same reason that my colleague [Mr. GORE] and I indicated last evening or, more precisely, early this morning. This amendment is necessary because the Department of Agriculture has not, in the past, exercised its discretionary authority to bring relief to the hard-hit farmers in our region of the country.

□ 1410

Certain discretionary disaster authority has existed since 1977. The Department of Agriculture on its own motion abandoned those programs to bring relief in the event of disaster, in 1982. I think it should be pointed out that this amendment creates no new programs. It creates no new authority. It simply requires the use of the authority that already exists and is at the disposal of the Secretary of Agriculture.

I thank my distinguished colleague from Minnesota for his insight into the amendment. I believe that he has furnished a valuable and fruitful colloquy. I am sure the conferees will pay close attention to the legislative history that has been developed here and that surrounds the proceedings and this amendment. It may very well be that some of these concerns will be addressed in the conference. I suspect that they will.

Madam President, at this time I urge the passage of this amendment and yield to my distinguished junior colleague from Tennessee.

(Mr. GORE and Mr. BOSCHWITZ addressed the Chair.)

The PRESIDING OFFICER (Mr. HECHT). The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I would point out to my friend from Tennessee—was the Senator yielding to his colleague?

Mr. GORE. I am prepared to withhold. I was going to make a statement but I am content to withhold.

Mr. SASSER. I was under the impression my junior colleague had a question he wished to ask.

Mr. BOSCHWITZ. Was the Senator yielding for a question?

Mr. SASSER. I assume he can seek recognition in his own right if that is what he wishes.

Mr. BOSCHWITZ. I would say to the Senator from Tennessee, to the best of my knowledge, the emergency feed program is new authority. I quite agree that the emergency livestock feed assistance does come under the Food and Agricultural Act of 1977 that the Senator is speaking of and section 1105 is a 50-percent program, but I do believe that the emergency feed donations are not existing law but this would be new law. Those, of course, are the donation parts of the bill.

Mr. GORE addressed the Chair.

Mr. FORD. Mr. President, will the distinguished Senator from Minnesota yield for a question?

Mr. BOSCHWITZ. Yes, I will yield for a question.

Mr. FORD. Last evening a lot of noses were out of joint in this Chamber, if I could use that term, because they thought somebody was getting an amendment in before theirs. I heard many statements on the floor last night saying that "this is my amendment," or "this is my bill and it is included in here, and I resent it." They did not say that exactly.

Another Senator was saying, "this was my amendment and I kind of thought I was going to be first," and then the accusations were made as to who was going to get to the dais first with their bill, that it was a race for introduction.

Now we find, particularly from that side, that neither one of them is any good, that we do not need these amendments. Something is very strange about this.

So can the Senator explain to this Senator why the darkness has brought light at the end of the tunnel?

Mr. BOSCHWITZ. I would say to the Senator that I did not participate in the exercise he was just talking about—of people jockeying around trying to get their amendments in

first. I was not part of that. I am just commenting, I say to my friend from Kentucky, on this whole program.

I would be supportive of a program that had some limitations but addressed the needs. Clearly, there are needs. I do not mean to decry the needs that exist in the Southeast. I have no argument with that at all.

However, I do have an argument with an unlimited entitlement program that has a cost not only to the Treasury—from the standpoint of fulfilling the needs of the Southeast—but also has a cost to the entire farm program. It may well and probably will cause the whole price structure to deteriorate for these commodities.

Mr. FORD. Mr. President, it appears we are getting a filibuster now.

Mr. BOSCHWITZ. We are not filibustering.

Mr. FORD. Rather than trying to get this amendment up and voted on and do something for the farmers and let it take its normal procedure, that it would be cured in conference. So I say to my colleague I hope that we could get on with the vote on this amemdment.

(Mr. GORE addressed the Chair.)

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. BOSCHWITZ. I thank my friend from Kentucky. I was certainly not filibustering this bill. As a matter of fact, I was just in the process of trying to yield the floor when he asked a question. I see that he is no longer listening. But nevertheless, it is not my intention to filibuster. Rather I'm just pointing out the various aspects of the bill.

(Mr. GORE addressed the Chair.)

Mr. BOSCHWITZ. I will yield the floor in a minute, I say to the junior Senator from Tennessee. But I hope that we would be able to impose some type of reasonable limitations on this amendment with respect to transportation costs, and with respect to the value of the commodities that we are going to give away.

I yield the floor.

Mr. GORE addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. Mr. President, I thank the Chair very much and I appreciate the comments just made to the effect that there will not be a filibuster of this amendment. I think we should proceed expeditiously to a vote on the amendment.

I would just very briefly say that there are really two aspects to the problem. One is the emergency aspect of the problem which under the provisions has a 72-hour trigger for the definition of need, and then there is the somewhat longer term problem of how these farmers are going to get through the winter after their hay crop has been completely used up where they normally rely on it through the winter. I do not think there is going to be an incentive to go from one program to the other because the emergency 72-hour provision is just that, and it is designed to be limited to those circumstances. It directly reaches the regulations issued under section 1105 of the Food and Agriculture Act of 1977. Those regulations are there to be read and people are quite familiar with them.

But standing back from the details of it and looking at the overall problem, we have to address this issue expeditiously. We should do it on a bipartisan basis. I join my senior colleague from Tennessee in expressing appreciation to the majority leader for his statement of support earlier and to the junior Senator from Georgia for his support earlier and to many other Senators, particularly our other cosponsors who have worked so hard to get this amendment this far along.

To put the case very simply, Mr. President, our amendment is necessary in order to respond to an unprecedented emergency. The drought in the Southeastern part of our country has created for farmers devastating conditions which cry out for a sensible response. This short-term measure to respond to that emergency is greatly needed. As someone from the Southeastern part of the country, I for one am very grateful to those Senators from other parts of the country, whose areas have not been hard hit by this drought, for their willingness to help. We are one Nation, one people, and when we have an emergency of this magnitude in one part of our country, then Americans pull together and help out.

As to the concerns that have been raised, yes, some of them can be addressed in the conference committee. Now is the time to move forward without further delay and to pass this amendment. So I urge my colleagues on both sides of the aisle to vote yea.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. I would like to make some comments. My colleague will be offering an amendment regarding a disaster situation that exists among some farmers in our State for whom we would also like consideration.

I think the debate we have had over this disaster program has been good in the sense that it shows the need for a uniform national disaster program.

In my State we have had two or three severe droughts and have not had the same consideration, although certainly I am not in any way jealous or saying that one thing justifies another. But what I am saying is I have always in my 12 years in the Congress been very willing to help other parts of the country when there was trouble, and there certainly is trouble with this great drought that we have heard about in the Southeast. That is why my colleague and I have crafted an amendment which, as I understand it, under the rules can only be offered at this point by unanimous consent. But I hope that that amendment would be included for these reasons.

□ 1420

We also have very severe conditions in our State. Farmers, ranchers, and small businessmen have the difficulty of the economic recession combined with certain weather conditions which my colleague will describe.

Also, later today, separate from this bill, I shall offer a limitation on the size of some of the payments that are in the farm program.

I express a concern that I hope this legislation is crafted in such a way on this floor and in conference so that we do not have scandalous situations such as big farms getting huge subsidies, as reported in the New York Times: $9 million for a single dairy farm, and so forth.

I will try to address this later today, in a separate amendment. I hope that in tailoring this bill, we do not read in the paper of things that will outrage taxpayers in a few months because of loopholes huge farms use to get a combination of payments. I sincerely hope we do not see a situation where some individuals and some corporations are able to rip the government off.

With that in mind, I yield to my colleague, who will present our amendment.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABDNOR. I thank my colleague for yielding.

Mr. President, last night, when this amendment was offered, I stated that there are a lot of areas in the United States that have been hit by similar situations. I did not know quite the extent of the amendment, and it was 1 o'clock in the morning. But news travels fast, and out in South Dakota my telephone has been busy this morning, and articles have appeared in the paper, because in South Dakota we have a very similar situation.

In the western part of the State, it started a year ago. In the summer, we had no rain whatsoever, and it was declared a disaster area, with the limited programs they had. Then, to make matters worse, in October, which was unusual, they got a foot of snow, and the snow kept adding all year long.

Then came the spring, when it finally melted, and grass started coming, and it looked good, and calves started coming for those poor souls, and we had one of the worst blizzards in history. It wiped out half the crop and many of the cattle.

These people are still waiting to get a disaster loan, let alone some of the other programs.

I do not suppose anyone ever heard of a flood in South Dakota, except for Rapid City, where several hundred lives were snuffed out, but this year we have floods. I have a news article that was sent to me about a man in South Dakota who used to live 2 miles from Lake Thompson and is now 2 blocks away. These people never had a chance to bring crops in.

I thought I did a monumental thing in approprations—the Senator from Florida knows about this—where we provided that these people will be able to keep at least the 40-percent disaster payment they got earlier, and that is the best we could do.

I was hoping that the Senator from Tennessee, the author of this amendment—he is the only one who could do it—would give unanimous consent to allow me to add this to the amendment, as a modification. I wonder if he would consider it. I hate to put him on the spot. He has been very nice. I have been talking with him. I wonder if he would give me an opportunity to modify his amendment and to send an amendment to the desk, to do these very things. It would be greatly appreciated and it is much needed.

These people are not in huge areas. In South Dakota where this drought existed, we take 30 or 40 acres for a calf. It would be like a drop of water in a glass to add this to it. I would appreciate it very much.

I know that the chairman of the Budget Committee is champing at the bit. This would only be a small amount and would do the very thing he is talking about. As I said last night, it really does not make any difference whether you are drought stricken and flood stricken, 1,000 miles away from where another person is or you are here. If the Senator would allow me to offer this amendment, I would be most grateful.

I ask the Senator from Tennessee if he would consider that.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I would like very much to accommodate my distinguished friend from South Dakota. We would be agreeable to his amendment. At least, this Senator would not object. I see the distinguished chairman of the Budget Committee standing there, and I do not know what his response would be. I think I know what it would be. But we have no objection to amending our amendment to cover flood damage.

I do have a problem with the amendment of the distinguished Senator in that it is retroactive to June or July 1985, as I recall. Many objections were raised on the floor last evening with regard to the cost of this initiative—most of them, I might say, coming from the distinguished Senator from South Dakota's side of the aisle.

So, in order to reawaken that sleeping beast, at least at this juncture on this particular problem, I would not be in a position to agree with the Senator's amendment totally. We simply have no cost figures on it, not even ballpark figures, and that causes me some concern.

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

Mr. ABDNOR. I yield.

Mr. BOSCHWITZ. I wish to ask a question of the Senator from Tennessee. Does he have a ballpark figure on what the cost of his amendment is?

Mr. SASSER. I do, indeed. The Congressional Budget Office indicated last evening that the approximate cost would be $300 million. We contest those costs, because we think they are inflated, due to the CBO's method of scoring these expenditures. But the projected cost is $300 million.

If I may answer the inquiry of the Senator, last evening we received a budget waiver just as to the Sasser-Gore amendment. If we were to go further now and expand it to include other items which will incur additional expenditures, then we would have to go back and seek another budget waiver, and I am very reluctant to enter that thicket once again.

Mr. ABDNOR. Mr. President, I do not have time to ask CBO to furnish figures as to the cost. This is a matter of whether people will go out of business or stay in business, on the same basis and on the same grounds as something that is happening in the Southwest.

I heard someone say last night that they are only going to get half a hay crop this year. Let me tell you something: You could see every piece of soil in South Dakota last year before the drought hit. We do have programs on the reservations for the Indians. They got free hay and were getting all the hay they wanted, and I was all for that. But the ranchers could not get a drop. They borrowed money, sold off half their herds. Much of their herds were cut down. Add to that the snow; add to that the fact that half of their crops were wiped out, and tell me they do not have all the problems that exist in Tennessee or Alabama or anywhere else.

□ 1430

I guess that I would be a very poor Senator if I just let my State sit out in the cold and not be treated equally on this situation.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ABDNOR. Yes.

Mr. GORE. This is just for a brief question. Is it not a case that after this amendment is disposed of the Senator would not be within his rights to offer an amendment embodying the suggestion he is making. Then if demand was made for another budget waiver, I am sure the Senator would find sympathetic reaction.

But in order to do it by the method proposed now, it would void the budget waiver which we fought for and received from the Senate last night. But the Senator could proceed on his own initiative and offer a separate amendment immediately upon the disposal of the one that is pending.

Mr. ABDNOR. That is true.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. ABDNOR. Yes.

Mr. DOMENICI. I was not trying to get the floor on this amendment but let me state to the Senator what I was trying to do.

I was going to see if we could set the amendment aside for a couple minutes because Senator CHILES and I have one.

But let me suggest to the Senator if he will give us the amendment we will quickly try to get a ballpark figure—that is all we have on any disaster amendment—try to get a ballpark figure from CBO and we will call them right now and see if they can do it.

I suggest to my friends from Tennessee once we have the number if it is as small a number as suggested by Senator ABDNOR then perhaps we could talk about the amendment and some unanimous-consent agreement that would incorporate the previous waiver and wrap it around this amendment, too. I am willing to try that. But let us try to get the dollar figure first.

Mr. ABDNOR. If I could have the attention of the chairman I would like to say this: last night before that waiver vote was taken they were not talking about $300 million. The figure floating around here was between $600 million and $1.5 billion.

You cannot tell me if that is the kind of figures they are talking about voting for that waiver, $10 million keeps alive some of my ranchers and helps some of the people who already talk about going out of business because all I could get them was 40 percent of the deficiency payment instead of 100 percent. Everybody else was doing it. I would be a terrible Senator if I didn't do it.

If I was asking for hundreds of millions that would be one thing but this is a lousy excuse, if I may say so, to say that $8 to $10 million is going to have much of an effect on that budget waiver.

Mr. DOMENICI. No, he did not say that. He said that technically we have to get another waiver. That is what he said.

Mr. ABDNOR. The Senator means this one was that?

Mr. DOMENICI. I am trying to accommodate. If I can get the number, I

think I can work out something where those who lodged the objection might find a way to incorporate that amendment and there would be no need for an additional waiver.

Mr. SASSER. If the distinguished chairman of the Budget Committee will yield a moment, I think that my colleague from Tennessee lays out a logical approach to this. We have been laboring over this amendment now for many hours, and I think the majority leader is wishing to push us to dispose of this particular amendment. What I would suggest we do is to lay aside this amendment for 2 minutes in order that the distinguished chairman of the Budget Committee and the ranking minority member could dispose of a housekeeping problem of budgetary affairs, and then let us move immediately to a vote on the Sasser-Gore amendment and then have the amendment opened to amendment and allow the distinguished Senator from South Dakota, when he receives his figures from CBO, to propose the amendment. At that time, I would have no objection to it; I would have no standing to object, but I would have no objection to it and see myself in a position of perhaps supporting him.

Mr. DOMENICI. Let me ask. I clearly do not want to ask unanimous consent at this point for anything more than 5 minutes to do this amendment that Senator CHILES and I have. If the Senator will let us do that I would like to continue to work on the other issue.

Mr. SASSER. I will be delighted to set aside my particular amendment for the Senator's amendment for not to exceed 5 minutes, if we could then move back on our amendment.

I am hopeful we can move then to dispose of this amendment and if the Senator from South Dakota wishes to amend it we can proceed to do that.

Mr. GORE. Mr. President, reserving the right to object, I wonder if it might be possible to include in that unanimous-consent request a request that we move to a vote on the Sasser-Gore amendment at 2:45 p.m.?

Mr. DOMENICI. Let me say to my friend, the junior Senator from Tennessee, I am not making that kind of decision here. We are just trying to get some amendments completed.

If you all do not want to let us have 3 or 4 minutes, we will do it before the time passes. The leader is here.

Mr. GORE. Mr. President, I ask unanimous consent that there be a vote at 2:45 p.m. on the Sasser-Gore amendment and in the intervening period of time 5 minutes be set aside for consideration of and disposal of an amendment to be offered by the chairman of the Budget Committee.

Mr. DOLE. Mr. President, if I could just reserve the right to object, to see if we can dispose of the Sasser amendment quickly, I do not think it is going to take a rollcall. I do not know if it will or not.

Is it possible to have whatever the budget thing the Senator is doing back here in 5 minutes?

Mr. DOMENICI. We were only asking for 5 minutes.

Mr. DOLE. I do not mean Senator DOMENICI's information. I mean the information that Senator ABDNOR would need.

Mr. DOMENICI. I do not think that could be done in 5 minutes. That is why I am trying to work this out.

Mr. DOLE. I say both Senators have been very patient in laying their amendment aside since 11 o'clock this morning. It is now 2:35 p.m., and I would rather not object.

Let us do this. Let us let them take up their amendment and see how quickly we can get the information. If we cannot get it in the next 10 or 15 minutes, we will adopt the suggestion.

Mr. GORE. Mr. President, I will withdraw the request. I note that the yeas and nays have been ordered. We do anticipate a record vote on the amendment after all this body has been through on it.

But I would hope we could move expeditiously to a vote after the disposal of the amendment which will be now taken up and have ours temporarily set aside.

Mr. DOLE. I hope at the appropriate time we vitiate the yeas and nays. If a record vote is going to be demanded, I think we might alert Members to come over and discuss it.

Mr. SASSER. If the majority leader will yield a moment, perhaps I could have a moment to discuss that with my principal cosponsor. I know the majority leader expressed an interest to dispose of this amendment by way of a voice vote. That might be expeditious.

Mr. President, if the majority leader will yield 1 minute more, following this disposition of the business of the distinguished chairman of the Budget Committee and the ranking member, I presume we would be in the position to go to a vote on this? Is that correct? I ask the distinguished leader.

Following the disposition of the matter concerning the distinguished chairman of the Budget Committee, we will then be back on our amendment and it is our hope at that time we can go to final disposition of the Sasser-Gore amendment.

Mr. DOLE. That is correct.

Mr. SASSER. I thank the leader.

Mr. DOMENICI. Mr. President, I ask unanimous consent that we set aside the pending amendment for no more than 5 minutes for the purpose of offering a Domenici-Chiles amendment on the fallback procedure in Gramm-Rudman-Hollings and then we return to the pending business.

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

AMENDMENT NO. 2258

(Purpose: To modify the schedule under the "fallback" procedure provided for in section 274(f) of the Balanced Budget and Emergency Deficit Control Act of 1985)

Mr. DOMENICI. Mr. President, I send an amendment to the desk in behalf of myself and the ranking minority member of the Budget Committee, Senator CHILES.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for himself and Mr. CHILES proposes an amendment numbered 2258.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the committee amendment, as amended, add the following new section:

SEC. . MODIFICATION OF SCHEDULE UNDER "FALLBACK" PROCEDURE.

(a) IN GENERAL.—

(1) Section 274 of the Balanced Budget and Emergency Deficit Control Act (2 U.S.C. 922) is amended by striking subsection (f) and redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(2) Part E of the Balanced Budget and Emergency Deficit Control Act is amended by redesignating section 275 as section 276 and inserting after section 274 the following new section:

"SEC. 275. ALTERNATIVE SEQUESTRATION PROCEDURES.

"(a) REPORTS TO JOINT COMMITTEE.—In the event that any of the reporting procedures described in section 251 are invalidated, then any report of the Comptroller General under subsection (b) or (c)(2) of section 251 shall be transmitted to the Speaker of the House of Representatives (in this section referred to as the 'Speaker') and the President of the Senate, who shall refer the report to the Temporary Joint Committee on Deficit Reduction in accordance with subsection (c).

"(b) ESTABLISHMENT OF TEMPORARY JOINT COMMITTEE.—

"(1) Upon the invalidation of any such procedure, there is established a Temporary Joint Committee on Deficit Reduction (in this section referred to as the 'Joint Committee'), composed of the entire membership of the Committees on the Budget of the House of Representatives and the Senate. The Chairmen of such committees shall act as Co-Chairmen of the Joint Committee.

"(2) Actions taken by the Joint Committee shall be determined by a majority vote of the members representing each House.

"(3) The purposes of the Joint Committee are to receive any report referred to it pursuant to paragraph (3) or (7) of subsection (c) and to report (with respect to each such report) a joint resolution under paragraph (1) or (2) of subsection (d).

"(c) ALTERNATIVE SCHEDULE.—Notwithstanding any other provision of this Act, in the event that the reports of the Comptroller General for a fiscal year are to be transmitted to the Speaker and the President of the Senate pursuant to subsection (a)—

"(1) the Directors shall transmit the report under section 251(a)(2) for such fiscal year to the Comptroller General on August 20 of the calendar year in which the fiscal year begins (as provided in such section),

"(2) the Comptroller General shall transmit the report under section 251(b) for such fiscal year to the Speaker and the President of the Senate on August 25 of the calendar year in which the fiscal year begins (as provided in such section);

"(3) the Speaker and the President of the Senate shall refer the report of the Comptroller General under section 251(b) to the Joint Committee—

"(A) on August 25 of the calendar year in which the fiscal year begins, or

"(B) if August 25 of such year falls during an adjournment of the Congress for a period of more than 3 days, on the day after the last day on which either House of the Congress stands adjourned pursuant to the concurrent resolution providing for such adjournment;

"(4) the President shall issue an initial order under section 252(a) for the fiscal year after a joint resolution reported pursuant to subsection (d)(1) becomes law and before the later of—

"(A) September 2 of the calendar year in which the fiscal year begins, or

"(B) two calendar days after the day on which the joint resolution becomes law;

"(5) the Directors shall transmit the report under section 251(c)(1) for such fiscal year to the Comptroller General on the second calendar day of the fiscal year;

"(6) the Comptroller General shall transmit the report under section 251(c)(2) for such fiscal year to the Speaker and the President of the Senate on the third calendar day of such fiscal year;

"(7) the Speaker and the President of the Senate shall refer the report of the Comptroller General under section 251(c)(2) to the Joint Committee on the third calendar day of such fiscal year; and

"(8) the President shall issue a final order under section 252(b) for the fiscal year within one calendar day after a joint resolution reported pursuant to subsection (d)(2) becomes law.

"(d) JOINT RESOLUTION.—

"(1) Not later than two calendar days after the date on which the Speaker and the President of the Senate refer a report of the Comptroller General under section 251(b) to the Joint Committee (pursuant to subsection (c)(3) of this section), the Joint Committee shall report a joint resolution certifying the contents of the report.

"(2) Not later than one calendar day after the date on which the Speaker and the President of the Senate refer a report of the Comptroller General under section 251(c)(2) to the Joint Committee (pursuant to subsection (c)(7) of this section), the Joint Committee shall report a joint resolution certifying the contents of the report.

"(3)(A) In the event that any of the reporting procedures described in section 251 are invalidated, the Joint Committee may report a joint resolution affirming as law any order issued by the President under section 252 that was rendered invalid by the invalidation of such procedures.

"(B) Any joint resolution reported pursuant to this paragraph shall provide that—

"(i) the order is affirmed as of the date on which the order was issued, and

"(ii) the joint resolution affirming the order does not supersede any laws enacted after the date on which the order was issued and before the date on which the joint resolution becomes law.

"(e) PROCEDURES FOR CONSIDERATION OF JOINT RESOLUTION.—

"(1) Except as provided in paragraph (2), the provisions of section 254(a)(4) shall apply to consideration of a joint resolution reported pursuant to subsection (d).

"(2)(A) In the case of any joint resolution reported pursuant to subsection (d), debate in each House of the Congress shall be limited to two hours.

"(B)(i) In the case of a joint resolution reported to a House of the Congress pursuant to paragraph (1) or (3) of subsection (d), a vote on final passage shall be taken by such House on or before the second calendar day of session after the date on which the joint resolution is reported to that House.

"(ii) In the case of a joint resolution reported to a House of the Congress pursuant to paragraph (2) of subsection (d), a vote on final passage shall be taken by such House within one calendar day after the date on which the joint resolution is reported to that House.

"(f) DISCHARGE OF JOINT RESOLUTIONS.—Any joint resolution of the type described in paragraph (1) or (2) of subsection (d) that is introduced in either House of the Congress shall be referred to the Joint Committee. If the Joint Committee fails to report a joint resolution under such paragraph by the requisite date, any joint resolution referred to the Joint Committee pursuant to the preceding sentence shall be automatically discharged to the House in which it was introduced and shall be placed upon the appropriate calendar.

"(g) EFFECT OF ENACTMENT OF JOINT RESOLUTION.—Upon the enactment of a joint resolution under paragraph (1) or (2) of subsection (d), such joint resolution shall be deemed to be the report received by the President under subsection (b) or (c)(2) of section 251 (whichever is applicable).

"(h) DATES FOR SUBMISSION OF REPORTS AND ISSUANCE OF ORDERS.—The provisions of section 251(e) shall apply to reports submitted and orders issued in accordance with this section.".

(3) The table of contents set forth in section 200(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 note) is amended by striking the item relating to section 275 and inserting in lieu thereof the following new items:

"Sec. 275. Alternative sequestration procedures.
"Sec. 276. Effective dates.".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of the enactment of this joint resolution.

Mr. DOMENICI. Mr. President, I have some detailed talking points that explain the technical amendments.

The theory underlying Gramm-Rudman is that the threat of automatic across-the-board cuts would be so politically galvanizing as to force Congress and the President to make prioritized cuts beforehand in order to avoid a sequester order. I believe that putting the teeth back into sequestration by overcoming the constitutional flaw will help to keep up that much-needed pressure. Hopefully Gramm-Rudman will work as intended, and we will all play our parts on the budgetary stage to reduce the deficit.

However, I have some ancillary concerns that I would like to share with you. While we have taken every precaution to be sure that Gramm-Rudman II is constitutional, we need to make sure that the fallback operates smoothly in the highly unlikely event that the courts decide otherwise. If we don't fix it, or if the fix is held to be unconstitutional Gramm-Rudman will continue to operate through the fallback procedures set forth in section 274(f) of the act.

As we saw a few weeks ago, the fallback procedure has some serious flaws. It is intended to provide expedited, protected consideration of legislation which provides across-the-board sequestration. But in certain circumstances, the procedures are ill-timed, clumsy, and inappropriate.

Our amendment addresses the following major problems; First, the necessity of having GAO participate; second, the schedule and timing for the fallback procedure; third, the inability of the temporary joint committee to affirm a sequester that is already in place; and fourth, the confusion over whether the temporary joint committee can be discharged from introduced legislation.

Under current law, the joint report of the Directors of OMB asnd CBO is the basis for action by the temporary joint committee. In other words, GAO is entirely cut out of the process as it now stands.

In my view, and I'm sure my colleagues will agree, the participation of GAO is a necessary component of the decisionmaking process under Gramm-Rudman-Hollings. OMB and CBO must necessarily average a host of conceptual and philosophical differences, so that their report is, in that sense, a compilation of arbitrary figures. I propose to add GAO to the fallback procedure so that the temporary joint committee might have the benefit of the Comptroller General's expertise and opinions.

Now let me turn to the schedule. As it currently exists, the act provides that OMB and CBO take their snapshot of the fiscal year 1987 deficit on August 15 and send it to the TJC on August 20. If the joint resolution reported by the TJC is enacted, the President is to issue his initial order on September 1, and it goes into effect October 1. On October 5, OMB and CBO take their second snapshot and send it to the TJC. If the joint resolution is enacted, the President issues his final order on October 15, and it is effective immediately.

The problems with this schedule are obvious. It does not mesh with the normal August recess period. This very year, for example, Congress is not scheduled to be in session between August 20 and September 1. In fact, we are not due to return from the Labor Day recess this year until September 8. Even though the TJC will

not receive the OMB/CBO report until that date, and we could enact a joint resolution shortly thereafter, there is no authority for the President to issue the initial order on any day other than September 1. Moreover, the TJC is not schedule to receive the second OMB/CBO report until October 5, while Congress is scheduled to adjourn sine die on October 3.

I think it would be advisable to collapse the fallback schedule significantly, and to change what are currently specific dates to floating requirements, so that each step takes place within a certain length of time after the prior step, rather than on a date certain.

What I have in mind is this: OMB and CBO take their first snapshot on August 15. They transmit their report to the Comptroller General on August 20. The Comptroller General transmits his report to the TJC on August 25 or on the first subsequent day that both Houses are in session. The TJC has 2 calendar days to report the joint resolution. The Chambers must vote on it within 2 days of session after it is reported. The President issues his initial order within 2 calendar days of signing the joint resolution or of our veto override. The initial order goes into effect October 1. OMB and CBO take their second snapshot and transmit their report to the Comptroller General on October 2. The Comptroller General transmits his report to the TJC on October 3. The TJC has 1 calendar day to report the joint resolution. The Chambers must vote on it within 1 calendar day. The President issues his final order, effective immediately, within 1 calendar day of enactment or veto override.

This revised schedule will ensure that the process is completed by October 6, at the latest. I suggest reducing the number of days for TJC action and floor consideration because extended deliberation in the TJC is made unlikely because we cannot amend the report, and because floor debate is limited to 2 hours in each House, with no amendments in order.

I realize that this collapsed schedule will be difficult to follow at certain stages. But I believe it will work more efficiently, particularly in election years.

The second issue is retroactivity. We dealt with this last week. The fallback, as it currently exists, does not take into account a situation where an order is issued pursuant to a mechanism which is later invalidated. Last week, the TJC faced the question of ratifying an order that had been in effect for over 4 months. But the TJC could not report a joint resolution to do this. The TJC could only report a joint resolution affirming the January 15 report from OMB/CBO. However, that report did not reflect what the February 1 order did, because of intervening changes made by GAO. Because Congress' desire was to ratify the status quo, including changes made by laws enacted after February 1, we had to pass a separate concurrent resolution which directed the enrolling clerk to change the joint resolution in order to fulfill our intentions.

This problem may arise again if the so-called Gramm-Rudman II fix is enacted, resulting in a Presidential order, and the Supreme Court subsequently invalidates the new automatic procedure.

My amendment takes care of this situation by providing the TJC with the authority to report legislation retroactively ratifying a Presidential order.

Another issue concerns the discharge of the TJC should a joint resolution to affirm the Directors' report be introduced in either Chamber and referred to it. In the Senate, such a discharge is inferred because of the deadline set for the committee's action. This is not the case in the House. It seems to me that Members of both Chambers should be able to further the sequester process by introducing legislation and ensuring a discharge, so that even if the TJC is not able to act, the full Congress could exercise its will and vote on the joint resolution.

My amendment takes care of this issue by inserting in the statute language which specifically provides for such discharge in both Chambers.

Let me conclude by saying again that I intend to do everything I can to make sure that neither automatic sequester procedures nor the fallback need ever be used in future years. But since we have these procedures, it behooves us to try to make them work as they were intended.

And now let me just summarize the main point of the amendment. Mr. President, this amendment that I offer on behalf of myself and the distinguished senior Senator from Florida, Senator CHILES, is with reference to dates and times. I would almost call it a perfecting amendment. Basically we have found now, in walking our way through the fallback process under Gramm-Rudman-Hollings I, that there are some difficulties with reference to the time that is allotted to the Joint Budget Committee to do its work, on the one hand; 5 days is too long for them to be off just ratifying an order. It is just a long delay. They cannot amend. In the case of the initial sequester report, we changed that to 2 days instead of 5. In the case of the final sequester report, we changed it to 1 day instead of 5.

There are a couple of other calendar items that we changed that we think make eminent sense because it will cause us to do our work on time and in an expedited manner, and the joint committee will be discharged of the joint committee if we don't do our work.

There is one other thing we found in the fallback process that we are fixing here. The Senate should know that there is still an outside chance, and it may be very, very outside, that we will be using that fallback provision again and that, in fact, we would have adjudicated Gramm-Rudman-Hollings II and it might be declared unconstitutional.

In that event, what we have done is make sure that that joint committee that meets to ratify the order causing the sequester to become operative once signed by the President in fact can ratify an order that is already in effect, as well as changes that have occurred since the order was issued.

□ 1440

We were not able to do that last time. And so we are permitted now to go pick up those activities without being found to be out of order on the privileged activity that we bring before the Senate.

Now, if anyone other than the Senator from New Mexico understands any of that at this point, I would be very surprised. Nonetheless, I have tried my best to explain quickly what we have done. I assure Senators and other than the last one I spoke of, the rest are just dates and times to make everything work better.

I yield to my friend from Florida.

Mr. CHILES. Mr. President, I join with the distinguished chairman in offering this amendment. I would say this is a provision that Senator KERRY, the junior Senator from Massachusetts, has been very interested in and has talked to us about and had a similar provision like this that he actually was interested in moving.

So I would ask unanimous consent, if he desires to be a cosponsor, that he might be made a cosponsor. I have not been able to find out if he desires that or not.

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

Mr. CHILES. Mr. President, current law provides that the OMB-CBO report go directly to the joint Budget Committee which has to report it without amendment. If OMB and CBO disagree on any estimate, then they average the automatic procedure, they must average. The automatic procedure allows GAO to depart from the average if they feel either OMB or CBO is off base.

This provision requires, under the fallback procedure of legislating the cuts, that the OMB-CBO report go to GAO which can change it before it comes to the Congress. No Constitution problem here, because GAO is a congressional agency and is reporting its impartial findings to the Congress.

I urge that we adopt this amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2258) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I thank the distinguished Senator from Tennessee.

Mr. DOMENICI. Mr. President, I thank the Senator from Tennessee and other Senators for permitting us to have this unanimous-consent agreement.

Mr. SASSER. I thank the distinguished chairman of the Budget Committee and the distinguished ranking member.

AMENDMENT NO. 2250

(The following remarks occurred earlier:)

Mr. MATTINGLY. Mr. President, I rise to urge the Senate to pass the pending amendment that would give aid to the drought-stricken farmers of the Southeast.

The pending amendment is similar in many respects to an amendment, No. 2235, that was submitted on Monday of this week and can be found in the RECORD for that day. I am not going to quibble over pride of authorship, I think that is unimportant. The situation in my State and in neighboring States is too serious for petty partisan politics. As I said last night, a starving cow does not care whether a bale of hay is Republican or Democrat.

There have been questions raised about this amendment. I believe they can be resolved in conference. In fact, I have an amendment that contains some language that I ask unanimous consent to have printed in the RECORD at this point that we shall make available to the conferees that should satisfy those questions.

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

At the end of the pending amendment, add the following new section:

"SEC. . (a)(1) Notwithstanding any other provision of law, the Secretary of Agriculture shall make available within 10 days following the date of enactment of this Act, in addition to any advance deficiency payments previously made available to producers in accordance with section 107C(a) of the Agricultural Act of 1949 (7 U.S.C. 1445b-2), advance deficiency payments to eligible producers participating in an acreage limitation program established for any of the 1986 crops of wheat, feed grains, upland cotton or rice under sections 101A, 103A, 105C and 107D of the Agricultural Act of 1949. Such payments shall be available in an amount determined by multiplying—

(A) the estimated farm program acreage for the crop, by

(B) the farm program payment yield for the crop, by

(C) 10 percent of the projected payment rate, as determined by the Secretary.

(2) Advance deficiency payments made in accordance with paragraph (1) shall be made in the form of commodity certificates and shall otherwise be subject to section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b-2).

(b) Notwithstanding any other provision of law, within 45 days following enactment of this Act, for producers who are eligible to participate in disaster or economic emergency programs administered by the Department of Agriculture due to drought or excessive heat, the Secretary of Agriculture shall make available to such producers disaster payments in an amount sufficient to ensure that each such producer receives at least 50 percentum of the amount such producer would have received from nonrecourse loan and purchase activities established for the 1986 crops of wheat, feed grains, cotton, rice soybeans, and peanuts under section 107D, section 105C, section 103A, section 101A, section 201, and section 108B of the Agricultural Act of 1949 on an average crop yield for the farm; *Provided* that:

(1) such payments shall be made in the form of generic, negotiable commodity certificates redeemable from stocks of commodities held by the Commodity Credit Corporation; and

(2) such payments shall be made without regard to any contract of insurance such producer may have to indemnify against crop losses, except when the payment would result in a producer receiving more than 100 percentum of the amount he otherwise would have received from nonrecourse loan and purchase activities, in which case the disaster payment shall be reduced to achieve such 100 percent level.

(3) for the 1986 crop year, the aggregate amount expended for such disaster payments and payments made under normal nonrecourse loan purchases activities shall not exceed the total which the Secretary would otherwise be obligated to expend for nonrecourse loan and purchase activities for all program crops in all counties having producers eligible for such disaster payments, if such crops had produced an average yield; and

(5) in determining a producer's average yield for the 1986 crop year, the Secretary shall use the average of the past five years production on the farm, excluding the high and low years, or the average of all years if production history for the farm is less than five years.

(c) Notwithstanding any other provision of law:

(1) The Secretary of Agriculture shall within 10 days following the enactment of this Act and ending March 31, 1987, or the date, as determined by the Secretary on which the emergency created by the drought or excessive hot weather of 1986 no longer exists, implement and conduct the emergency feed program authorized by section 1105 of the Food and Agriculture Act of 1977 (7 U.S.C. 2267).

(2) Payments made to eligible persons shall be made in the form of commodity certificates redeemable from surplus stocks of commodities held by the Commodity Credit Corporation.

(3) Persons eligible for assistance under the program formulated under this subsection shall be reimbursed for not to exceed 50 percent of the cost of the food purchased by such eligible persons but not to exceed 5 cents per pound feed grain equivalent, as determined by the Secretary.

(d) Notwithstanding any other provision of law, the Secretary of Agriculture shall make available—

(1) cost-share payments in accordance with the Agricultural Conservation Program to producers in drought affected disaster areas in order to prevent soil erosion due to loss of vegative cover; and

(2) cost-share payments in accordance with the Forestry Incentive Program to forest landowners in drought affected disaster areas for the re-establishment of stands of pine or other trees lost due to drought conditions.

(3) The Secretary shall share not less than 50 percentum of the cost of such measures or re-establishment of timber stands. Such payments, to the extent practicable, shall be made in the form of commodity certificates redeemable from the surplus stocks of commodities held by the Commodity Credit Corporation.

(4) Payments made in accordance with this subsection shall be made in addition to, and not in lieu of, payments made under the Soil Conservation and Domestic Allotment Act or the Cooperative Forestry Assistance Act of 1978, using funds appropriated for such purposes.

(5) The Secretary of Agriculture shall allow producers who are participating in acreage limitation programs for the 1986 crops of wheat, feed grains, upland cotton or rice to hay and graze acreage devoted to conserving uses.

(6) Assistance made available to eligible persons in accordance with paragraph (1) and (2) of this subsection shall be available during the period beginning within 10 days following the enactment of this Act.

(e) It is the Sense of Congress that, with respect to the 1986 disaster caused by drought and excessive heat, the President should:

(1) declare a drought emergency in accordance with the Disaster Relief Act of 1974 (42 U.S.C. 5122);

(2) direct the Secretary of Agriculture to use the Commodity Credit Corporation the provide cost-share assistance in the form of commodity certificates for the replacement or deepening of existing water wells of producers of livestock or poultry adversely affected by this emergency; and

(3) direct the Director of the Federal Emergency Management Agency to reimburse the Secretary of Agriculture or the Commodity Credit Corporation for any expenses incurred in providing such assistance.

Mr. MATTINGLY. The most important point is to get something passed immediately. This is a regional disaster. During the many hours of effort that went into my amendment, I have worked closely with some of my Democratic colleagues such as senior Senators from Alabama and Senator ZORINSKY, Senator HOLLINGS, and others. I am willing to work with all of my colleagues who are trying to help the farmers of the Southeast.

There are those who say we should do nothing, that today the Secretary of Agriculture will announce a program that will make this legislation meaningless. I cannot agree with that.

It is a terrible assessment. Let me tell you why, Mr. President.

Most of the actions mandated by both my amendment and the one before us now are currently within the discretionary authority of the Department of Agriculture. I, along with all the other Senators from the Southeast, Republican and Democrat, have been urging immediate action. While I welcome the announcement of the Secretary today, it is late in coming and lacks certainty for the future.

Over the past week, I have been in practically nonstop negotiations with the Department on this matter. My office has been crowded with lawyers and accountants from USDA and OMB. We could not reach any agreement that I felt would go far enough toward helping the people who so desperately need our help.

There comes a time when politics and partisanship and bureaucrats have to be set aside. If we wait until all the bureaucrats are satisfied with a plan of action, we shall be here for the rest of the year. The time has come for Congress to mandate or to "make" the Department to do what it should have done days ago. My farmers cannot survive on promises. Livestock cannot eat good intentions. Half-way measures or gestures will not be enough.

I am not going to go and tell the farmers of my State or in the Southeast, anyplace where they are drought ridden, that the Government would like to do more but it has accounting problems.

That is all the argument appears to be to me. With all do respect, I do not want to hear any more about accounting problems. I want some help for America's farmers—significant help that will get them through this crisis. I have walked the last mile with the Department on this matter. I have given them every chance in the world. The time has come for Congress to put a pitchfork where it will do the most good.

Let us forget for a moment partisanship and bureaucratic accounting problems that can and will be worked out. Let's remember the human tragedy that is occurring in the South.

There was one farmer who called my office this week and said he had 600 acres in soybeans and they were gone. "If I don't get some help," he said, "I'm gone too and so are all of my neighbors." We cannot let these people down. We cannot let these hardworking farmers blow away with the dust on their fields.

I urge the Senate to pass this amendment and bring relief to the drought-stricken Southern farmers before they are beyond the point where we can help them.

Just as an example, Mr. President, I received in my office a letter from the President of the Georgia Farm Bureau. It is very interesting. It has a few statistics from a survey just finished on July 25; $533 million lost in the State of Georgia, over a half-billion dollars. The summary is that we have had a 47-percent decrease in corn production, a 71-percent decrease in soybean production, a 51-percent decrease in cotton production, a 79-percent decrease in hay production.

Mr. President, I know you cannot see this, but I hope my colleagues can. This is the State of Georgia, the biggest State east of the Mississippi. The red section represents where there is a 60-percent and above loss of crops in the State by this drought. It is a natural disaster that needs to be addressed.

I ask unanimous consent to have the letter and accompanying material printed in the RECORD.

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

GEORGIA FARM BUREAU FEDERATION,
Macon, GA, July 31, 1986.

Hon. MACK MATTINGLY,
U.S. Senate,
Washington, DC.

DEAR MACK: Enclosed are the results of the Georgia Farm Bureau survey of the drought damage and estimates of the reduction in crop and livestock production in the state.

The map indicates the severity of the damage for all sections of the state. The dollar value was determined by the percentage of decrease in production calculated on estimated acres planted and current markets as of July 25, 1986.

There are also additional losses on other commodities, the horticultural and timber industry, which have not been determined for lack of a dependable measure.

We appreciate all you are doing to assist us during these difficult times.

Sincerely,

ROBERT L. NASH, *President.*

1986 GEORGIA FARM BUREAU DROUGHT SURVEY SUMMARY

Broiler—13% decrease in production equal $3.5 million loss.

Egg—16% decrease in production equal $1.5 million loss.

Beef—28% decrease in production equal $12.6 million loss.

Dairy—17% decrease in production equal $2 million loss.

Hogs—21% decrease in production equal $15 million loss.

Corn—47% decrease in production equal $84 million loss.

Soybeans—71% decrease in production equal $127 million loss.

Peanuts—28% decrease in production equal $145 million loss.

Pecans—50% decrease in production equal $36 million loss.

Tobacco—29% decrease in production equal $37 million loss.

Cotton—51% decrease in production equal $36 million loss.

Hay—79% decrease in production equal $34 million loss.

Total loss equal $533,600,000.00

GEORGIA FARM BUREAU FEDERATION DROUGHT ESTIMATE SUMMARY 137 COUNTIES REPORTING

Corn: Dry land, 64% reduction; irrigated, 36% reduction.

Vegetables: 59% reduction.

Peanuts: Dry land, 60% reduction; irrigated, 19% reduction.

Tobacco: Dry land, 34% reduction; irrigated, 18% reduction.

Cotton: Dry land, 57% reduction; irrigated, 30% reduction.

Wheat: 57% reduction.

Corn silage: 72% reduction.

Broilers: Number lost: 1,170,700 head; percent decrease in production: 13% reduction; increase in cost: 10%.

Layers: Number lost: 76,350 head; percent decrease in production: 16% reduction; increase in cost: 17%.

Soybeans: Dry land, 72% reduction; irrigated, 36% reduction.

Fruits: 58% reduction (late cold weather and drought).

Hay: 79% reduction.

Pecans: Dry land, 66% reduction; irrigated, 33% reduction.

Horticulture (greenhouse and container grown plants) 28% reduction.

Blueberries: 75% reduction.

Milo: 77% reduction.

Beef cattle: Number lost: 654 head; percent decrease in production: 28% reduction; increase in cost: 34%.

Dairy cattle: Number lost: 288 calves; percent decrease in production: 17% reduction; increase in cost: 18%.

Hogs: Number lost: 2,385 head; percent decrease in production: 21% reduction; increase in cost: 11%.

Catfish: Number lost: 14,000 lbs.; percent decrease in production: 38% reduction.

Honeybees: Number colonies lost: 50; percent decrease in production: 20% reduction.

Drought damage to the state's agricultural commodities has already totaled more than $530 million, the Georgia Farm Bureau, the state's largest farm organization, said today as it released the results of the first detailed survey of drought damage in the state.

In its assessment of drought damage in each county during the period July 15 through 25, the state Farm Bureau found that the majority of the state—106 counties—had suffered farm commodity losses of 60 percent or more.

A belt of 40 counties running from Southwest to Southeast Georgia, and the extreme northeastern corner of the state, have suffered losses in the 40 to 60 percent range. The southeastern corner of the state has suffered the least damage with losses of 40 percent and below.

Although the drought's complete toll on the state's agricultural sector will not be known until harvest time, the Farm Bureau decided to conduct a survey now to provide Congressional and U.S. Department of Agriculture officials with accurate, up-to-date information to use in making decisions about providing aid to the state's farmers, said Georgia Farm Bureau President Bob Nash.

"The Farm Bureau's findings will be presented to Agriculture Secretary Richard Lyng and Georgia's Congressional delegation immediately," said Nash. "We hope our findings will spark some further aid for Georgia's farmers and show federal officials just how severe the situation is," he added.

Nash also said that farmers needed the survey to help them make marketing decisions this fall.

According to the Farm Bureau survey, the total loss to the state's farm commodities as of July 25 was $533.6 million. Nash noted

that there has been some deterioration of crops since then.

The Farm Bureau survey found that the drought has already decreased broiler production 13 percent with death losses of poultry totaling $2.5 million and gross income losses to farmers of $1 million.

Egg production has dropped 16 percent, amounting to $1.5 million in losses.

As of April 1986, beef production had declined 28 percent amounting to a loss of 21 million pounds or $12.6 million and dairy production had dropped 17 percent amounting to 20 million pounds or $2 million.

Also as of April, hog production had dropped 21 percent amounting to a $15 million loss.

Total loss to the state's corn crop is estimated at 40 million bushels or $84 million.

The state's soybean crop has suffered a 71 percent loss totaling $128 million, and the peanut crop has already declined 28 percent amounting to a $145 million loss.

Tobacco yields are estimated to be off 29 percent or a $37 million loss; cotton down 51 percent with a $36 million loss and hay down 79 percent with a $34 million loss.

Mr. MATTINGLY. Mr. President, I shall just say that the drought damage to the commodities and agriculture in my State is devastating. The assessment they have made between July 15 and July 25 of this year shows that over 106 counties out of 159 have losses of 60 percent or more. It is a devastating loss. It needs to be addressed, and it can be addressed. It is not good that we try to address it with discretionary authority with the Department of Agriculture.

What we are trying to do, what the Senators from Tennessee are trying to do and the Senator from Georgia is trying to do is take away the discretionary authority and make it mandatory authority. What that simply means is make them do what is required, take the surplus commodities that we have, almost $10 billion stored in this country, and use it for a useful purpose; that is, try to relieve the drought-stricken farmer in the Southeast.

(Conclusion of earlier remarks.)

● Mr. GOLDWATER. Mr. President, the Sasser amendment on farm disaster relief has an outrageous provision which would totally undercut the intent of the Federal Crop Insurance Program by providing in the amendment the following: Farmers whose crops were lost in the drought will receive 100 percent in deficiency payments plus whatever they had insured the crop against loss. In essence, the farmer who chose not to insure the crop will be making a windfall as opposed to those who spent their hard earned farm dollars to buy crop insurance. In light of the continued efforts by the Congress to reduce the Federal deficit, this possibility is totally unacceptable and unnecessary.

This provision in the amendment grossly undercuts the Federal Crop Insurance Program which is the very agency charged with the task of coming to the relief of the farmer who wisely insured his crop against natural disasters. I am continually appalled by the willingness of the Congress to avoid the very programs it created to deal with the public's need.

If we are ever to have a sound fiscal farm program, the U.S. Congress cannot act out of an emotional state. Of course, this is a highly emotional time for farmers who must watch their crops and livestock being destroyed by the drought. Those of us in Congress, however, must not allow ourselves to act rashly and from those same emotions.

Elected officials are given the public trust to calmly determine policy and to put into motion those Federal programs designed to address such disasters. There are Federal farm programs on the books to protect the American farmer from the loss of farm payments due to natural disasters. The Congress must allow those programs to be set into motion as they were designed. If the Department of Agriculture is not acting quickly enough for some, I cannot stress the need strongly enough to allow officials at the Department of Agriculture to formulate a sound relief package with existing programs and any new measures this current disaster requires.

We are all concerned with the tremendous losses the farmers are experiencing. I join my colleagues in wanting to give them assistance. I am proud of the generosity of the American people who have donated their time, effort, animal feed, and transportation services to assist the farmers.

In closing, I have every confidence there will be tangible relief given to the farmers. My only request is to allow the very best relief to be presented to the Congress by Secretary Lyng before taking action on the pending amendments. I would like inserted in its entirety the announcement made by Secretary Lyng this morning on new and significant expanded programs to aid drought-stricken farmers.

The announcement follows:

SECRETARY LYNG EXPANDS PROGRAMS TO AID DROUGHT-STRICKEN SOUTHEASTERN FARMERS

WASHINGTON, Aug. 1—Secretary of Agriculture Richard E. Lyng today announced significant new and expanded programs to aid drought-stricken farmers in Southeastern states designated as agricultural disaster areas.

"The drought continues to devastate farms from southern Pennsylvania to northern Florida," Lyng said. "Today, at the behest of the President, the U.S. Department of Agriculture is launching an intensified effort to help farmers who are victims of this national tragedy."

Lyng also announced today that over $1 billion worth of crops—including peanuts and tobacco—in the affected areas is covered under USDA's crop insurance program, a subsidized federal program.

The following new or expanded programs are in effect immediately:

Under the Feed Cost-Sharing Program, formerly known as the Emergency Feed Program, USDA will share with livestock producers the cost of purchasing feedgrains, including hay. The cost share will be up to 50 percent of the cost of feed, not to exceed 5 cents per pound—an increase from 3 cents per pound—feedgrain equivalent.

Lyng said the cost-sharing payments will be made in generic certificates. "Farmers will have the flexibility to convert the certificates into cash or to redeem them for Commodity Credit Corporation commodities," he said.

"To help make grain available to livestock," Lyng said, "CCC is moving grain from storage facilities in the Midwest where crops are good to areas in the Southeast where storage is available."

Lyng said drought-stricken farmers in the Southeast who participated in federal farm programs for corn, wheat, cotton and rice will be eligible for over $500 million worth of 1986 crop deficiency payments.

"Because many of these farmers need payments now, I am authorizing a nationwide, across-the-board 10 percent increase in 1986 advance deficiency payments, at a cost of about $1 billion," he said.

The 1985 Farm Bill specifies that up to 50 percent of crop deficiency payments may be paid in advance. Up to now, cotton and rice producers received 30 percent; producers of other program crops received 40 percent. With today's announcement, all farmers, in every state, will receive an additional 10 percent in generic certificates.

According to Lyng, farmers in counties designated as disaster areas also are immediately eligible for the following programs:

Under the Emergency Feed Assistance Program, eligible farmers may purchase feedgrains owned by the Commodity Credit Corporation at 75 percent of the basic county loan rate. The program does not include hay.

Under the Farmers Home Administration's emergency loan assistance program, family farmers who cannot obtain credit elsewhere are eligible for low-interest loans. The interest rate is 5 percent for loans up to $100,000, and 8 percent for loans above $100,000. Loan amounts are limited to the government's estimate of farmers' losses.

Lyng said today's actions are in addition to those previously announced, which include:

Haying and grazing of all crops is permitted on acreage set aside under the Acreage Conservation Reserve requirements of the commodity programs, including cotton.

Acres designated to be put to a conservation use under the Acreage Conservation Reserve requirements may be planted for winter pasture with fast-growing grasses or small grains for grazing.

Producers participating in federal farm programs will still be eligible to receive deficiency payments on planted acreage, even though the crop is used for forage or not harvested at all. Participating producers who harvest their crops for forage will be permitted to retain their acreage bases.

Designated counties are eligible for cost-sharing of reseeding, applying necessary minerals and controlling competitive shrubs.

The Forestry Incentive Program cost-sharing assistance is available to re-establish stands of planted pine trees lost due to drought conditions.

In addition, clerical workers in county offices will be shifted to the areas of greatest need, Lyng said.

Lyng said USDA is processing damage assessment reports as rapidly as possible and so far has designated 189 counties in Alabama, Delaware, Maryland, North Carolina, South Carolina and Virginia for emergency relief. Additional states or parts of states should be designated in the next few days, he said.

"With all the tragedy the drought has brought, I am tremendously impressed with the overwhelming voluntary response," said Lyng. "Every American can be proud of how neighbors are assisting neighbors in need."

The department's efforts are under the guidance of Drought Coordinator Jim Boillot.

USDA continues to operate a toll-free hotline to respond to farmers' questions and to facilitate drought relief efforts, he said. The hotline so far has handled over 2,200 calls. The national toll-free number is 1-800-433-0703; the number in the Washington metropolitan area is (202) 447-2637.●

Mr. HEINZ. Mr. President, I think we are ready to dispose of the pending amendment. Have the yeas and nays been ordered on the amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. HEINZ. Mr. President, I have discussed this with the Senators from Tennessee as to the need for a rollcall vote. It is my understanding they do not seek such rollcall vote, so I would ask unanimous consent that the yeas and nays be vitiated.

Mr. SASSER. Mr. President, I have no objection to vitiating the yeas and nays.

If the Senator would yield for just a moment, I ask unanimous consent that Senator HART be added as a cosponsor.

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

Without objection, the yeas and nays are vitiated.

The question is on agreeing to the amendment.

The amendment (No. 2250) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2259

(Purpose: To modify the application of agricultural payment limitations to corporate stockholders)

Mr. PRESSLER. 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 South Dakota [Mr. PRESSLER] proposes an amendment numbered 2259.

At the appropriate place, insert the following new section:

SEC. . APPLICATION OF AGRICULTURAL PAYMENT LIMITATIONS TO STOCKHOLDERS.

Subparagraph (B) of section 1001(5) of the Food Security Act of 1985 (7 U.S.C. 1308(5)(B)) is amended to read as follows:

"(B) A stockholder of a corporation with more than a 20 percent ownership interest in the corporation shall not be considered as a separate person from the corporation for purposes of determining whether the corporation and stockholder are separate persons under this section.".

Mr. PRESSLER. Mr. President, the amendment I am offering would change the percentage of ownership an individual must have in a farm corporation to be considered a person for purposes of the payment limitation. The amendment is designed to make it more difficult for corporations to circumvent the individual $50,000 payment limitation.

Specifically, my amendment would change the definition of a corporation. Currently, if an individual, including his spouse, minor children and trusts for children or legal entity, own more than 50 percent of the stock, he or she is not considered a separate person for purposes of the $50,000 payment limitation. This allows a 50-percent stockholder or less in a corporation to receive a $50,000 payment as well as the corporation. My amendment will reduce the percent of stock ownership under this provision to 20 percent. Therefore, any stockholder with more than 20 percent ownership will be considered the same as the corporation for the purposes of the payment limitations. This change will make it much more difficult for farm corporations to circumvent the $50,000 payment limitation.

For many years Congress has established a limitation on the amount of farm program benefits an individual farmer may receive. The intent of this provision was to prevent the owners of large farms from receiving hundreds of thousands and millions of dollars in farm program benefits. This both holds down farm program costs and directs benefits to family size farmers. Unfortunately, large corporate farms have found creative means of avoiding the payment limitation. Multimillion dollar payments have gone to some huge corporate farms. These huge payments increase the cost of farm programs and give badly needed programs for family farmers a bad reputation.

Mr. President, while there are sufficient Senators on the floor, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. COCHRAN. Mr. President, would the Senator yield for a question?

Mr. PRESSLER. If I could finish my opening statement, I would then be happy to yield. I will yield as much time as the Senator from Mississippi wants if I could finish one more paragraph.

The 1982 Agriculture Census determined that there were 59,792 corporate farms. These corporate farms accounted for 23.3 percent of all farm revenue. An estimated 90 percent of the farms with gross sales of over $500,000 were corporate farms. Eliminating these huge corporations from farm programs would save millions of dollars. These corporations are in the least need of these payments. In many respects we are financing the takeover of the family farm by the corporate farm when we allow this to continue.

My amendment would not totally eliminate the loophole, but would make it much more difficult for corporations to use it. I also considered trying to change the definition of a farm, but that approach would just give the lawyers of huge corporate farms more work in finding new loopholes. After consulting with USDA, I determined that changing the ownership percentage requirement was the simplest and most direct method of placing more effective limitations on farm program benefits. As long as we have a farm program with payment limitations, there will be large farmers trying to find loopholes. My amendment closes the largest loophole. I urge my colleagues to support this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a New York Times article dated Sunday, July 27, 1986, and entitled "Big Farms, to Get Huge U.S. Subsidies," and one dated July 22, 1986.

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

[From the New York Times, July 27, 1986]

BIG FARMS TO GET HUGE U.S. SUBSIDIES

WASHINGTON, July 26 (AP).—A single California farming operation will collect $20 million in Federal subsidies this year, one of many multimillion-dollar payments the Government is expected to make in the struggle for the United States to regain its former dominance in farm exports.

"Multimillion-dollar payments in rice and cotton will not be uncommon," Robert Thompson, the Agriculture Department's chief economist, said recently. "It will get obscene."

Representative Tony Coelho, Democrat of California, a member of the House Agriculture Committee, which helped write the law, said: "They're going to be big, and very controversial. We knew that when we did this. But the only way to turn it around is to get these big guys cooperating so we can help the family farmer as well."

Analysts estimate the Government will pay more than $30 billion in farm aid for the fiscal year 1986.

The apparent top recipient of subsidies under the new farm law is an agriculture business giant, the J.G. Boswell Company, which grows more than 62,000 acres of

cotton and 30,000 acres of wheat in the San Joaquin Valley near Fresno, Calif.

Figures computed by the Agricultural Stabilization and Conservation Service, the Agriculture Department's subsidy arm, show that Boswell will collect nearly $10.4 million in payments on those crops, based on current prices.

'IT'S GOING TO HIT $20 MILLION'

In addition, the operation may receive that much or more as the marketing handler for its own cotton, said Bob Crockett, a crop program specialist for the Agricultural Stabilization and Conservation Service in California, at Sacramento. "It's going to hit $20 million, that's what we figure," he said.

Wes McAden, Boswell's Washington lobbyist, said economic uncertainty forced the farm to accept payments.

"It's mandatory economically," Mr. McAden said. "You don't know where the market's going. The only uncertainty is how low it's going."

In recent years, Boswell has refrained from participating in Federal crop programs.

This year's subsidy payments promise to dwarf those made under the $10 billion program in 1983, which caused a public outcry and damaged the credibility of farm programs.

$9 MILLION FOR DAIRY FARM

Another farming operation in Kings County, Calif., Salyer American, will collect nearly $3.4 million on its 28,000 acres of cotton, the agriculture agency said. Large payments are certain to go to other growers of cotton, rice, wheat, corn and milk in major producing areas because of new provisions in the 1985 farm law.

One large dairy producer, Gerrit Degraaf of Riverside County, Calif., will receive $9.8 million under a Federal subsidy to encourage dairy herd slaughter. Joe E. Gonsalves of Kings County will be paid $8 million to get out of the dairy business, figures from the agency show.

As in 1983, the size of the payments is likely to bring calls for changes in the farm law, which is designed as a long-term program to restore slumping export sales by lowering prices.

"It's going to be a publicity disaster," said Representative Pat Roberts, Republican of Kansas, a member of the House Agriculture Committee. "We're in danger of trashing this program before it's had a chance to work."

The law producing the huge payments was drafted a year ago in a growing atmosphere of despair over the decline in United States agriculture exports. From a high of $43.8 billion in 1981, overseas sales have slumped and are expected to be $27.5 billion this year. In May the nation suffered its first one-month farm trade deficit in nearly 30 years.

Congress decided to cut prices to attract customers. But to soften the impact lower prices would have on farmers, suffering their worst economic times since the Depression, the law-makers built in huge subsidies.

In past years individual subsidy payments have been limited by a $50,000 ceiling to any single producer. The new law creates numerous intentional exceptions to the payment limit, however.

For example, cotton and rice farmers many continue to borrow from the Government at harvest time to pay their bills while they wait to sell their crops. But instead of paying back the full amount of the loan, they need only pay back what the crops bring on the market. The farmer simply pockets the difference, expected to be roughly half the loan in the case of rice and about 20 percent for cotton.

For wheat and corn growers, a portion of their income subsidy payment under the new law is exempt from the payment limit. And a growing number of subsidized farmers are splitting up their farms into smaller units, frequently parceling them out among family members or other partners, to collect multiple subsidy checks of $50,000.

PROGRAM ONCE COST $4 BILLION

In return for the income guarantees, farmers must agree to cut the amount of acreage they plant, by 25 percent for cotton, 35 percent for rice, in an attempt to curtail production.

Even the Government's official estimate of the cost of the farm program is $26 billion, which would be a record. Just a few years ago the cost of farm programs hovered at about $4 billion a year.

But almost no farmers, particularly the big operators, can afford to stay out of the Government crop program because of the uncertainty of prices.

[From the New York Times, July 22, 1986]

COST OF FARM LAW MIGHT BE DOUBLE ORIGINAL ESTIMATE

(By Keith Schneider)

WASHINGTON, July 21.—Agriculture Department analysts said today that the new farm law, which represented an abrupt policy shift, might cost the Government twice what economists estimated last December.

Their official cost estimate for farm programs under the law passed late last year is now $26 billion for the fiscal year 1986, but analysts acknowledged today that it could exceed $31 billion and might soar to $35 billion.

The program has not succeeded in stemming the decline in overseas sales of agricultural products, except for cotton and rice, the budget analysts acknowledged. As a result, the costs of taking over and storing surplus crops are mounting rapidly.

DESIGNED TO AID EXPORTS

In addition, far more farmers signed up for the price- and income-support programs than had been expected when the estimates were made.

The law, signed by President Reagan last December, was designed to reverse the five-year decline in American agriculture, by improving the sales of farm products overseas. The law drastically lowered the prices the Government sets for wheat, corn, soybeans and other major crops, to make United States farm products more competitive on the world market.

COMPLEX FACTORS AT WORK

The law also provided farmers and trading companies with an array of financing options and subsidy programs to enhance the sale of grain overseas and reduce the mountains of price-depressing surpluses filling United States storage facilities. For example, rice and cotton growers can export their crops at world-market prices, and the Government will make up the difference in a direct cash subsidy.

The law's failure to affect most export sales underscores the complex economic and political factors at work in the global trade of farm products. And though leading farm-state lawmakers of both parties have expressed dismay with the export situation and the continuing depression in agriculture, they concede that there are no easy solutions.

Last December, the department's economists predicted the new program would cost $17.5 billion this fiscal year, and the overall cost of the five-year law would not exceed $54 billion. In January, the department revised the estimate upward to $20 billion and $85 billion over all.

Just last week, budget analysts at the Agriculture Department told President Reagan that the fiscal 1986 farm program cost would probably not exceed $26 billion. But today, in response to questions about other economists' predictions, the officials said the costs are likely to soar well past a record $30 billion this fiscal year, which would exceed the cost overruns at the Department of Defense in contributing to the Government's budget deficit.

"The $26 billion is an honest estimate based on how we normally project expenditures," said Stephen B. Dewhurst, the department's budget officer. "Most people, though, think the number will be much higher because, that's the way costs have been going."

When Congress approved the new law late last year, economists said it would be the most expensive in history. The prices farmers were receiving for their grain on the domestic and world markets were so low that many experts said record numbers of farmers would sign up to receive Government loans and income supports in exchange for reducing the amount of land they farmed. Economists said the Government would be offering the highest prices and would become the world's best customer for grain, but few expected the costs to exceed $30 billion in the program's first year.

In 1981, when United States farm exports reached a record $44 billion, farm program costs totaled $4 billion. Since then, exports have fallen and this year are expected total $27.5 billion. It is this precipitous drop in exports that is seen to be at the root of the current farm crisis.

Today, the Agriculture Department said that 91 percent of the nation's rice growers, 83 percent of the corn growers, and 80 percent of the wheat growers are participating in Government farm programs this year, a record number.

At the same time, the Government-owned surplus is growing as foreign competitors undercut American prices and traders find it increasingly difficult to sell wheat, corn, soybeans and other crops overseas.

In May, the United States imported more food than it exported for the first time since August 1971. And export sales of farm products as a percentage of total exports is at the lowest point since the early 1940's.

Meanwhile, the Government has sent memos to military bases, shippers and others seeking storage space for the more than two billion bushels of surplus wheat now in stock, a record. Stocks of surplus corn now total a record four billion bushels, and the harvest is expected to increase that total to well over five billion early next year.

"The increased participation means the Government is supporting more production in all grain commodities," said Milton Hertz, acting administrator of the Agricultural Stabilization and Conservation Service, the agency that oversees the farm programs.

Moreover, a recent analysis by the Department of Agriculture shows that the vast majority of income- and price-support payments are going to the largest and wealthi-

est farmers, who are not suffering from the farm depression nearly so acutely as mid-sized family farmers. Just 18 percent of farm program payments reach the neediest farmers, according to the analysis. The remainder is paid to farmers with the least debt.

SOME SAY MORE TIME IS NEEDED

Though farm program regulations specify that no farm is to receive income support payments exceeding $50,000, the eligibility rules can be easily circumvented, according to the Department of Agriculture, and thousands of farmers are receiving payments in excess of $500,000.

"There are farmers in every state that are breaking the spirit of the law by subdividing their farms on paper to increase their payments," said Randy Russell, a private farm consultant in Washington who was the Reagan Administration's coordinator during the Congressional debate last year on the farm law. "This is the real issue in controlling costs. We need to decide as a society how much we are willing to provide in the farm sector."

He said that the law could not have been expected to show immediate improvement in American farm sales overseas. Administration officials also say that the program needs time to show results.

But the high costs of the farm programs, and the falling exports, are causing the farm issue to be viewed with increasing urgency on Capitol Hill. Recently, Bob Dole of Kansas, the leader of the Republican majority in the Senate, wrote a letter to President Reagan warning that unless more is done to use the export-enhancing provisions of the law to increase overseas sales, Congress might reopen debate on farm policy and seek new legislation.

Other observers said that nobody in Congress or the Administration has a ready solution. "The program is not working. Every day we have more evidence of their malfunctioning," said John Schnittker, a private farm economist in Washington. "The law is expensive. The surpluses are getting worse. The payments being made are going mostly to well-off farmers. The situation is completely out of control."

Mr. PRESSLER. Mr. President, let me just quote some from the first New York Times article. I think this is what urban taxpayers are reading that really upsets them.

A single California farming operation will collect $20 million in Federal subsidies this year, one of many multimillion-dollar payments the Government is expected to make in the struggle for the United States to regain its former dominance in farm exports.

"Multimillion-dollar payments in rice and cotton will not be uncommon," Robert Thompson, the Agriculture Department's chief economist, said recently. "It will get obscene."

And it goes on to cite examples:

Analysts estimate the Government will pay more than $30 billion in farm aid for the fiscal year 1986.

The apparent top recipient of subsidies under the new farm law is an agriculture business giant, the J.G. Boswell Company, which grows more than 62,000 acres of cotton and 30,000 acres of wheat in the San Joaquin Valley near Fresno, Calif.

Figures computed by the Agricultural Stabilization and Conservation Service, the Agriculture Department's subsidy arm, show that Boswell will collect nearly $10.4 million in payments on those crops, based on current prices.

"IT'S GOING TO HIT $20 MILLION"

In addition, the operation may receive that much or more as the marketing handler for its own cotton, said Bob Crockett, a crop program specialist for the Agricultural Stabilization and Conservation Service in California, at Sacramento, "It's going to hit $20 million, that's what we figure," he said.

□ 1450

It goes on later talking about $9 million for a dairy farm. It cites additional examples.

The point is that when the farm bill left here there was a feeling of a limit of $50,000 for deficiency payments. But that has been circumvented in a number of ways. Even after my amendment passes it still can be circumvented to some extent.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. PRESSLER. I agreed to yield to the Senator from Mississippi. I will yield to either.

Mr. MELCHER. I thank my friend from South Dakota for yielding.

He is speaking about rice and cotton which is not subject to a limitation as far as the marketing loan portion of the deficiency payment is concerned. Is that not correct?

Mr. PRESSLER. I believe that is correct. My amendment addresses just a portion of the problem.

Mr. MELCHER. I understand that. But when he reads the New York Times article he is referring to rice and cotton payments. One in particular was named Boswell. So his amendment will not change that, would it?

Mr. PRESSLER. I am not sure if it will change Boswell per se.

Mr. MELCHER. Just on the rice and cotton marketing loan payments which can be quite huge—his amendment does not seek to correct that, does it?

Mr. PRESSLER. It would depend on how the corporations are set up. Probably not. I would agree. I said in my opening statement I was citing the New York Times article as kind of an article that we are seeing. I am not sure how those corporations are set up. If you had a series of people owning 1 percent, you could in an exponent way expand greatly. But I believe my colleague makes a very good point.

Mr. MELCHER. Mr. President, would my colleague continue to yield?

Mr. PRESSLER. Yes.

Mr. MELCHER. Furthermore, wheat and feed grains are not subject to marketing loan as rice and cotton are. So therefore their payment limitations are clearly at $50,000 per farm. Is that not correct?

Mr. PRESSLER. You mean wheat and——

Mr. MELCHER. And feed grains.

Mr. PRESSLER. It is clearly $50,000 except when they can circumvent it. For example, I have here examples under current law how, let us say, 10 persons could form 45 corporations, 50-50 stockholders, also receive 10 individual payments for a total of 55 payments.

Mr. MELCHER. If my colleague will further yield, is it true that the Secretary of Agriculture must establish that in the case of 10, if there are 10 individual farms, in the case of wheat, corn, and feed grains there can only be a $50,000 payment limitation per farm. Is that not correct?

Mr. PRESSLER. That is per farm. But there is also per individual. For example, there are two persons under current law, one corporation, 50-50 ownership, two individual payments, there are three total payments. So you would have $150,000, as I understand it.

Mr. MELCHER. Might I say to my friend from South Dakota, the Secretary may establish in each case that there is a separate farm. Is that not correct? And that the $50,000 payment limitation for wheat and corn farmers and other feed grains would then apply to each of those farms.

Mr. PRESSLER. The farm would qualify for one but the two persons would qualify for two. That is one each.

Mr. MELCHER. I ask my friend. It is my understanding of the Agricultural Act of 1949, as amended, in regard to payment limitations on wheat and feed grain farmers it is $50,000 per farm. Might I ask my friend: Is my understanding inaccurate?

Mr. PRESSLER. That is correct.

Mr. MELCHER. I am inaccurate or I am right?

Mr. PRESSLER. You are correct.

Mr. MELCHER. There is a $50,000 payment limitation paid per farm as determined by the Secretary and he must determine it for wheat and feed grain producers, and therefore they would not fit into the Boswell story, would they?

Mr. HEFLIN. Will the Senator yield?

Mr. PRESSLER. Yes; I yield.

Mr. HEFLIN. I have to go to the Judiciary where they are holding hearings on the Chief Justice candidate Rehnquist. I do need to get back. I am interested in this amendment.

I would like to ask the able Senator from South Dakota, has there been any hearing held on this type of amendment?

Mr. PRESSLER. I do not know for certain if there have been hearings recently. I know in the House there have been some discussions on limiting payments. I hope there are hearings because what is happening is that some people are getting these huge subsidies, while the intent of the law is for those payments to go to family farm-

ers and ranchers which is being circumvented in my view. I hope there are hearings. I offered an amendment similar to this. I had the support of the chairman of the Agriculture Committee when the farm bill was up. My amendment was defeated.

But stories are beginning to appear in the papers. Let me say on the Boswell example, I do not know how the corporation or corporate structure was set up and how the amendment would affect them. But the point I am making is that if there have not been specific hearings there should be. The problem is still there whether there have been hearings or not. I would certainly welcome hearings.

Mr. HEFLIN. The whole area that the Senator gets into may be an area that needs some review and needs to be looked at. The limitation that goes back really right now about 6 or 7 years at the time it was adopted, there are a lot of aspects and I point out that the Senator's amendment deals primarily with a stockholder in a corporation. Intelligent and very smart lawyers can invent entities that can do various things. They could, instead of having stock in a corporation, if they wanted to perhaps have successors that would prevent what the Senator is trying to do from going into effect by creating trusts, and by having certain trust aspects involved here. Then there are certain things, other types of partnerships, and there are subsidiary corporations involved.

Mr. PRESSLER. If my colleagues will yield, trust or not, Mr. President, I believe I hold the floor.

I yielded for a question.

Mr. HEFLIN. My point is, it needs to go in and be studied, because I think it is an area that needs some study. We need to look into the thing. I do not think we need to rush into it here on a debt limit bill on a Friday afternoon late when we have stayed here until nearly 1:30 last night and many of us who are interested in agriculture are involved in such things as the Rehnquist hearings. It seems to me this is the type of thing that the Senator is trying to do which may have merit and if it does have some merit it needs to be thoroughly explored. I think the Senator may be approaching it based on what he may have seen in a newspaper.

So I really would try to implore the Senator from South Dakota, if he could at this time, to withhold his amendment and get some hearings on this thing to see what the consequences of his amendment might be. Let us look at the situation. It is sort of like a doctor diagnosing. If a doctor reads in the newspaper that there is one symptom, there may be other symptoms. I think we need to thoroughly explore this. I think at this particular time it would be wise if we set this aside and not act on it until a particular time. I would like to suggest that to the Senator from South Dakota.

Mr. PRESSLER. I thank my colleague. I think his advice is usually very sound. He is a good friend.

□ 1500

Let me say that I have been trying to get hearings on this subject for over a year. It is my strongest feeling that one of the great flaws in the farm bill was that it did not have a real limitation on payments. It is true there is a limitation of $50,000 per farm, but there are ways of circumventing that with certain farming corporations. With a good lawyer, five persons can form at 10 corporations with a 50-50 percent, calling for five individual payments of $50,000. The 10 corporations would each qualify as one person for 10 payments and the five individual payments so there would be a total of 15 total payments at $50,000 each.

That was not the intent of the law. The intent of the law was that there would be one $50,000 payment.

I might say we are talking about taxpayers' money here, but a lot of people get mad at the farm program when they read and hear that some are circumventing the intent of the law. I have been trying to get hold of this problem.

I know there are a lot of big farms in a lot of States and a lot of big farm corporations that are opposed to this.

Perhaps I can wait another year. I have been waiting for hearings and I have been waiting for action. Therefore, I have decided to force it to a vote if that is possible this afternoon.

I yield to my friend from Nebraska.

Mr. EXON. Mr. President, I want to compliment my friend from South Dakota for bringing up this matter. I think it is very timely. I have looked at his amendment and if it comes to a vote, I will vote for his amendment, as I have indicated to him. I think we have just begun to uncover what I think is going to be a major national disgrace with regard to the last farm bill.

The objections that he is raising now are just some of the concerns that I had when the bill was up, and why I voted against it, although I am a farm State senator.

I would simply say that there are a lot of unfair things going on today. My colleague, Senator ZORINSKY and I have had a feeling that the enforcement of the $50,000 limit on deficiency payments, whether it is to go to corporate farms or individual farms, has been enforced unequally in the different States of the United States, so much so that we feel that in Nebraska, for example, the officials there are enforcing very strictly the $50,000 limit and not allowing farms to be "put up," so that in a fairly large operation there would not be more than one $50,000 limit, which was the basic intent of the farm bill but not well spelled out.

I understand that other States are allowing their farmers, whether they are corporations or individuals, to split up some of the farm entities. Therefore, we are suggesting that any unevenness in the enforcement of this provision is obviously, on its face, unfair.

Following up the remarks of our colleague who spoke on this, who had to return to the important deliberations by the Judiciary Committee, the Senator from Alabama, I believe he has a good suggestion, which I made to the Senator from South Dakota yesterday.

I do not believe that this amendment should be withdrawn. I think we should have a vote on it.

Could we get a commitment that the Agriculture Committee of the Senate would begin hearings on this matter forthwith? I do not mean waiting until the next calendar year. We are supposedly in a rush to adjournment, though we are not making very much progress. But the hours, days, and weeks tick by.

I am very much concerned, as I have expressed on this floor on many occasions in the last 10 days, with the lack of moving foward constructively.

Given the fact that the worthy amendment by the Senator from South Dakota corrects only one portion of some gross inequities in the farm bill, and given the fact that the sooner the U.S. Senate recognizes its obligations to make some major rewrites of that farm bill, I am wondering if it would be worthwhile to pursue a course of action of getting a commitment from the chairman and ranking member thereof from the Senate Agriculture Committee to hold some hearings in 1986, now and in September when we return, to see if we can come up with obvious repairs that need to be made forthwith.

It could be said that the form of the amendment of the Senator from South Dakota is only piecemeal and only attacks part of the problem. It could be said that it is a mandate, but a mandate may be better than ignoring the problem altogether. I think that is what the Senator from South Dakota is trying to point out.

In this regard, I would simply say that we must not merely focus on the $50,000 payment limit per farm, per corporation farm, individual farm, or a combination thereof.

I suggest we also have to look at the matter of recourse and nonrecourse loans, which mean much more in total income to many of the larger farmers and even those receiving the $50,000 payment limit.

It was this Senator who brought up during the discussion on the farm bill last year that in addition to setting a

limit on the deficiency payment, we should also consider setting a limit on the loan guarantees or crops pledged for loans by these farmers over and above the $50,000 limit.

It should be made clear that the $50,000 limit in many cases is only the smallest part of the subsidy that goes to many of these very, very large farms, especially corporate farms, which have taken advantage of the farm bill.

As an editorial comment, I would only say, Mr. President, that much of this morass that we find ourselves in now with regard to the farm bill was brought about by the faulty premise in the farm bill, in the opinion of this Senator who pointed that out at the time of debate on the farm bill, that we have structured a farm bill under the leadership of an administration that believes that if we force down prices low enough, we will produce our way out of the depression that we have in the Farm Belt today.

I think if that has proven anything, it has proven it is not going to work. By forcing prices down it assumes that we will get a larger share of the international market. I warned at that time and I warn again now, Mr. President, that by forcing prices down to a level, for example, of $1.50 a bushel for corn, even if we could sell it in the international marketplace, which we have not been able to do to date, but even if we are successful in that, it costs more than $2 a bushel at a minimum to raise corn in the Corn Belt today.

I say that this whole process and the whole thrust we are on with the farm bill is one that is not only going to ruin farmers but balloon the cost of the farm program way out of line.

Would it be possible that we could use the amendment offered by the Senator from South Dakota as a leverage to get a commitment for the Agriculture Committee to begin forthwith addressing not only the shortcomings of the farm bill we have just enunciated, but many other items that will come up when we get into it? That is my suggestion.

Putting it another way, would it not be wise to use the initiative of the Senator from South Dakota to get a commitment to call the Agriculture Committee of the Senate back into action to take a look at what he is suggesting here, along with many other factors with regard to the shortcomings of the farm bill that need to be addressed?

Mr. PRESSLER. Mr. President, my colleague is recognized as one of the most eloquent spokesmen for agriculture in the Senate. He has spoken very well for agriculture.

Let me say that if there could be an agreement to have hearings, I would not pursue a rollcall vote on this. We have been trying to check it with the Agriculture Committee. The chairman of the appropriate subcommittee is on the Senate floor.

It is my strongest feeling that we are going to be hearing more and more about huge payments that were not intended in the farm program. I think there is going to be a cry across our land, not just from farmers but from taxpayers, to look into this.

As my colleague from Nebraska said, this amendment is only a beginning. There are also a number of other issues and ways of circumventing this. My amendment is a Band-Aid, but a Band-Aid is certainly a start. If I could receive a commitment for hearings in this area, looking into this area—I have several other articles that I wish to submit for the RECORD—I would be willing to forego a rollcall vote on the matter.

□ 1510

Mr. MELCHER. Mr. President, would the Senator yield?

Mr. PRESSLER. Yes, I yield.

Mr. MELCHER. I thank my friend for yielding again. I think the request for hearings is not only proper but timely. What my friend is bringing up is not just payment limitations. He is bringing up the concept of what is called a marketing loan. That only applies to rice and cotton. It does not apply to these other commodities. Because of that provision just for rice and cotton, there are much larger payments than the $50,000. Whether that is wise or not is a matter of concern to all of us in agriculture and I believe it should be reviewed.

The stories that have been referred to, particularly the New York Times piece, were dealing with substantial payments to rice and cotton producers. The $50,000-payment limitation is not the whole ball of wax there. Those two commodities are subject to the marketing loan, which is a bigger payment.

I have been on either the House Agriculture Committee or the Senate Agriculture Committee ever since I have been here—17, going on 18 years. I have learned more about the Farm Act than I ever cared to learn about it. Part of it I learned just by sitting at hearing after hearing and markup after markup and I had to just put up with all of the intricacies of this 1949 Farm Act as amended. Every time we get a new farm bill, we are amending the old 1949 act.

There is one problem that I do not believe the Senator from South Dakota intends to make worse under his amendment. It has to do with family corporations, the so-called small business corporations. Let me give an example. A family with three sons, the farm was one entity. They formed a family corporation for all kinds of reasons. Some of them were reasons of inheritance.

The three sons then—one stays on the family farm and the two others acquire or lease or rent other farms, two other farms. This is a hypothetical situation, but it happens. It happens in my State and I'm sure it happens in the State of the Senator from South Dakota—my former State, by the way.

Is that family corporation then caught up in the Senator's amendment and the three different farms, because they are all part of the one family corporation, does that make those three farms then just one farm? As I read this amendment, that, I believe, would be the outcome.

Mr. PRESSLER. If my colleague will yield, it depends on how they would set the corporation up. Let me say that I think my colleague from Montana, who has been on the Agriculture Committees—and I served with him in the House—understands this very well. Indeed, I have prepared a second amendment which would place a limitation on all farm program payments of $300,000 annually. I just arrived at that figure by talking to my colleague from North Dakota.

As my colleague says, several farm programs are excluded from the $50,000-payment limitation. The limitation does not take into account real farm family corporations, as the Senator said so well. We thought of hooking the two amendments together, but for fear of not getting enough votes we did not. Every time we make it a little tougher, we probably lose some votes.

I think what the Senator said is correct, there is a need for us to do a comprehensive review of this; it seems to me the cap of $300,000 on all farm program payments would take care of many problems. The amendment before the Senate at this moment does not have that $300,000 cap. If I were writing it myself, I would have included that, but I am told that it would cost us so many votes, we would have no chance of passing it. My amendment merely addresses the situation where people juggle around the corporate structure to qualify for more payments. As to the example my friend has given, it depends on how ingenious the family is in setting up the corporation and how good a lawyer they have. That would be my judgment.

Mr. MELCHER. Mr. President, if the Senator will yield, I think the point is that setting up this family corporation was for a different purpose, part of which still remains. Subsequent to that time, part of this hypothetical situation is two sons, two brothers, actually formed other farms, either purchased or leased.

But because they are still part of the family corporation, the Senator's amendment, I believe as I read it, would force the Secretary to treat those three farms as just one entity

and therefore subject to just the one payment limitation.

Mr. PRESSLER. Of course, when they set that up, they could have realized there was a $50,000-payment limitation. It would depend upon how they incorporate it, I would have to say to my colleague.

Mr. MELCHER. These family corporations are set up for a variety of reasons. My hypothetical example was one set up prior to the actual time when the two brothers went on separate farms.

I know these problems exist because we attempted to allow the Secretary, in reviewing that, to be very practical about it by giving an exemption to such a family corporation so the Secretary would not be forced to do the impractical thing and say, well, even though there are three farms, it is only one.

But I believe that the language that the Senator has presented would nullify that, would not allow the Secretary to have that discretion.

I only have one other question, Mr. President, if the Senator will continue to yield. That is, would not this apply to the 1986 crop, which already has agreements arrived at between the Secretary of Agriculture and the individual farm operators?

Mr. PRESSLER. The answer to that is no.

Mr. MELCHER. It is not intended to apply to the 1986 crop?

Mr. PRESSLER. No, it is not.

Let me say that under the three-person example the Senator gave, it could be set up as three corporations which would get a $50,000 payment each, plus three individual payments, with a possibility of six total payments for $300,000, as I see it, unless we are missing something.

□ 1520

The point I am trying to make is that the current law invites mischief in multiple farm payments, in multiple extension of the $50,000 limit to amounts far in excess of that.

Mr. MELCHER. I thank my friend from South Dakota.

Mr. COCHRAN. Mr. President, I appreciate having the benefit of the discussion between the Senators from Montana and South Dakota about the meaning of various provisions of this amendment and its impact on, among other things, this year's crop.

We discussed, as I recall, during the markup of the 1985 farm bill, issues such as the one raised by the Senator from South Dakota, and we even had amendments on the floor of the Senate which were debated in full and carefully considered as we were approving and passing that legislation. These are issues that have been reviewed, were reviewed very carefully at that time and disposed of one way or the other. I am somewhat concerned about the wisdom of coming in at this point while we are debating the debt limit extension and without much notice rearguing or reexamining amendments that have the effect of rewriting major provisions of the 1985 farm law. Under that law, advance deficiency payments have already been made to many producers of commodities covered by this bill.

The impact of a change at this point in the crop year, if it would be considered to have application in this crop year, would be economically disasterous for many producers, disrupt the marketplace, and make a difficult situation in agriculture much, much worse.

I hope the Senator will consider withdrawing his amendment, and if he will I will be very happy, as chairman of the subcommittee that has jurisdiction over the production, marketing and stabilization of farm commodity prices, to make a commitment that we will have hearings at the appropriate time, following the crop year, to examine the effects of these provisions on the agriculture economy, the impact on the Treasury of the United States and to see whether or not there is a better way to structure our farm programs. I think that such hearings are in order and they should be held.

In the last few days all of us have been asked questions about these large payments that are projected to be made to some producers, some are corporations and some are individuals, under the programs in the farm bill. I do not know whether those stories are all true or whether they are not, but I think we ought to find out. We are not going to know the answers to those questions until after the crop year is over; or to know how competitive we have been so we can assess the effectiveness of the export program and look at the cost to our Government of these programs. I think all of that ought to be examined, and it is an appropriate role for our committee to fulfill as part of our oversight function.

So for my part, as subcommittee chairman, I make the commitment to the Senator from South Dakota now that we will have hearings to look into these problems and specifically the problem described by this amendment, the percentage of ownership by the stockholder of a corporation, and the likelihood of that being an abuse of the payment limitation provision of the farm bill. I would like to know whether it is abusive, too, and to what extent it affects the cost of the program. I think these issues can more properly be reviewed in the context of hearings where we really find out what the other options are and what the effects of these provisions have been. If the Senator could consider withholding an insistence that we proceed to a vote on this amendment, I give him the assurance that we will have those hearings that he has requested.

Mr. PRESSLER. I thank my colleague very much. Let me say that I shall withdraw my amendment. I thank my colleague from Mississippi, who I came to the House of Representatives with and who has been a leading spokesman for agriculture and many other things throughout the years. I very much appreciate his interest.

Let me say that I also had a second amendment, which I shall not offer, which would have placed a limitation for all farm program payments at $300,000 annually. As my colleagues from Montana and Nebraska have eloquently stated, the amendment I have before the Senate, a $50,000 corporation limit, is merely a Band-Aid, so to speak. But we are going to be seeing reports of abuse, what I call abuse, but it is legal abuse, things that we are allowing. It is very urgent the U.S. Senate look into this and that we take corrective action. I know that even if an amendment were adopted on this debt ceiling, it would probably be dropped in conference so it is probably a futile effort at this point, but I do think we have accomplished a great deal by getting a commitment for hearings. I thank my colleague and I would say, unless others wish to speak on it, I intend to withdraw the amendment.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I thank the Senator from South Dakota for raising the issue, and I think withdrawing the amendment with a promise of hearings by the Senator from Mississippi is appropriate action. Just recently we had a problem in our State where advance deficiency payments were withheld because there was an investigation going on of what was alleged to be widespread abuse of the $50,000 limit. I do not know how extensive the abuse is. I have a feeling that there is some. I do not know what the budgetary impact of this year's deficiency payments are going to be and what they would be under this amendment. But I do think that the Senator from South Dakota has raised a very legitimate issue. And we may find that the second amendment which he described a moment ago, that is, to limit all payments to everybody to $300,000, may be a legitimate way to address it. Maybe 20 percent holdings by a particular stockholder, as this amendment addresses, is a legitimate way to get at it. There is not any question but that these deficiency payment limitations need to be addressed.

About 3 years ago I had a study done on the possibility of raising the deficiency payment from $50,000 to

$100,000. Now, that would have absolutely no chance of passage here because it would be perceived as compounding the problem which has been described. On the other hand, the study that I had done indicated that the budgetary impact might actually be negative if you tightened the program up and simply said only one payment per family, per corporation, and so on, as had been the custom in what we would call the good old days.

I think the chairman of the Subcommittee on Agricultural Appropriations might want to ask the Department of Agriculture to give them the benefit of that study or an updated study. It might be that you could eliminate an awful lot of legal shenanigans by raising the limit, cut the actual outlay to the Government, and probably help the people we are trying to benefit.

So I just wanted to make those points and say I applaud the Senator from South Dakota for his efforts in bringing this to our attention and soon we will know, I think, as a result of some of these investigations just how widespread the alleged abuses have been, and the subcommittee on which I also sit will have an opportunity to look at these.

□ 1530

I look forward, as a member of that subcommittee, to these hearings, to see what we can do to improve this program.

I yield the floor.

Mr. PRESSLER. Mr. President, before withdrawing my amendment, I ask unanimous consent that the name of Mr. ABDNOR be added as a cosponsor.

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

Mr. PRESSLER. Mr. President, I ask unanimous consent to have my second amendment, which I am not offering, be printed in the RECORD. It would place a limitation for any farm program payment of $300,000 annually.

I thank my colleague from Mississippi sincerely.

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

At the appropriate place in the joint resolution, insert the following new section:

SEC. . AGRICULTURAL PAYMENT LIMITATIONS.

Effective only for the 1987 through 1990 crops of wheat, feed grains, upland cotton, extra long staple cotton, and rice, section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) by striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

"(1) For each of the 1987 through 1990 crops, the total amount of payments (excluding disaster payments) that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for wheat, feed grains, upland cotton, extra long staple cotton, and rice may not exceed—

"(A) in the case of payments as defined in paragraph (3)(A), $50,000; and

"(B) in the case of payments as defined in paragraph (3)(B), $300,000.";

"(2) in paragraph (3)—

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

"(B) by striking out "section" the first place it appears and inserting in lieu thereof "paragraph (1)(A)";

"(C) by redesignating subparagraphs (A) through (H) as clause (i) through (viii), respectively; and

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

"(B) As used in paragraph (1)(B), the term "payments" does not include:

"(i) loans or purchases;

"(ii) any part of any payment that is determined by the Secretary of Agriculture to represent compensation for resource adjustment (excluding land diversion payments) or public access for recreation; or

"(iii) any benefit received as a result of any cost reduction action by the Secretary under section 1009."; and

"(3) in paragraph (5), by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraph:

"(B) A stockholder of a corporation with more than a 20 percent ownership interest in the corporation shall not be considered as a separate person from the corporation for purposes of determining whether the corporation and stockholder are separate persons under this section.".

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

Mr. PRESSLER. I yield.

Mr. BUMPERS. Does the Senator have the figures on what the anticipated cost would be this year—the deficiency payment?

Mr. PRESSLER. $50 million over the next 3 years would be saved.

Mr. BUMPERS. Under the Senator's amendment?

Mr. PRESSLER. Yes.

Mr. BUMPERS. My question is, What is the total cost of the program anticipated to be for this crop year, the total cost of the farm program, the crop year 1986?

Mr. PRESSLER. I do not have that figure.

Mr. BUMPERS. Does the Senator have the costs for 1985.

Mr. PRESSLER. It is much higher than the projection. I do not have that figure with me, but it is extremely high.

Mr. BUMPERS. One other point I would like to get off my chest: A cruel hoax was played on our farmers recently. It was corrected before some of us almost knew it existed, but I thought it was cruel on the part of AFCS. They were conducting an investigation of the so-called payment abusers. When we passed the supplemental appropriation, which the Senator from Mississippi will recall contained the money for the advance deficiency payments, they withheld that money from farmers who were hanging by their thumbs, because this investigation was going on. They were not about to investigate everybody in the State. They were targeting their investigation. Thousands of our farmers were not under investigation; they were not considered potential abusers of the program. Still, their advance deficiency payments were withheld, and I am not sure they have gone out yet. They were supposed to go out this week. I have not checked in the last couple of days to see whether they did or not.

I just wanted to get that off my chest.

Mr. PRESSLER. Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The Senator from Washington.

Mr. COCHRAN. Mr. President, will the Senator yield?

Mr. GORTON. I yield.

Mr. COCHRAN. I thank the Senator.

Mr. President, I compliment the distinguished Senator from South Dakota for his cooperation and for bringing this important issue to the attention of the Senate.

AMENDMENT NO. 2242

(Purpose: To provide that the full cost-of-living adjustment in annuities payable from the Civil Service Retirement and Disability Fund and certain other Federal benefits shall be made in 1987, 1988, 1989, 1990, and 1991)

Mr. GORTON. Mr. President, I have an amendment at the desk, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON], for himself and Senators TRIBLE, SARBANES, SPECTER, WARNER, HAWKINS, MATSUNAGA, BURDICK, HECHT, INOUYE, BINGAMAN, RIEGLE, COHEN, DOMENICI, BYRD, BUMPERS, KENNEDY, and NICKLES proposes an amendment numbered 2242.

Mr. GORTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the committee amendment insert the following new section:

SEC. . COST-OF-LIVING ADJUSTMENTS IN CERTAIN FEDERAL BENEFITS.

(a) IN GENERAL.—Benefits which are payable in calendar year 1987, 1988, 1989, 1990, or 1991, under programs listed in section 257(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), including any cost-of-living adjustment in such benefits, shall not be subject to modification, suspension, or reduction in such calendar year pursuant to a Presidential order issued under such Act.

(b) DEFINITION.—For purposes of this section, the term "cost-of-living adjustment" means any increase or change in the amount of a benefit or in standards relating to such benefit under any provision of Federal law which requires such increase or

change as a result of any change in the Consumer Price Index (or any component thereof) or any other index which measures costs, prices, or wages.

Mr. DOMENICI. Mr. President, will the Senator permit me to inquire of him whether his amendment is going to take much time?

Mr. GORTON. This Senator's own explanation of the amendment will not take much time. There are a number of cosponsors, and I am not sure how many of them wish to speak, or whether anyone wishes to speak in opposition. So I suppose it could take anywhere from 5 minutes to a half-hour. This Senator does not intend to ask for a rollcall vote. Some other Senator might wish to do so.

Mr. DOMENICI. I will abide by what is most convenient for the Senator. I have an amendment that I believe will be accepted rather quickly and requires little or no explanation. Would it be convenient for the Senator to permit me to do that at this time?

Mr. GORTON. The Senator from Washington would be delighted to yield, just so that the unanimous-consent agreement allows my amendment to come immediately after the amendment of the Senator from New Mexico is completed.

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

The Senator from New Mexico.

AMENDMENT NO. 2260

(Purpose: To disapprove the uranium enrichment criteria submitted by the Department of Energy pursuant to section 161 v. of the Atomic Energy Act of 1954)

Mr. DOMENICI. Mr. President, I send an amendment to the desk on behalf of myself, Mr. FORD, Mr. MCCLURE, Mr. WALLOP, Mr. SIMPSON, Mr. HATCH, Mr. BINGAMAN, Mr. GARN, and Mr. BUMPERS, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself and others, proposes an amendment numbered 2260.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the committee amendment insert the following new section:

SEC. . Pursuant to the provisions of section 161 v. of the Atomic Energy Act of 1954, the Congress disapproves the uranium enrichment criteria submitted to Congress pursuant to such section on July 24, 1986. Notwithstanding any other provision of law, the Secretary of the Department of Energy shall not implement the uranium enrichment criteria as submitted to the Congress.

Mr. DOMENICI. Mr. President, in addition to the cosponsors, I might say that the distinguished ranking minority member of the Energy Committee, the Senator from Louisiana [Mr. JOHNSTON] supports the amendment. The Senator from Ohio [Mr. METZENBAUM] supports the amendment. However, they are not listed as cosponsors.

Mr. President, this amendment would disapprove the Department of Energy's proposed uranium enrichment criteria which were transmitted to the Congress on July 24, 1986, pursuant to the provisions of the Atomic Energy Act of 1954 which require that these criteria be sent to the Congress. While the Department has called for public comment prior to the transmission of these criteria, they clearly have not taken the comments seriously.

Let me explain, Mr. President, the principal reasons why my cosponsors and I believe that these criteria should be disapproved. First, the criteria assume that the unrecovered costs of the Enrichment Program which are attributable to the commercial nuclear powerplant customers is $3.4 billion. Mr. President, we have received testimony from the Department itself which states clearly that the figure is more correctly $350 million. What the Department has done, with the urging of the Office of Management and Budget, is to assign all of the investment and the Departments previously unrecovered costs to only one of its two customers. The other customer, which it has not assigned any costs to is defense programs. The main reason the enrichment plants were built and the reason the Department will always maintain them is because they are essential to the national defense. As the testimony before my subcommittee makes clear, if the defense programs were assigned their share of the bill, the civilian commercial powerplant operators would only be asked to pay $350 million. If there are any Members who are asking themselves, "Why should I care?" I will tell you why. It is because the $3.4 billion will be paid by your constituents because they are ratepayers. What is more, when you figure that this amount will be paid over time and with interest, the total your constituents will be paying will be $6.5 billion.

If that is not reason enough to disapprove these criteria, it is important to realize that utilities are not going to stand still for this kind of treatment. They will stop working with the Department because of the increase in the price of enriched uranium and they will go elsewhere for enrichment services. The result will be that the taxpayer will be left footing the bill for these facilities because we must keep them open for defense programs. This would entail mothballing the facility in Kentucky at a cost of between $50 and $100 million and an annual operating budget of about $940 million for keeping the facility in operation in Ohio.

Last, Mr. President, the Department will further damage a destitute uranium mining industry with these criteria. The policies embodied in them are directly detrimental to the mining industry because of the use of the Federal stockpile and the low price that the Department will be placing on that stockpile uranium. The Department is also trying to affect pending litigation with uranium miners. They have lost several points so far and they hope that if the Congress allows these criteria to stand they can make the case to the court that the Congress agreed with some of their contentions which are included in these criteria. Clearly this would not be a valid argument even if we were to agree with these criteria, on balance. In this regard I am forced to make one further comment because the Department continues to report the legislative history of some amendments to the Atomic Energy Act that we made in 1982 incorrectly.

The Department claims that the annual determination that we required the Secretary to make about the viability of the domestic mining industry was not related to the requirement contained in 161(v) of the act that the Secretary must maintain a viable domestic mining industry. I have said in the past that this is a false interpretation and I must, once again, call their attention to the transcripts of the conference committee on H.R. 2330. The very first time I introduced this concept to the committee on September 16, 1982, I stated that the reason it was needed was because while "the word viability; that is, the viability of the domestic industry is a trigger," for the Secretary to assist the industry, "we have not been able to get any satisfactory measurement of viability, and so this provision would be an objective measurement. * * *" Thus the clear purpose of section 170B was to provide that the Secretary carried out his responsibity under 161(v) by requiring a review of the viability of the industry on an annual basis.

I urge the adoption of the amendment.

Mr. President, with reference to uranium enrichment and litigation that the Department of Energy is involved in over uranium enrichment contracts, and the Atomic Energy Act, as it pertains to a viable uranium industry and the suit they are involved in with reference to it, both of which are pending, I do nothing to those suits.

In the meantime, the Department of Energy has attempted to promulgate regulations with reference to the issues that are before the courts and is attempting to establish the amount of liability that is due from the utility

company. The OMB figure was $3.5 billion. That is seriously in dispute.

This amendment, as prescribed by law, would reject the proposed regulations to the issues I have just described, and thus leave the matter as it is, subject to further administrative processes and activities of Congress.

Both the chairman and the ranking minority member of the committee of jurisdiction support this amendment. Indeed, one of them is a cosponsor.

I misspoke myself—Senator METZENBAUM does not object, but he does not indicate his affirmative support.

Mr. HEINZ. Mr. President, we are prepared to accept the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2260) was agreed to.

Mr. DOMENICI. Mr. President, I ask unanimous consent to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. I thank the Senator from Washington for yielding. I am most appreciative.

AMENDMENT NO. 2242

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I ask unanimous consent that the names of Senators GLENN, D'AMATO, MATHIAS, HOLLINGS, SASSER, and ABDNOR be added as cosponsors of my amendment.

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

Mr. GORTON. Mr. President, the thrust of this amendment is to treat equally with recipients of Social Security and veterans' benefits retirees dependent on other Federal retirement programs. Primarily, of course, these are civil service retirees and military retirees, but that term includes tier 2 railorad retirees, Foreign Service retirees, and those receiving Federal employees disability compensation.

At the time of the passage of the original Gramm-Rudman-Hollings Act, Social Security recipients and recipients of certain veterans' benefits were exempted from the automatic reductions called for by Gramm-Rudman-Hollings. These other retirees were not so exempted and, in fact, have the dubious distinction of being put almost first in line, so that even relatively modest sequesters would result in the loss of their cost-of-living adjustments.

At the time that decision was made by the three distinguished sponsors of Gramm-Rudman-Hollings, we were not faced with the certainty the almost certainty, that such sequester would take place.

□ 1540

The original Senate version of Gramm-Rudman-Hollings has no such sequester. It was, I think it is safe to say, the price of those sponsors getting the bill not only through the Senate but through the House in a form in which it would become law so that the $11.7 billion sequester which took place in March of this year took the entire cost-of-living adjustment away from this set of disfavored groups of Federal retirees, while, of course, Social Security retirees and certain veterans' benefits received a full cost-of-living adjustment.

I certainly hope that Congress will do its duty. I expect Congress to do its duty in the future and to see to it that we make the decisions with respect to meeting the goals of Gramm-Rudman-Hollings rather than allowing sequesters and across-the-board cuts to do so.

In any event, however, this amendment is designed to see to it that a discrimination which took place in 1986 does not take place in the years 1987 through 1991.

It grants the same exemption from the automatic sequestration called for as a last resort by Gramm-Rudman-Hollings to these various other Federal retirees as is applicable at the present time to recipients of Social Security and veterans' benefits.

Fundamentally, Mr. President, this is simply a matter of fairness. It does not change the goals of Gramm-Rudman-Hollings. It does not change the fact of a sequester if we fail. It affects only the distribution of that sequester in the sense that it treats equally all persons who are dependent in whole or in part on certain Federal retirement programs.

As such, it applies to a rather large number of people. Even for them, total benefits in 1987 will be considerably less than $0.5 billion because of our success in controlling inflation.

Much less important, however, Mr. President, than the dollar amount which is involved here is the degree of fundamental fairness.

I know that the sponsors of Gramm-Rudman-Hollings did not design this in any way to be unfair. I emphasize once again that the original form in which they introduced the bill would have made the unfairness academic at best and that it was only when the automatic sequester of March of this year was added much later in the process that the dramatic injustice which it caused became evident across the country.

To repair that injustice is the design of this amendment.

I am immensely pleased that one of its cosponsors is my distinguished colleague from South Carolina [Mr. HOLLINGS], one of the authors of the original Gramm-Rudman-Hollings bill.

I urge my colleagues to give their broad, their generous, and their loud approval to something which greatly improves the fairness of Gramm-Rudman-Hollings and without reducing its efficacy at all.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank our distinguished colleague from Washington for his leadership on this score. He has accurately described the seriatum of events in the institution of Gramm-Rudman-Hollings. He emphasized right on target with no attempt whatever and in fact no idea at that time there would be an inequity.

The Senator now moves to correct that inequity and I rise in support of his particular amendment.

Mr. President, I rise today in support of the protection of COLA's for military and Federal civilian retirees and other selective indexed programs for automatic cuts under the provisions of the Balanced Budget Act of 1986.

People may ask whether this is a loss of discipline—a step back—in the battle against huge Federal deficits. I would say not at all. The rules in the act setting up numerous categories of exempt, partially exempt, and nonexempt programs from cuts were imposed in conference with the House. Their goals were to put special interest groups against each other in the hope that the battle for deficit reduction would be seriously diminished or lost—or to cause great political embarrassment for those who are really serious about balancing the budget.

What really occurred, however, was a creation of a great inequity in treatment for various groups of retirees and the elderly who have worked long and hard for benefits. The issue is fairness and equity. The Government has an obligation—it has commitments to its military and civilian retirees. I would ask my colleagues, don't we owe it to our military retirees, who for their patriotic service to the country were promised certain benefits? Is it right to change the rules after people have served?

And for the civilian retirees, hundreds of thousands who worked for 30 to 40 years or more—usually at wages below their counterparts in private industry—shouldn't the promises of Government be honored?

The answer, of course, is yes. Mr. President, when I have offered my budget-freeze plans in the past, a 1-year freeze in all COLA's was an integral part of them. But let me emphasize it was a freeze in all COLA's except for the very poor in our society. I sought an across-the-board, shared sacrifice; and I rarely, if ever, heard disagreement from anyone affected by this approach. The COLA's for military and civilian retirees were not granted in 1986. It would be a travesty and a terrible injustice to continue it a

second or third year when others are receiving a COLA. The provision to protect the COLA's would ensure that the inequity is corrected and fairness is restored. Our citizens who earned these benefits should receive them, and they should know now that their Government stands behind them.

I thank the Senator from Washington.

● Mr. SASSER. Mr. President, I cosponsor the amendment offered by the Senator from the State of Washington.

The amendment is simple. It merely restores equity in the treatment of America's retired citizens under a sequestration order mandated under the Gramm-Rudman-Hollings legislation.

It does this by exempting annual cost-of-living adjustments for Federal military and civilian retirees and Railroad Retirees, tier II benefits from automatic cuts in the same way that the more than 36 million Social Security recipients in this country are exempted. By placing these retirees in the same category as Social Security recipients, we are correcting a flaw in the original Gramm-Rudman-Hollings legislation which for all intents and purposes relegated them to second-class citizenship.

The magnitude of the current deficit situation makes a potential automatic sequester probable this year, and all but inevitable next year. It is increasingly unlikely that projections of a fiscal year 1987 deficit, which will be released within the next 2 weeks by both the Congressional Budget Office and the Office of Management and Budget, will show that we will hit the $144 billion target outlined in Gramm-Rudman-Hollings. It is further unlikely that we will be able to come under the $10 billion cushion allowed under this same legislation. Thus, an automatic sequester may become a reality.

If we miss our deficit target by only a few billion dollars, the current law calls for a 50-50 split of the overage to be taken from defense spending and certain domestic spending programs. Just a few billion dollars would result in the suspension of cost-of-living adjustments for some retirees but not for others, under current law. These cost-of-living adjustments were legislated in 1972 to protect retirees from the ravages of inflation. And although inflation has continued to remain low over the past few years, the cumulative effect of denying protection to those on fixed incomes, even in periods of low inflation, can place severe financial hardships on those dependent upon retirement income.

Over a period of time, the base upon which cost-of-living adjustments are applied continues to shrink, in real terms, when these COLA's are frozen or denied. In Tennessee, this would impact upon nearly 55,000 Federal retirees and their survivors, and over 19,000 railroad retirees and their survivors.

Mr. President, it seems to this Senator that it is only fair that if we are to grant COLA protection to one class of retirees, then we ought to grant the same protection to all retirees. The Federal deficit is a serious problem confronting our national economy, it must be effectively dealt with and the Gramm-Rudman-Hollings procedure, I believe, is a good one. However, we must not allow our sense of fairness and equity to be overshadowed by our zeal to temper our deficit dilemma. We must strive to balance effectiveness with equity, efficiency with fairness. For these reasons I support the amendment offered by the Senator from Washington and urge my colleagues to do the same.●

Mr. LEAHY. Mr. President, I support the amendment sponsored by Senator GORTON to remove an inequity in the Gramm-Rudman-Hollings law.

In the event that the deficit exceeds legal limits, the Gramm-Rudman-Hollings law requires an automatic reduction in Federal spending to bring the deficit in line. Under the so-called sequester process, the first cuts to be made are in the automatic increases in certain entitlement programs. Actual cuts in programs below current levels are deferred until these inflation adjustments or automatic increases are reduced.

Unfortunately, Mr. President, Gramm-Rudman-Hollings treats various cost-of-living adjustments [COLA's] for Federal retirement programs differently. Specifically, Gramm-Rudman-Hollings excludes Social Security COLA's from the automatic cuts, but subjects the retirement COLA's of Federal civilian and military retirees to just such reductions. The same is true of COLA's for railroad retirees. This inequity in the law must be removed.

Last year, when I voted for Gramm-Rudman-Hollings, I said the new law was not perfect. The arbitrary treatment of retirement COLA's for Federal and railroad retirees is one example of this imperfection.

Sadly, on March 1, 1986, millions of Federal civilian and military retirees and railroad retirees lost their scheduled COLA's, as a result of the $11.7 billion in automatic cuts which occurred under Gramm-Rudman-Hollings.

I did everything I could to prevent the loss of those COLA's. When Congress passed Gramm-Rudman-Hollings we committed ourselves to making the tough choices to reduce the deficit, in order to avoid the automatic cuts which would occur if we failed to act responsibly. Gramm-Rudman-Hollings was intended to force Congress to come up with alternatives—with a better way to reduce the deficit than cutting programs arbitrarily, across the board.

That is why Senator JOHNSTON and I introduced the so-called Johnston-Leahy alternative budget plan last February, to prevent the loss of COLA's for Federal retirees in March and to reduce the deficit by $12.8 billion, by making legislated and sensible reductions in defense and domestic spending. Unfortunately, the Senate failed to consider our amendment, and Federal and railroad retirees were singled out.

Today, however, we have a chance to right that wrong and provide a measure of equity for our retirees. Senator GORTON's amendment will ensure that Federal and railroad retirees will never again be forced to sacrifice alone if Congress fails to live up to its obligations.

Finally, Mr. President, we owe those who serve our Nation a sound retirement system, not only as a sign of our gratitude for their public service, but as an effective means of attracting the most talented Americans to serve their Government.

I urge the Senate to adopt Senator GORTON's amendment.

● Mr. BINGAMAN. Mr. President, I am glad to join my colleague, Senator GORTON, as a cosponsor of his amendment to ensure cost-of-living adjustment equity in the coming 4 years for military and civilian retirees of the Federal Government. I will be brief in my remarks.

This amendment exempts cost-of-living adjustments for Federal retirement programs from reduction or elimination as part of Public Law 99-177, the Gramm-Rudman-Hollings deficit reduction bill. It would do so for fiscal years 1987 through 1991. This amendment would guarantee that Federal retirees will not bear a disproportionate share of the burden of any sequester under the Gramm-Rudman-Hollings bill. It does not prevent the Congress from legislating on COLA's outside of the Gramm-Rudman-Hollings process if we can muster the political courage to do so. Thus, a vote in support of this amendment is not a vote to guarantee full COLA's in the next 4 years but a vote to guarantee COLA equity in the next 4 years.

Like the chief sponsor of this amendment, Senator GORTON, I am one of those who have urged the Senate to look at the COLA issue in an equitable fashion in the past. I have voted for across-the-board freezes in Federal spending, including COLA programs. I have voted for delays in COLA's on an across-the-board basis. We do have to deal with the massive Federal deficits that we are piling up for our children and our grandchildren. But we must do so in an equitable fashion. Federal retirees should not be treated differently from Social

Security and Veterans' Administration beneficiaries. A vote for this amendment is a vote for fairness in deficit reduction.

Mr. MATSUNAGA. Mr. President, as a cosponsor, I rise in support of the amendment offered by the distinguished Senator from Washington, [Mr. GORTON] to preserve the COLA's of Federal and military retirees from the ravages of Gramm-Rudman-Hollings for the duration of that ill-considered, if well-meaning, law.

Mr. President, I opposed Gramm-Rudman-Hollings when it was considered on the floor late last year. I have also cosponsored several measures to repeal the act, one of which, the Hart-Moynihan amendment, unfortunately failed of passage yesterday. I have opposed Gramm-Rudman-Hollings on the grounds that the legislation was inherently discriminatory, patently irrational, and an unfortunate derogation of congressional responsibility. The constraints put upon this body by the act could lead to perverse consequences, gross inequities in the budget, and possibly leave us vulnerable to recession.

Mr. President, resigned now as I am to the inevitability of Gramm-Rudman-Hollings, I am resolved to soften the blow of the legislation's blunt ax against particularly vulnerable sectors of our citizenry. I speak of course, about our Nation's Federal and military retirees and their beneficiaries. Mr. President, of all the people to whom this Government owes its gratitude, those who served this Government should deserve all due consideration. Laudably, Gramm-Rudman already protects the COLA's of certain veterans, welfare recipients, and Social Security beneficiaries. It is obvious that the authors of the bill recognized the pressing need for these groups of people to be adequately protected from the creeping disease of inflation. It is, however, emblematic of the arbitrary nature of the Gramm-Rudman sequesters that COLA's for Federal and military retirees were not included in the list of exempted programs. This lamentable and irrational exclusion or oversight resulted in millions of U.S. retirees being denied even the basic inflation adjustment given to recipients of protected programs.

Mr. President, no one is more deserving of congressional preferment than the Federal and military retirees who labored in the service of our country with the expectation not of affluent private sector remuneration, but with the assurance that upon retirement, their needs would be adequately met. This guarantee was and remains one of the most important ways we have of attracting and retaining quality workers, who have contributed toward making our civil and military services the finest in the world.

Mr. President, our amendment seeks to recognize those citizens who for 20, 30, or 40 years labored under the delusion that their Government would keep its commitment to them. Mr. President, these retired public servants are not looking for handouts, they are not looking for freebies, they are simply seeking to retain some measure of control over their lives, some sense of security during those years when they are less capable of changing their income levels dramatically, if at all. We are talking about a holding action to maintain a current standard of living. Mr. President, in hundreds of letters sent to me, my constituents have expressed their frustration, anger, outrage, and sense of betrayal this issue has aroused. I am sure my colleagues have received similar letters from their own constituents. Mr. President, I urge that we respond affirmatively to their plea for equity and simply justice.

Mr. BYRD. Mr. President, I am pleased that the Senate has adopted the amendment offered by the distinguished Senator from Washington [Mr. GORTON] and the amendment by the distinguished Senator from Pennsylvania [Mr. HEINZ], the first dealing with the retirement benefits and cost-of-living adjustments for civil service retirees, black lung retirees, and military retirees, and the second amendment dealing with railroad retirement benefits.

As a cosponsor of both these amendments, I believe the Senate has acted today to rectify a very serious deficiency in the way Congress chose to deal with these retirees when it enacted the Gramm-Rudman law last year. As all my colleagues know, I opposed Gramm-Rudman then, and I remain opposed now. But if we are to have the unnecessary straitjacket of a Gramm-Rudman procedure, we must act to exempt from that straitjacket those among our population who should not and cannot suffer the Gramm-Rudman boa constrictor known as sequestration.

Our actions today to protect these retirement benefits and cost-of-living adjustments for civil service, military, railroad retirees, and for black lung beneficiaries, are fair and just. These people have invested sweat and blood, and in some cases have seriously endangered their lives and their health in the service of their country—in civilian or military capacities. Their benefits, retirement or disability, and their cost-of-living adjustments on those benefits, have been earned and should be fully paid. I applaud the Senate's action today and am proud to have been a part of it.

Mr. GORTON. Mr. President, at this point I do not see anyone else on the floor desiring to speak on the issue. I believe, however, there may be other Members who do wish to speak. For that reason I will suggest the absence of a quorum while Members are urged if they wish to speak on either side of the issue to come to the floor.

I know the majority leader and all of us would like to proceed to other amendments as quickly as possible. But I do want to leave that opportunity.

So I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. GRAMM. Mr. President, I rise to speak on the pending amendment and I do so to basically clarify what the basic initial makeup of the Gramm-Rudman-Hollings law was, how it dealt with COLA's, and how the current system that we have today evolved.

That is a tall order and I hope, since I know we are desirous of moving on rapidly, I will try to deviate from my background as a schoolteacher and be brief.

Mr. President, when we put together the Gramm-Rudman-Hollings amendment and set out to put into place a mechanism to reduce spending to meet an agreed-upon target if Congress and the President failed to do their job, the logic of that mechanism was a simple one.

It first asked, if you have to tighten up and reduce spending, how do you go about doing it? And we said, well, first of all, suspend all automatic spending increases in the budget that are tied to an outside index. Before you cut anything, do away with your automatic spending increases. And the basic logic there was do away with such increases that are tied, for example, to the Consumer Price Index. Of course, the most famous and most politically controversial element is the so-called cost-of-living increase.

□ 1550

The amendment before us today would eliminate a provision of the original Gramm-Rudman-Hollings bill that sets up a procedure where, initially, all automatic spending increases are suspended before any programs are cut.

Let me touch briefly, Mr. President, on the logic of that. If we have adopted a budget and set priorities, the logic was that when you are forced to tighten up and make the difficult decision, should you not suspend automatic spending increases first before you start cutting programs? We agreed at the time to do it.

Given that logic, let me talk just a moment about cost-of-living increases. And since this is a politically charged issue, let me try to set it in context.

The cost-of-living protection provided to our retirees through Federal retirement programs, through Social Security, are godsends. They are godsends in the sense that they have protected our senior citizens, our retirees, against inflation. I want to make a point that some people may be a little bit startled at, but I want to make it anyway.

Nobody ever earned these cost-of-living increases. When we are debating these issues, whether we decide to accept this amendment or not, I am not willing to concede for a moment that when somebody is demanding a COLA, that they are demanding it on any basis whatsoever other than a desire to receive a benefit. No one has ever earned or paid for a COLA under any program that I am aware of.

And I say that, Mr. President, my momma draws indemnity compensation, a widow's pension because my father was in the Army, and it has a COLA. She draws Social Security, and it has a COLA.

I remember back when we were first debating Social Security, my mother called me up and said, "I just wish they would give me what I paid into it."

So I explained to her the whole difficult issue, that we were broke and we were not going to be able to send out the checks unless we addressed the problem. But I decided to run a computer printout on my mother's Social Security. And it turned out, because of the cost-of-living increase—my mother started working in roughly 1939 and worked through the mid-1970's as a practical nurse—my mother was drawing out in 22 months what she and her employer paid into Social Security.

So while many people are tempted to say, "I wish they would give me back what I put in," the truth is people are drawing far more out than they ever put in. But my mother never paid for a cost-of-living guarantee.

When we set out to guarantee a COLA in law, we did not raise premiums to pay for it. The people who are drawing the benefit today never paid for that benefit. In fact, if you look at private retirement programs, less than 2 percent of all private retirement programs have any COLA whatsoever, and those which do have very marginal coverage.

When my father entered the Army in 1915, he never paid for a cost-of-living increase on his retirement program. But this Government, out of its concern for its citizens, has provided that benefits.

So the point I want to make is, no matter how we dispose of this amendment, let us not get confused here. It is a critical benefit to people. It is important. I support it. If we have got money, we want to pay for it. But it is not an earned benefit. It is not a benefit that anyone can say they earned a right to. And I want to be sure we debate this in that context.

When we introduced Gramm-Rudman-Hollings, we included all of the COLA's except Social Security and decided to vote on that separately. And might I say to my colleagues that I voted for the Boren amendment to treat all COLA's the same. I felt then and I feel now, Mr. President, that it is unfair to treat people separately. It is inherently unfair to pay the cost-of-living increase to one group and not to pay it to another. The Senator from Washington is making that argument, and we all know it is true.

Now, saying that it is unfair does not mean that there is no logic behind it. Something can be unfair and have logic.

The logic was that Social Security is a free-standing trust fund. It is in the black. We did raise Social Security taxes in 1982. And the logic of not paying a COLA to Social Security recipients when Social Security was in the black and had the money to pay it, also did not make sense.

So we ended up with a dilemma. The Boren amendment was defeated and we ended up with different COLA's being treated differently under Gramm-Rudman.

Now, our distinguished colleague from Washington can argue that if you are not going to withhold the COLA on Social Security, you ought not to withhold it on Federal retirees. And it is hard for me to argue with that logic. I have never been comfortable with it and I have always responded by saying to people back home, "They did not let me write the law by myself. We had to build a consensus in the House and Senate and that consensus meant taking the issue out of the debate."

But I want to ask my colleagues this question: Is it any fairer to exempt automatic spending increases in the budget and at the same time cut programs in the budget?

The $11.7 billion across-the-board cut was a 4.3 percent reduction in the programs that lacked some degree of protection or which were not exempt. Now, if we had included all of the COLA's, so that before cutting anything we eliminated all of the automatic spending increases, that sequester order, instead of being 4.3 percent, would have been 2.1 percent. I want my colleagues to understand that. Had we followed the logic of the bill and suspended automatic increases before we cut any programs, the programs that were actually cut would have been cut less than half as much as they were cut.

Mr. President, obviously, I was born not long ago, but it was not yesterday. It is pretty obvious to me we are going to adopt this amendment.

Let me remind my colleagues that if we accept this amendment we are not going to do any great damage to Gramm-Rudman-Hollings. We are not in any real way, other than the one point I want to make when I conclude, hurting the process, unless we open the floodgate here for a lot of other things to come through.

But I want my colleagues to understand what they are doing. When we exempted the other COLA's by not suspending the increases before we started cutting, we doubled the cut that was taken by all the programs that are supported by Members of the Senate and by the people in the country. We had a 4.3-percent cut instead of a 2.1-percent cut because we left out some of the automatic spending increases.

If we adopt this amendment, Gramm-Rudman will still produce the same result—a lower deficit. Hopefully, we are going to do our job—I am committed to that—and there will be no cut and COLA will be paid. I have been committed to that from the beginning.

□ 1600

But if there is an across-the-board cut and you do not suspend this automatic increase, judging from the 1986 experience, you would have cut other things by nearly 10 percent more because you let this particular group out.

Mr. President, let me sum up. No. 1, there is a lot of logic in this amendment. I cannot stand here and say we ought to treat COLA's differently for different programs. I can give you the logic of it, but I cannot justify it. That is why, in my opinion, we should have kept them all in or left them all out. But do not get carried away with the logic here that there is a problem other than unfair treatment. There is no inequity problem here. I think COLA's are good. That we provide them, I think, is an indication our society is concerned about its senior citizens. But nobody earned these COLA's.

By taking the burden off here and correcting this one inequity, it means if you went to work for the Federal Government rather than the private sector, you are going to get a COLA now just like Social Security, and I am going to be the last person on Earth arguing that ought not to be the way it is.

When you are exempting these COLA's, that means all the other programs from cancer research to education, to whatever is your own particular special program, may be cut more. So you do deal with the inequity problem when you adopt the Gorton amendment. But you create another problem of equity just the same.

A final concern about the amendment: The Gramm-Rudman-Hollings process works only when every special interest group that together make up the public interest is part of the package. One of the reasons, Mr. President, that I opposed exemptions was that I wanted to be sure every interest group had a stake in Congress doing its job and therefore avoiding the across-the-board cuts.

The danger of this amendment is that, if this amendment is adopted, over a million people who have a stake in keeping our feet to the fire and in seeing us do our job no longer have that stake. Everytime we take somebody else out of the process for whatever reason we might justify, we reduce the number of interests that are in the process. I am concerned, Mr. President, that if this process goes very far we are going to end up with people saying, "Well, do not worry about slashing and destroying these other programs, we are not going to be affected anyway. Do not make a hard choice. Leave us out." In fact, carried to some logical conclusion or extreme case, we may end up with only one program, one beneficiary who is going to be the victim of automatic cuts if we do not control the spending in other areas. And everybody would say, go ahead and cut it. If that happens, we lose the whole deficit reduction process.

So I simply want to say to my colleagues that there is an inequity in the current bill.

But the real inequity I am concerned about is the inequity of us not doing our job, of having an across-the-board cut go into effect, of indecision, of lack of leadership. And the more elements of political interests that we cut out of the process, the more likely that is to happen.

This amendment does not in any way diminish the makeup of Gramm-Rudman-Hollings. In my opinion, it will not substantially affect its functioning. But I simply want to raise a red flag here warning: Gramm-Rudman-Hollings can only work when each Senator and each interest feels they have a stake in not seeing spending cuts across the board. The more groups we exempt from the sequester process, the less incentive there is for us to do our job, to make the hard decisions. I am concerned about that. I raise that concern here today.

I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I rise in strong support of the amendment that is pending. I guess I should admit at the very outset that unlike the Senator from Texas, I have not run a computer printout on my mother's Social Security. I do not think that disqualifies me from speaking to the amendment.

Mr. President, I want to make three points. First of all, there clearly is an inequity. Only last night this body adopted an amendment to provide the Social Security cost-of-living adjustment regardless of whether the price or the cost of living had risen the required 3 percent over the previous calendar year.

So what inequity existed was in effect increased on yesterday evening with respect to Social Security recipients and the retirees that we are talking about who are covered under the pending amendment.

Clearly, it makes logic to have them all in or have them all out. We went even further last night in widening the gap of that logic, and given that, it seems to me it adds but another reason why this amendment ought to be adopted here today.

The fact of the matter is that unless these adjustments are made with each succeeding year, you are cutting the standard of living of the recipients of these retirement benefits. Look at it from the point of view of what is happening at the level at which the people live. You have two people living side by side in exactly the same circumstances, one drawing a retirement benefit from Social Security and the other drawing from civil or military retirement systems for their service.

One person will receive the cost of living adjustment each year, and with last night's amendment will in fact receive it even though the 3-percent trigger that was formerly required is not met. The other person under the current provisions of this law is going to be held constant. And with each succeeding year the gap in their ability to maintain the standard of living is going to widen.

These cost of living adjustments are treated in a sense as an increase. That is true in the amount of dollars. But it is not an increase in the purchasing power of those dollars because these dollars are only adjusted to the extent that there has been an increase in the cost of living. In fact, the people lag behind in that adjustment because they do not get it until the year has passed. So, for a year, they have absorbed in their standard of living rising costs. The cost-of-living adjustment then comes along and tries to bring them back equal or level with the increase in prices which they have experienced. They do not get an improvement in their standard of living. In fact, unless they get a cost of living adjustment, they will have a decrease in their standard of living. They will have a worsening of their situation. In effect over time their ability to handle their economic situation could be cut 20 percent, 30 percent, 40 percent, or 50 percent over time depending upon the increase in the cost of living over that period of time.

Third, it was argued, well other programs are going to be subjected to cuts. If you do not include these cost of livings, the extent of that cut under this Gramm-Rudman is going to be higher. But one premise in considering the other programs is that over time there are some programs you wish to do away with, or cut back on while there are other programs that come on that you wish to improve or add to.

□ 1610

In other words, there is always a constant decisionmaking going on with respect to which programs you ought to have, which ones are the most viable and the most valuable, what adjustments ought to be made between those priorities.

A retirement program is not such a program. A retirement program goes on from year to year to year. The retiree must live next year just as the retiree had to live this year, just as the retiree must live in each succeeding year.

You do not go along and say to someone, "Well, we have been looking at the priorities of our program and we have decided that we are going to do away with your retirement" or "We are going to cut it in half" or "We are not going to let it adjust to inflation and, therefore, it will be cut in half over time automatically."

Retirement is a program that, in effect, stays with us. The retirees stay with us. Hopefully, they will stay with us a long time. But if you put these economic pressures on them, they are likely to stay with us a lot less. But hopefully, they will stay with us a long time. The retirement program is a program you have from year to year to year and a responsibility we need to meet.

The argument that somehow it must be included in the total pot and that unless you do that somehow you are breaking down the logic runs directly counter to the fact that a retirement program, once instituted, is with us and the retiree is with us.

Mr. President, I urge Members to support this amendment. There is a very basic question of fairness and equity involved. There is a very basic question of sustaining our senior citizens with some dignity and self-respect in their retirement years. I simply want to underscore that the failure to provide these cost-of-living adjustments amounts in practice to a cut in the living standard of our retirees. It is not giving them more in terms of their living standard. It amounts to a cut in their living standard. I do not think that should happen. I very strongly support the amendment.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. TRIBLE. Mr. President, I rise in strong support of this amendment. I am pleased to cosponsor it. I commend it to the attention of my colleagues and encourage them to support this initiative.

As my colleagues know, the Gramm-Rudman-Hollings measure approved last year specifically protected cost-of-living adjustments provided for Social Security and veterans benefits. Special provisions were included to ensure that senior citizens and other individuals relying on these programs would not suffer any hardship under any sequestration order.

However, COLA's which are normally provided under other Federal retirement and disability programs were not protected. Military retirees, Postal Service retirees, civil service retirees, and others, some 3.5 million individuals in all, were not provided the same inflation protection so vitally important these days. COLA's for these retirees were subject to reduction or elimination.

Mr. President, these retirees have already felt the effects of deficit reduction by having their 1986 COLA canceled. Not only did we leave these retirees—many of them senior citizens on fixed incomes—subject to the impact of inflation this year, but the loss of the COLA represents a financial loss which will compound year after year.

We must meet the challenge of deficit reduction fairly and equitably. And that is why I support this amendment to ensure that no single group will shoulder an unreasonable share of the burden as we move forward in this national effort to rein in Federal spending, to narrow the gap between revenues and expenditures, and ensure the kind of dynamic, growing economy that is vital to our future.

I encourage my colleagues to support this initiative. I applaud the leadership of my colleague from Washington, Senator GORTON.

Mr. President, I yield the floor.

Mr. WARNER. Mr. President, I rise in support as an original cosponsor of the amendment offered by the Senator from Washington [Mr. GORTON] to exempt all Government retirement cost-of-living adjustments from sequester orders under the Gramm-Rudman-Hollings deficit reduction act.

Last year, during the debate on the fiscal year 1986 budget resolution, this body approved legislation which I cosponsored requiring equal treatment of all Government retirement programs.

By example, if Social Security was to be frozen, so too would Federal and military retirement benefits.

If one was to be marked for a cost-of-living increase, all then should receive one.

This policy was observed in the final version of the fiscal year budget resolution approved on August 1, 1985, with all Government retirement programs scheduled to receive a full CPI-based COLA on January 1, 1986.

As we are all aware, the Gramm-Rudman-Hollings Act superseded the 1986 budget resolution and protected COLA's for only Social Security and veterans.

Federal civilian retirees, military retirees, and railroad retirees were all left with no inflation protection for the current year.

Mr. President, Senator GORTON has now provided us with the opportunity to return to the policy of equal treatment for all retirees embodied in last year's budget.

I call on all of my colleagues to join in this effort to eliminate a great inequity from the Gramm-Rudman-Hollings process.

Mr. SPECTER. Mr. President, I rise in strong support of this amendment. The amendment, of which I am an original cosponsor, contains the key provisions of a bill I introduced in March, S. 2238, and would guarantee the COLA for fiscal years 1987-91.

The Gramm-Rudman-Hollings Deficit Reduction Act would almost guarantee that Federal military, and railroad retirees will not receive cost of living adjustments (COLA's) whenever sequestration is invoked for automatic deficit reductions to meet deficit goals. The provision requires that these COLA's be reduced until the deficit target is met or until the COLA reduction has contributed a maximum 50 percent of the required deficit reduction.

This provision was invoked in fiscal year 1986 and resulted in no COLA's being awarded to these groups in fiscal year 1986. Since then, numerous Pennsylvania retirees, and their organizations, have contacted me to protest this situation.

Federal military and railroad retirees have been seriously injured by this provision. While veterans and Social Security recipients' COLA's were correctly left untouched, the abovementioned retirees have had their COLA's eliminated.

I have always maintained that COLA's for retirees should be treated equally. While I would have preferred for this amendment to reinstate the 1986 COLA that was rescinded, as in my bill, basic fairness demands that the Senate approve this amendment to put us firmly on record in support of equal treatment for all retirees. Exempting these COLA's from sequestration in future years is the best way to accomplish that at this time.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. I ask unanimous consent that Senators CRANSTON, LEVIN, DENTON, BROYHILL, COHEN, RIEGLE, and QUAYLE be added as cosponsors to the amendment.

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

Mr. GORTON. Mr. President, I listened with great interest to the typically eloquent statement of my friend and colleague from the State of Texas in opposition to the amendment. I was particularly taken by the fact that he recognized the inequity in treating various beneficiaries of different retirement programs differently. He did, however, argue that no greater distinction exists between these retirees and other Federal spending programs, or between these retirees and Social Security beneficiaries.

Mr. President, I do not believe that to be the case.

In my view, the affinity among various retirement programs is much greater than the similarities between all retirement programs taken as a whole and other Federal programs.

My distinguished colleague from Maryland made an eloquent statement as to the impact on such retirees of a continuous loss, of the cumulative loss, of these cost-of-living adjustments with which I associate myself.

I simply reiterate that this amendment is fundamentally in the interest of equity and equal treatment among people of similar backgrounds and similar justified expectations.

It is important that we consider whether or not the various entitlement programs should be reformed. In fact, in the course of the last 3 years we have reformed Social Security, military retirement, and civil service retirement, almost all in a prospective sense. That is the right way in which retirement COLA's should be adopted.

I hope the amendment will be adopted.

Mr. DOMENICI. Mr. President, I rise in support of the amendment offered by Senator GORTON to protect the cost-of-living adjustments [COLA's] for Federal retirees, both military and civilian, from any future Gramm-Rudman-Hollings sequester order.

I believe that COLA's for all retirees should be treated the same. Social Security COLA's are now exempt while the COLA's of Federal civilian and military retirees, railroad workers and others can be reduced or eliminated, as they were in fiscal year 1986. This is not fair to the Nation's 2 million Federal retirees and 1.5 million military retirees.

My colleagues will remember that on the floor of the U.S. Senate we attempted to include Social Security in the Gramm-Rudman-Hollings sequester. We proposed to do that in order to treat all retirees equally. We failed to achieve equal treatment by including everybody. Now we will try to achieve

equal treatment by excluding all retirees.

Federal retirees have already contributed significantly toward a lower deficit. In the fiscal year 1986 sequester their January COLA increase was permanently eliminated, thus reducing the base for future COLA's. This reduction will continue to save $1.4 billion every year through the life of the Gramm-Rudman-Hollings law.

Mr. President, this amendment is a fair compromise. Federal civilian and military retirees will not get back their 1986 COLA, and that is a substantial sacrifice. But neither will we ask them to do more than their fair share.

Mr. President, I want to congratulate my good friend, the senior Senator from Washington, Senator GORTON, for working so hard to help the Nation's retirees get a fair deal in our effort to reduce the deficit.

Congress should act immediately to make sure that any reductions required in the future to lower deficits will treat all retirees fairly and consistently.

Mr. HEINZ. Mr. President, I think we are ready to vote.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I will be very brief. I think what we are about to do here has near universal approval of the body. Therefore, all that I will say is that when Gramm-Rudman-Hollings was initially brought forth upon us, and since at that time over half of the budget was placed off limits to cuts, and since Social Security recipients were excluded, as I understand the amendment that is being offered is simply treating military and civil service retirees exactly as we treat Social Security recipients.

I guess the best way to say this is what is good for the goose is good for the gander. Therefore, although this is an additional expenditure of moneys for which we do not have the money in the budget to pay for it, this is a further exclusion and protection of certain people and certain programs that I think has been unfair under Gramm-Rudman-Hollings in the initial instance.

I would simply say that since Social Security recipients were excluded, then I think it is only fair and proper that we also exclude these individuals, but I raise the question, How are we going to pay for all this?

I yield the floor.

□ 1620

The PRESIDING OFFICER [Mr. WILSON]. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2242) was agreed to.

Mr. GORTON. I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that we go into executive session to consider the nomination of M.D.B. Carlisle, of the District of Columbia, to be an Assistant Secretary of Defense.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, this nomination has been cleared by all Members on this side. There is no objection. We are ready to proceed to the confirmation of the nomination.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The clerk will state the nomination.

DEPARTMENT OF DEFENSE

The assistant legislative clerk read the nomination of M.D.B. Carlisle, of the District of Columbia, to be an Assistant Secretary of Defense.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. I ask unanimous consent that the President be immediately notified that the Senate has given its consent to the nomination of M.D.B. Carlisle.

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

LEGISLATIVE SESSION

Mr. DOLE. I ask unanimous consent that the Senate return to legislative session.

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

INCREASE IN STATUTORY LIMIT ON THE PUBLIC DEBT

The Senate continued with consideration of the joint resolution.

Mr. HEINZ. Mr. President, I believe the Senator from Ohio intends to offer an amendment.

Mr. GLENN. I do indeed, Mr. President.

The PRESIDING OFFICER. The Senator from Ohio.

AMENDMENT NO. 2261

(Purpose: To amend section 1105(c) of title 31, United States Code, to provide that the President may not recommend actions to increase the borrowing authority of the United States or to increase the public debt limit for a fiscal year by more than the maximum deficit amount for that fiscal year)

Mr. GLENN. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 2261.

Mr. GLENN. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the Committee amendment, add the following new section:

SEC. . LIMITATION ON RECOMMENDED INCREASES IN THE PUBLIC DEBT LIMIT.

(a) IN GENERAL.—Section 1105(c) of title 31, United States Code, is amended—

(1) by striking "The President" the first place it appears and inserting in lieu thereof "Notwithstanding any other provision of law, the President",

(2) by inserting "(other than action that would require an increase in the borrowing authority or an increase in the limit imposed by section 3101(b) of this title by more than the maximum deficit amount for the fiscal year for which the budget is submitted)" after "action" the first place it appears, and

(3) by adding at the end the following new paragraph:

"(2) For purposes of this subsection, the term "maximum deficit amount" means with respect to a fiscal year—

"(A) the maximum deficit amount determined for that fiscal year under section 3(7) of the Congressional Budget and Impoundment Control Act of 1974, or

"(B) in the case of any fiscal year beginning after September 30, 1991, zero.".

(b) APPLICATION.—The amendment made by subsection (a) shall apply to fiscal years beginning after September 30, 1987.

Mr. GLENN. Mr. President, I shall keep this explanation brief as I agreed to do with the floor managers of the bill. I have been informed the amendment is acceptable.

Mr. President, I offer this amendment that is intended to improve the underlying Gramm-Rudman-Hollings legislation and which also will serve as a basis for continued fiscal responsibility long after Gramm-Rudman-Hollings expires.

Let me describe what my amendment does.

The amendment requires that when the President submits his budget to Congress, he must either send us a balanced budget or tell us how to get to a balanced budget. It does this by amending section 1105 of title 31 of the United States Code, the section that tells us when and how the Presi-

dent must submit this annual budget. At present, that section requires the President to "recommend in the budget appropriate action" on how to make up any deficit. My amendment would clarify the term "appropriate action" so that the President cannot recommend additional borrowing, or more piling up of the national debt, as the only way of complying with law that has been inplace since 1921.

This amendment is perfectly consistent with Gramm-Rudman. In fact, I think it improves Gramm-Rudman. It contains phase-in language, so that between now and 1991 the President may recommend a budget deficit that complies with the Gramm-Rudman targets.

Mr. President, with one technical difference, this amendment is identical to the amendment I offered to the debt ceiling legislation when it was on the floor last October. That amendment passed the Senate by a vote of 93 to 4. At that time I noted that the law has always required the President to report on ways to make up for a budget deficiency. Over the years, however, two things have happened. First, Presidents have failed to file specific suggestions as to how to achieve a balanced budget. The Office of Management and Budget apparently believes that simply filing the budget satisifies the requirement of a section 1105 report; therefore, there is no one place in the Government where you can find specific Presidential recommendations on how we are going to make ends meet. Second, over the years Presidents typically have taken the easy way out and simply asked for more borrowing authority when they saw that revenues were going to fall short of outlays.

The result is that we have a law that was designed to impose fiscal responsibility but now does absolutely nothing. I agree that we need to restore fiscal responsibility, but we need to do so by starting where that process must start: with the President himself. We are not staffed or equipped at the congressional end of Pennsylvania Avenue to do this job. Under law, that is the President's responsibility.

Let me elaborate on this point, because it is important.

By law, the President initiates the budget process when he submits his recommendations to Congress in February each year. Then the Congress works its will. The final result is the 13 appropriations bills that the Constitution requires we pass before funds can be drawn from the Treasury in each of the 13 areas.

I emphasize that the appropriations bills are the final result, because I want to draw attention to the role played by Congress versus the role played by the President, for we have heard that it is Congress that is irresponsible in appropriating excessive amounts of money, and that this is why we need to impose spending restraints like Gramm-Rudman.

Well, it might come as a surprise to my colleagues to learn that during the 5 fiscal years that President Reagan has been in office, Congress has actually appropriated $3 billion less than what the President has asked for in his appropriations requests. In the past 2 fiscal years, our record has been even better. For fiscal year 1985, Congress appropriated $16.6 billion less than what the President asked for; for fiscal year 1986 we appropriated $6 billion less. That's a grand total of over $22 billion—and that ain't exactly small change.

So it's clear that the label of fiscal irresponsibility cannot be tacked on the door of Congress. Consider this: In over 200 years, this Nation had run up a national debt of $1 trillion—and that was the work of every President from George Washington through Jimmy Carter. But in just 5½ years, the Reagan administration has added a second trillion to that national debt. In other words, they've added as much debt as all the Presidents since George Washington put together.

My amendment deals with these realities. In fact, if my amendment had been in effect earlier, there probably wouldn't have even been a Gramm-Rudman bill. But without my amendment, we are putting the pressure in the wrong place—namely, the Congress—when what we really need is a law that forces the President to submit a balanced budget.

As I have said, this amendment is perfectly compatible with Gramm-Rudman. However, it goes further than Gramm-Rudman in one important respect. Gramm-Rudman runs out after fiscal year 1991. Apparently the underlying assumption is that once we have reached a balanced budget, we no longer need the discipline that got us there. My amendment, on the other hand, would impose a permanent requirement for fiscal responsibility, including every year following 1991, for which the President would have to submit a balanced budget or tell us exactly how to get there. If my amendment passes, no President will be able to submit a budget that is fat with deficits but contains no weight reduction plan.

I remind my colleagues that this amendment passed overwhelmingly, 94 to 3, last fall; unfortunately it was dropped from the bill in conference. Now the Senate has another opportunity to show our colleagues in the other body how important we believe this issue to be.

Mr. President, present law requires that when the President submits his budget, if that budget will result in a shortfall, he will submit to the Congress his recommendations for "appropriate action." Those are the words in the United States Code. In the fine print at the bottom of the page, "appropriate action" is defined. It says that there can be new "taxes, loans, or other," which defines appropriate action.

What Presidents from time immemorial have tried to do is just say we will increase the national debt. That is the bill we are on right now. We will increase the national debt as a way of taking care of deficits. They have never gone through the hard, tough spadework that we cannot do at this end of the avenue, indeed, do not have the people to do at the end of the avenue, They have not gone through the hard, tough work of recommmending through their departments exactly where the cuts would or would not occur in getting to a true, honest-to-goodness balanced budget.

When Gramm-Rudman was being considered by us here some months ago, I suggested with regard to those words "appropriate action" we should take a look at the fine print at the bottom of the page and say when a President submits to us a budget that is unbalanced, of course he can still ask for an increase in the national debt but he cannot use that as his only means of complying with the law. What he will have to do also, in addition to ask for increases in the national debt, is indeed say that he has a plan and he is submitting that plan to the Senate and the Congress of the United States as to how we are going to deal with that.

The President, the executive branch is the one that puts the budget together and the President is the one who has the thousands of people in every department to work on the budget and tell us where they would recommend that we would pull back. They could recommend we would not be as expansive, say, in defense or in social programs or whatever the President deemed he would recommend to us. Then Congress would do its traditional role of working its will.

Too often, we have had things the other way around. We do not have the people at this end of the avenue to do all of that budget work, nor should we be required to have those extra thousands of people to do the work the executive branch is already charged with doing.

When Gramm-Rudman was before us last fall, I proposed an amendment that the President, while he may submit a request for increasing the national debt as one way of taking care of an imbalance, he also, at the same time, must submit to us his plan for reaching a balanced budget. That passed in this body 93 to 4. The initial, procedural vote on my amendment was tighter, before people saw what it was really all about, and then a lot of votes shifted. We won that vote 93 to

4, but it was unfortunately dropped in conference with the House.

What I am doing today, Mr. President, is submitting that same proposal. It makes eminent good sense, as I think was attested to by the vote we got the last time it was considered here. Since we had such an overwhelming vote before, that can stand as the test of what the Senate thought of it before. We had that kind of support and I am quite happy to have a voice vote on this.

I do believe it has been accepted on both sides of the aisle. I see the distinguished Senator from Louisiana [Mr. LONG] is not on the floor right now, but he indicated to me a moment ago that he thought it would be satisfactory to him, as did the floor manager on the majority side.

That is a brief explanation of it, Mr. President. I do not think I need to go further.

Mr. President, I recommend that we vote this out on a voice vote of approval, so we can put that requirement on the President, which is exactly where it should be, whether that President is a Republican, Democrat, or whatever.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2261) was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GLENN. Mr. President, I ask unanimous consent that Senator EXON be added as a cosponsor on this amendment.

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

Mr. GLENN. Mr. President, I thank the floor managers.

Mr. HEINZ. Mr. President, I know there are Senators who say they have amendments but they are not here on the floor and I hope they will come to the floor because we want to dispose of as many amendments as we can this evening. If there are no amendments proposed shortly, we shall be able to move to disposition of this legislation. I say that to all Senators so they will be here in order to protect their rights to the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1630

Mr. HEINZ. Mr. President, I ask unanimous consent that the quorum call be rescinded.

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

AMENDMENT NO. 2262

(Purpose: To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to exempt certain railroad retirement benefits from sequestration or reduction under an order issued by the President under section 252 of such Act)

Mr. HEINZ. 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 Pennsylvania [Mr. HEINZ] proposes an amendment numbered 2262.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the Committee amendment, add the following new section:

SEC. —. EXEMPT PROGRAMS AND ACTIVITIES.

(a) IN GENERAL.—Section 255(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)) is amended by inserting after the item relating to Compensation of the President the following new item: "Dual benefits payments account (60-0111-0-1-601);".

(b) APPLICATION.—The amendment made by subsection (a) shall apply to fiscal years beginning after September 30, 1986.

Mr. HEINZ. Mr. President, this amendment is identical to the Railroad Retirement Benefits Protection Act, S. 2253, which I introduced earlier this year. This amendment will correct an oversight by Congress in the treatment of railroad retirement vested dual benefits under Gramm-Rudman-Hollings. Under the current provisions of Gramm-Rudman-Hollings, this past April 1 saw rail retirees receive a 7.7 percent reduction in their vested dual benefits. Unless corrected, this oversight could ultimately wipe out as much as 10 to 20 percent of the benefits that over 312,000 retired rail workers have depended on for years.

At the time Gramm-Rudman-Hollings was signed into law, it was the intent of Congress that in the event of a sequester caused by Congress failure to meet the budget targets, retired workers and their families would be affected only in certain ways. Like other Americans, in the event of such a sequester, retirees would feel the impact of the cuts in programs that serve everyone, such as defense and law enforcement.

In these circumstances retirees were also expected to bear reductions in other services such as nutrition and home care for the elderly.

In the area of income security however, Congress intended only a very limited impact on retirees. Social Security and SSI were exempted from cuts, and military retirees, civil service retirees, and railroad retirees would at most have their benefits frozen. Let me emphasize, Mr. President, that in the worse case, railroad retirees were going to lose only their COLA's. I do not believe that anyone in Congress intended or contemplated reducing current retirement benefits, but unfortunately, that is exactly what has happened to rail retirees vested dual benefits.

To understand how this situation came about, we must examine some of the history and structure of the railroad retirement system. The system was created in 1935, at the same time as Social Security. The intent was to add social insurance features to the extensive private pension system that the railroads had already created. Rail workers paid taxes that were higher than Social Security taxes, because they expected to receive higher benefits. The basic system lasted until 1974, when Congress created the system we have today. Most of us believe that the present system pays only two types of benefits, tier 1 and tier 2, but it actually pays two additional types, supplemental benefits and vested dual benefits. The benefit structure can be summarized as follows.

Tier 1 benefits essentially duplicate Social Security. Funding comes from taxes paid by rail employers and employees into a trust fund. Tier 2 is intended to duplicate a private industry pension. Tier 2 funding also comes from rail employer and employee taxes paid into a trust fund. Supplemental benefits are an extra benefit provided to retirees with over 25 years of rail employment. This benefit is supported by taxes paid into a trust fund by rail employers. Tier 1 and tier 2 have automatic COLA's, supplemental benefits have no COLA. Virtually all of the 953,000 rail retirees receive tier 1 benefits which average $536 per month, and tier 2 benefits which average $134 per month. 201,000 retirees also receive supplemental benefits averaging $48 per month.

Vested dual benefits differ from the other benefits in several respects. These benefits arose because, prior to the restructuring of railroad retirement in 1974, persons with extensive nonrail employment qualified for higher benefits under Social Security and railroad retirement combined than did persons who worked exclusively in rail employment, despite the fact that rail employees paid more in retirement taxes. This was a drain on the rail retirement system because all of the extra benefits were paid by the rail system. Congress eliminated these dual benefits in 1974 for all workers and retirees who had not already vested for them. At the same time, Congress created a separate account, the vested dual benefits account, to pay benefits to the workers who had

already vested. Congress chose to fund this account out of general revenues because of the inequity of charging rail workers for benefits for which they no longer qualified.

Mr. President, although these vested dual benefits are essential to the recipients, they really amount to a very modest augmentation of tier 1 and tier 2 benefits. Prior to Gramm-Rudman, they averaged only $104 per month among the 312,000 retired workers, spouses and survivors who receive them. They now average only $96 per month. Since no new vesting can occur, and since there is no COLA for vested dual benefits, the eligible population has been shrinking and outlays have fallen from $430 million in 1983 to $390 million in 1986. The total Gramm-Rudman-Hollings cut in this account amounted to $16.7 million, which works out to an average benefit reduction of $8 per month, roughly $100 per year, with the Gramm-Rudman cuts plus the normal shrinkage in the program, the fiscal year 1987 budget allocation stands at only $364 million.

Mr. President, one may ask how it happened that vested dual benefits were cut by Gramm-Rudman-Hollings. I believe there is no explanation for this other than that it was quite simply an oversight on the part of Congress. Most of us, when we think of railroad retirement, think of only tier 1 and tier 2. We knew that Gramm-Rudman-Hollings did not affect tier 1, and that at most it cancelled the tier 2 cola. So we believed that rail retirees would at the worst suffer a freeze or a small increase in their benefits. Congress failed to anticipate how vested dual benefits would be affected by the fine print. As it turns out, supplemental benefits were not cut because those taxes and benefits are processed through the same trust fund as the tier 1 benefits, so they fortunately were exempted from Gramm-Rudman-Hollings. It apparently was thought that vested dual benefits were similarly exempt. However, because vested dual benefits are processed through a separate account, they did not receive the same protection as supplemental benefits and thus became vulnerable to automatic cuts. This amendment simply has them processed in the same way.

Mr. President, we must remember that these vested dual benefits are more than just some bookkeeping account that no one cares about except the actuaries at the Railroad Retirement Board. There are 312,000 people out there who have depended on these benefits for years in order to make ends meet. The $8 that was cut out of benefit checks may not seem like much to some people, but for retirees who often have to make every penny count that $8 can mean a warmer house, or several more meals at the end of a month. In addition to the loss of their benefits, these 312,000 people also have to live in fear that their benefits will be reduced in the future in an unspecified amount as the result of some automatic budget process that they understand only vaguely, if at all.

Mr. President, I urge my colleagues to join me in rectifying this situation and eliminating this fear from the lives of rail retirees by supporting this amendment.

Mr. President, this is an amendment that affects a very small group of people who were unintentional casualties of the Gramm-Rudman sequester process, namely those railroad retirees who are entitled to and who do receive what are called vested dual benefits. There are about 312,000 of such railroad retirees.

Just very briefly, what happened in Gramm-Rudman, when we adopted it last year and as it stands today, is that we made a policy judgment that where retirement programs were concerned, to the extent that they were going to be affected by any sequester, only the COLA would be affected. We just had an amendment by the Senator from Washington which has dealt with that, to mitigate what are perceived to be some very unfair effects of that.

When we adopted Gramm-Rudman, we in fact did implement the policy I just described, namely, holding everything except COLA's harmless. We did it for what are called the tier 1 benefits of railroad retirees. Those are more or less equivalent to the Social Security benefits that people receive, and they are financed by taxes on the railroad employees and on the railroad employers. Under Gramm-Rudman, since they were like Social Security benefits, no COLA was cut.

The railroad retirees also have the equivalent of a private pension called tier 2 benefits, and they, too, are financed and trust funded as are the tier 1 benefits, paid for again by employer and employee dedicated taxes to that trust fund. Gramm-Rudman canceled that COLA which was equivalent to 32.5 percent of any tier 1 COLA. Through an oversight of drafting in my judgment—and I have discussed this with the Senator from New Hampshire [Mr. RUDMAN] as well as the Senator from Texas [Mr. GRAMM]—it would appear that the unintended result through this drafting error, most people thinking that the tier 1 and tier 2 and indeed all railroad retirement benefits would be subject to Gramm-Rudman principles, the so-called dual benefit, because it was in a separate account—it was not in this trust fund account like the tier 1 benefit and the tier 2 benefit but within a separate account—was in fact subject to a sequester of roughly 4.3 percent. Over the course of the year, of course, since that had to be constrained to a 7-month period, the result was a larger percentage cut in benefits, and those 312,000 railroad retirees actually had their benefits cut on average $8 a month.

By the way, on average they only got $104 a month. That was never the intention of Gramm-Rudman-Hollings, and I say that was never the intention either of the bill or to the best of my understanding of any of the sponsors.

Mr. GRAMM. Will the distinguished Senator yield?

Mr. HEINZ. I am pleased to yield to my friend from Texas.

Mr. GRAMM. Let me say I think this amendment is in every way conformable with the spirit of the Gorton amendment. To adopt that amendment and not adopt this amendment, I think, would promote tremendous unfairness and inequity in the bill, and I strongly support this amendment.

Mr. HEINZ. Mr. President, I thank my friend from Texas. I think I have explained the problem, and I hope the Senate will adopt the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreement to the amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the call of the quorum be rescinded.

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

Mr. HEINZ. Mr. President, I ask unanimous consent that the Senator from Pennsylvania [Mr. SPECTER] be added as a cosponsor, equally the Senator from Tennessee [Mr. SASSER], and I am advised that the Democratic leader, Senator BYRD, would also like to be listed as a cosponsor.

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

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1640

Mr. EAGLETON. 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. EAGLETON. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

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

71-059 O-87-28 (Pt. 13)

AMENDMENT NO. 2263

[Purpose: To limit the authority to invest and disinvest assets in the Civil Service Retirement and Disability Fund]

Mr. EAGLETON. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. EAGLETON], for himself, Mr. GORE, Mr. LEVIN, and Mr. GLENN, proposes an amendment numbered 2263.

Mr. EAGLETON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the amendment, insert the following new section:

SEC. . CIVIL SERVICE RETIREMENT AND DISABILITY FUND.

(a) Investment and Restoration of the Fund.—Section 8348 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(j)(1) Notwithstanding subsection (c) of this section, the Secretary of the Treasury may suspend additional investment of amounts in the Fund if necessary to ensure that the public debt of the United States does not exceed the public debt limit.

"(2) Any amounts in the Fund which, solely by reason of the public debt limit, are not invested shall be invested by the Secretary of the Treasury as soon as such investments can be made without exceeding the public debt limit.

"(3) Upon expiration of the debt issuance suspension period, the Secretary of the Treasury shall immediately issue to the Fund obligations under chapter 31, of title 31 that (notwithstanding subsection (d) of this section) bear such interest rates and maturity dates as are necessary to ensure that, after such obligations are issued, the holdings of the Fund will replicate to the maximum extent practicable the obligations that would be held by the Fund if the debt issuance suspension period had not occurred.

"(4) On the first normal interest payment date after the expiration of any debt issuance suspension period, the Secretary of the Treasury shall pay to the Fund, from accounts in the general fund of the Treasury of the United States not otherwise appropriated, an amount determined by the Secretary to be equal to the excess of—

"(A) the net amount of interest that would have been earned by the Fund during such debt issuance suspension period if—

"(i) amounts in the Fund that were not invested during such debt issuance suspension period solely by reason of the public debt limit had been invested, and

"(ii) redemptions and disinvestments with respect to the Fund which occurred during such debt issuance suspension period solely by reason of the public debt limit had not occurred, over

"(B) the net amount of interest actually earned by the Fund during such debt issuance suspension period.

"(5) For purposes of this subsection and subsections (k) and (l) of this section—

"(A) the term 'public debt limit' means the limitation imposed by section 3101(b) of title 31; and

"(B) the term 'debt issuance suspension period' means any period for which the Secretary of the Treasury determines that the issuance of obligations of the United States sufficient to orderly conduct the financial operations of the United States may not be made without exceeding the public debt limit.".

(b) Sales and Redemptions by the Fund.—Section 8348 of title 5, United States Code, as amended by subsection (a), is further amended by adding at the end the following new subsection:

"(k) The Secretary of the Treasury may sell or redeem securities, obligations, or other invested assets of the Fund only for the purpose of enabling the Fund to make payments authorized by the provisions of this subchapter or chapter 84 of this title or related provisions of law. If the Fund holds any amounts which, by reason of the public debt limit, are not invested, the Secretary may nevertheless make such sales and redemptions if, and only to the extent, necessary to ensure that such payments are made in a timely manner.".

(c) Reports Regarding the Operation and Status of the Fund.—Section 8348 of title 5, United States Code, as amended by subsections (a) and (b), is further amended by adding at the end the following new subsection:

"(l)(1) The Secretary of the Treasury shall report to Congress on the operation and status of the Fund during each debt issuance suspension period for which the Secretary is required to take action under paragraph (3) or (4) of subsection (j) of this section. The report shall be submitted as soon as possible after the expiration of such period, but not later than the date that is 30 days after the first normal interest payment date occurring after the expiration of such period. The Secretary shall concurrently transmit a copy of such report to the Comptroller General of the United States.

"(2) Whenever the Secretary of the Treasury determines that, by reason of the public debt limit, the Secretary will be unable to fully comply with the requirements of subsection (c) of this section, the Secretary shall immediately notify Congress of the determination. The notification shall be made in writing.".

Mr. EAGLETON. Mr. President, earlier the Senate passed a Finance Committee amendment protecting the Social Security Trust Fund from disinvestment during panicky moments such as this, when the Government is, so to speak, on the brink of bankruptcy. Senators GORE, LEVIN, GLENN, and I are offering an identical amendment—protecting the civil service retirement and disability fund—from hasty quick-fixes which undermine the financial integrity and public confidence in Federal trust funds.

The civil service retirement and disability fund, the fund which contains Federal employees' retirement contributions, has $126.4 billion invested in Treasury securities. According to the General Accounting Office, on three occasions since 1984, the Treasury has manipulated the civil service retirement and disability fund by taking "unusual actions in an attempt to manage the Government's finances." During fiscal years 1984, 1985, and 1986 the Treasury departed from normal procedure in handling the fund's investment in two ways: First, it delayed investment of fund receipts and, second, it prematurely redeemed some of the funds securities. GAO estimates as a direct result of that action, the fund lost tremendous interest earnings.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the figures.

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

	Interest amount lost
Fiscal year:	
1984	$62,221,813
1985	79,231,138
1986	6,056
Total	141,459,007

Mr. EAGLETON. Mr. President, Treasury has restored $77,774—a mere drop in the bucket; $141,381,233 in interest belonging to civil service retirees is lost. The Treasury is not entirely to blame. The laws instructing the Secretary of the Treasury regarding trust funds and the Federal debt conflict. With our amendment, we clarify our intent—the money put away in good faith by retirees must be there in full.

The purpose of this amendment is to both modify and clarify the authority of the Secretary of the Treasury in connection with his responsibilities for investing the assets of the civil service retirement and disability fund. Specifically, the amendment would allow the Secretary to temporarily suspend additional investment of the fund's assets when such investments would otherwise result in the public debt limit being exceeded.

Furthermore, after such a suspension, the Secretary would be required: First, to reimburse the fund for any investment lost as a result of the suspension and, second, to invest uninvested assets of the fund in a manner which, to the extent practicable, would make the fund whole, as though such suspension never occurred.

Moreover, the amendment would allow the Secretary to disinvest assets of the fund when the fund is holding uninvested assets due to the public debt limit, but only when necessary to ensure timely payment of amounts authorized to be made from the fund.

Mr. GORE. Mr. President, Federal employees earn, as part of their compensation package, retirement benefits payable through the civil service retirement and disability trust fund. Like the Social Security trust fund, the civil service retirement and disability fund is a dedicated trust fund and as such, its assets may only be used to provide benefits to civil service retirees.

That fund stands as a strong symbol of assurance that Federal employee retirement benefits will be paid when

they become due. While employees may not fully understand the arcane interactions of Federal financing that result in the ultimate dispersal of their annuity checks, they do recognize when moneys that they have contributed toward the financing of their benefits have been used in ways other than those intended or promised under the statute establishing that fund.

It was right for them to take offense last year when the civil service fund was the first tapped—even before Social Security disinvestment—to keep the Nation solvent during the 1986 debt ceiling crisis.

GAO determined that such raids by the Department of Treasury has lost the civil service retirement and disability trust fund interest earnings because "Treasury did not follow its established fund management procedures." GAO's investigation determined that Treasury delayed investment of fund receipts, prematurely redeemed some fund securities, and "took other unusual actions in an attempt to manage the government's finances."

The losses total $141,459,007.

Fiscal year:	
1984	$62,221,813
1985	79,231,138
1986	6,056

The amendment that Senator EAGLETON and I propose would acknowledge, indeed would preserve, the sanctity of those contributions that these employees have made toward their retirement.

By treating these contributions and the Government's share of retirement pension costs as usable only for the payment of civil service retirement and disability benefits, the Congress will be restoring the confidence that has undergone severe strain over the past few years.

Congress has been active in Federal employee retirement. There have been a never-ending stream of proposals from the administration to cut Federal employee benefits, particularly civil service retirement. In fact, Congress has found it necessary to suspend or modify cost-of-living adjustments in response to serious fiscal concerns.

New Federal employees have been covered by Social Security, an event that Federal retirees and employees had long feared would merely be a pretext for seizing the assets of the civil service retirement trust fund to reinforce the financing of Social Security.

Although it was not Congress' intent, the Social Security amendments did require Congress to develop a complete new retirement plan for Federal employees. While that work is completed, and those of us who participated in that development are proud of that achievement, Federal employees and retirees are understandably anxious that their retirement expectations remain threatened when they see their cost-of-living adjustments reduced because of budgetary concerns and their retirement funds used to pay obligations other than those intended.

Is it any wonder, then, that our country's present and former employees fear the worst, This amendment places the Federal employees' trust fund on the same footing as the Social Security trust funds, as a backstop for the benefits of the rest of the Nation's employees. It is the least we can do. It is the right thing to do. Our Federal workers deserve it.

Mr. HEINZ. Mr. President, I am advised that there is no objection to the amendment on this side.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2263) was agreed to.

Mr. EAGLETON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEINZ. 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. HEINZ. Mr. President, I ask unanimous consent that Senator HOLLINGS and Senator GRASSLEY be added as cosponsors to the pending amendment No. 2262.

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

Mr. HEINZ. Mr. President, I ask unanimous consent that we temporarily lay aside the pending amendment to consider an amendment to be offered by the Senator from South Dakota.

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

Mr. ABDNOR. Mr. President, I thank the Senator from Pennsylvania.

AMENDMENT NO. 2264

Mr. ABDNOR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. ABDNOR] proposes an amendment numbered 2264.

Mr. ABDNOR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the committee amendment, as amended, add the following new section:

SEC. . Not withstanding any other provision of law,

(a) the Secretary of Agriculture shall reimburse farmers or ranchers for the cost incurred by such farmers or ranchers for transporting hay during the period July 1, 1985, to June 1, 1986, as a result of a natural disaster caused by flood, excessive moisture, or drought;

(b) The Secretary shall reimburse such farmers or ranchers in an amount which does not exceed 80 percent of the cost of such transportation (but not to exceed $50 per ton);

(c) The Secretary shall carry out the provisions of this through the Commodity Credit Corporation.

SEC. . Section 22(b)(1) of Public Law 99-349 is amended by deleting "40 percent of the projected payment rate" and inserting in lieu thereof "100 percent of the projected payment rate".

SEC. . It is the sense of Congress that with respect to farm and ranch borrowers who were adversely affected by drought disaster in 1985 or flood disaster in 1985 and 1986—

(1) the Secretary of Agriculture should exercise the authority provided under section 331A of the Consolidated Farm and Rural Development Act and instruct the Farmers Home Administration to defer loan repayments and forgo foreclosures in cases where such farm and ranch borrowers are unable to make loan payments in full due to no fault of their own; and

(2) the lending institutions of the Farm Credit System and commercial lending institutions are encouraged, insofar as practicable, to adopt lenient lending, forbearance, and foreclosure policies, and to the maximum extent possible participate and cooperate with Federal and State lenders in assistance programs, with respect to such borrowers who are under financial stress due to no fault of their own.

Mr. ABDNOR. Mr. President, I think both managers here on the floor are well aware of this amendment. I discussed it earlier as a possible amendment to the Sasser amendment.

It was determined at that time to propose my amendment as a standing amendment.

I ask immediate consideration of the amendment.

Let me say this for those who were not here: This amendment covers the drought in South Dakota during 1985 and the flooding during 1986. In terms of dollars it is quite minor.

Mr. PRYOR. Mr. President, reserving the right to object, it is my understanding that the Senator from South Dakota is offering an amendment that he discussed earlier in this day relative to drought specifically related to South Dakota.

Mr. ABDNOR. Yes, and the flood as well. It may seem unusual but it is possible in South Dakota to have a flood in the East and a drought in the West.

Mr. PRYOR. Let me say to my distinguished friend from South Dakota it is my understanding at this point there are Members on this side, or at

least a Member on this side of the aisle, wishing to express an interest in this matter or at least ask the Senator from South Dakota some questions on this.

Mr. HEINZ. Mr. President, will the Senator from South Dakota yield?

Mr. ABDNOR. I yield.

Mr. HEINZ. Mr. President, I say to the Senator from South Dakota as manager of the bill it has been discussed on this side of the aisle. I cannot speak for the other side of the aisle. But it has been discussed with the Finance Committee, the Budget Committee, and the Agriculture Committee, and there is no objection to it from either of those committees on this side of the aisle.

Mr. ABDNOR. Mr. President, let me say everyone was not on the floor when I referred my amendment to Senator SASSER and at that time accepted it. Then we decided the best for all concerned was to keep my amendment separate from Senator SASSER's. My amendment is a little bit different than the context of his bill.

Mr. PRYOR. Mr. President, the Senator from Arkansas is not implying to the Senator from South Dakota that there is opposition at this point necessarily to the Senator's amendment. I do know there is at least one Member on our side wishing to be heard relative to this matter.

Mr. ABDNOR. I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I am sorry I was not on the floor when the distinguished Senator from South Dakota offered the amendment. I just now had a copy of the amendment handed to me. I was not here to listen to the explanation of the amendment. I understand it was given by the distinguished Senator from South Dakota.

Mr. President, will the Senator from South Dakota yield to answer some questions without me losing my right to the floor?

Mr. President, I wish to ask the Senator from South Dakota again to briefly explain the amendment and exactly what it covers and what years it covers.

Mr. ABDNOR. I am more than happy to explain the amendment if the Senator will yield to me.

Mr. HARKIN. I yield the floor to the Senator from South Dakota.

Mr. ABDNOR. Mr. President, one part of my amendment allows farmers who are prevented from planting to receive 100 percent of their normal deficiency payments. It simply deletes the words "40 percent of the projected payment rate" and inserts in lieu thereof "100 percent of the projected payment rate."

This spring, on the urgent supplemental appropriations bill, I attached an amendment to allow flooded farmers to receive 40 percent of their deficiency payments.

I preferred 100 percent but I guess we were being conservative so I settled for the 40 percent. That 40 percent is the amount farmers received at farm program signup time.

But last night it became perfectly clear that if we allow farmers in the drought disaster areas of the southeast to receive full deficiency payments, my farmers in South Dakota should also receive full deficiency payments.

My amendment certainly is not at all out of line compared with the tremendously large Sasser amendment we passed not long ago here on the floor. His amendment was discussed last night and, as the good Senator from Iowa said during the discussion last night, there are farmers in Iowa and South Dakota and everywhere else that have been equally damaged by national disasters.

Last summer we probably had a greater, more severe drought in parts of South Dakota among our ranchers than the people in the Southeast are having today, taking nothing away from them.

I have heard talk of half a hay crop in the Southeast. That was unheard of last year in South Dakota. We didn't have a hay crop at all! My farmers not only sold off cattle, mortgaged everything they had to buy hay, but they also experienced deep snow from October on. When we finally got pasture coming in in the spring, we had a severe blizzard that wiped out half of our calf crop leaving our ranchers virtually broke and others heavily in debt. Many still have bills to pay and some still are trying to obtain a disaster loan from the Farmers Home Administration.

It just seems that in fairness that my amendment should be accepted. If we are going to help in the Southeast to keep them in business, and keep them operating, it seems a great injustice to tell the ranchers of South Dakota who have been experiencing the very thing that they cannot have the same entitlement that we decided to give to Southeastern farmers a few hours ago when we passed the Sasser amendment.

□ 1700

(Mr. GRAMM assumed the chair.)

Mr. HARKIN. Mr. President, I thank the Senator from South Dakota for his explanation. Again, I am curious as to one part of the amendment here. It is section blank. It is on the bottom of the first page of the 2-page amendment. I would call the attention of the distinguished Senator from South Dakota to that. It says:

It is the sense of Congress that with respect to farm and ranch borrowers who were adversely affected by drought disaster in 1985 or flood disaster in 1985 and 1986—

(1) the Secretary of Agriculture should exercise the authority provided under section 331A of the Consolidated Farm and Rural Development Act and instruct the Farmers Home Administration to defer loan repayments and forgo foreclosures in cases where such farm and ranch borrowers are unable to make loan payments in full due to no fault of their own.

I wonder if the distinguished Senator from South Dakota, Mr. President, could tell us what that is all about. I would be delighted to yield to the Senator without losing my right to the floor.

Mr. ABDNOR. Mr. President, I think the Senator is familiar with how important and how much impact a sense of the Congress has; but it simply instructs the Secretary of Agriculture that he is to be as lenient as possible in situations such as this and that he should try to be as broadminded and fair as he can in the process. It tells him that Congress is concerned about problems such as drought and flooding.

I think even the Senator from Iowa would think that is only fair.

Mr. HARKIN. Mr. President, in regard to the amendment now pending before us, in the first section of the amendment, it says "The Secretary shall reimburse." That is not suggestive language. It is mandatory language.

"The Secretary shall reimburse farmers or ranchers an amount which does not exceed 80 percent of the cost of such transportation"—of the hay, I guess that is what it is—"during the period July 7, 1985, to June 1, 1986, as a result of a natural disaster caused by flood, excessive moisture, or drought."

Is that much of a departure from present law, Mr. President, I would like to ask the Senator?

Mr. ABDNOR. That is the same language, I might reply, as in the Sasser language, only it applies to the drought that occurred in South Dakota in 1985.

My amendment does not include as many people as the Sasser amendment because ranchers in South Dakota need 20 to 30 acres just to keep a cow and a calf. They are the ones that experienced the drought; they experienced a heavy snow; they experienced a blizzard that almost wiped them out. And if anyone needs some help—it is the ranchers and farmers of South Dakota. Certainly we have got to be fair and say, "My heavens, this is only fair to give the ranchers of South Dakota the same opportunity we are giving to the rest of the Southeast."

Mr. HARKIN. Mr. President, claiming my time again, I again point out to the distinguished Senator from South Dakota what I pointed out last evening, and that is again here we are trying to make a fix on a disaster. I have no doubt there was a natural disaster in that part of the country

during that period of time. Again, I would point out, Mr. President, that in Iowa, in 1983, we suffered a very severe drought. Many farmers and ranchers in southern Iowa had to do many of the same things that farmers and ranchers in the State of South Dakota had to do in 1985. Yet, there was no fix made for them.

Yet, here we have an amendment coming along to fix one particular disaster, natural disaster, that occurred in one State during one period of time. Again, I make the point, as I made last night, Mr. President, that, basically, we should have disaster assistance for all farmers in all parts of the country who suffer from natural disasters. We ought not to be doing this on a piecemeal basis.

I am just rather curious as to whether the distinguished Senator from South Dakota might entertain amending his amendment just to say, "All farmers and ranchers from the period beginning," let us say, January 1981. Well, I guess I would have to say 1982, January 1982, when the 1981 farm bill went into effect. If, from that period on, we could just cover all farmers and all ranchers in the United States, reimburse them for 80 percent of the cost of transportation of hay, if they could somehow show they were victims of a natural disaster caused by drought, flood, or excessive moisture.

It seems to me that would be the fair way to do it. And I am sure there are some farmers in Iowa who probably have some old bills they could drag out of a drawer, or find someplace, which they were stuck with back in 1983 for transporting hay. We might have even brought some from South Dakota down to southern Iowa at that time, yet I do not know that they got reimbursed for any of their transportation costs.

But when you open the door like this to make a fix in one area, then there are other areas that crop up where they have natural disasters. Again, it points out, I think, the need to have a disaster program that is fair and equitable to all farmers all over the country and not just do this on a piecemeal basis, as we are doing here right now.

Mr. President, I would like to ask about the cost, if there has been a cost associated with this amendment and if we know how much the cost has been estimated by the Congressional Budget Office.

Mr. ABDNOR. Mr. President, let me say to the Senator, if I can respond.

Mr. HARKIN. I am delighted to yield without losing my right to the floor.

Mr. ABDNOR. First, let me say that obviously the Senator is right. He is not going to get a quarrel out of me over the way disaster programs have been handled in the past. In 1977 and 1978, the transportation of hay was paid for by the Government. It had been cut out and now it is back in. Ultimately, you are probably right. We need something that is consistent and applies to one and all.

I appreciate your problem in Iowa, but that was several years ago. You probably know the facts and figures. It took me all afternoon to arrive at the figures, calling back and forth to South Dakota and the CBO. The cost of my amendment is $11 million, which is a far cry from the figures I heard last night about the cost of the Sasser amendment being $660 million up to $1.5 billion. I am talking about a $11 million figure for my amendment.

In a sense, the ranchers of South Dakota are still trying to work their way out of this. The effects of this disaster are still with them. Probably some of those people, I am sure, still have unpaid bills, and are hoping to get a disaster loan.

We should have a long-term disaster program for all of agriculture. I do not quarrel with that. But that does not exist today. We would be very poor Senators if Senator PRESSLER and I were not concerned about our farmers and ranchers in South Dakota who are still working their way out of the 1985 drought. Additionally, farmers presently are undergoing a flood in the east, which is a bit unusual for South Dakota, but it occurred. I think it is only right that they receive the same consideration that this body decided to give to the farmers in the many States of the Southeast. I heard people say that farmers in the Southeast have one-half of a hay crop. There was no such hay crop in South Dakota. As a matter of fact, they had to start buying hay last summer. They were buying hay this spring. They have plenty of problems from the drought.

I certainly think South Dakota's ranchers and farmers deserve the same kind of consideration we gave to Southern farmers a few hours ago. The Senator from Iowa agreed we should vote for a waiver on the Budget Act last night to make it possible to implement anything up to—I heard a figure of $300 million, and I have heard as high as $1.5 billion.

Mr. HARKIN. Again, I am still curious as to what the estimate of cost is on this amendment. I heard a figure of $11 million. Mr. President, I am curious to find out whether or not we do have indeed an estimate of the cost of this amendment. The Senator from Iowa would like to find out what the cost is.

The PRESIDING OFFICER. May I remind the Senator from Iowa that the Chair is not involved in this debate. He must inquire of a Member through the Chair if he seeks an answer.

Mr. HARKIN. Mr. President, I am addressing my inquiries to the distinguished Senator from South Dakota through the Presiding Officer of the Senate as per the rules of the Senate. I would be delighted to yield to the Senator from South Dakota for a response without losing my right to the floor.

Mr. ABDNOR. Mr. President, if I can answer that, I thought I told the Senator from Iowa the cost of my amendment. I am a little surprised he refuses to accept the CBO figures. It is $11 million. That figure is pretty accurate. They have been figured all afternoon with the State of South Dakota, and the ASCS office. That is a lot closer cost estimate than that for the States we were talking about last night. You voted for a figure you did not know whether was $660 million or $1.5 billion.

Mr. BYRD. Mr. President, regular order. Senators should address other Senators through the Chair and not in the second person.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. BYRD. Mr. President, I ask for regular order also.

The PRESIDING OFFICER. Senators will address each other through the Chair. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, what I attempted to do since I have the floor is to address the distinguished Senator from South Dakota through the Presiding Officer, who is chairing the Senate. I had propounded the question, Mr. President, as to what the cost of this amendment was. The distinguished Senator from South Dakota has now responded that CBO's estimate is $11 million.

Mr. President, I do have another parliamentary inquiry.

Mr. President, is this amendment because it does have additional costs of $11 million subject to a point of order? And if so, under which section of the Budget Impoundment Control Act is this amendment a subject of point of order if indeed it is a subject of a point of order?

The PRESIDING OFFICER. The Chair has been informed by the Parliamentarian that the amendment calls for money in fiscal year 1987, and would not be subject to a point of order under section 311 of the Budget Act.

Mr. HARKIN. Is it not a subject of point of order?

The PRESIDING OFFICER. It might be subject to a point of order under section 302, depending on whether or not the appropriate committee has submitted its allocations pursuant to that section.

Mr. HARKIN. Mr. President, further parliamentary inquiry: This Senator would like to know if indeed it is subject to a point of order under section 302, and whether or not those al-

locations have been made. This Senator understands that the Agriculture Committee on which this Senator sits, and also the Agriculture Appropriations Subcommittee of the Senate Appropriations Committee, has not indeed made such allocations.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. If in fact the Agriculture Committee has not submitted its allocations under section 302(b), then a point of order would lie.

Mr. HARKIN. Mr. President, further parliamentary inquiry: Would this point of order lie under section 302(c)?

The PRESIDING OFFICER. The point of order would lie under section 302(c) if the Agriculture Committee has not submitted its 302(b) allocations.

Mr. HEINZ addressed the Chair.

Mr. HARKIN addressed the Chair.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. HEINZ. Mr. President, I demand regular order.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. HEINZ. I demand regular order.

The PRESIDING OFFICER. Regular order is that the Senator from Iowa has the floor.

The Senator from Iowa.

Mr. HARKIN. Mr. President, it occurs to this Senator then that we have a situation here where again we are being asked, as we were the other evening, to go beyond what is in the Budget Act. In other words, this is subject to a point of order.

This Senator from Iowa earlier this year offered an amendment to provide for payments of CCC loans to farmers. CBO at that time said that it would not cost any additional outlays over a 2-year period of time, but since it was shifting money for fiscal year 1987 to fiscal year 1986, it also was subject to a point of order. A point of order was raised at that time against that amendment.

I said at that time that I thought it odd that those who were so supportive of the Gramm-Rudman-Hollings provision who wanted to stick by these allocations that now I find are coming to the floor offering amendments which increase the spending of the Federal Government. As I said last night, this Senator is not opposed to that because I think the disasters where they occur, natural disasters, that farmers ought to be indemnified for those natural disasters whenever they occurred not on a piecemeal basis as we are seeing here now but on a general basis whenever and wherever they may happen in the United States.

So this Senator finds it rather odd that now we have the distinguished Senator from South Dakota who I understand has been, unless the Senator's memory is incorrect, a strong supporter of the Gramm-Rudman-Hollings measure, invoking points of orders to hold spending in line now offers an amendment to increase spending by $11 million because some of his farmers were hurt in a drought a year ago.

Well, some of this Senator's farmers were hurt in a drought in 1983. We implored, we beseeched, we asked the Secretary of Agriculture to assist and to help. You know we were told there was Federal crop insurance. Well, I can only assume that the farmers in South Dakota also had available Federal crop insurance last year also. So why do farmers in South Dakota need another $11 million?

Last evening we had a point of order raised against the amendment offered by the distinguished Senator from Tennessee. A motion was then made to waive that point of order.

This Senator supported that motion to waive the point of order because I said at the time I am not opposed to farmers, whether they are in the Southeastern part of the United States or in South Dakota, from receiving what I believe they need in order to survive. I am not really opposed to this. But I think when we are going to have the rules here, when you are going to ask one Senator to abide by the rules and the points of order raised when one Senator seeks to help a portion of his or her constituents, and points of order are raised on one side of the aisle, then I think it is only fair that points of order be raised each succeeding time that any Senator offers an amendment that goes beyond the spending allocations or exceeds the allocation made by the authorizing committees.

□ 1720

So, Mr. President, that being the case, this Senator is prone to raise a point of order against the pending amendment.

Mr. ABDNOR addressed the Chair.

Mr. HARKIN. I also hasten to add that if a motion is made to waive the Budget Act, that, again, this Senator would be prepared to vote with those in waiving the Budget Act and in providing this kind of indemnity to the farmers in South Dakota. But I think it is important that Senators once again express themselves whether or not they do, in fact, want to waive these provisions of the Budget Act to provide for this amount of money.

I again would hope that we might just amend it and just put in all farmers all the way from January 1981 on and let them partake. We have a little $11 million amendment here to indemnify some farmers in South Dakota. Again, I just find it curious that those who always are supposed to abide by the rules and raise points of order now are trying to get an extra $11 million and have those of us remain silent.

Mr. President, I would inquire of the Senator from South Dakota, if, indeed, he would be supportive of further amendments that would provide this kind of assistance to all the farmers who suffered from droughts, floods, or excessive moisture going back, let us say, through 1983. That would cover the farmers in Iowa who suffered from the drought in 1983. Mr. President, I ask that the Senator respond to that question and ask unanimous consent that I not lose my right to the floor.

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

The Senator from South Dakota.

Mr. ABDNOR. Mr. President, I would like to reply to that. If the Senator would like to sit down and work out a long-range program, I would be happy to be part of it. I doubt that he can devise an amendment today that would take care of that. I have clear evidence of the disaster that occurred and is occurring in both the drought and flood area in South Dakota.

I might say to the Senator from Iowa, if he is not aware of it, that there is no crop insurance for hay. If he will recall, there was no prevented planting crop insurance available this year to the grain farmers in South Dakota. I would like to bring that to the attention of my colleague from Iowa.

I do not know what occurred in Iowa. I guess the way this has approched my amendment here, that each State must look out for itself. I cannot speak for Iowa.

If he feels that something is lacking, he should do what I have done here, do a little research and dig out the facts, to have the case clearly show that his farmers are deserving of assistance. If he has a case, I would be happy to vote for it.

Mr. HARKIN. This Senator is curious why last night the distinguished chairman of the Budget Committee, who is not present on the floor, raised a point of order against the amendment offered by the Senator from Tennessee to provide drought assistance to farmers in the Southeast. This Senator is curious why the chairman of the Budget Committee is not raising a point of order against this amendment.

I guess, Mr. President, if the amendment only provides $11 million, no point of order would be raised. But if it provides for coverage to farmers all over the Southeast, then I guess a point of order could be raised.

Again, I find it very curious, really, that the distinguished chairman of the Budget Committee is not raising the point of order about this $11 million under section 302.

I raised that issue last night. Just as I did not raise the point of order last night, I will not raise it today.

Again, Mr. President, I think the Senators ought to be well-advised that everyone can play this game but it is going to be interesting to see who raises points of order on what amendments and whether or not we now find the Budget Act really is just a political football. Those who may offer amendments like this will not have a point of order raised. I will not raise it because I am very sympathetic to the farmers of South Dakota who were hard hit by the drought of last year. I am sympathetic with all farmers all over the United States who are suffering now because of low prices and droughts and everything else happening to them. But, again, I find it very curious that we do not see a point of order raised by the distinguished chairman of the Budget Committee. Perhaps, after I yield the floor, such will happen. If that is so, I assume the Senator from South Dakota would move to waive the Budget Act and this Senator would be prepared at that point to support the Senator from South Dakota in that motion.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, earlier I spoke in support of this amendment. I think there has been a need indicated to review our disaster program. Our State of South Dakota has suffered severe disaster. My colleague has done an excellent job of raising this point. I support the amendment. I will not repeat the speech which I gave earlier today on this amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there further debate? If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2264) was agreed to.

Mr. ABDNOR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Pennsylvania.

Mr. BUMPERS. Could I inquire of the Senator from Pennsylvania whether or not he would like me to ask unanimous consent to set his aside temporarily?

Mr. HEINZ. I would think that we could dispose of the amendment of the Senator from Pennsylvania and the amendment of the Senator from Tennessee, depending upon the time for the remarks of the Senator from Tennessee.

AMENDMENT NO. 2262

Mr. HEINZ. I ask unanimous consent that the Senator from Nebraska [Mr. ZORINSKY], be added as a cosponsor of my amendment.

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

Mr. PRYOR. Mr. President, I ask unanimous consent that I be added as a cosponsor to the Senator from Pennsylvania.

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

The Senator from Tennessee is recognized.

Mr. SASSER. Mr. President, I am pleased today to join my distinguished colleague from Pennsylvania as an original cosponsor of this amendment.

The senior Senator from Pennsylvania and I have a long track record with regard to protecting the earned benefits of America's retired railroaders. This amendment goes hand in hand with the Gorton amendment, which was adopted on the floor of the Senate a short time ago.

For the past 5 years now, we have, from time to time, attempted to stave off attacks on the railroad retirement system by this administration. I am sure my distinguished friend from Pennslyvania will recall our efforts in 1982 on behalf of more than 1 million railroad retirees and dependents.

In 1982, I offered an amendment to the budget resolution which essentially protected the retired railroaders from unwarranted benefit cuts by the administration. One of the principal provisions of my amendment protected the vested dual benefit account.

That amendment was agreed to by a very substantial bipartisan majority of 57 to 41.

The Senate has already spoken on this matter and we should not be here, in my judgment, addressing this matter again.

□ 1730

However, because of an apparent oversight in the Gramm-Rudman-Hollings legislation, once again we find it necessary to protect those retirees who were vested under both Social Security and railroad retirement prior to the merging of these systems in 1974.

Mr. President, this is a complicated retirement program and I would like my colleagues to indulge me for just a few moments because I believe it is important that we fully understand it. Railroad retirement benefits have two components that are paid to all retirees: tier I benefits, which are equivalent to Social Security; and tier II benefits, which are essentially a railroad industry pension. However, prior to the restructuring of the system in 1974, there were persons with extensive nonrail employment who qualified for higher benefits under Social Security and railroad retirement combined than did persons who worked exclusively in rail employment. This was recognized in 1975 and the vested dual benefit account was designed to accommodate this inequity.

Now, this dual benefit account is constantly shrinking due to the nature of the limited number of retirees and dependents who qualify for it. In 1983, full funding for the account was $430 million. Prior to the Gramm-Rudman-Hollings sequestration in March the account stood at $390 million. However, while most programs subject to sequestration absorbed a 4.3-percent cut in March, the dual benefit account, because of a glitch in the legislation, received a 7.7-percent cut. These retirees, of which there are 312,000 nationwide, and 6,500 in Tennessee alone, are the only group of retirees who have been asked to suffer a significant cut in real income. It must be remembered, this account does not receive a cost-of-living adjustment. These benefit cuts, therefore, represent a reduction in actual real disposable income.

It is this situation which we propose to correct today with our amendment. Our amendment ensures that there will be no further reductions in the vested dual benefit account. I urge my colleagues to support us in this effort to restore equity in the treatment of railroad retirees under the Gramm-Rudman-Hollings legislation.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment (No. 2262) was agreed to.

Mr. HEINZ. I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2265

(Purpose: To set the loan rate for 1986 and 1987 soybeans at $5.02 and direct the Secretary to implement either a marketing loan or a producer payment option program)

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself, Mr. PRYOR, Mr. FORD, Mr. DIXON, and Mr. HARKIN, proposes an amendment numbered 2263.

At the end of the pending committee amendment insert the following:

SOYBEAN PRICE SUPPORT

SEC. . The Senate finds that:

(a) Soybean production and processing are two of the fastest growing sectors in agriculture, with production having increased seven fold over the last thirty years;

(b) Soybeans rank number two in value in the U.S. for all crops grown, and nearly 50 percent of all soybeans grown in the U.S. are produced on farms harvesting 50 acres or less;

(c) One-fifth of all U.S. cropland is planted to soybeans, and soybeans account for over 30 percent of all land in production in Appalachia, over 40 percent in the southeast, and over 50 percent in the delta states;

(d) The U.S. is the leading exporter of soybeans, exporting over 40 percent of the soybean crop each year, and over 15 percent of the value of all U.S. agricultural exports is due to the sale of soybeans, oil, and meal;

(e) It is widely speculated that the Secretary of Agriculture will announce a new formula price support loan of $4.77 per bushel for soybeans in August 1986, and that required budget cuts could push actual loan prices lower for 1987 soybeans;

(f) Trading of soybeans is currently hovering near the $5.02 loan rate, USDA soybean acreage figures for 1986 were higher than predicted by trade analysts thus putting further pressure on prices, and export sales are slow with foreign buyers anticipating lower soybean prices with the expected lowering of the loan rate;

(g) U.S. soybean stocks are likely to remain near the 1985-1986 record level of 14 million metric tons (515 million bushels) and world soybean stocks are forecast to reach a record 23 million metric tons, and the anticipation of continued large supplies led the Secretary to announce a 12 month extension of 1985 price support loans in order to encourage continued on-farm storage, thereby relieving pressure on commercial storage;

(h) Although world soybean exports are forecast to show a slight gain, U.S. soybean exports are forecast to remain near current levels during 1986-1987, and Brazil and Paraguay are expected to capture the small amount of projected gain;

(i) Although drought conditions affect areas of the south, currently less than 5 percent of the U.S. soybean production lies within the drought area, and this has no significant impact on prices;

(j) Soybeans are an important crop grown on 550,000 farms in the U.S., and a drop in prices, whether brought on by higher than expected production, level exports sales, a decrease in the loan rate, or a combination of these, will have a serious negative impact on net farm income;

(k) In the Food Security Act of 1985, Public Law 99-198, under Section 801, the Secretary is directed to establish the price support rate for soybeans at $5.02 per bushel for 1986 and 1987, and the Secretary, at his discretion, may reduce the support rate no more than 5 percent per year nor below $4.50 per bushel in an effort to maintain domestic and export sales;

(l) Under Section 801 the Secretary may authorize the use of a marketing loan to assist in the maintenance of the "competitive relationship of soybeans and domestic and export markets * * *"; and

(m) Under the authority of the Commodity Credit Corporation Charter Act, the Secretary has the authority to implement for soybeans a so-called producer option payment program, under which the government will pay (in cash or certificate) a producer not to put his soybeans into loan or will pay a producer who has a loan to opt out of the loan, and in either case the producer would sell his soybeans at the world price.

Therefore, It is the sense of the Senate, that:

(1) the Secretary of Agriculture shall institute a marketing loan program for soybeans as authorized in the 1985 Food Security Act, or a so-called producer option payment program; and

(2) the Secretary shall maintain the formula price support loan rate for soybeans at $5.02 per bushel.

Mr. BUMPERS. Mr. President, I can describe this amendment, which is a sense-of-the-Senate resolution, which ought to make it fairly palatable to the managers of this bill. It deals with the price of soybeans.

The Secretary has announced a program for 1986 for all other programs except soybeans. I am very apprehensive about what is going to happen to soybean farmers this year and next. I had a conversation with the Secretary this afternoon and discussed several options with him as to what he might be planning. I must say that I was rather pleased by the response, though he has not formulated his final ideas on it and will not, apparently, until later in August. He has all this month to decide what he wants to do with the soybean program.

Mr. President, this sense-of-the-Senate resolution is very simple and I shall describe it concisely and answer any questions anybody has.

No. 1, the soybean loan price this year for the 1985 crop was $5.02. Our amendment would leave the price of $5.02 for the 1986 crop year and the Secretary would have considerable discretion as to how to implement that.

I might say at this point that if there is a sequester this fall under Gramm-Rudman, whatever it might amount to, obviously, the $5.02 loan rate will be reduced by that amount, but I am hoping that there will not be a sequester.

At the $5.02 price, the farmer will have these options under my amendment. I might say if the Secretary chose to pick any one of these as the exclusive option for soybean prices, I think it would probably be satisfactory with me, but I think he might also find it to his advantage, to the farmer's advantage, and to the advantage of the world price of soybeans to combine the options.

The price would be maintained at $5.02 a bushel. The farmer, when he harvests his 1986 crop chooses, under by amendment. He can just go in and put his crop in at $5.02. But the Secretary would be directed under this amendment to establish a marketing loan agreement, which would simply work this way.

You go ahead and put your beans in loan at $5.02 and at any time during the 9-month period until maturity of the loan, the farmer could take his beans out of loan and redeem them and sell them on the world market at the world market price. He would then be paid by the Secretary the difference between that price and $5.02. But the benefit is that he would sell the beans—the Government would not store them. And the price would be competitive. This should increase our export potential rather dramatically without hurting the farmer financially. He is, in effect, being allowed to redeem his loan at the world market price.

The third option is, and I think the Secretary is going to like this one, to encourage people not to put their beans in the loan. This is the one that the American Soybean Association, I think, really prefers. The farmer goes to the Commodity Credit Corporation and gets a certificate in value of $1 per bushel, either a generic certificate or one that is only redeemable in soybeans at the discretion of the Secretary. That is all he ever gets. If he sells the beans for $4.50 and redeems the certificate for $1, he winds up getting $5.50. If you sell your beans at $3.50 you wind up getting $4.50.

Mr. President, this program would also work to get people who now have beans in the loan program to take them out. That is about as concise as I can make it.

□ 1740

Mr. President, bear in mind that soybeans do not have a target price. There is no set aside. Any soybeans are not eligible for any kind of a deficiency payment. Finally, it is the only program the Secretary has not announced yet.

All we are trying to say is people are not going to rush to plant soybeans at $5.02 or if there were a Gramm-Rudman cut of 25 cents, they are not going to rush to plant beans for sure at $4.77.

All we are trying to do is to give the Secretary some guidance and let him know that the Senate is very apprehensive about the future of soybean farmers of this country. I am hoping that sometime this month—I understand it is going to be on August 29—the Secretary will make this decision, and I am hoping he will use this amendment as some guide in establishing the program. What we are saying here is first, leave the price at $5.02; second, establish a marketing loan arrangement; third, give people a certificate as an incentive to stay out of the loan program. The amendment directs the Secretary to do these things, but it does not actually change the law to require him to do so. Therefore, it has no budget impact. I am hoping the Secretary will use this amendment as a reason to implement this kind of program.

Mr. President, I hope the floor managers would see fit to accept this.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. BUMPERS. Will the Senator from Pennsylvania yield a moment? I

offer this amendment on behalf of myself, Mr. PRYOR, Mr. DIXON, Mr. FORD, and Mr. HARKIN.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I understand this is supposed to be a sense of the Senate resolution. I have a copy of the resolution, and it is a sense of the Senate resolution up to the point where it says that "Therefore, it is the sense of the Senate that."

And then it departs from the usual way we stipulate a sense-of-the-Senate resolution and goes on to say that "The Secretary of Agriculture shall institute a marketing loan program for soybeans."

It goes on to say that "The Secretary shall maintain the formula price support loan rate in soybeans at $5.02 per bushel."

Mr. President, I have been involved with the drafting, as most of us have, of sense-of-the-Senate resolutions, and we have some objection to that particular drafting in the Senator's amendment. The ones that I have seen—and I have seen a good number of sense-of-the-Senate resolutions—say it is the sense of the Senate that the Secretary of Agriculture should or the Secretary of the Treasury should. I ask the Senator from Arkansas if he would be willing to modify his amendment in order to obviate objections on this side of the aisle?

Mr. BUMPERS. Mr. President, I had assumed, as far as drafting was concerned, once you say it is the sense of the Senate, it is not binding; it is a sense of the Senate that the Secretary shall. But I agree with the Senator that "should" is a better word, and I, therefore, modify my amendment in the first line of item 1, where the word "shall" is stated, by changing it to "should" and in the second item, the Secretary "shall" be changed to "should."

The PRESIDING OFFICER. The Senator has a right to modify his amendment. The amendment is so modified.

The amendment, as modified, is as follows:

At the end of the pending committee amendment insert the following:

SOYBEAN PRICE SUPPORT

SEC. . The Senate finds that:

(a) Soybean production and processing are two of the fastest growing sectors in agriculture, with production having increased seven fold over the last thirty years;

(b) Soybeans rank number two in value in the U.S. for all crops grown, and nearly fifty percent of all soybeans grown in the U.S. are produced on farms harvesting 50 acres or less;

(c) One-fifth of all U.S. cropland is planted to soybeans, and soybeans account for over 30% of all land in production in Appalachia, over 40% in the southeast, and over 50% in the delta states;

(d) The U.S. is the leading exporter of soybeans, exporting over 40% of the soybean crop each year, and over 15% of the value of all U.S. agricultural exports is due to the sale of soybeans, oil, and meal;

(e) It is widely speculated that the Secretary of Agriculture will announce a new formula price support loan of $4.77 per bushel for soybeans in August 1986, and that required budget cuts could push actual loan prices lower for 1987 soybeans;

(f) Trading of soybeans is currently hovering near the $5.02 loan rate, USDA soybean acreage figures for 1986 were higher than predicted by trade analysts thus putting further pressure on prices, and export sales are slow with foreign buyers anticipating lower soybean prices with the expected lowering of the loan rate;

(g) U.S. soybean stocks are likely to remain near the 1985-1986 record level of 14 million metric tons (515 million bushels) and world soybean stocks are forecast to reach a record 23 million metric tons, and the anticipation of continued large supplies led the Secretary to announce a 12 month extension of 1985 price support loans in order to encourage continued on-farm storage, thereby relieving pressure on commercial storage;

"(h) Although world soybean exports are forecast to show a slight gain, U.S. soybean exports are forecast to remain near current levels during 1986-1987, and Brazil and Paraguay are expected to capture the small amount of projected gain;

"(i) Although drought conditions affect areas of the south, currently less than 5% of the U.S. soybean production lies within the drought area, and this has no significant impact on prices;

"(j) Soybeans are an important crop grown on 550,000 farms in the U.S., and a drop in prices, whether brought on by higher than expected production, level exports sales, a decrease in the loan rate, or a combination of these, will have a serious negative impact on net farm income;

"(k) In the Food Security Act of 1985, P.L. 99-198, under Section 801, the Secretary is directed to establish the price support rate for soybeans at $5.02 per bushel for 1986 and 1987, and the Secretary, at his discretion, may reduce the support rate no more than 5% per year nor below $4.50 per bushel in an effort to maintain domestic and export sales;

"(l) Under Section 801 the Secretary may authorize the use of a marketing loan to assist in the maintenance of the "competitive relationship of soybeans and domestic and export markets . . ."

"(m) under the authority of the Commodity Credit Corporation Charter Act, the Secretary has the authority to implement for soybeans a so-called producer option payment program, under which the government will pay (in cash or certificate) a producer not to put his soybeans into loan or will pay a producer who has a loan to opt out of the loan; and in either case the producer would sell his soybeans at the world price.

Therefore, It is the sense of the Senate, that:

(1) the Secretary of Agriculture should institute a marketing loan program for soybeans as authorized in the 1985 Food Security Act, or a so-called producer option payment program; and

(2) the Secretary should maintain the formula price support loan rate for soybeans at $5.02 per bushel.

Mr. HEINZ. Mr. President, I thank the Senator. Just to clarify for the record what the Senator has done, it is my understanding that the resolving paragraph of the amendment now reads, "Therefore, it is the sense of the Senate that the Secretary of Agriculture should institute a marketing loan program," and so forth, and in paragraph 2, "The Secretary should maintain the formula price support loan rate for soybeans at $5.02 per bushel"?

Mr. BUMPERS. The Senator is correct.

Mr. HEINZ. Mr. President, there will be no objection to the amendment on this side.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. PRYOR. Mr. President, there is no objection to the amendment on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2265) was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RELEASE OF FATHER LAWRENCE MARTIN JENCO

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, I have at the desk a resolution that has been cleared on both sides. There is no objection to it. It simply is a resolution by my distinguished colleague, Mr. SIMON, and myself, expressing the delight of the Senate that Rev. Lawrence Martin Jenco has been released; he is back on American soil, and expressing the support of the Senate for the release of Terry Anderson, David Jacobsen, Thomas Sutherland, and William Buckley as soon as possible, and otherwise expressing the resolve of the Senate to work for their release. It has been cleared on both sides, Mr. President. I ask that all Members of the Senate be joined as cosponsors if they are inclined and would appreciate, Mr. President, immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

Mr. HEINZ. Mr. President, reserving the right to object, and I shall not object, I commend the Senator from Illinois for his efforts in this regard, and I certainly think that all Senators do indeed welcome the Reverend Jenco.

Mr. DIXON. I thank my friend from Pennsylvania.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report the resolution.

The bill clerk read as follows:

A resolution (S. Res. 457) to commemorate the return of Reverend Lawrence Martin Jenco to freedom from captivity in Lebanon.

The Senate proceeded to consider the resolution.

Mr. DIXON. Mr. President, it is a happy task to offer a resolution on behalf of myself and Senator SIMON, welcoming Father Lawrence Martin Jenco home.

Earlier this afternoon, I had the honor of greeting him and his family when he stepped foot on American soil for the first time in over 18 months.

It was a deeply moving experience, one I shall not soon forget.

However, in our joy of the return of this kind and gentle man, who has been held hostage by the Islamic Jihad in Lebanon, we cannot forget those who are still suffering at the hands of these terrorists. The families and friends of Terry Anderson, David Jacobsen, Thomas Sutherland, and William Buckley remain without their loved ones. Those hostages, who have been released, have all remained committed to the release of all those who were held with them.

If we had given up after the release of Rev. Benjamin Weir, we would not have welcomed Father Martin home today. And so we must redouble our efforts to see that all of our people are returned to safety very soon.

Much, much more can be accomplished through humanity than hatred. Communication must continue at all levels. The families of the hostages have continued to speak to anyone who would listen, urging the release of their loved ones. It is my belief that these personal, human pleas have been most effective, and it is my sincere hope that the captors will find it in their hearts to release the remaining Americans. They must be convinced that their hostility for our Government should not be directed against innocent people.

Welcome home, Father Martin. We all wish you many years in which to continue your important work and enjoy your beautiful family. They have been magnificent in their steadfast faith that you would return home. You are all an inspiration to me and the entire Nation.

Mr. SIMON. Mr. President, I rise today to join my friend and colleague from Illinois in the submission of this resolution.

It is a great pleasure and honor to welcome Father Jenco home. For his wonderful family it is indeed a dream come true. Let us continue our efforts to make this dream a reality for the families of the remaining hostages in Lebanon.

The PRESIDING OFFICER. Is there further debate on the resolution?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from New Mexico.

Mr. DOMENICI. Will the Senator from Illinois put the Senator from New Mexico on as an original cosponsor? The Reverend Jenco was in my State 2 years, recently as pastor in a church in a small town right next to my hometown of Albuquerque.

Mr. DIXON. May I say I am delighted and honored to have the senior Senator from New Mexico as a sponsor. I do not know whether it is proper, Mr. President, to say but if all Members of the Senate would like to be cosponsors, I know my colleague and I would warmly welcome everyone. This is certainly a resolution everyone can support. It simply expresses our joy that Father Jenco is home and expresses our hope that we could work to obtain the release of the other hostages.

The PRESIDING OFFICER. Is there further debate? If not, the question occurs on the resolution.

The resolution was agreed to. The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 457

Whereas, the release of the Reverend Lawrence Martin Jenco from captivity by his terrorist kidnappers is a matter of international celebration;

Whereas, Terry Anderson, David Jacobson, Thomas Sutherland, and William Buckley are still being held captive in Lebanon by the Islamic Jihad;

Whereas, the Islamic Jihad, in releasing Father Lawrence Martin Jenco, stated that this was their last humanitarian gesture;

Whereas, the families of those who remain captive cannot fully share the joy of the Jenco family so long as their loved ones remain hostage;

Whereas much more can be accomplished with humanity than hatred;

Resolved, that the nation welcomes Reverend Lawrence Martin Jenco home;

Be if further resolved, that we cannot forget those who do not yet enjoy the freedom being celebrated by Father Jenco;

Be it further resolved, that we must continue all efforts to gain the release of the other hostages;

Be it further resolved, that the nation recognizes the efforts of all who worked so diligently for his release and that of his fellow hostages.

INCREASE IN THE STATUTORY LIMIT ON THE PUBLIC DEBT

The Senate continued with the consideration of the resolution.

Mr. DOMENICI. Mr. President, I am going to take a few minutes just to talk about a couple of things, and if there are further amendments, if somebody is in a hurry, if they will just remind me, I will even take less time.

It has been implied on the floor by at least the junior Senator from Iowa that I have some sole and singular responsibility as the Senator from New Mexico because I occupy the position as chairman of the Budget Committee to raise points of order with reference to matters that are brought before the Senate which may or may not affect the budget of the United States.

Now, I did not think I had any special privileges around here, and I did not think I had very many singular responsibilities, some but not very many, so I went back again before I addressed the Senate for a few minutes and looked at the Budget Act. I think the Senate understands this. I hope my friend, the junior Senator from Iowa, does.

I do not find any mention in the Budget Act that points of order are exclusively within the domain of the chairman of the Budget Committee. As a matter of fact, it does not even mention him or her. It merely says, "A point of order shall lie." And as I read the law, that means there are 100 Senators, Democrats and Republicans, men and women. Any one of them have the privilege and the right to raise a point of order about the Budget Act and any violation of it. As a matter of fact, if they want to do it, there is nothing the chairman of the Budget Committee can do about it. I do not exercise my judgment or discretion about anyone raising a point of order on the budget. I hope there are no Senators who would raise that about the Senator from New Mexico.

□ 1750

If anyone is wondering why I approach the Budget Act in a nonpartisan way, all they have to do is look at my record for the last 4 or 5 years. I have had my share of battles with the President of the United States—and he is a Republican—since I have been chairman. I have raised points of order against Republican Senators, against Democratic Senators. Whenever it seems, in my judgment, that I should do it because it is meaningful with reference to what we are trying to do around here, I do it.

Last night, it happened that I thought perhaps $1.5 billion was very meaningful. Since we never had this case before, a 302(c) situation, under the Budget Act—very technical, very difficult—and since the kind of expenditures were very different, because they were entitlements or direct expenditures, I thought I should call it to the attention of the Senate.

So I say to the Senate—in particular, my friend the distinguished Senator from Iowa—that I appreciate the advice he has given me over here—if not directly, by implication—as to when I should and should not raise a point of order. I appreciate it greatly, although I do not think it will have a great deal of impact, because I have

been doing this for a long time. I do not think I need any advice at this point, but I thank him for it.

I also encourage any Senator who worries about a point of order to do what I did and look at the act. It is not the responsibility of the chairman or the ranking minority member, or exclusively their right. Any Senator worried about the budget of the United States and the budget process and bills coming before us that are outside the prerogatives and need a waiver—it is their prerogative to raise the point of order, if they so choose.

I hope they give me the same kind of prerogative to raise it when I choose. I hope there is no implication that I choose that as a partisan basis, because I do not. I have absolutely no regard for that. If it is meaningful, in my judgment, and it should be done, I do it.

Having said that, Mr. President, while I am on my feet, I just want to suggest that I think that during the next 4 or 5 years, we are about to create a new kind of currency in the United States, and it does bother me. I hope the Senate will look at it, not with reference to what we have done but what we might be about to do over the next 4 or 5 years.

Mr. President, we have a lot of grain in storage in the United States that we paid for. Some of it we are paying for with tax dollars. It has a value. When we want to help people, we do not want to tell the American taxpayers: "We want you to pay taxes to help with some program," especially if it breaks the budget. What we are doing is saying why do we not give that person, who is entitled to something—or we are about to say they are—why do we not give them some ownership right in that grain? Why do we not say, "Go sell that ownership right?" And what are they selling it for? Money. The person to whom we gave the certificate gets money for it, and somebody else now own some grain.

We have so many billions of dollars worth of it that if we continue as we are—as we did with the last disaster relief program, as we did with the payment-in-kind program—we think we are going to perform some great subterfuge on the American people, that we can really give money away and it will not cost anyone anything. I submit that it is costing somebody something.

First of all, those who get those certificates and pay money for them probably are going to buy some grain that they otherwise would have bought. So, in a sense, it is no help at all with reference to the surplus, No. 1.

No. 2, if we decide that this is our newest way to pay money to people and assume it is not costing anything, if we indeed continue on that line, then we are going to have people dealing with those certificates almost as some kind of new commodity, and there will begin to be discounts on them. Then what is going to happen? The price of the commodity will drop—and that will really help the farmer. That is what we are trying to prevent from happening. Then the price in the field is going to drop.

So I took the floor to say that I hope that every time we find a problem in farm country, we do not decide that we have a new kind of currency, that we ought to pay somebody in kind by giving them an ownership right in this surplus grain, which they can sell for dollars, without giving some thought to it.

If we would like to take grain and give it to a foreign country as a poverty program, to help them, they are not there as consumers. So presumably they are going to use the grain, and there is a new market and not a drag on the market.

I have one last observation. I think the debt limit bill is getting close to seeing its day. I think it is time we give serious thought to amending the budget law substantively, to put in effect something like the Gephardt rule, which is now part of the U.S. House of Representatives. They do not vote on a debt limit unless we send them a debt limit; and if they have to, they figure out some way not to do it. I used to think it was a giant avoidance on their part.

We have Gramm-Rudman-Hollings and the Budget Act, and we vote for a budget resolution and for appropriations, and every one of them has to have at least a majority of Senators present and voting. We made the decision to spend the money, and then we come along each year, two or three times, and say we have done that, but we do not want to pay for it. Those who do not want to vote to extend the debt say, "We don't want to let our Government borrow, but we already told them they will have to borrow." So we bring this bill up every year, sometimes two or three times a year, to extend the debt which we already created, and then we come here for 1 or 2 weeks with all kinds of amendments; because it is one of those "must" bills which the President of the United States must sign. And if he does not, we run out of money.

So we think we are saying to him: "It is your fault if we run out of money, so sign this bill with anything in it. Send your new farm bill on it, and you had better sign it, or you will be responsible when we can't pay our bills."

Frankly, I hope he vetoes a couple of them. I hope he sends it back if we send all this stuff to him. We just add and add. I think one time we put a foreign aid bill on it because we could not pass an authorization bill for 5 years. We said one time we will put it on and sent it to the President and let him be responsible for the country going broke. It was a foreign aid bill he did not want.

So I say to the Senate that I do not know when, but I think the time has come that we do not have this situation two or three times a year. From my standpoint, in my own right, I am seriously considering how to get rid of it. We may have a 6-week debate when that occurs; but, sooner or later, we will do that, I hope.

Then we will take all those other votes as a sense of our final judgment, and we are not going to try to fool the American people by voting against a debt limit extension when we voted for everything else around here that caused it.

Having said that, Mr. President, I hope we will finish this and make the necessary amendments to the Gramm-Rudman-Hollings effort and get on with getting ourselves out of a sequester possibility.

While we are running into the last hours before we get on with a few efforts to reduce the deficit, let me make a couple of comments on sequester. I think my friends in the Senate might wonder about it.

I am now prepared to say that even if we pass a reconciliation bill at $9.2 billion outlay revenue reduction and it goes to conference and the President signs it, I believe there still will be a sequester, but it will not be very big.

□ 1800

But nonetheless, I believe there will be one.

Let me put it another way. At least the preliminary sequester order will be entered. I think we have an outside chance if we are careful of it being of the dimension and size that we can take care of in between the August 15 date and the October 5 date with some kind of congressional action; at least I hope so.

If the appropriations bills do not exceed the budget resolution by very much in their cumulative effect and they want to get passed in between there and they will keep them under control, I think we might have, let us put it, a probability of avoiding a sequester before we leave on October 5 or thereabouts when we intend to take our recess.

Mr. President, I thank the Senate for their indulgence, and I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

AMENDMENT NO. 2266

(Purpose: To amend the Small Business Act to increase the authorized level of surety bond guarantees)

Mr. ABDNOR. Mr. President, I send an amendment, sponsored by myself, Senator SIMPSON, Senator DANFORTH, Senator ANDREWS, Senator DUREN-

BERGER, Senator KASTEN, Senator PRESSLER, and Senator BOSCHWITZ, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from South Dakota [Mr. ABDNOR], for himself, Mr. SIMPSON, Mr. DANFORTH, Mr. ANDREWS, Mr. DURENBERGER, Mr. KASTEN, Mr. PRESSLER, and Mr. BOSCHWITZ proposes an amendment numbered 2266.

Mr. ABDNOR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

Mr. BYRD. Mr. President, I object. At least let us hear a little bit about the amendment.

The PRESIDING OFFICER. Objection is heard.

The clerk will report the amendment.

The bill clerk read as follows:

At the appropriate place, insert the following:

SEC. . Section 20(u)(4) of the Small Business Act is amended by striking out "$1,050,000,000" and inserting in lieu thereof "$1,200,000,000".

Mr. ABDNOR. Mr. President, I will be brief. This amendment addresses a crisis which has arisen in my State of South Dakota and which will soon be a problem for many Members of this body. The problem has to do with the SBA Surety Bond Guarantee Program. SBA has already run up against its statutory limit on guarantee authority.

Mr. President, through its Surety Bond Guarantee Program, the SBA assists qualified small business contractors by extending a guarantee to a surety of up to 90 percent against loss in order to make bonding more easily obtainable. Bid bonds, as well as payment and performance bonds, may be guaranteed on contracts of up to $1 million.

Since its inception in 1971, this program has guaranteed over 166,000 surety bonds, permitting the award of over $12 billion in contracts to small businesses. Prior to its enactment small and minority small business contractors, with limited track records and resources, found it difficult, if not impossible, to bid on construction contracts requiring surety bonds. With the assistance of the SBA Surety Bond Program, small businesses are now able to obtain the surety bonding required to bid on almost all federally funded and private construction contracts.

A crisis has arisen for many small contractors who are bidding on projects. With SBA's guarantee authority near expiration, these contractors will not be able to secure a bond and hence will be precluded from participating in the bidding on projects for which they are qualified.

The amendment calls for a $150-million increase in guarantee authority for fiscal year 1986. SBA informs me that an increase of this amount will allow continuation of the program through the end of the fiscal year. I encourage my colleagues to address this problem before the guarantee authority is completely exhausted and many small businesses are left with no alternative but to forego viable business opportunities.

This increase in guarantee authority is within the constraints imposed by Gramm-Rudman-Hollings. As a matter of fact, CBO estimates that this amendment will actually result in a reduction in outlays of $500,000 in fiscal year 1986, due to the increase in fees from this program.

Mr. President, this amendment has been cleared by the Budget Committee, the Small Business Committee Chairman, Senator WEICKER, the Subcommittee on Appropriations for Commerce, State, and Justice. It has been cleared by Mr. RUDMAN.

I have talked to both sides of the aisle, the leadership, and they have all agreed to it.

I urge its passage.

The PRESIDING OFFICER. Is there further debate on the amendment?

Does the Senator from Pennsylvania seek recognition?

Mr. HEINZ. Mr. President, there is no objection to the amendment on this side.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2266) was agreed to.

Mr. ABDNOR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2267

(Purpose: To provide for adequate financing of the costs incurred by the Fiscal Service of the Department of the Treasury in providing services relating to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, and to exempt administrative expenses for the program of old-age, survivors, and disability insurance benefits established under title II of the Social Security Act from sequestration and reduction under the Balanced Budget and Emergency Deficit Control Act of 1986)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself, Mr. SARBANES, and Mr. BYRD, proposes an amendment numbered 2267.

Mr. BUMPERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the Committee amendment, add the following new section:

SEC. . TIMELY ISSUANCE OF OASDI BENEFIT CHECKS; ADMINISTRATIVE EXPENSES OF OASDI TRUST FUNDS.

(a) EXEMPT PROGRAMS AND ACTIVITIES.—Section 255(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)) is amended by inserting after the item relating to Exchange stabilization fund the following new items:

"Federal Disability Insurance Trust Fund (20-8007-0-7-650);

"Federal Old-Age and Survivors Insurance Trust Fund (20-8006-0-7-650);".

(b) PAYMENTS FROM OASDI TRUST FUNDS TO FISCAL SERVICE OF THE TREASURY.—Section 201(g) of the Social Security Act (42 U.S.C. 401(g)) is amended—

(1) by striking "(ii)" in paragraph (1)(A)(ii) and inserting in lieu thereof "(ii) the sum derived by adding (I) the amounts required to be expended from the Trust Funds for such three-month period pursuant to paragraph (5), and (II)", and

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

"(5) Notwithstanding any other provision of law, the Managing Trustee is directed to pay from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund to the Department of the Treasury, for allocation to the Fiscal Service of such Department, the amounts estimated by the Managing Trustee which will be expended by the Fiscal Service during the three-month period referred to in paragraph (1)(A)(i) in connection with the administration of programs established under this title that relate to such Trust Funds. Payments made pursuant to this paragraph shall be finally accounted for in coordination with the final accounting provided for in paragraph (1)(A) and shall be subject to annual audit. Proper adjustments shall be made pursuant to this paragraph to the extent prior payments under this paragraph were greater than or less than actual expenditures by the Fiscal Service in connection with the administration of this title.".

(c) EFFECTIVE DATES.—

(1) The amendments made by subsection (a) shall apply to fiscal years beginning after September 30, 1986.

(2) The amendments made by subsection (b) shall apply to three-month periods beginning after September 30, 1986.

Mr. BUMPERS. Mr. President, this is a very simple amendment and I will make my statement in about 2 minutes.

It simply says that administrative expenses of the Social Security Administration will be exempt from automatic cuts under the Gramm-Rudman amendment.

Last year the GAO did a survey and found that half of the people who called Social Security offices had to call three and four times before they could get anybody on the other end to help them.

That same survey showed that one-fourth of all the people who went to Social Security offices had to wait for more than a half-hour to be served.

In spite of all these deplorable service circumstances, last year there was an effort to start a process that could have led to the closing of hundreds of Social Security offices across the country and it was only an angry response from Congress that stopped it.

There was a proposal to cut 17,000 persons from the Social Security Administration over a 5-year period. That would have amounted to a 20-percent cut in personnel, and it is impossible to imagine how the Social Security Administration could even begin to maintain the services that the elderly are entitled to with that kind of a cut.

Last year Congress told the administration that it expected them to restore 1,000 positions in the Social Security Administration for 1986, and that has not been done.

Mr. President, I have a deep and abiding interest in this for two reasons: No. 1, last year there was a proposal to shut a number of Social Security offices in my State. Second, if you have ever stood around a Social Security office you have watched people come in for service and have to sit for much too long, and it is not the fault of the personnel in the Social Security office—it is because we simply do not have enough personnel to serve the requirements of the elderly. The number of people on Social Security is going up dramatically every year.

It just seems to me that it would really be a breach of faith not to exclude the administrative costs of operating the Social Security System, personnel, and so on. There are roughly 75,000 people in the Social Security Administration serving 35 million people.

This amendment simply says, and I might say to the Senator from New Mexico it is impossible to say precisely what the budget impact of that would be, but I do not think it would be terribly great. But at the same time I can tell you the burden on the elderly would be extensive and considerable unless we do this.

Mr. HEINZ. Mr. President, I want to be clear on what this amendment does.

As I understand it, what the Senator from Arkansas would do is to exempt the operation of all of the nontrust funded administrative practices and services provided by the Social Security Administration from any Gramm-Rudman sequester or operation; is that correct?

Mr. BUMPERS. The Senator is correct.

Mr. HEINZ. Mr. President, I was afraid that that is what the Senator from Arkansas had proposed, because to my mind it would set a very dangerous precedent for us to start exempting every bureaucrat who works with or administers the trust fund.

We are talking about not just the Social Security trust fund here or the Medicare trust fund, but we are talking about the airport trust fund. We are talking about the highway trust fund. We are talking about, I suppose, the waterway trust fund in which user fees are deposited. We can think of probably a half dozen or a dozen trust funds.

By the way, if in fact we establish the precedent of protecting from the Gramm-Rudman sequester those civil servants who administer services connected with a trust fund, we are beginning to find a lot of other agencies suddenly developing a trust fund.

Senator PACKWOOD proposed trust funding the Internal Revenue Service, very much for the reasons that are suggested here.

Some people have proposed trust funding the Customs Service. Then all the Customs people will get special protection at some point.

I suppose someone will come along and trust fund Congress and the next thing you know we will not be able to be subject to Gramm-Rudman.

□ 1810

Well, Mr. President, that principle, it seems to me, is just a bad principle. If we are serious about cutting the Federal budget, we should not start exempting one group of civil servants or one group of bureaucrats just because of some of the functions they perform in connection with the administration of a program that happens to have a trust fund.

So I move to table the Bumpers 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.

Mr. BUMPERS. Would the Senator withhold?

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. There is a motion to table that is pending and it is not debatable, the Senator is advised.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senator may have 2 or 3 minutes.

The PRESIDING OFFICER. Is there objection to the request?

Mr. BYRD. He asked the distinguished manager of the bill to withhold the motion.

Mr. HEINZ. Reserving the right to object, I think if the Senator from Arkansas is to be yielded 2 or 3 minutes, there should be at least equal time on this side.

Mr. BYRD. Yes, I make that request.

The PRESIDING OFFICER. Is there objection to that request?

Mr. BUMPERS. Reserving the right to object, and I shall not.

Mr. HEINZ. Mr. President, I am not clear on the request.

The PRESIDING OFFICER. A request has been made that there be 2 minutes to be granted to the Senator from Arkansas and 2 minutes to be granted to the other side.

Is there objection? Without objection, it is so ordered.

The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, a number of people wanted to speak on this, but I recognize the time constraints here and everybody is wanting to get going.

I want to make this point. There are now 36 million people on Social Security in this country and the number is going up dramatically each year.

Now, I want somebody to explain to me why this is a bad amendment when, obviously, the GAO says Social Security cannot even begin to meet the demand now. And if you are adding a million people a year to the system, what do you think the next GAO report is going to show?

I can tell you that people are going great distances in my State right now—we are a rural State—just to apply for Social Security, sitting there anywhere from 15 minutes to 2 hours to file their application. And I can tell you that if this amendment is defeated, they will be sitting there for 3 or 4 hours and going even greater distances. Because every Senator here ought to realize that there are 5,000 Social Security offices in this country serving these people. In many instances, the service is not enough. But I can tell you one thing: There will be a lot less if this amendment is not adopted, and you can explain to the elderly why they cannot get through on the telephone, why they have to sit there for 1 or 2 hours just to file their applications for Social Security. Five years from now, there will be 5 million more recipients. Are you going to have the same inadequate work force you have now, serving 41 million people?

Mr. President, this is worthy of consideration here and I strongly urge the adoption of it.

Mr. DOMENICI. Mr. President, I might say to my friend, we would be glad to have hearings on this if he would like to bring it before the committee.

Let me make three points. This very issue was raised in the conference on Gramm-Rudman-Hollings between Senators and Members of the House. It was clearly understood that, so long as we were talking about the administrative costs, which are now $3.5 billion, which are appropriated every year, just like hundreds of other accounts, that it ought to be treated like all other accounts.

I guarantee you that there were horror stories about how we were unable to handle people on the telephone under Social Security before Gramm-Rudman-Hollings was invent-

ed, and there will be trouble with it even after it has left the scene.

It is a $3.5 billion appropriated account, just like the other appropriated accounts of our Government, and this will stay. If this amendment is adopted, it is taken out of the sequester pressure and we do not have anybody there putting any pressure on us to get our budget under control, because here is another big account that is never going to be touched.

We want to pay Social Security. We have exempted it. Why are we going to exempt an administrative process in the administration of hundreds of thousands of people? They ought to be able to find the 4-percent savings if there is a sequester, just like the Highway Administration, just like all the other parts of our Government that are having trouble in tough fiscal times. If this was something that we had dreamt up and sort of hoodwinked the House into agreeing to, perhaps we ought to reconsider it. But they know it is in here in conference. They understand it and they agreed to it. It should not have special treatment. We are not trying to give it any different treatment than any other account of Government. They can streamline like everyone else.

If I have any further time, I yield it to the Senator from Texas.

The PRESIDING OFFICER. The 2 minutes have expired.

Mr. BUMPERS. Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The Senator has 30 seconds remaining.

Mr. BUMPERS. Mr. President, I want to make this point. There has been much made about trust funds, that if we are going to exempt the Social Security trust fund, how about the highway trust fund and how about the airport trust fund?

I want to say to my colleagues that anyone who does not know the difference between the Social Security trust fund and the highway trust fund or the airport trust fund or any other trust fund is in big trouble.

I yield back the balance of my time.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Pennsylvania [Mr. HEINZ] to table the amendment of the Senator from Arkansas [Mr. BUMPERS]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BRADLEY (after having voted in the negative). Mr. President, on this vote I have a live pair with the senior Senator from California [Mr. CRANSTON]. On this vote I voted "yea." If he were present and voting, Senator CRANSTON would vote "nay." Therefore, I withdraw my vote.

Mr. ARMSTRONG. I announce that the Senator from Maine [Mr. COHEN], the Senator from New York [Mr. D'AMATO], the Senator from Missouri [Mr. DANFORTH], the Senator from Washington [Mr. EVANS], the Senator from Utah [Mr. GARN], the Senator from Florida [Mrs. HAWKINS], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Idaho [Mr. MCCLURE], the Senator from Oregon [Mr. PACKWOOD], the Senator from Delaware [Mr. ROTH], the Senator from Wyoming [Mr. SIMPSON], the Senator from Idaho [Mr. SYMMS], the Senator from Virginia [Mr. TRIBLE], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

Mr. BYRD. I announce that the Senator from California [Mr. CRANSTON], the Senator from Colorado [Mr. HART], the Senator from New York [Mr. MOYNIHAN], and the Senator from Rhode Island [Mr. PELL] are necessarily absent.

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

The result was announced—yeas 45, nays 36, as follows:

[Rollcall Vote No. 175 Leg.]

YEAS—45

Abdnor	Gorton	McConnell
Armstrong	Gramm	Melcher
Bentsen	Grassley	Murkowski
Bingaman	Hatch	Nickles
Boren	Hatfield	Nunn
Boschwitz	Hecht	Pressler
Broyhill	Heinz	Proxmire
Chafee	Helms	Quayle
Cochran	Hollings	Rudman
Dixon	Kassebaum	Stafford
Dole	Kasten	Stennis
Domenici	Laxalt	Stevens
Durenberger	Long	Thurmond
Exon	Lugar	Wallop
Goldwater	Mattingly	Warner

NAYS—36

Andrews	Glenn	Matsunaga
Baucus	Gore	Metzenbaum
Biden	Harkin	Mitchell
Bumpers	Heflin	Pryor
Burdick	Inouye	Riegle
Byrd	Johnston	Rockefeller
Chiles	Kennedy	Sarbanes
DeConcini	Kerry	Sasser
Denton	Lautenberg	Simon
Dodd	Leahy	Specter
Eagleton	Levin	Wilson
Ford	Mathias	Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Bradley, for.

NOT VOTING—18

Cohen	Hart	Pell
Cranston	Hawkins	Roth
D'Amato	Humphrey	Simpson
Danforth	McClure	Symms
Evans	Moynihan	Trible
Garn	Packwood	Weicker

So the motion to lay on the table amendment No. 2267 was agreed to.

□ 1830

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I just want to comment on this vote. I think it is an unfortunate vote, and I think it is an improper vote. We have tried over a period of time to keep Social Security out of the Federal budget. We have acted to do so so that we would not go in and try to chop up the Social Security system, which is financed by its own payroll taxes. The Social Security system is in good financial condition as we know it at the present time.

What is happening here is that the people who do not like Social Security, people who consistently voted against Social Security in terms of cuts in the minimum benefit, cuts in the early retirement benefit, cuts in the COLA adjustments, for the most part are the people here today who are voting to cut the ability of the agency to act administratively.

Mr. FORD. Mr. President, I make the point of order that the Senate is not in order.

The PRESIDING OFFICER. The point of order is well taken. The Senate is not in order. The Senate will come to order.

□ 1640

Mr. RIEGLE. Mr. President, I am distressed about the fact that a tabling motion was offered on this issue, which is a very important issue, without there having been a chance for any kind of meaningful debate on the issue. All the money that is used to run Social Security administratively comes out of the Social Security trust funds; it is money that is considered in terms of the payroll tax contribution and is there for a purpose. Those who run Social Security have to decide what the administrative needs are. All the evidence we have shows that Social Security is not overstaffed. In fact, more and more people are coming on the Social Security rolls. It is becoming more difficult to handle that administrative load.

When people are calling in to check their Social Security status, they are finding it is very difficult to get answers because the people are spread so thin within the agency now so that citizens who have to get answers are having difficulty doing so. Sometimes they have to go back several times to try to get an answer or to wait for long periods of time.

Social Security offices across the country have either been shut down or are threatened by shutdown because there is not enough staff to manage them.

If you look at this vote total we have just had, most of the people—not all but most of the people—that are on that tabling motion today are people who have consistently voted to cut

Social Security in a multitude of different ways over a period of time. So I do not think anybody ought to be misled about what is going on here. People are trying to reach over into the Social Security system to produce an artificial saving so they can somehow say that is in effect reducing the spending of Government in other general areas of Government, separate and apart from Social Security. That is what is going on here. We have seen this time and time again.

The effort to cut the minimum benefit, the effort to cut early retirement benefits, to cut the COLA benefit, the effort to squeeze other people out in terms of their Social Security, all have been made not to save Social Security but to create an artificial saving to keep from cutting other Government spending that is clearly out of control. That is what is going on here.

That is why the tabling motion was made, because the people on the other side of this issue are afraid to debate the issue before the vote. They want to vote first and not have any debate. Whoever voted to table this issue, is going to have this come back to haunt them and bite them in the future and it should. It is an attack on Social Security and an attack on Social Security recipients. That is exactly what it is.

If every agency in the Government were as competently run today as the Social Security Administration, we would save billions of dollars. If you want to look at administrative waste, go to the Defense Department. There is plenty of it there. Go to any other agency of Government. My experience has been the Social Security Administration is run quite efficiently. Its administrative cost levels are lower, by and large, than in other areas of the Government.

When I see people coming in here to arbitrarily cut the Social Security Administration, where everybody that belongs to Social Security needs a timely response and you need administrative capability in order to provide that, to come in here and target that agency with this kind of Gramm-Rudman cut, especially after we have had all the sophistry in the past about protecting Social Security from Gramm-Rudman and then to see them come back around and attack Social Security in this backdoor fashion, I think is wrong.

I think it is wrong and it ought to be unmasked. I hope we will have an opportunity in the future to vote on this issue again after we have had a lengthy debate. I want to see people cast those same votes when all the facts are out in the light of day.

I think many of the people who voted to table today, if they knew the public was going to understand the meaning of that vote, might think twice about it and vote the other way.

I yield the floor.

AMENDMENT NO. 2268

(Purpose: To change the basis for computation of emergency compensation whenever the Secretary of Agriculture adjusts the level of loans and purchases for the 1986 crop of wheat under the Agricultural Act of 1949.)

Mr. BOREN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. BOREN], for himself, and Mr. ANDREWS, Mr. NICKLES, Mr. MELCHER, and Mr. EXON, proposes an amendment numbered 2268.

Mr. BOREN. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the pending amendment, add the following new section:

SEC. . Section 107D(c)(1)(E)(ii) of the Agricultural Act of 1949 is amended by striking out "marketing year for such crop" and inserting in lieu thereof "the first five months of the marketing year for the 1986 crop and the marketing year for each of the 1987 through 1990 crops".

ADJUSTMENT OF BASIS OF DETERMINATION OF WHEAT DEFICIENCY PAYMENTS

Mr. BOREN. Mr. President, this amendment will modify the basis for determination of a portion of wheat deficiency payments for the 1986 wheat crop.

Let me make it perfectly clear at the outset, Mr. President, this amendment will not cost the taxpayers 1 cent. According to CBO estimates received this afternoon, there is no cost associated with the amendment. Consequently, this amendment is not subject to a point of order.

The Food Security Act of 1985 included a provision which requires a portion of the deficiency payment to be determined on the basis of the reduced loan rate or the average price received by farmers during the marketing year. In the past, the entire deficiency was based on the loan rate or the average price during the first 5 months of the marketing year. Under previous law, producers could get their entire deficiency payment 5 months after the beginning of the marketing year. For wheat, that meant producers received their deficiency payments in November. Under the farm bill enacted in December, producers can get a portion of their deficiency payment in November, but must wait until June or July of the next year to receive the balance.

The 1985 farm bill provides for two deficiency payments, in essence. The regular deficiency payment is based on the difference between the target price and the statutory loan rate or the average market price during the first 5 months of the marketing year, whichever is higher. The Secretary has the authority under the law to reduce the loan rate by up to 20 percent. If the Secretary uses this authority, which he has for the 1986 wheat crop, the producer is then entitled to another deficiency payment. This payment is based on the difference between the statutory loan rate and the new loan rate or the average market price during the entire marketing year.

The 1986 program for wheat provides for a target price of $4.38 per bushel. The statutory loan rate is $3, providing for a maximum deficiency payment of $1.38. The Secretary did use his authority to drop the loan rate to $2.40 thereby providing for a second deficiency payment with a maximum rate of 60 cents. It is this deficiency payment which is determined by using the market price for the entire marketing year. As the law stands now, farmers must wait until June or July 1987 to receive this second payment on a crop that is harvested, in Oklahoma, in May 1986. For wheat, the marketing year ends in May the year after the crop is harvested. When this provision was included, obviously little thought was given as to the effect this would have on producers' income and their ability to pay their operating loans or their ability to cash-flow.

American farmers are having a very difficult time generating enough cash to meet their current expenses right now. If they cannot get all of their deficiency payment until the summer of 1987, many will be unable to raise enough cash to put in the 1987 crop due to the fact that they will not be able to produce a financial statement which cash-flows this year. Farmers need to receive their payments in a prompt manner; they cannot afford to wait an entire year to be paid for their crop. Creditors will be hesitant to provide a farmer money for the 1987 crop if the farmer cannot pay off his loan for the 1986 crop.

Mr. President, this problem is very serious. There could be many producers forced out of business simply because of the provision contained in the 1985 act.

It is true, we adopted the same provision in the farm bill for corn. However, corn producers are not faced with the problem encountered by wheat producers. A corn farmer's balance sheet and his ability to cash-flow will not be changed if he receives the balance of his deficiency payments 12 months after the marketing year begins or 5 months after. This is because the marketing year for corn begins on September 1 and ends on August 31. If the payment is based on the first 5 months of the marketing year, they get their payment in February. If the payment is based on the

full 12 months of the marketing year, they get the payment 7 months later, in October of the same year. The corn farmer's cash-flow statement remains the same for that calendar year.

Wheat producers, on the other hand, are affected because the wheat marketing year begins on June 1 and ends on May 31. This means that if the payment is based on a 5-month average, the producer gets the money in November of this year. If the payment is based on a 12-month average, on the other hand, the producer will not get the payment until July of the next year. This creates a shortfall for the current year. For wheat producers, unlike corn producers, there is a cash-flow problem.

The amendment we are considering today will correct this problem by requiring that all deficiency payments be determined on the basis of the average market price received during the first 5 months of the marketing year instead of the entire marketing year. This modification would only affect the 1986 wheat crop. The amendment does not modify the farm bill with respect to future crops.

As I stated earlier, this amendment will not cost the Federal Government 1 cent. Without its adoption, on the other hand, it will place a tremendous burden on the wheat farmers of our Nation.

I urge my colleagues to support this amendment.

Let me make it perfectly clear once again, Mr. President, that this amendment will not cost the taxpayers. According to a CBO estimate received this afternoon, there is absolutely no cost at all associated with this amendment. Consequently, the amendment is not subject to a point of order.

Let me explain very briefly. Under the provisions of the farm bill we passed, there are two deficiency payments. One is on the basis of the normal statutory loan rate and the target price. The other is under the authority of the Secretary of Agriculture to reduce the loan rate from $3 down to $2.40. That additional 80 cent deficiency payment, according to the way the farm bill was drafted, would not be paid until after the end of the marketing year and would be based upon a 12-month average price. In the past, we have always based a deficiency payment on the average of the first 5 months' prices. That would mean, ironically, that while the farmers are being pressed so hard right now in terms of their cash-flow, the second deficiency payment would not be paid until after that entire marketing year. This would create cash-flow problems.

Mr. President, by shifting this for 1 year only, given the fact that the market price is now below the loan rate for both the $3 and the $2.40, there is no cost at all associated in allowing the farmers to have the usual 5 months' average and be able to be paid within the same calendar year that they have harvested the crops. It is very important because when they go to the bank, they need to be able to show that cash-flow to get their loans to plant the crop for next year.

Mr. President, I shall defer further explanation in light of the time constraints on my colleagues. I believe it is understood by those on both sides of the aisle and it is my hope that the amendment might be accepted.

Mr. NICKLES. Mr. President, I congratulate and compliment the senior Senator from Oklahoma, my friend and colleague [Mr. BOREN]. I am a cosponsor of this amendment and a sponsor of the earlier legislation that did the same thing.

Basically, by moving this up from July to November or December, this would allow farmers to receive deficiency payments in the same time period they have received them for the last several years. With wheat prices being as low as they are, it would make sense. To say they are having cash-flow problems would be an understatement.

I hope my colleagues can agree to it. I hope we can do it by voice vote. It is a positive amendment, a good amendment for wheat farmers. It will not have any impact on the budget.

Basically, we are talking about moving it up in the fiscal year, but allowing the wheat farmer to have the payments in the same calendar year. That is the way they have had it in the past, that is the way it will be this year if the amendment is agreed to. I hope it will be agreed to.

Mr. FORD. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. BOREN. I shall be happy to yield.

Mr. FORD. Does the Senator's amendment just apply to wheat?

Mr. BOREN. Yes, Mr. President, and for this year. We are in a difficult situation and we want to move the payment date this year for wheat only because of the price situation, according to the CBO estimates, without having any budgetary impact at all. So for wheat farmers, when they have harvested that wheat, let us say in May or June of this year, instead of having to wait until July of the following year to get their payment, they would get their payment in November.

Mr. FORD. I understand that part of it. I just want to know if anybody else is taken care of. It appears we are reaching all the way back to 1982, or trying to, to pay for flood and other disasters, droughts, and I think before this night is over, I may have a little 1983 amendment.

I thank the Senator.

Mr. BOREN. I thank my colleague.

Mr. HEINZ. Mr. President, I am advised by the Budget Committee that this is budget neutral. I am advised there is no objection on the part of the Committee on Agriculture and I know of no objections.

The PRESIDING OFFICER. Is there further debate on the amendment? The Senator from South Dakota.

Mr. ABDNOR. Mr. President, I ask unanimous consent that the Senator from South Dakota may be listed as a cosponsor.

Mr. BOREN. I would be privileged to add the Senator from South Dakota as a cosponsor.

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

□ 1850

Is there further debate? Is there further debate on the amendment?

The amendment (No. 2268) was agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2269

(Purpose: To provide for adequate financing of costs incurred by the Fiscal Service of the Department of the Treasury in providing services relating to the social security trust funds)

The PRESIDING OFFICER. Are there further amendments?

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from California [Mr. WILSON], for himself, Mr. LUGAR, Mrs. HAWKINS, Mr. HEINZ, and Mr. TRIBLE, proposes an amendment numbered 2269.

Mr. WILSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the amendment, add the following:

SEC. . Subsection (g) of section 201 of the Social Security Act (42 U.S.C. 401(g)) is amended—

(1) in paragraph (1)(A)(ii), by inserting after "(ii)" the following: "the sum derived by adding (I) the amounts required to be expended from the Trust Funds for such three-month period pursuant to paragraph (5), and (II)", and

(2) by adding at the end of the subsection the following:

"(5) Notwithstanding any other provision of law, the Managing Trustee is directed to pay from each of the Trust Funds to the Department of the Treasury, for allocation

to the Fiscal Service of such Department, the amounts estimated by the Managing Trustee which will be expended by such Service during the three-month period referred to in paragraph (1)(1)(i) in connection with the non-personnel costs of administration of title II relating to such Trust Funds. Payments made pursuant to this paragraph shall be finally accounted for in coordination with the final accounting provided for in paragraphs (1)(A) and shall be subject to annual audit. Proper adjustments shall be made in payments subsequently made pursuant to this paragraph to the extent prior payments were greater than or less than actual expenditures by such Service.".

Mr. WILSON. Mr. President, as we have established, Social Security payments have been protected from sequestration under the Gramm-Rudman-Hollings law, but the moneys necessary to print and mail the Social Security checks are subject to sequestration. Now, that I think is unintended and it is simply a function, Mr. President, of the fact that rather than having the funds paid for directly from the Social Security Trust Fund itself there is a roundabout procedure employed. The Financial Management Service, which is within the Treasury Department, is the agency actually responsible for issuing and mailing all Social Security benefit checks. But instead of its being reimbursed directly from the trust fund, it currently works in a different fashion. The Social Security Trust Fund instead makes payment to the general fund. The FMS within Treasury receives an appropriation and thereby, of course, is subject to sequestration.

Now, the point very simply stated is that if the Social Security Trust Fund itself directly mailed and printed the checks, there would be no question because sequestration would never come into play. So what we are seeking to do very simply is to achieve just about that same effect without amending Gramm-Rudman and without amending the budget.

Mr. HEINZ. Will the Senator yield for a question?

Mr. WILSON. Yes, I will be happy to yield.

Mr. HEINZ. Mr. President, I thank the Senator from California for yielding. I would like to know, if the Senate were to adopt his amendment, were it to become law, whether it would in any way prevent a sequester from going into effect that would cut, for example, any kind of controllable expense in the Social Security Administration? Controllable expenses typically are such expenses as personnel pay, those kinds of costs. Or does his amendment only affect the kinds of costs that must be incurred every time the Social Security check is mailed, that is to say, the cost of paper for the check, the cost of printing the check, the cost of postage, which are literally, I think, within the commonsense meaning of the world "uncontrollable"?

Are there any controllable costs that would be exempted from Gramm-Rudman sequestration?

Mr. WILSON. No, there are not. They are uncontrollable expenses. They are the paper, they are the postage, they are the cost of printing, and the mailing.

Mr. HEINZ. I thank the Senator for his answer. Mr. President, the reason I make that point is that there is, at least on the surface, similarity between this amendment and the amendment of the Senator from Arkansas [Mr. BUMPERS]. Senator BUMPERS' amendment, however, would have exempted $3.5 billion worth of expenses, most of which, if not all of which, were in the common parlance "controllable" expenses. And so I think we have established for the record and I think the Senator from California has made clear that these kinds of costs which he has referred to in his amendment, which his amendment covers, would but for an oversight that was made at some point in the past normally have been costs that would have been borne by the Social Security trust tund. My understanding is in fact the trust fund will bear those costs.

Mr. WILSON. That is correct. The only change, the simple change is that they will make reimbursement directly to the Financial Management Service.

It does not amend Gramm-Rudman. It does not amend or change the Budget Act. It does not affect costs except in the sense that what it will do is allow the Financial Management Service to gain full reimbursement required in order to make timely delivery of the checks.

Mr. HEINZ. Mr. President, I know of no objection to the amendment on this side.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I am not sure what this amendment does and I gather that it is designed to affect Social Security in a way that I think is probably going to hurt it. Now, as I understand it, in listening to the Senator—and perhaps the Senator from California will persuade me to the contrary—the thrust of his amendment is to see to it that there would be no cuts in administrative service costs with respect to sending out the Social Security checks. Am I right in thinking that?

Mr. WILSON. It is designed and would achieve the effect of allowing the agency that has the responsibility for printing and mailing the checks to receive full direct reimbursement from the Social Security Trust Fund.

It thereby eliminates the possibility of sequestration and the reduction of the funding necessary for full cost reimbursement, for the cost of printing and mailing.

Mr. RIEGLE. What areas of Social Security, may I ask, would be affected by Gramm-Rudman cuts, then?

Mr. WILSON. By Gramm-Rudman costs?

Mr. RIEGLE. By sequester under the Gramm-Rudman law? What area of Social Security then, administrative activity would be cut?

Mr. WILSON. None.

Mr. RIEGLE. None whatsoever?

Mr. WILSON. No, because this would avoid any appropriation. The point is that if the Social Security Trust Fund itself were directed to print and mail the checks, obviously there would be no sequestration. But because instead we employ an office within the Department of the Treasury, that Department and that office now receive an appropriation and therefore are subject to sequestration. So what this would do is achieve the effect of a direct payment from the Social Security trust fund to FMS and thereby eliminate any problem with there being less than full costs being reimbursed.

Mr. BUMPERS. Will the Senator from Michigan yield for a question?

Mr. RIEGLE. Yes, I would yield for a question without losing my right to the floor.

Mr. BUMPERS. As I understand the amendment of the Senator from California, the checks that go out to Social Security recipients each month, the manual labor and the printing of the checks, the envelopes, the postage, all of that, is done by Treasury, not by the Social Security Administration; is that not correct?

Mr. WILSON. That is correct.

Mr. BUMPERS. And the money that we appropriate to Treasury is actually used for this purpose. So what the Senator is doing—and I am going to support the Senator, I am going to support this amendment—is exempting that part of the Treasury Department's appropriation that they use for the mailing, for the printing, whatever that costs, the printing, postage, and everything it takes to get these checks out every month. Is that not a fair statement?

Mr. WILSON. That is a fair statement. The Senator from Arkansas is correct because what he is really saying, and this is the fact, is that this amendment will result in funds from the Social Security trust fund which are being used to pay for the printing and mailing not going through the roundabout procedure of going into the general fund through an appropriation which is sequesterable.

Mr. GRAMM. Will the distinguished Senator yield? I can give you the numbers that nail down the coffin on this. The Financial Management Service within the Department of Treasury performs a number of services, including a mail house function for a variety

of Government agencies—Social Security, VA benefits, IRS refunds and civil service checks. It works like this. Fifty-one million dollars in expense is incurred this year for check mailing by Social Security, so the Financial Management Service technically spends the $51 million necessary to send out these checks, and then sends a bill to Social Security. Social Security pays it. Now, when a sequester order comes in and the $51 million is cut, the necessary check mailing services would be reduced. Social Security is not affected. The services are affected. So all the distinguished Senator from California is doing here is structuring the system just as if Social Security mailed the checks themselves.

□ 1900

What we are doing is making an accounting change for bookkeeping purposes, just as if Social Security mailed the checks themselves rather than paying the Financial Management Service to do this. It is a simple, reasonable amendment—no hidden trapdoors.

Mr. BUMPERS. I should like to make this point: As I understand it, it is a very graphic description of what happens. What Social Security does, in effect, is that they are contracting with financial services of the Treasury Department to perform this function for them, and they reimburse them for that function. Is that correct?

Mr. GRAMM. That is correct.

Mr. WILSON. That is correct.

Mr. BUMPERS. Without this amendment, if Gramm-Rudman-Hollings were to take effect and there was a sequester order, the $51 million that the Senator just mentioned would be subject to a sequester order, would it not?

Mr. GRAMM. The Senator is correct.

Mr. BUMPERS. So the difference in the amendment of the Senator from California and the amendment of the Senator from Arkansas is simply one of degree.

Mr. GRAMM. Mr. President, if the Senator will yield, I will respond.

In this situation, we are talking about postal charges that are paid ultimately to the Postal Service and what is in essence a Government mail house that sends the checks. In the case of the distinguished Senator's amendment, we were talking about $3.7 billion. We were talking about 78,000 employees. We were talking about a number of activities within an agency that last year gave back $100 million, the year before gave back $100 million, the year before that gave back $70 million. That is the difference, and it is a very significant one indeed.

Mr. BUMPERS. As I say, it is just a matter of degree.

The other point I want to make is that this is not just postage. This is manpower for the printing, manpower for operating the mailing machines—the whole 9 yards; $51 million.

If there were a 10 percent sequester order, that $51 million would be subject to a $5.1 million sequester.

I remind the Senator that I intend to support the amendment. But to suggest that, somehow or other, this amendment has no effect on Gramm-Rudman and we are not amending the Gramm-Rudman law is not correct.

Mr. RIEGLE. Mr. President, not having yielded the floor, let me ask this question of the Senator from California: What would the effect of this be on district offices?

Mr. WILSON. It would have no effect on district offices because it does not relate to them. It relates purely to the printing and processing and mailing of the checks.

Mr. RIEGLE. Is the Senator aware of what a sequester order under Gramm-Rudman would do to district offices of Social Security?

Mr. WILSON. Yes, but that would have no effect whatever on this.

Mr. RIEGLE. Can the Senator from California tell me what that would be? My understanding is that if we have a sequester under Gramm-Rudman, the administrative moneys available that run the district offices of Social Security will be cut. Is that the understanding of the Senator from California?

Mr. WILSON. The administrative? Yes, I think that is the case.

Mr. RIEGLE. How about those people who work on the administrative side of Social Security, who have the job of registering new beneficiaries? If there is a sequester under Gramm-Rudman, would that person not also be cut?

Mr. WILSON. The administrative services would be subject to sequester, as I understand.

Mr. RIEGLE. So they would be cut as well.

How about people in Social Security who provide basic services—answer the phones and deal with citizens who walk into local offices to check on the status of their Social Security account? If there is a Gramm-Rudman sequester, those personnel would also be cut, would they not?

Mr. WILSON. Administrative services would be subject to the sequester.

Mr. RIEGLE. The reason I asked the Senator this is that, for some reason, he is making a differentiation and saying that the people who mail out the checks should be protected from sequester cuts, but the rest of the Social Security functions that are carried out by these other people—those who run the district offices, who register new beneficiaries, who answer inquiries of people about their Social Security accounts—you do not make any provisions for them, and they would be subject to cuts under Gramm-Rudman.

Mr. WILSON. This relates purely to the processing and mailing of the checks.

Mr. RIEGLE. Why does the Senator make that differentiation? Why is it more important to exempt that group of employees that is mailing out the checks than it is to not exempt the employees who are figuring out who the checks should be mailed to and what the amounts are? I do not understand the difference—why you can make a differentiation and exempt one group but not exempt another group that is equally vital in getting the right amounts to people.

Mr. WILSON. I think the Senator just made that distinction. But I think the real answer to the question is that these are uncontrollable costs. There is nothing the Social Security trust fund can do about the cost of postage. It costs them the same as you and me—I take that back. It costs them a good deal more. There is nothing they can do about the cost of printing. Those are uncontrollable.

The Senator is talking about minimal personnel costs in this amendment. Knowing that he, and I think probably everybody else on this floor, does not wish to create a situation, particularly through inadvertence, where we have risked the untimely delivery or the delivery to less than all the recipients of the funds to which they are entitled, I would urge that we cure this existing defect, and we can do it very simply.

Mr. DOMENICI. Mr. President, will the Senator permit me to explain?

Mr. RIEGLE. Just a minute, I say to the chairman of the committee.

This is precisely the problem. You have taken out a very small part of the total administrative effort of Social Security. You have taken out only the mailing of the checks. But, in a sense, everything that comes before that is actually, in many respects, even more important, because that determines who gets the check, when they should get the check, what the amount of the check should be; if there is a mistake, how it should be cleared up, and so forth.

It seems to me that what you have done with your amendment is that you are leaving the entire rest of the Social Security administrative area subject to these cuts. You are going to let the sequester come in and slice down those areas where we know we have problems, and at the same time you have carved out this one narrow area which has to do only with mailing out the checks, whether they are right or wrong, and saying that that area is more important and there should be no automatic sequester cut in that area.

What I want to understand before we finish discussing this—because there was no debate before, and I think the Senator from Pennsylvania abruptly and improperly cut off debate on this amendment when it was offered by Senator BUMPERS earlier, in his full-scale effort to protect the administrative aspect of Social Security. So I want to understand why we are exempting one part of the administrative effort to Social Security but we are not at the same time exempting the rest of Social Security for precisely the same reasons. I have not heard any answer to that yet, and I would like to hear an answer.

Mr. WILSON. One answer is that we are talking in this case about funds coming directly from the Social Security Trust Fund.

Mr. RIEGLE. All the funds come directly from the Social Security Trust Fund. All the administrative efforts that are paid for by Social Security, that carry out the Social Security function, are paid for out of the Social Security Trust Fund. It is a self-financing operation. They pay their own bills. I do not understand what the differentiation is that you are making.

Mr. DOMENICI. May I answer the question, with the Senator's permission?

Mr. RIEGLE. If the Senator is willing to take a try at it.

Mr. WILSON. I yield to the Senator from New Mexico.

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The PRESIDING OFFICER (Mr. STEVENS). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me see if I could explain to the Senate how this works and why the Senator from California has done this precisely in the right manner.

Let me say to my friend from Michigan, if you take the FMS, Federal Mail Service, it is a department of Government. It does a lot of things by way of service for the Government. One thing it does is mail out Social Security checks. What happened under Gramm-Rudman-Hollings is that under current law without this change there was a sequester of FMS. FMS got sequestered. It got its 3.4-percent cut so it did what it could to save money within its hundreds of personnel, even though it had charge of mailing out mail for all branches of Government.

But Social Security's $51 million was not cut. They did the service for Social Security in total. That was current law.

All this amendment is saying is that there will be no change in that, that is the way it will be.

FMS will take a sequester but in no event will they sequester the Social Security funds that come directly to it from the trust fund.

Mr. RIEGLE. I thank the Senator for that explanation, and I understand that with respect to the mailing costs.

But is it the understanding of the Senator from New Mexico that as it relates to the other administrative costs of Social Security, the people who run the district offices, the people who process the claims, the people who answer the phones, deal with walk-in traffic of people who are in asking questions about their Social Security accounts, all those functions as I understand it will be cut if there is a Gramm-Rudman sequester.

Mr. DOMENICI. If there is a Gramm-Rudman sequester the overall administrative functions of the $3.7 billion agency called Social Security, which some years adds offices, some years closes offices, some years adds hundreds of employees, some years is frozen, yes, it will take the same kind of cut as all the rest of the departments of Government.

Mr. RIEGLE. That is precisely my concern.

So in the other areas of the Social Security Administration there will be the automatic cuts in the administrative levels if there is a sequester under Gramm-Rudman. So those areas will have to shave down. But for some reason the Senator is differentiating out the part that has only to do with the mailing of the checks; the Senator protects that part.

Mr. DOMENICI. That is right.

Mr. RIEGLE. What about all those things that lead up to——

Mr. DOMENICI. That is correct.

Mr. RIEGLE. Determining how much money is properly in a person's account, what the amount of the check should be, when the check should go out, when the person is eligible.

Mr. DOMENICI. The Senator is right. We want to make sure they get their checks and they will get their checks and the agency will have to accommodate like every other agency of Government.

Let me tell the Senate what is going to happen and why they were right in tabling the previous amendment.

To have it any other way is to take the $3.8 billion agency that administers Social Security, take it out and say the rest of Government takes its cut, all of the rest of Government takes its cut, half of the cut comes out of defense, and half comes out of education, half comes out of agriculture, and the Senate just decided they were not going to do that. That is the essence of the debate that the Senator wants to bring up again that we finished.

We did not try to move quickly. We did not even know the amendment was coming up. That is for sure. We had lists of amendments around here for days and we did not even know it was coming up. It came up. We debated it and we tabled it.

Mr. RIEGLE. Let me reclaim my time. I thank the Senator for his comments.

I think when we originally handled Gramm-Rudman on the floor there was a real fight on the issue of Social Security. Steps were taken to protect Social Security, to put Social Security to the side.

But what I think is happening here is that we are seeing a back-door attempt to reach in and in effect to cut into the effectiveness of Social Security.

Social Security is one of the most efficiently run agencies within our Federal Government system with respect to the percentage of costs that goes for administrative activity. It is one of the lowest. It is much lower than we find in the Pentagon. It is much lower than we find in other agencies of Government.

I have not heard anybody make an argument that the Social Security Administration today is poorly managed, is overstaffed, is a sloppy operation in terms of lots of extra people sitting around doing nothing.

The picture that I have and the reports I have gotten are to the contrary, that it is an agency that is spread very thin and more and more people are coming on to Social Security all the time.

As I understand it, we will have net addition of people to the Social Security system—I am talking about people who will be entitled to receive Social Security benefits and require processing and so forth—in the amount of a million people a year. So the workload to service the people of the country is growing in Social Security.

I do not think this is a time when we want to come along with automatic cuts, and I do not think frankly we have the capacity here in the Senate to have the knowledge to say that this is the place where we ought to be going out and cutting costs on an automatic basis in an agency separately funded, which is the Social Security Administration.

I just do not think we can make the case that says we should do that. In fact, I do not think we should do that. I think it has a separate administration of people who oversee the execution of the Social Security system, and they are in a position to decide what the level of administrative personnel is that they require.

But what we are finding is that the Social Security offices around the country are being shut down. People are finding that if they call into a Social Security office to try to get needed information about their Social Security account status they are not getting timely answers, they are

having difficulty getting through because the workload is so heavy with the existing base of personnel.

And so to come in here now with an amendment that exempts the mailing costs, that somehow says the mailing cost is more important than the processing cost, figuring out how much a person is entitled to receive, when they are eligible, when their checks ought to start and whether adjustments are needed in their checks. To say we are not going to protect that part of the administrative effort so they really know what we are doing in Social Security, we are going to have the automatic cuts there, but we are going to turn around and say, "But we are not going to have any cuts when we send the checks out, we are going to send the checks out whether they are right or wrong, let us get the checks out."

Well, we do need to get the checks out but it is very important that at the same time we provide the protection for the check writers and the check senders that we provide the same protection for the people who have to do the important arithmetic calculations to decide who is eligible, when they are eligible, what the amounts of their benefits are going to be, especially when the people who contribute to Social Security are paying this bill anyway.

This money is not coming out of the Treasury of the Government. This is coming out of the Social Security Trust Funds. It is coming from people's own contributions to Social Security.

I mean how can we say that part is less important and slice those people out, let us have the automatic cuts there, we cannot protect the calculation of benefit, but once it has been calculated even if it is wrong, let us make sure we send it right on out there. That does not make any sense. We should protect the entire administration of Social Security.

When I get around the country and around my State what I hear the people saying is this; they say "Keep your cotton-picking hands off the Social Security System." Every time Congress tries to fool with it we make it worse, especially since the Reagan administration hit town. It has been to come in here and try to cut it, shave it, cripple it in multiple ways.

In fact, there have even been cases that had to be taken to court to stop some of the abuses that have been going on.

I do not know why the sponsor of the amendment somehow has a particular concern about those employees who send out the checks, but he does not have any concern about the employee who has to calculate how much is supposed to be out in the check—that does not make any sense—or the employee hwo has to calculate whether a person has received the full amount that he is eligible to receive.

The people who run that agency are a lot more competent to run it than we are with the amendments we are offering late in the day on a Friday afternoon, especially when there are not any supporting documents on the other side on this issue.

That is why when the Bumpers amendment was offered before which was designed to protect the whole Social Security Administrative system there was a move to table it immediately and why was that, because there was a desire to prevent debate on the issue.

The only reason we are getting debate now is that we have a secondary amendment that really is very anemic, that addresses only a very small part of the problem and in a sense I think is misleading.

I do not say it is the intent to be misleading but the fact will be it is being misleading because if it is passed, it will give the impression that we are solving the problems within the administrative side of Social Security when in fact we are not.

I must say I detect an eagerness on the part of some to want to get in there and just cut right into that Social Security Administration, and there is an interesting connection between the people who appear to have the greatest enthusiasm for that who are the people that time and time again have come to the floor to try to cut Social Security itself, to try to make deep cuts in it.

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Social Security is not contributing one dime to the Federal deficit at this time. In fact, the system is in surplus and it ought not be subjected to any kind of a sequester.

That is one of the defects of Gramm-Rudman, it ought to have absolutely no way to get its hand in any way, shape or form, on the Social Security System. Not one fingerprint ought to be able to get in there.

But, in fact, that is one of the major defects of Gramm-Rudman, is it is designed so it can go in and cut Social Security benefits, though it pretends and says it does not do that.

Mr. RUDMAN. Will the Senator yield?

Mr. RIEGLE. Of course I yield to my friend.

Mr. RUDMAN. Now, I say to the Senator from Michigan, I have sat here very quietly and listened to the Senator's speech, which he has every right to give. He is my friend. I respect him.

But let us stop it right here. Let us just take the last statement. Statement: Gramm-Rudman was designed to find a way to cut Social Security benefits. That is what the transcript says. I would like the Senator to either withdraw that statement or correct it.

Mr. RIEGLE. Well, let me say to the Senator, I feel that, in this provision, the one we are talking about right now——

Mr. RUDMAN. We are talking about benefits. That is what the Senator said. My question was benefits. The Senator used the word benefits. That is all I am talking about. The Senator can say anything else he wants to say, but the word "benefits" ought to be explained or stricken from the RECORD, because the Senator from Michigan knows that "ain't" so.

Mr. RIEGLE. Let the Senator from Michigan restate his belief about it, and my position is this: What the Gramm-Rudman sequester allows is for the automatic cutting mechanism to reach into the Social Security Administration and to make cuts. Now, I think, when we had the debate originally, the assertion was being made that somehow Social Security, in its entirety, was going to be exempt from any kind of Gramm-Rudman cut. I believe that is the way——

Mr. GRAMM. Will the distinguished Senator yield?

Mr. RIEGLE. No; I do not at the moment. I am talking to the Senator from New Hampshire. I do not yield to the Senator from Texas. When I finish responding to the Senator from New Hampshire, I will be happy to respond to the Senator from Texas.

Mr. RUDMAN. I thank the Senator from Michigan.

Mr. RIEGLE. I am not finished, if I may say.

I think at the time the Social Security protections under Gramm-Rudman, as they were crafted, gave the impression—and I think were designed to give the impression—that Social Security was going to be exempt, lock, stock and barrel from Gramm-Rudman cuts.

Mr. GRAMM. Will the Senator yield on that?

Mr. RIEGLE. No; I will not yield at this time, but I will yield in a moment.

I think the impression was given that the Gramm-Rudman procedure, under any basis, even including the sequester cuts, would not reach in and in any way affect Social Security; that Social Security, as a separate entity, would be exempt. And I think many people ended up feeling somewhat more comfortable about Gramm-Rudman, whether they supported it or not, simply because there was the impression that Social Security was being held harmless. It was being set to the side.

What I am saying in this: It is not being held harmless. I do not mean to suggest the sequester order will cut benefits, per se. I do not want that impression given.

Mr. RUDMAN. I appreciate that.

Mr. RIEGLE. That was not my intention to say that, so let me clear that point up.

Mr. RUDMAN. I thank the Senator.

Mr. RIEGLE. But I will say to the Senator that if the administrative responsibilities that have to be carried out within Social Security itself cannot be carried out adequately, if there are not enough people to do the job and to do it right, if mistakes are made, if they are late in calculating benefits, if they calculate benefits improperly, we could end up sending somebody a check, but it may come later than it should, it may be for a lesser amount than it should be. So, if we are not administering the agency properly, we, in a sense, handicap its ability to function properly and there are going to be mistakes made and people are going to be hurt as a result of it.

I do not think we, in all our wisdom in designing an automatic cut mechanism, ought to reach over into a separate trust fund area, privately and separately financed, and try to tell those people what is the level of proper administrative activity.

I will say, because I do not think this has been said in the debate thus far, the administrative costs of Social Security run about 2 percent of the total expenses of that operation. They are about 2 percent. Now, I do not know of any other agencies in Government, certainly major agencies with the kind of enormous administrative burden that one sees in Social Security, with massive record keeping—you have got almost everybody in the population that has to be handled through their administrative system—I am frank to say I do not know of another agency of Government whose administrative costs as a percent of their total activity is as low as that. Maybe somebody can give me some examples. But if there are other examples, I think they are very few in number and I, frankly, do not know of any.

So my point is this: You have a very well-run agency, in my view, at the moment, although I think they are straining under the increased load of people coming onto Social Security to be able to go ahead and meet their responsibilities. This is not the time, I say to the Senator from New Hampshire, to come in and have automatic cuts hit into the administrative side of Social Security.

The very same argument the Senator from California uses with respect to the mailing costs, to say that it is important we not tamper and interfere with the mailing costs, applies just as importantly, if not more importantly, to say we should not tamper with the administrative side that leads up to calculating who gets the checks and in what amounts and when they ought to be sent.

What sense is there in protecting the mailing side if the checks are wrong? We want to make sure the checks are right and that they are going out on a timely basis. So why not protect the whole process?

Mr. RUDMAN. Will the Senator yield?

Mr. RIEGLE. Yes.

Mr. RUDMAN. I thank the distinguished Senator for his clarification, because I think we all understand now it was not designed to cut benefits.

As far as the Senator's comments, very thoughtful comments, about the system itself, I might just point out to my friend from Michigan, the reason this amendment is offered by the Senator from California is because some bureaucrat down at the Treasury Department issued the classic Washington Monument syndrome statement after the first Gramm-Rudman sequester.

He said: "We have got the checks, but we may not have enough money or equipment to mail them out." And, on inquiry, it was apparent that the Social Security Administration could handle the processing, even with the sequester, but there might be a problem with the mailing. That is what the Senator is trying to fix. I will not debate the rest of the issue with the Senator.

I thank him for his clarification.

The only point I wanted to make was that never on this floor have we discussed, when this was passed, that we were going to cut Social Security benefits. That was my only reason for rising. If I seemed intemperate, I apologize. But the RECORD ought to be clear.

Mr. RIEGLE. I thank the Senator. Let me ask the Senator this question: Is my memory right that, in the original version of Gramm-Rudman-Hollings, Social Security was to be included in the original version under the cutting mechanism, was it not?

Mr. RUDMAN. The answer to that question is that, as it was brought to the floor, it was excluded.

Mr. RIEGLE. I beg the Senator's pardon.

Mr. RUDMAN. The answer to that question is that, as it was brought to the floor, it was excluded.

If the question was: Were other things discussed? A lot of other things were discussed. When it came to the floor as Gramm-Rudman-Hollings, it was excluded. And we are judged here on our records, not on our conversations, even those that took place yesterday, let along 25 years ago.

Mr. RIEGLE. Let me just say to my good friend from New Hampshire, I think he knows, as I do, that the original version of Gramm-Rudman-Hollings, as it surfaced and was debated and so forth, in fact did contemplate cuts in Social Security. In fact, there was quite a battle, as I understand, that went on among both the original sponsors and others who later became sponsors that brought about a change in that. In fact, Senator HOLLINGS and I have appeared on national television shows in which he said he insisted that change be made before he would be willing to come aboard to get to the final version.

Mr. RUDMAN. There were discussions; the Senator is absolutely correct.

The President of the United States, Ronald Reagan, told the sponsors that they had better forget that idea because he would protect Social Security at all costs. When the President speaks, we listen.

Mr. RIEGLE. Yes; well, you know, it is interesting, I would say just in addition to my friend from New Hampshire, the President said a lot of different things on Social Security. He was for protecting it, then he was for cutting it; then he was for protecting it, and then he was for cutting it. And now he is for protecting it again and I am delighted he is. I hope we can keep him in this position for at least 2½ years, because we cannot afford any cuts in Social Security.

Now, the Senator from Texas was asking that I yield to him.

Mr. GRAMM. I will wait to speak on my own time.

Mr. RIEGLE. I thought the Senator might prefer to do that.

I will conclude in this fashion, Mr. President, and that is this: I think what we have here is a situation where it is one thing to go ahead and to protect one small and important part, but a small part of the administrative effort of Social Security, and that is the mailing out of the checks to the recipients. We want those checks to go out and we want them to go out on a timely basis.

□ 1930

But I think we misled people if at the same time we are willing to allow automatic cuts to be made in the administrative side of Social Security that has to do with all of the work that must go on to decide who gets the checks and how much they should get and when they should get them. In fact, if we allow that side of Social Security to break down because there is not enough administrative personnel or because automatic cuts are made in the levels of personnel that are needed, we can find that, in fact, more mistakes will be made. We do not know how many, and we do not know who the persons might be, across the country, that are the ones that have the mistakes made with respect to what they received—but even the ability to go back, check it out, and find it out who is going to be impaired if we see these automatic cuts taking place on the administrative side of all of the

necessary responsibilities of keeping the records, for virtually everybody in the American population.

Because the record has shown that the Social Security Administration has been well run with a very low administrative cost percentage-wise, one of the lowest in the Government. If we could ever get the Pentagon to get its administrative costs down to the level we see in Social Security, we could, in fact, save billions and billions of dollars. That would really have the effect of reducing the deficit.

But what these automatic cuts under Gramm-Rudman do in terms of administrative personnel and administrative effort is that the automatic sequester mechanism reaches back around. It makes a cut of those administrative people and functions in Social Security. They do it blindly. They do it without any measurement of what the needs are within Social Security. They do not take account of the fact that the population is rising—I am told roughly a million new people a year have to be handled within the Social Security recordkeeping system. That does not take into account any of those considerations or the need of people to call to get information and clarification about their records to keep their records straight.

It says, if a Gramm-Rudman cut comes in, we are going to reach right on in and cut the Social Security administrative capability just like we cut everything else. We are going to do that even though the Federal Government is not providing one penny to Social Security. That is the self-financing operation with people themselves, citizens and their employers actually sending the money in to run the Social Security system, to provide the money to do so. In fact, it is in surplus. In fact, it is well managed. It has its own administrative personnel at a senior level that are there to manage the administrative side of that function.

So, it is not as if no one is in charge and they need to have the U.S. Senate or the Congress through an automatic cutting mechanism decide how this ought to be done. They have a way of doing it. They are competent at doing it, and much more competent at doing it than we are.

I will conclude by saying to my colleague and friend from California that I think his amendment addresses one part of the problem. I think it is fine to address one part of the problem. But, if you do not address the remainder of the problem, I think you are misleading people into believing that we are really protecting Social Security I think we are misleading people into thinking that we are protecting Social Security from Gramm-Rudman cuts because clearly we will not, and the administrative side of Social Security will feel the effect of Gramm-Rudman cuts. I do not think we should in any way mislead people into thinking that their problems are going to be more efficiently handled when they go to Social Security. In fact, if these automatic cuts hit Social Security when soembody has a problem, they go to a Social Security office or they write in or call, they are going to get worse service even though they are paying the full dollar for good service.

I will conclude with this final thought; that is, the reason this is happening, the reason some people want to reach in through this automatic Gramm-Rudman cutting mechanism and cut some of the administrative costs out of Social Security, I think ,is really for two reasons. Some people just do not like Social Security. They would like to disband it, harm it, and they would like to do what they could to eliminate it if they could do so.

There are others who want to create, in a sense, an artificial surplus that could then be offset against loaded spending in other parts of the Federal Government because, if you can somehow squeeze down the cost of Social Security by squeezing down the administrative costs of Social Security, under the way we calculate our budget, you can then turn around and give more money to some other agency of Government. You can end up spending more say in the Defense Department under the way we do the accounting and still reach the Gramm-Rudman targets if you go over here into Social Security and somehow make a cut that squeezes down the cost of Social Security.

That is what is going on here. That is what some people want to do. They want to create that saving in Social Security.

Mr. GRAMM. Will the Senator name these people?

Mr. RIEGLE. I will yield to the Senator from Texas.

Mr. GRAMM. I will wait. The Senator was concluding several times. I will wait until he concludes.

Mr. RIEGLE. If the Senator has a question, I would certainly be happy to answer it.

I yield the floor.

The PRESIDING OFFICER. The question is on the amendment.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I will not be long. There are several points I want to make. It is late and no one is probably paying attention to this debate. It is a good thing because any one paying attention would be wasting his time.

Mr. President, first of all, any Member of this body who is awake knows what occurred when we debated the Social Security issue—and, I urge my colleagues to go back and look at the record, look at the debate, look at the conference. We made it very clear. Beneficiaries, yes, bureaucrats, no. We are not going to have two governments in this country, Government employee-Social Security, Government employee-non-Social Security. What kind of system would that be? Quite frankly, I think when people discuss these sinister plots regarding Social Security, they ought to state precisely who they are talking about.

In terms of what we are doing here, the paradox is that this amendment really does not have anything to do with Social Security. Let me explain very simply because I want my colleagues to understand how Social Security has nothing to do with the amendment offered by the Senator from Arkansas. It was simply a way of trying to help out an agency that was affected when the sequester order went into effect not because of the Senator from South Carolina, and the Senator from New Hampshire, and the Senator from Texas, but because the U.S. Congress did not meet the budget it broke, a budget for which I did not even vote. When that cut went into effect a little agency of the Treasury—I say little, only $244.6 million—called the Financial Management Service had a 4.3-percent across-the-board cut.

They were doing work for Social Security with a $51 million mailing cost to Social Security. We did have someone, as indicated by the Senator from New Hampshire, tell us in a typical proposition 13 fashion that government may not be able to mail out the checks. Even though you are paying for the checks, government may not be able to mail them out. There was $244.6 million in the account, Mr. President, the Financial Management Service could have mailed almost five times the number of checks that they actually mailed.

The problem was not that Social Security was cut by Gramm-Rudman, or that postage was cut by Gramm-Rudman. It was not. The Financial Management Service paid the postage on the Social Security checks but because of this expense the rest of the account got cut even more.

This amendment simply does not have anything to do with Social Security checks. This amendment states that for accounting purposes, since Social Security is paying for the service, this payment does not count toward the allocation of the financial management services—so that other accounts do not get cut even more relative to this account.

Finally, let me say that if you do not want the administrative function of Social Security cut—if you honestly believe this is an agency that is so well run that there is not a nickel, not a penny that they could do without, even though they only gave $100 mil-

lion back last year, and gave $100 million back the year before, and $70 million the year before that—then you can prevent such a cut. You can prevent a cut from ever going into effect by adopting a real budget, and enforce it every single day. That is all you have to do. It is easy. That way you can go home and say, I have never cut Social Security. I will never cut Social Security. There are those who would, with their black hearts, but I have never cut Social Security.

Let me say this to my colleagues who do not want to cut Social Security, let us meet the targets of Gramm-Rudman-Hollings and therefore guarantee that this will never happen.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The question is on the amendment.

The Senator from California.

Mr. WILSON. Mr. President, I thank all participants in this lively debate. I particularly thank my friend from Michigan for his compelling argument in favor of my amendment. I knew that he and others when they understood would realize how important it is for Social Security recipients to receive their checks on time.

□ 1940

What we are seeking to do, neither he nor anyone else need apologize for, to simply remove the procedural roadblocks which threaten Social Security recipients with not receiving their checks. I would urge all Senators who wish timely delivery in mailing to support this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2269) was agreed to.

Mr. WILSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

AMENDMENT NO. 2270

(Purpose: To direct the General Accounting Office to conduct a study of the treatment of offsetting receipts under the Balanced Budget and Emergency Deficit and Control Act of 1985.)

Mr. HEINZ. Mr. President, I send an amendment to the desk on behalf of the Senator from Maryland [Mr. MATHIAS] and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ], for Mr. MATHIAS, proposes an amendment numbered 2270.

Mr. HEINZ. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

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

The amendment is as follows:

At the end of the committee amendment insert the following:

(a) Congress finds:

(1) that U.S. competitiveness depends on the productivity and creativity that is promoted and protected by the proper administration of patent, copyright, and trademark laws.

(2) that the user fees paid by those applying for patents and registering claims for copyrights and trademarks are an important source of revenue for the proper administration of intellectual property laws.

(3) that under the current interpretation of the Gramm-Rudman-Hollings statute user fees are included in the baseline for purposes of sequestration.

(4) that this interpretation, by reducing taxpayer support as patent, copyright and trademark user fees increase, may discourage use of the intellectual property law system, and have adverse effects on creativity and innovation.

(b) The General Accounting Office is directed to conduct a study of the budgetary treatment of user fees in the Patent and Trademark Office and Copyright Office, and report to Congress within six months of the date of enactment to show how such budgetary treatment and user fee policy may affect the proper administration of patent, copyright and trademark laws.

(c) The General Accounting Office is further directed to include in such way an examination of offsetting collections credited to appropriation accounts, offsetting receipts, and governmental receipts dedicated to trust funds under the Balanced Budget and Emergency Deficit Control Act of 1985. The study shall identify the amount of spending that is supported by such collections and receipts and discuss the treatment of such spending under a sequester order.

Mr. MATHIAS. Mr. President, today I offer an amendment to House Joint Resolution 668 to require the General Accounting Office to study the treatment of Patent and Trademark Office and Copyright Office user fees for the purposes of sequestration orders or resolutions under the Gramm-Rudman-Hollings statute. This amendment is a modified version of amendment No. 2233, which I submitted on July 28.

Mr. President, it may appear that this amendment addresses a minor issue of interest only to bookkeepers. That appearance is deceptive. This amendment addresses issues that are important to America's position in competitive world markets.

It is widely acknowledged in this Chamber that improving our industrial competitiveness is a very high priority. While there is disagreement as to how to promote U.S. competitiveness in the world, all agree that strong intellectual property standards are a key component. Our competitiveness is closely tied to innovations which are prompted and protected by strong laws on patents, copyrights, and trademarks.

However, the Gramm-Rudman-Hollings statute threatens to undermine our efforts to promote and protect intellectual property by imposing on both the Patent and Trademark Office and the Copyright Office more than their fair share of across-the-board budget cuts. The ultimate effect is to impose a surcharge on the innovators and creators who use the patent, copyright, and trademark systems.

Most agencies and programs receive the vast bulk of their funding from the taxpayer through appropriations. But the Patent and Trademark Office and Copyright Office also rely heavily on user fees to pay for agency activities. Both taxpayers and users—those applying for patents and registering claims for copyrights and trademarks—are essential sources of revenue for the efficient administration of our intellectual property laws. In addition, user fee revenue allows these agencies to maintain and expand their contributions to technological progress and artistic expression—and to our national economy and security—without continual pressure for increased deficit spending.

But the Gramm-Rudman-Hollings law, as currently interpreted, impedes these goals. When the fiscal year 1986 sequestering order was prepared, both appropriated funds and offsetting receipts or user fees were included in the baseline against which the across-the-board reduction is assessed. Of course, the reduction was actually taken only from appropriated funds; the user fees charged were not reduced. As a result, for both the Patent and Trademark Office and the Copyright Office, taxpayer-funded appropriations were reduced by a much larger percentage than other nondefense accounts.

Out of the total fiscal year 1986 nondefense sequesterable baseline of $240 billion, removing these user fees would have caused a reduction of only $125 million, or about fifty-two thousandths of 1 percent. However, while the overall budget impact is small, the effect of including user fees in the baseline on these agencies can be devastating. Sixty percent of Patent and Trademark Office revenue comes from those applying for patents and trademarks. Similarly, the Copyright Office receives 40 percent of its funding from user fees.

As a result of the fiscal year 1986 sequestration order, the Patent and Trademark Office's taxpayer-funded appropriation was reduced, not by 4.3 percent, but by 10.5 percent, more than twice the across-the-board percentage of other nondefense accounts. In the case of the Copyright Office the sequestration cut 7 percent of its taxpayer dollars.

The inequitable treatment of the intellectual property agencies should disturb all who care about American innovation, creativity, and competitiveness. As chairman of the Subcommittee on Patents, Copyrights and Trademarks, I am particularly concerned about the prevailing interpretation of Gramm-Rudman-Hollings. In an effort to address this problem ad-

ministratively, I joined with Representative ROBERT KASTENMEIER, chairman of the counterpart subcommittee in the other body, to write to the Comptroller General, the Congressional Budget Office, and the Office of Management and Budget. We asked them to justify their interpretation of the statute, and if possible to reconsider it. We learned that, while CBO initially agreed that offsetting receipts should not be included in the sequesterable baseline, in the final analysis all the agencies agreed to include user fees. Congress alone can correct the problem that Congress, in its haste to craft the Gramm-Rudman-Hollings law, has inadvertently created. For the information of my colleagues, the correspondence with the Comptroller General and the Directors of OMB and CBO on this subject was reprinted in the CONGRESSIONAL RECORD from July 28, at page 17845.

The Supreme Court decision striking down the sequestration process does not help to solve the problem. Unless Congress acts, the same interpretation of Gramm-Rudman-Hollings used to calculate the fiscal year 1986 sequester will govern the preparation, by OMB and CBO, of any deficit-cutting resolution presented to the temporary joint budget committee established by the fallback provisions of the statute. Similarly, if Congress decides to revive the sequestration power by assigning it to an executive branch agency, that authority will probably follow the same accounting rules that were used for this fiscal year, unless Congress instructs it to do otherwise.

Congress has asked creators and innovators to shoulder part of the burden of running the Patent and Trademark Office and the Copyright Office by paying for the services they use. But now Congress, under the prevailing interpretation of Gramm-Rudman-Hollings, penalizes creators and innovators. The more they use the system, the more they invent and create, the more will be slashed from the taxpayer support for these agencies.

Both the President and Congress wanted to avoid an automatic tax increase as a means of meeting deficit targets. That's why the Gramm-Rudman-Hollings law is limited to spending cuts. But the prevailing interpretation of this law implicitly imposes a tax on creativity and innovation. This not only places greater burdens on those who must pay; it also jeopardizes the efficient administration of intellectual property laws that are so important to our economic prosperity.

I believe this is neither fair nor good policy. In my view, if automatic cuts are to be made, only spending funded by the taxpayer should be counted. Services that are paid for by the users of the Patent and Trademark and Copyright Offices should not be included. Equity calls for such treatment, and American competitiveness would benefit from it.

The distinguished chairman of the Budget Committee has shared with me his concern about the amendment I originally submitted, which would have amended Gramm-Rudman-Hollings to exclude user fee revenue from the sequesterable base for the Patent and Trademark Office and Copyright Office. He is concerned about the precedent that enactment of that amendment might set, since other agencies that receive user fees might also argue for similar treatment. I believe that the intellectual property agencies are readily distinguishable from these other agencies, both in the degree to which they depend on user fees for revenue, and in the relationship of their missions to the maintenance of American competitiveness. However, I recognize the legitimacy of Senator DOMENICI's concern. It may be that the General Accounting Office can recommend some method for more equitable treatment of user fee revenue of these agencies, and that is what this modified version of the amendment directs GAO to study.

Mr. HEINZ. Mr. President, I know of no objection to the amendment. It is a study amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2270) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KERRY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, will the Senator yield without losing his right to the floor so that I might ask the distinguished majority leader if there will likely be any more rollcall votes tonight?

Mr. HEINZ. I yield.

Mr. BYRD. I thank the Senator for yielding without losing his right to the floor.

The PRESIDING OFFICER. Without objection, the Senator reserves his right to the floor.

The majority leader.

Mr. DOLE. Mr. President, as I understand, this last amendment is a study and there was no objection to it. There is one other technical amendment, I assume, by the Finance Committee.

Mr. HEINZ. The Senator is correct.

ORDER OF PROCEDURE

Mr. DOLE. What I would hope to do is to get a unanimous consent agreement which has been circulated, though I am not certain whether it has been agreed to, which would permit us to move off the debt extension bill and lay down the DOD authorization bill—the chairman of the Armed Services Committee has been patiently waiting for several hours—and probably not make any statements on that but at least lay it down tonight so it will be pending on Monday.

The distinguished Senator from Georgia is also here. If they want to make statements, obviously, we can be prepared to do that.

Mr. NUNN. Mr. President, I will say to the majority leader, I do not anticipate, unless the chairman wishes, that statements would be made on the DOD bill. We can lay it down with the committee amendment pending and make our statements on Monday morning.

We are hoping we can get amendments over here early, and perhaps even take up SDI on Monday. Hopefully, there will be a rollcall vote and maybe conclude that important element of the bill on Monday.

Mr. President, I would not anticipate opening statements tonight. We can do that early Monday morning.

Mr. GOLDWATER. Will the Senator yield?

Mr. HEINZ. I yield.

Mr. GOLDWATER. What the majority leader said is exactly what we have agreed to. We would like to get on with our business.

Mr. DOLE. We would, too.

I wonder if the unanimous-consent request has been agreed to, if we are in a position to agree to that.

Mr. BYRD. I think the unanimous-consent request would require some clarification.

If the distinguished majority leader would like to proceed with the next amendment, perhaps we can put in a quorum call and see if certain Senators will be available to discuss this.

Mr. DOLE. I would not like to say there will be no more votes tonight unless we can reach an agreement. If Senators have amendments, they should be prepared to offer amendments.

Mr. BYRD. If the Senator will yield, this agreement needs clarification.

Mr. DOLE. I am just suggesting if there are other amendments.

Mr. BYRD. But I am also saying that this request, as it is written, is going to need some changes or some understandings for clarification. I want to make that clear. There is no disposition on my part to say that I object to the request. I hope we can work it out. I believe we can. But it does have some problems.

Mr. DOLE. If the Senator will yield, I suggest until we do that, all I am saying is we cannot announce there will be no additional votes.

Mr. BYRD. Surely.

TITLE II—FURTHER MODIFICATION

Mr. HEINZ. Mr. President, I ask unanimous consent that title II of the

committee amendment, as previously modified, be further modified. I send to the desk the appropriate modification.

May I say that this modification provides simply technical changes and corrections to the portion of the committee amendment relating only to disinvestment of the Social Security Trust Fund. It does not in any way affect any of the amendments adopted—Gramm-Rudman-Hollings II, or any of the other amendments. It is simply a technical amendment which has been cleared on both sides.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Pennsylvania? Without objection, the unanimous-consent request is agreed to.

The substitute (modification) to the committee amendment is as follows:

Strike out title II of the matter proposed to be inserted, and insert in lieu thereof the following:

SEC. 201. SHORT TITLE.

This title may be cited as the "Social Security Trust Funds Management Act of 1986".

SEC. 202. INVESTMENT AND RESTORATION OF TRUST FUNDS.

(a) Subsection (d) of section 201 of the Social Security Act (42 U.S.C. 401(d)) is amended—

(1) by striking out "(1) on original issue" and inserting in lieu thereof "(A) on original issue",

(2) by striking out "(2) by purchase", and inserting in lieu thereof "(B) by purchase";

(3) by striking out "It shall be" and inserting in lieu thereof "(1) It shall be", and

(4) by adding at the end thereof the following new paragraphs:

"(2) If—

"(A) any amounts in the Trust funds have not been invested solely by reason of the public debt limit, and

"(B) the taxes described in clause (3) or (4) of subsection (a) with respect to which such amounts were appropriated to the Trust Funds have actually been received into the general fund of the Treasury of the United States,

such amounts shall be invested by the Managing Trustee as soon as such investments can be made without exceeding the public debt limit and without jeopardizing the timely payment of benefits under this title or under any other provision of law directly related to the programs established by this title.

"(3)(A) Upon expiration of any limit impact period, the Managing Trustee shall immediately—

"(i) reissue to each of the Trust Funds obligations under chapter 31 of title 31, United States Code, that are identical, with respect to interest rate and maturity, to public debt obligations held by such Trust fund that—

"(I) were redeemed during the debt limit impact period, and

"(II) as determined by the Managing Trustee on the basis of standard investment procedures for such Trust Fund in effect on the day before the date on which the debt limit impact period began, would not have been redeemed if the debt limit impact period had not occurred, and

"(ii) issue to each of the Trust Funds obligations under chapter 31 of title 31, United States Code, that are identical, with respect to interest rate and maturity, to public debt obligations which—

"(I) were not issued during the debt limit impact period, and

"(II) as determined by the Managing Trustee on the basis of such standard investment procedures, would have been issued if the debt limit impact period had not occurred.

"(B) Obligations issued or reissued under subparagraph (A) shall be substituted for obligations that are held by the Trust Fund, and for amounts in the Trust Fund that have not been invested, on the date of which the debt limit impact period ends in a manner that will ensure that, after such substitution, the holdings of the Trust Fund will replicate to the maximum extent practicable the obligations that would be held by such Trust Fund if the debt limit impact period had not occurred.

"(C) In determining, for purposes of this paragraph, the obligations that would be held by a Trust Fund if the debt limit impact period had not occurred, any amounts in the Trust Fund which have not been invested, and any amounts required to be invested under paragraph (2), shall be treated as amounts which were required to be invested upon transfer to the Trust Fund.

"(4) The Managing Trustee shall pay, on the first normal interest payment date that occurs on or after the date on which any debt limit impact period ends, to each of the Trust Funds, from amounts in the general fund of the Treasury of the United States not otherwise appropriated, an amount determined by the Managing Trustee to be equal to the excess of—

"(A) the net amount of interest that would have been earned by such Trust Fund during such debt limit impact period if—

"(i) amounts in such Trust Fund that were not invested during such debt limit impact period solely by reason of the public debt limit had been invested, and

"(ii) redemptions and disinvestments with respect to such Trust Fund which occurred during such debt limit impact period solely by reason of the public debt limit had not occurred, over

"(B) the sum of—

"(1) the net amount of interest actually earned by such Trust Fund during such debt limit impact period, plus

"(ii) the total amount of the principal of all obligations issued or reissued under paragraph (3)(A) at the end of such debt limit impact period that is attributable to interest that would have been earned by such Trust Fund during such debt limit impact period but for the public debt limit.

"(5) For purposes of this section—

"(A) The term 'public debt limit' means the limitation imposed by subsection (b) of section 3101 of title 31, United States Code.

"(B) The term 'debt limit impact period' means any period for which the Secretary of the Treasury determines that the issuance of obligations of the United States sufficient to orderly conduct the financial operations of the United States may not be made without exceeding the public debt limit.".

(b) Subsection (a) of section 201 of the Social Security Act is amended by adding at the end thereof the following new sentence: "All amounts so transferred shall be immediately available exclusively for the purpose for which amounts in the Trust Fund are specifically made available under this title or under any other provisions of law directly related to the programs established by this title.".

SEC. 203. REPEAL OF NORMALIZED TAX TRANSFERRED.

(a) Subsection (a) of section 201 of the Social Security Act is amended by striking out the matter following clause (4) and inserting in lieu thereof the following: "The amounts appropriated by clauses (3) and (4) shall be transferred from the general fund of the Treasury of the United States to the Federal Old-Age and Survivors Insurance Trust Fund, and the amounts appropriated by clauses (1) and (2) of subsection (b) shall be transferred from the general fund of the Treasury to the Federal Disability Insurance Trust Fund, upon receipt by the general fund of taxes specified in clauses (3) and (4) of this subsection (as estimated by the Secretary). Proper adjustments shall be made in amounts subsequently transferred to the extent amounts previously transferred were in excess of, or were less than, the taxes specified in such clauses (3) and (4). All amounts so transferred shall be immediately available exclusively for the purpose for which amounts in the Trust Fund are specifically made available under this title or under other provisions of law directly related to the programs established by this title.".

(b) The amendment made by subsection (a) shall take effect on July 1, 1990.

SEC. 204. FAITHFUL EXECUTION OF DUTIES BY MEMBERS OF BOARD OF TRUSTEES OF TRUST FUNDS.

Section 201(c) of the Social Security Act is amended by striking the last sentence and inserting the following: "A person serving on the Board of Trustees (including the Managing Trustee) shall not be considered to be a fiduciary, but each such person shall faithfully execute the duties imposed on such person by this section. A person serving on the Board of Trustees (including the Managing Trustee) shall not be personally liable for actions taken in such capacity with respect to the Trust Funds.".

SEC. 205. REPORTS REGARDING THE OPERATION AND STATUS OF THE TRUST FUNDS.

Subsection (c) of section 201 of the Social Security Act is amended—

(1) by striking "once" in the fourth sentence and inserting "twice",

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(3) by redesignating paragraphs (3), (4), and (5) as subparagraphs (D), (E), and (F), respectively,

(4) by inserting after subparagraph (B) (as redesignated by paragraph (2) of this section) the following:

"(C) Report to the Congress as soon as possible, but not later than the date that is 30 days after the first normal interest payment date occurring on or after the date on which any debt limit impact period for which the Managing Trustee is required to take action under paragraph (3) or (4) of subsection (d) ends, on—

"(i) the operation and status of the Trust Funds during such debt limit impact period, and

"(ii) the actions taken under paragraphs (3) and (4) of subsection (d) with respect to such debt limit impact period;",

(5) by striking out "in paragraph (2) above" and inserting in lieu thereof "in subparagraph (B) above",

(6) by inserting "(1)" after "(c)", and

(7) by adding at the end thereof the following:

"(2) The Managing Trustee shall report monthly to the Board of Trustees concerning the operation and status of the Trust Funds and shall report to Congress and to the Board of Trustees not less than 15 days prior to the date on which, by reason of the public debt limit, the Managing Trustee expects to be unable to fully comply with the provisions of subsection (a) or (d)(1), and shall include in such report an estimate of the expected consequences to the Trust Funds of such inability.".

SEC. 206. ELIMINATION OF UNDUE DISCRETION IN THE INVESTMENT OF TRUST FUNDS.

(a) Section 201(d) of the Social Security Act is amended, in the first sentence—

(1) by inserting "immediately" after "to invest"; and

(2) by striking ", in his judgment,".

(b)(1) Paragraph (2) of section 201(d) of the Social Security Act, as added by section 202 of this Act, is amended to read as follows:

"(2) If any amount in either of the Trust Funds is not invested solely by reason of the public debt limit, such amount shall be invested as soon as such investment can be made without exceeding the public debt limit and without jeopardizing the timely payment of benefits under this title or under any other provision of law directly related to the programs established by this title.".

(2) The amendment made by paragraph (1) shall take effect on July 1, 1990.

SEC. 207. SALES AND REDEMPTIONS BY TRUST FUNDS.

Section 201(e) of the Social Security Act is amended—

(1) by inserting "(1)" after "(e)"; and

(2) by adding at the end the following:

"(2)(A) The Managing Trustee may effect any such sale or redemption with respect to either Trust Fund only for the purpose of enabling such Trust Fund to make payments authorized by this title or under any other provisions of law directly related to the programs established by this title. If either of the Trust Funds holds any amounts which are not invested by reason of the public debt limit, the Managing Trustee is nevertheless directed to make such sales and redemptions if, and only to the extent, necessary to assure timely payment of benefits and other payments authorized by this title or by any other provisions of law directly related to the programs established by this title, but the principal amount of obligations sold or redeemed pursuant to this sentence shall not exceed the principal amount of obligations that would have been sold or redeemed under normal operating procedures in order to make such payments.".

SEC. 208. EFFECTIVE DATE.

Except as otherwise provided by this title, the amendments made by this title shall take effect on the date of enactment of this Act.

PROTECTING THE INTEGRITY OF SOCIAL SECURITY TRUST FUNDS

Mr. KASTEN. Mr. President, we have an amendment before us today which contains some significant provisions affecting the Social Security trust funds. Specifically, this committee amendment will require more effective management of the trust funds and ensure payment of Social Security benefits when the Government reaches the debt ceiling.

We all remember the crisis that resulted when the Government bumped up against the debt ceiling limit last year. First, millions of elderly and disabled Americans were threatened with the prospect of not receiving their benefit checks. Then we learned that the trust funds were used to carry the Government through the debt crisis, and that millions of dollars in trust fund interest were lost as a result of this action.

Fortunately, benefits were paid and Congress restored the interest lost to the trust funds. But, unless we take further action, beneficiaries will face the same uncertainties and we will leave the trust funds at risk each time the Government reaches the debt ceiling. I believe that Congress has a responsibility to ensure that this doesn't happen.

Mr. President, the amendment before us includes a number of provisions that will protect the integrity and stability of the Social Security Program when the Government reaches the debt limit:

First, the amendment allows temporary disinvestment of the trust funds in a debt crisis exclusively for the purpose of paying Social Security benefits and administrative expenses. This will ensure continued benefit payments when we reach the debt ceiling, but it will prohibit the use of the trust funds to keep the rest of the Government afloat.

Second, it provides a permanent appropriation to immediately restore the trust funds of the amount disinvested plus interest lost once the debt ceiling is raised. This will protect the trust funds from undue losses by requiring that they are returned to the same financial condition they would have been in had no debt ceiling constraints been encountered.

Third, it requires that Social Security payroll taxes be invested as soon as room is available under the debt ceiling. This prevents the Government from using Social Security funds to pay for other Government obligations. There is also reinforcing language limiting the use of Social Security funds exclusively to pay benefits and administrative costs.

In addition, the amendment increases the number of trustee reports to Congress on the status of the trust funds from once a year to twice a year.

Finally, the amendment eliminates the normalized tax transfer in 1990. This accounting mechanism credits the trust funds with anticipated revenues at the beginning of each month, allowing investment of funds. Now that the trust funds are healthy, we don't need this transaction. Instead, trust funds will be credited on a daily basis as revenues come in.

I support these changes to protect the Social Security system during a debt limit impasse, and I commend the members of the Finance Committee for their efforts to address this complex issue.

As members of the Finance Committee are aware, I introduced a bill earlier this year to protect the Social Security trust funds and ensure benefit payments in a debt limit situation. Although our means to resolve this issue have differed at times, both my bill and the committee's amendment now achieve the same goal—protecting the trust funds and providing a failsafe for Social Security benefits in a debt crisis.

I believe the committee amendment is a significant improvement over other disinvestment proposals considered by Congress which leave benefits in jeopardy during a debt crisis, and I thank the committee for addressing my concerns in this regard.

Mr. President, this amendment goes a long way toward restoring public confidence in the independence and stability of the Social Security Program. I urge my colleagues to support this amendment to free Social Security as a political hostage of the debt limit.

Mr. HEINZ. Mr. President, I have listened with interest to the comments of the Senator from Wisconsin. First, I want to thank the Senator for his support of the committee amendment. But above all, I would like to thank the Senator for his efforts to address the Social Security disinvestment issue and for his involvement in the development of this legislation. I know last year's Social Security disinvestment has been an ongoing concern of the Senator from Wisconsin, and I appreciate his continued efforts to find a workable alternative for future debt showdowns. I believe the Senator from Wisconsin's contributions have helped us shape an acceptable solution to this complex problem.

SOCIAL SECURITY TRUST FUND

● Mr. CRANSTON. Mr. President, I strongly support the provisions of the modified Finance Committee Amendment to the debt ceiling legislation relating to the Social Security Trust Fund. These provisions were authored by the distinguished Senator from New York [Mr. MOYNIHAN]. They are intended to remove Social Security from the political turmoil surrounding the legislative brinksmanship often associated with the debt ceiling legislation.

Last year, Social Security was dragged into the political fray when the Secretary of the Treasury divested long-term trust fund investments in efforts to avoid exceeding the debt limit while the proponents of the Gramm-Rudman law tied up passage of the debt ceiling legislation. Although Congress acted swiftly to require that the trust fund be reimbursed for the interest lost as a result

of those actions as well as for interest lost as when a similar divestment took place in 1984, it is clear that unless Congress acts to protect Social Security in future debt ceiling crisis situations, the program will continue to be manipulated during similar debt ceiling legislative maneuvers.

Mr. President, it is important to understand that the problem being addressed is not merely stopping the premature divestment of Social Security investments during a debt ceiling crisis, but the necessity of removing Social Security from that debate entirely. The Social Security system is and should be independent from the unified budget. I helped lead the efforts last year to bring about that separation from the unified budget. Social Security is funded by a separate, dedicated payroll tax and it should not be dragged into the debates over how to deal with the consequences of the deficit in general revenues.

Unlike the General Treasury, the Social Security Trust Fund is fiscally in balance and running a surplus. Social Security beneficiaries shouldn't have to go through the annual emotional turmoil of wondering whether their checks are going to arrive in the mailbox on time because the debt limit for the general spending hasn't been dealt with in a timely fashion. We need to put an end to the cruel practice of holding Social Security benefits hostage while other battles are being fought out on the debt ceiling measure.

We took a major step forward last year in protecting Social Security from political manipulation when the trust fund was removed from the unified budget. Today, we have the opportunity to take another step to protect the commitment to Social Security beneficiaries that they will receive the benefits they are entitled to receive on time. Social Security is too important to the well-being and survival of millions of older Americans to allow it to continue to be a pawn in the annual political chess game we engage in when we debate the debt limit legislation. We need to assure Social Security beneficiaries that future debt ceiling crises will not jeopardize Social Security benefits. These provisions are intended to help achieve that goal and should be enacted.●

SOCIAL SECURITY TRUST FUNDS

Mr. BUMPERS. Mr. President, I am especially pleased that the legislation we are considering today contains a provision that is essential to ensuring the sanctity of the Social Security trust funds. This provision bars the Treasury Department from using the Social Security trust fund to pay the Government's bill when the public debt ceiling is reached. Social Security recipients of this country need this assurance that the trust fund is there for Social Security and nothing else.

The bill says that the trust funds can only be used exclusively for Social Security. Social Security is a solemn trust, and Social Security recipients deserve to know that it is being administered properly. People pay into Social Security with a view that the system will be there for them when they retire. That is the promise we are making to the American people, and it is our duty to keep it. With this legislation, we are living up to our duty. I have long advocated that Social Security be put off limits for other Government spending, and I am pleased that the Senate is taking that action.

When Social Security was created in 1935, it was founded on the principle that special taxes on wages would be used to pay for retirement and disability benefits. And so it was administered for nearly the first 50 years. Only in the most recent crisis surrounding the unprecedented national deficit have the trust funds been tapped. I am a strong proponent of the provisions of this bill that will ensure that the trust funds will not be tapped again.

When Treasury cashed in $28 billion Social Security trust long-term securities last fall to cover the Government's checks, I was outraged. I was pleased to have cosponsored an amendment at that time with my distinguished colleague, Senator MOYNIHAN, requiring that this money be immediately restored to the trust fund with interest.

I also was an original cosponsor of a bill (S. 2542) Senator MOYNIHAN introduced permanently to prevent the trust funds from being cashed in to pay the Government's bills. The gist of that bill has been incorporated into the legislation we are considering. I have been concerned about trust fund management all along, and I am happy that the Senate is finally considering this worthy proposal.

For too long, the citizens of this country have viewed Social Security with skepticism. The financial crises Social Security faced from 1975 through 1983 have eroded the confidence of the American people that Social Security will be there for them when they retire. That lack of confidence is no longer warranted. The amendments to the Social Security Act in 1977 and 1983 have restored the trust funds to financial health.

Despite continuing fears that Social Security would go broke, most experts agree that the surplus in the funds is enough to meet growing demands for at least the next 25 years. This year, for example, the trust funds will have a positive balance approaching $50 billion.

The Social Security actuaries estimated in their last report that by 1994 the old age survivors and disability insurance [OASDI] trust fund will have a surplus of over $480 billion. This yields a trust fund ratio of 121 percent—enough of a surplus to keep the program going for an entire year without any tax receipts. The actuaries further think that the 75-year outlook is "secure." Mr. President, I ask unanimous consent that an article by Robert Hey on the financial integrity of the trust funds that appeared in the Christian Science Monitor be printed in the RECORD following my remarks.

The Social Security trust fund provisions of the bill we are considering should further reassure the American people that the trust funds are being administered properly. This bill eliminates certain discretionary decisions by the Treasury Secretary, and requires him to invest Social Security tax receipts in guaranteed Government securities. Most importantly, it prevents disinvestment of the Social Security trust funds except in a month where Social Security tax receipts are less than expenditures. It does, however, allow for disinvestment of the trust funds in the event of a debt limit crisis so that Social Security benefits can be paid. This assures that Social Security recipients will get their checks if the Government's debt limit is reached.

Mr. President, I urge my Senate colleagues to adopt this provision. I would further note that the House has recently passed a broader Social Security legislation that includes the disinvestment provisions, but would also create an independent agency to administer the Social Security program. I have cosponsored legislation in the Senate (S. 122) to create such an independent agency, and the time is ripe to give Social Security the proper attention it deserves. I would hope that the Senate, in conferring with the House on this legislation, will adopt an independent agency proposal.

Once again, let me state that I am pleased that the Social Security recipients of this country will be assured that Social Security will not be used for anything else but to pay benefits. I am proud to play a part in strengthening the laws that will protect the benefits they worked hard to earn.

[From the Christian Science Monitor]

EXPERTS: SOCIAL SECURITY STRONG

(By Robert P. Hey)

WASHINGTON.—It is widely expected here that the retired Americans who receive social security checks each month will get a cost-of-living raise this year. In this election year neither Congress nor the administration is likely to refuse to provide a raise to the 35 million recipients, even though under current law inflation has not been high enough to justify a hike in benefits.

But a more basic public concern continues to hover over the social security system: Will the system run out of money in a few years, despite the improvements Congress and the President three years ago made in social security's finances?

A poll last year by Yankelovich, Skelly & White reported that 56 percent of Americans between 45 and 61 think it is either very likely or somewhat likely that, when they retire, social security payments will no longer be provided. The concern is greatest among the young: 75 percent of those polled between 25 and 34 expressed this doubt.

Virtually all experts agree there is no realistic reason for such concern in this century. Most add that social security is financially sound at least until about 2015, when the last of the post World War II baby-boomers are expected to retire.

Social security expert Robert M. Ball notes that even the system's own actuaries consider that it is in close actuarial balance until 2068, which is as far ahead as they have looked. Mr. Ball was social security administrator from 1962 to 1973 and was a member of the '83 commission that put the system on sound economic footing. He says the concern that social security may not be economically sound "is not a real issue, but it is an issue of education" and public perception.

Wilbur Cohen, another former social security administrator, agrees. He says he is "concerned over the extent of the unnecessary anxiety about the financing of the social security system, especially by young people."

Sen. John Heinz (R) of Pennsylvania, chairman of the Senate Committee on Aging, says he thinks the 1983 adjustments to social security's finances fixed the system's economic base for 75 years. Yet he says public confidence in the system remains so fragile that it would be undermined if Congress did not grant a cost-of-living increase this year. He believes they would conclude, mistakenly, if there were no increase that social security was in financial trouble again.

Such public concern is a legacy of social security's 1981-82 fiscal problem, when the system was so low on funding that retirees were concerned for good reason that it would run out of money and their checks would stop coming. But the President's National Commission on Social Security Reform recommended far-reaching improvements in its financing. As a consequence, social security now is salting money away in its trust fund against the time when the baby-boomers do retire, and there are fewer Americans working relative to the number retired.

According to most projections, by the year 2015 social security should have enough money to pay almost five years worth of benefits. That will be important, because about then it will begin to decrease as the members of the baby-boom generation enter retirement. Further, the buildup until 2015 is intended to help pay for the retirement of Americans too young today to work. When they begin their professional lives there will be relatively fewer Americans working compared with the number retired.

Whether the Social Security Trust Fund actually will wind up with this much money depends on the accuracy of projections about the economy and the numbers of future retirees and workers.

Experts agree that the most important assumption is the economic projection. If the economy does not perform as well over the next few decades as forecast, there would be less money in the fund than is currently projected.

● Mr. DODD. Mr. President, earlier today I voted in support of a motion to table the amendment offered by the Senator from North Carolina [Mr. HELMS], which would overturn recently approved legislation in the District of Columbia to prohibit insurers from denying or increasing the cost of coverage to persons who test positive for exposure to the AIDS virus. I wish to make clear that my vote to table the Helms amendment is not an endorsement of the recent legislation here in the District. To the contrary, Mr. President, I believe this is an unwise, counterproductive law.

According to a recent article in the Washington Post, at least four life and health insurance companies have decided to stop doing business in the District rather than comply with this legislation. After all, risk assessment is the very essence of the insurance business. Whether we agree with this law is not the issue raised in my mind by the Helms amendment. The real issue, Mr. President, is whether this body wants to sit in judgment as the final abriter of laws enacted by the elected representatives of the District of Columbia.

Once we start down this path, I fear where it may lead. I consistently have supported home rule for the citizens of Washington, DC, and believe that in this and other cases the redress lies with the people through the usual political channels. Our attention here should be focused more appropriately on providing support for both a cure and assistance to the victims of this dreaded virus.●

ELIMINATION OF THE SOCIAL SECURITY TRIGGER

● Mr. DOMENICI. Mr. President, I rise in support of the amendment offered by Senator HAWKINS to eliminate the 3-percent trigger for cost-of-living adjustments to Social Security benefits.

Under present law, Social Security benefits are increased for inflation only if the inflation rate is 3 percent or more. Benefits for railroad retirement, supplemental security income, and veterans pensions are controlled by the same provision. Economists now believe that the inflation rate will be less than 3 percent this year. It is more likely to be less than 2 percent.

Although 2 percent doesn't sound like much of an increase, we must remember that many of these people are living on the edge of poverty. Unless we take action, millions of elderly and disabled people will not be protected against inflation by a cost-of-living adjustment next January. In my own State of New Mexico, there are more than 230,000 people in these programs.

Mr. President, the current policy was not intended to save money. It was designed for administrative convenience, to eliminate the time-consuming task of making small changes in the benefit structure. Benefits are adjusted in the second year to catch up to the full amount of the inflation. Since the trigger was put in place, improved automation has simplified the task of implementing rate changes. Also, we have noticed problems and inequities which arise from the complex interactions among the various trust fund and other income security programs.

As a side effect of the way benefits and wages are indexed, people who retire in 1987 would receive a windfall. Their benefits would be adjusted for 2 years' worth of inflation, even though they have experienced only 1 year of retirement. This could cost as much as $600 million over 5 years.

Because of this windfall, failure to eliminate the trigger may actually cost money in the long run. If the COLA is 1 percent, which is possible, SSA's actuary projects a 5-year cost of $200 million if we do not remove the trigger.

Finally, many income security programs are not affected by the Social Security trigger. Federal civilian and military retirees receive cost-of-living adjustments regardless of the rate of inflation. Why should their benefits be protected in this way, when those of the aged, blind, and disabled—particularly SSI recipients—are not?

The budget resolution passed last month assumes that there will be a COLA in January 1987. I agree with the American Association of Retired Persons when it said "Social Security and Federal pensions should be adjusted to reflect inflation, no more, no less." There is no reason for 37 million Social Security beneficiaries to wait a year to receive the benefits to which they are entitled because of an outdated technical provision. I believe that we should act quickly to assure that it will happen.●

● Mr. BINGAMAN. Mr. President, I welcome this opportunity to cosponsor and to support the amendment disapproving the new uranium enrichment criteria released by the Department of Energy.

Section 161(v) of the Atomic Energy Act specifies a number of important contraints on DOE's actions. These contraints are vital to the protection of the public interest. First, the act requires DOE to limit enrichment of foreign uranium intended for domestic end-use to the extent necessary to assure the maintenance of a viable domestic uranium industry. Second, the act requires DOE to recover its costs. But DOE's new criteria, in a fashion evidently designed to protect the agency's current policies—which have been criticized by GAO—do not limit enrichment of foreign uranium even though DOE admits that the domestic uranium industry is non-viable and even though thousands of New Mexico uranium miners are unemployed. Moreover, DOE purports to write off over $4 billion of its costs. Translated, this means taxpayers must pick up this financial burden. While a write

off may be justified, this required a change in the law.

Mr. President, DOE claims that it should be allowed to do as it is doing because domestic utilities will otherwise abandon DOE and go abroad for enrichment services. But the agency has never substantiated this. First, U.S. utilities prefer the security of a domestic enrichment source. Second, there will be little or no available foreign enrichment capacity by 1990. Third, DOE and NRC enjoy the power under existing law to require use of domestic enrichment facilities to the extent necessary to carry out the policies of the Atomic Energy Act, including those of section 161(v). Finally, and in any event, the law is the law and DOE should act in accordance with it.

Mr. President, to a large extent DOE's criteria appear to be an end-run around some litigation which the agency faces. But it is an end-run which itself violates the law. Unless and until DOE brings itself into line with applicable legal requirements, the litigation can only be expected to continue and, despite the agency's numerous efforts at delay, ultimately to result in orders requiring DOE compliance.●

URANIUM ENRICHMENT

● Mr. GARN. Mr. President, I am pleased to cosponsor the language of disapproval of the uranium enrichment criteria recently issued by the Department of Energy. Under section 161(v) of the Atomic Energy Act, those criteria must be submitted to Congress for at least 45 days of review prior to becoming effective.

Mr. President, DOE's new criteria do not comply with the substantive requirements of the Atomic Energy Act. Let me elaborate on one specific example. The act requires DOE, in mandatory terms, to limit enrichment of foreign-source uranium to the extent necessary to assure the maintenance of a viable domestic uranium industry. Such assurance is necessary to protect U.S. national security and energy independence, as well as to maintain a vital domestic industry in the face of foreign subsidies and other unfair trading practices. By DOE's own admission, our domestic uranium industry is nonviable. This situation is keenly witnessed in Utah, where the uranium industry is in deep depression with hundreds of workers unemployed. DOE has unlawfully failed to implement section 161(v). DOE's new criteria continue to fail to encompass enrichment limits.

To take another example, section 161(v) requires DOE to recover all its costs, yet DOE is purporting to write off over $4 billion in taxpayer investment. A write-off of this or some other amount may well be appropriate, but that is for Congress, and not DOE, to decide.

Finally, the criteria vest open-ended discretion in the agency to do whatever it wants when it wants. This makes oversight extremely difficult. In addition, it does not auger well for the privately owned portions of the nuclear industry.

Whether we legislate on this score or not in the few legislative days remaining this term, the fact remains that the revised criteria violate the law. While this issue will likely be determined in the courts whether we act or not, we owe it to the public to at least try to sort out this mess. Any effort to check DOE's violation of the law thus merits our strong support.●

ASSURANCE THAT SOCIAL SECURITY CHECKS WILL BE MAILED

● Mr. WILSON. Mr. President, the Senate is on record many, many times in support of Social Security, its financial integrity, and the maintenance of benefit levels. We have most recently, and perhaps, most significantly, exempted Social Security payments from cuts under Gramm-Rudman-Hollings.

Yet, Mr. President, I cannot believe that, while voting to strengthen Social Security and maintain benefits, we would want to effectively prevent beneficiaries from receiving their monthly payments.

Unfortunately, the interplay of Gramm-Rudman and the way that the processing of checks is paid for will lead to a failure to get Social Security payments into the hands of our senior citizens—unless we do something before the start of the 1987 fiscal year.

As I have said, Social Security payments have been protected from sequestration orders under the Gramm-Rudman-Hollings law.

But, Mr. President, the moneys necessary to print and mail these very same Social Security benefit checks are subject to sequestration. The problem, Mr. President, is inherent in the current process by which the Financial Management Service receives its funds, and it can easily be corrected. All we need to do is perform a simple accounting, or technical, adjustment.

Mr. President, the Financial Management Service, which is within the Treasury Department, is responsible for actually issuing all Social Security benefit checks. These costs include printing, storage, and mailing of the checks. FMS later "bills" the Social Security trust funds, managed by the Secretary of the Treasury, for its expenses related to the checks.

As only the Federal accounting system might devise, however, rather than the trust funds reimbursing FMS directly, it makes a payment to the general fund of the Treasury.

So, where does FMS get the money needed to pay for the costs associated with processing and mailing Social Security checks? It gets it through an annual appropriation—which makes it sequesterable under Gramm-Rudman.

Mr. President, this makes no sense. If Social Security processed and mailed benefit checks on its own, we would not have this problem. However, because it uses the centralized services of the Treasury—the Financial Management Service—Social Security can be prevented from getting benefits to its beneficiaries. As I said, this makes no sense.

FMS is simply providing a service, on a "reimbursable" basis. I believe that these operations, these service activities, should not be affected; rather, sequestration should only affect the administrative account of the benefiting agency—in this instance, Social Security.

To solve this problem, I introduced legislation, S. 2600, which would do no more than change the peculiar process that I outlined. After consultation with the Department of Treasury, I have revised my proposal and offer it today as a solution.

My amendment will permit the Social Security trust funds to directly reimburse the Financial Management Service for processing and mailing costs, rather than having them make payments to the general fund. This will guarantee that FMS will be able to mail all benefit checks on time—without fear that a sequestration order will shortchange the agency and as a result shortchange Social Security recipients.

If we do not adjust the process for the costs necessary to issue and mail all benefit checks, the Financial Management Service will be faced with a no-win situation—it has the responsibility to mail out all checks, but is faced with a possible postage rate increase and the virtual certainty being shortchanged by receiving less than the full amount required to meet the full costs timely mailing of Social Security checks to their recipients.

Mr. President, let me make clear that there is one thing that my amendment would not do: It would not amend Gramm-Rudman-Hollings and establish a new account that cannot be sequestered; it would not increase Federal budget authority; it would not increase budget outlays; In short, it would have no budgetary impact at all.

Mr. President, my amendment would simply allow the Financial Management Service to continue to receive all the moneys necessary for it to provide its vital service to all Social Security benefit recipients. It will let all Americans know, unequivocally, that they can rest assured—all benefit checks will continue to be processed and mailed on time.●

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

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

UNANIMOUS CONSENT REQUEST

Mr. DOLE. Mr. President, we have reached that point, as far as I know, where there are no additional amendments on either side on the debt ceiling bill. What has been circulated is the unanimous consent request that gets us from the debt ceiling to the DOD authorization bill with an agreement to come back to the debt ceiling if we have not completed the DOD authorization bill by the close of business on Thursday, August 7.

The reason for that is because we have Members who wish to do two things: Some have suggested if we cannot work out some agreement between now and Thursday on aid to the freedom fighters and South Africa, they will want to put those amendments on the debt ceiling.

As I understand from the meeting we had yesterday, that is precisely what this unanimous consent agreement does.

We had one agreement drafted that covered everything, when we would finish DOD, when we would finish aid to the Contras, when we would finish South Africa.

But we determined very early that that was not going to be agreed to. It was my understanding, unless I did not hear it correctly in the meeting yesterday, that this would get us to the DOD authorization bill and give us a couple or 3 days to see if we could work out South Africa and Contra aid. If we could not, we are right back where we are, without any prejudice to anyone, on Thursday next. Then we could debate both issues on the debt ceiling.

What I propose to do with this agreement is advance the bill to third reading with the exception of those two matters and if we have not completed the DOD authorization—lay down the DOD authorization tonight. Both Senator GOLDWATER and Senator NUNN are here. They have been anxiously waiting.

If that is not completed by Thursday, August 7, then we will provide that on the DOD authorization bill, there would be no amendment dealing with either South Africa or Contra aid. If they have not completed final action on the DOD authorization at the close of business on Thursday, we would resume consideration of House Joint Resolution 668, which is the debt ceiling extension.

I do not believe there is any controversy there. It seems to me that gives us Monday, Tuesday, Wednesday, and Thursday to try to work out how we are going to handle aid to the Contras and South Africa.

Yesterday, the concern was getting the bill out of committee. There was a lot of suspicion that was not going to happen. It happened. The bill has been reported by the Foreign Relations Committee.

I am prepared either to start debating Contra aid on the debt ceiling or South Africa on the debt ceiling, but I would prefer, as I understood most Members did—I think every Member in the meeting—that we would work out some arrangement where we could move the DOD authorization and try to work out the other two issues, then come back to the debt ceiling and debate the issues there if we cannot reach an agreement between now and Thursday.

Mr. KENNEDY. Would the majority leader be good enough to yield?

Mr. DOLE. I am happy to yield.

Mr. KENNEDY. I appreciated the opportunity to talk with the leader in the past few days and with others about the schedule and how to communicate the interests of various Senators. The strong vote in the Senate Foreign Relations Committee today, 15 to 2, is a strong indication of bipartisan support for important and significant economic sanctions against South Africa. It is reasonable to assume that there will be less difficulty in disposing of the South African issue than the Contra issue, although there may be those who differ with that assessment.

I would not object to the plan outlined by the majority leader if we had assurance that we would have a final vote on the South Africa sanctions no later than Friday, August 15.

Mr. DOLE. I cannot give that assurance.

Mr. KENNEDY. Then I think I shall have to object, Mr. President. But I am quite ready to agree on a reasonable way to deal with both South Africa and Contra aid. But I shall insist that we have that opportunity to vote on South Africa, and I will voice an objection.

If the majority leader is not prepared to give any agreement either on taking up the South Africa measure or final disposition before the day we adjourn, then I, I would object to this proposed agreement.

Mr. DOLE. I have not propounded the request yet. I just say this is precisely the agreement we had in my office yesterday. Now the Senator wants to change it. It is precisely the agreement, the first half of the agreement. We said OK, let us go ahead, let us take all the amendments on the debt ceiling except the two so that everybody is going to be protected, then go on to the DOD authorization. I was going to ask every day this week, part of last week, about getting the DOD authorization. Let us do that, lay it down. If it is not completed by Thursday, we are right back in the same position where we are now and nobody has lost any rights.

That was the understanding. I did not draft this. I asked the Parliamentarian to do it.

Mr. KENNEDY. The leader was there. Other Members on the floor now were there. My recommendation at that meeting was that we would file cloture on the Defense authorization.

On Contra aid, and on South Africa as necessary, and be prepared to deal in a timely fashion with all three of those issues in the remaining 2 weeks. That was my recommendation at that meeting.

I do not want my position distorted by the majority leader. That was my recommendation. I am prepared to proceed in any way that would permit those three issues to be resolved.

Clearly, that is not the desire of the majority leader at this time. If we cannot reach agreement for a fair disposition of the South Africa issue prior to the recess, I will have to protect my rights to offer the amendment by whatever means are available on other vehicles.

Mr. BYRD. Mr. President, will the majority leader yield?

Mr. DOLE. I yield, Mr. President.

Mr. BYRD. The distinguished majority leader has not stated precisely what was agreed on in that meeting. It was I who made the proposal that there be 1 day of debate on South Africa; that a cloture motion be introduced on that day; that it be a full day of debate, not just an hour, not just 2 hours. As I remember, I said we have been going from 9 o'clock until 7 around here, so let us have a full day of debate, have the cloture motion introduced, then have the second day, a full day of debate again. And during the debate, there could be amendments called up and disposed of. Then on the third day under rule 22, have the cloture vote. If cloture was invoked, that is it. But drop the 30 hours.

Then I said we should have the same thing on Contra aid. I did not say which would come first, but I said we would have the same proposal with respect to both, that there be a full day of debate, a cloture motion entered that day, a second full day of debate, and then, on the third day, have the cloture vote.

That is what was said. That is what we kind of tentatively agreed to. I made the proposal. So if we are going to talk about what went on in the meeting yesterday, let us just air it.

That is not included here. That is not what we are saying here. That was not all of it.

We indicated also that we would try to complete action on the debt limit extension up to the two remaining

issues, South Africa and the Contras; put that over then until sometime next week; in the meantime, go to DOD, take it up, try to dispose of it. But we would leave the debt limit resolution train at the station out there so that if we could not resolve these other two matters in the meantime—at that time, the Foreign Relations Committee had not reported out the South Africa measure and the Appropriations Committee had not, at that time—has not yet—reported out the MilCon appropriations bill on which the Contra aid legislation, I believe, is attached.

That was the understanding. What we have here is a proposal to put the debt limit extension measure over until a future date. In the meantime, we go with DOD and if passage of DOD does not occur by the close of business on next Thursday, then the Senate would resume consideration of the joint resolution on the debt limit until disposed of.

□ 2000

That is not what we agreed to yesterday. I think we can work this out if there is a willingness on both sides to do it. But I would have a number of questions. No. 1, suppose DOD is disposed of before next Thursday? And I doubt that will happen. But this does not say that if DOD is disposed of before next Thursday, the Senate will immediately resume House Joint Resolution 668, the debt limit extension. Furthermore, it does not provide for a final disposition by cloture of either of those two key items, South Africa and Contra aid. That was what we talked about yesterday, and I specifically said in that meeting the reason I think we ought to have a cloture vote is because we would shut out then all nongermane amendments, we would shut them out, we get a cloture vote and then forget about the 30 hours. That is not provided for in here. I would like to see that provided. That is within the power of the distinguished majority leader. He could assure the Senate that we will have a cloture vote no later than Thursday, a week from next Thursday. I do not have to go into a lengthy speech to describe how that would be done but he can do that, and he can also assure himself that he will have a cloture vote on Contra aid, even prior to that as far as that is concerned. But I think we have to have a very, very definite agreement that assures those two specifics.

That is what we were talking about yesterday, and I hope that we would try to reach an accord to that end.

Mr. DOLE. I do not have any quarrel with the distinguished minority leader or the Senator from Massachusetts, but I would indicate there was also recited at that meeting that—there were 6 or 7 of us there and there are 93 out here who were not in the meeting. We had a lot of ideas. We were waiving the 30 hours of debate if you get cloture. I asked the question, if you do not get cloture the first day on Contra aid, will we have a second cloture vote? I assume you could have a third cloture vote, and sooner or later you would have to pull it down. We talked in a general way. Then I asked to be drafted some provision that we might start circulating, and I learned very quickly that we were not going to get that far.

I think everybody agreed had we been able to put that agreement together, we would have been in pretty good shape, and I would have been for it, the minority leader would have been for it, everybody in that meeting, I guess, would have been for it. But I think there were 93 Senators who were not in that meeting; 92.

Now, let me repeat, as far as I know there are no more amendments to the debt ceiling. The question now is whether I am going to offer Contra aid and, if I do, will the Senator from Massachusetts move to recommit, with South Africa, and will I add amendments to authorize Contra aid and we are right back where we started. That is question No. 1.

Question No. 2, since we have completed our work on the debt ceiling with those two exceptions, what do we lose by permitting Senators who are here, the Armed Services Committee chairman and ranking member, to proceed to lay down the DOD authorization, which they can do, if not complete, get very close to completion, by Thursday? If they do not complete it by Thursday, we are right back where we are right at this moment.

I have not lost any of my rights, the Senator from Massachusetts has lost none of his rights, and in the meantime we are doing something because if we are not going to take up DOD I assume we are just going to try to work out an agreement the next 2 or 3 days on South Africa and Contra aid. As I look at the calendar, there are precisely 10 legislative days left between now and August 15, maybe 11 if we meet on a Saturday, which is not likely. Now, maybe somewhere along the line—there is no guile, there is no effort to deceive anyone. I am just trying to get some work done in the Senate, and again I would say the RECORD will reflect that every day on this floor the last few days I have been asked by the minority leader, when are we going to get to the DOD authorization bill. I want to get to the DOD authorization bill. I agree with the minority leader. I agree with the Senator from Georgia. I agree with the Senator from Arizona. It is an important piece of legislation.

I think I recollect the Senator from Georgia said on this floor the last couple of days, maybe we ought to take a day or two to concern ourselves about the American interests. And this is a big, big piece of legislation.

I do not know what the Senator from Massachusetts loses. He just does not gain anything. I think we are all in this together. I am certainly willing to work on Monday, Tuesday, Wednesday, and Thursday of next week to reach some fair agreement on the disposition of those two big issues. If we cannot reach an agreement, we have not lost a thing. We are right where we are at this very moment where I have the floor and I can send to the desk the amendment on Contra aid, which I have.

I do not want to do that. I do not believe the Senator from Massachusetts wants to put South Africa on this bill either because there has been a bill reported by the Senate Foreign Relations Committee that has not yet reached the floor. It was approved by a 15-to-2 vote. I am not certain which bill the Senator from Massachusetts would offer, but I am certainly at a loss to understand what anyone loses. There was no way we could have gotten what we all would like to have gotten in that session we had yesterday.

So I decided if you are not going to get the whole loaf, you better take half a loaf, you better do what you can on the debt ceiling and you better get Senators GOLDWATER and NUNN started on DOD authorization and in that 4-day period myself, Senator LUGAR, Senator KENNEDY, Senator BYRD, Senator WEICKER, and others who have an interest in South Africa and Contra aid will try to reach some agreement.

If we do not, we are precisely where we are at this moment, right back with me standing here, the Senator from Massachusetts standing there; I will have this amendment at the close of business Thursday and, if we cannot work out an agreement, then it will probably be offered.

It was also my understanding in that meeting that the Senator from Connecticut wants a freestanding vote on South Africa. It is an important issue. We have 30-some amendments flying around on the debt ceiling extension. It should not have any. You are going to clutter it up with South Africa and I will clutter it up with aid to the freedom fighters or Contra aid, and I do not think we have really achieved anything.

But I am not certain I can stand here now and say without any doubt that on a certain day next week we are going to be prepared to vote on either the freedom fighters or South Africa. But I want to complete South Africa before August 15. I want to complete freedom fighters before August 15. I do not believe I have given any indication otherwise. I hope that we would just proceed, let the DOD bill come up. We have a cloture motion ready to

file on the DOD authorization, signed by 16 Members. If that is complete, all we have to decide is which comes first, freedom fighters or South Africa.

Mr. KENNEDY. Will the majority leader yield?

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I will be happy to yield to the minority leader.

Mr. BYRD. I want to point out the problem with what the distinguished majority leader says. The consent proposal does not definitely provide for the disposal of the South Africa measure or Contra aid.

□ 2010

I read from the second paragraph:

If final passage——

meaning the DOD authorization——

does not occur by the close of business on Thursday, August 7, the Senate will resume H.J. Res. 668 and remain on the joint resolution until disposed of.

Now, suppose we go back to the debt limit extension. What assurance is there that some Senator—and Senators other than the majority leader can offer cloture motions. What assurance is there that a Senator—let it be the majority leader; it might be minority leader; it might be any Senator—might offer a cloture motion on this debt limit extension? If that cloture is invoked, South Africa is not a germane, and South Africa could not be offered to that debt limit extension; and Contra aid is not germane.

That is what is wrong with the agreement, and that is what is not in keeping with the intention and understanding, I think, of everybody there.

Mr. DOLE. I do not think that was ever even discussed. Not in the meeting I attended yesterday. Maybe there was another meeting. But not that particular scenario.

Mr. BYRD. There are many scenarios that could happen.

Mr. DOLE. I can only play one at a time.

Mr. BYRD. I can only play one at a time.

Mr. DOLE. There is not any assurance.

Mr. BYRD. I am trying to help the distinguished majority leader.

Mr. DOLE. I had a little agreement drafted here that I thought would suit everyone. Just let me read it. I will be happy to try one tonight.

I ask unanimous consent that the debt limit bill, H.J. Res. 668, be read a third time no later than the close of business today, provided, that amendments dealing with South Africa and aid to freedom fighters be in order when it is resumed, no later than Monday, August 11; provided that the DOD authorization bill, S. 2638, be laid before the Senate on tomorrow and proceeded with until concluded, no later than close of business Tuesday next;

We might even slip that to Wednesday.

and that on Wednesday next the Senate proceed to the Military Construction Bill, H.R. 5052, at 10:00 a.m. and the Senate proceed with that bill until concluded no later than the close of business Thursday next; and further that on Friday next at 10 a.m. the Senate proceed to a bill to be called up by the Senator from Indiana [Mr. LUGAR] dealing with South Africa and that the Senate proceed on that bill until concluded, no later than the close of business that day.

If I could have that agreement, we might even leave before the 15th of August; but I doubt that I can get that agreement because some do not want to vote on freedom fighters. They want to filibuster freedom fighters.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. BYRD. May I ask the majority leader to yield for a moment?

We did not discuss that scenario, either, but I would be happy to take a look at that.

What I am saying to the distinguished majority leader is that if he would simply write into this agreement that a cloture vote would occur not later than Thursday, a week from next Thursday, on South Africa, and then he could put his own provision, so far as I am concerned, as to the date when Contra aid would be voted on by cloture, perhaps we could agree on this.

But there is no assurance, I say once again, most respectfully, to the majority leader—there is no assurance in this agreement right here, and that is what we are talking about. We are talking about agreements. We are talking about orders of the Senate that will be entered on a unanimous-consent agreement. There is nothing here that assures Senators who are interested in South Africa getting a vote on that. There is nothing to assure Senators who want a vote on Contra aid that a cloture motion will not be entered on the debt limit extension and they will be heard out.

Another scenario we have not discussed, but a possibility and a good reason why Senators will want to make sure the agreement is clear and that it specifically states these things so that everybody will be protected—another scenario could be like this:

The distinguished majority leader or any other Senator could offer a cloture motion on Contra aid; cloture could be invoked; Contra aid would be voted on; and then, before anybody could offer an amendment on South Africa and a cloture motion on that measure, a motion to invoke cloture could be offered on the debt limit extension. So that Contra aid is in. Those who want to vote on Contra aid—I do not mind having a vote on Contra aid—would get their vote, would get their cloture, would get that provision in the debt limit extension; and then slap a cloture motion on the debt limit extension itself, invoke cloture; and no nongermane amendments could come in under cloture, and South Africa is out.

That is what the distinguished Senator from Massachusetts is concerned about, I think. That is certainly what I am concerned about.

If we can do that, then I think we will be moving in accordance with the understanding we had yesterday.

I thank the distinguished majority leader for yielding.

Mr. DOLE. But I do not think there is anything I cannot do. I do not need the unanimous-consent agreement. I may have to wait until Monday to get the votes to move to the DOD authorization. I can do that right now. I do not need unanimous consent.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. BYRD. I understand all that.

Mr. DOLE. What are we arguing about?

Mr. BYRD. I am not arguing about anything. I am trying to help the distinguished majority leader get an agreement that will see the Senate act on DOD. I have no objection to going to DOD. But I would hope we could work out an agreement whereby we would take up these measures in an orderly fashion, so that those who want a vote on South Africa will get it and those who want a vote on Contra aid will get it, and we will get action on DOD.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. KENNEDY. In conclusion, I just want to state my position. It has been represented in a way that does not accurately reflect my intention.

I am not interested in preventing the Senate from considering the defense authorization bill. I want to make that clear. I am prepared to move to that bill at the present time. I think it is important. There are a number of matters in it which I would like to debate, and I supported the bill in the Armed Services Committee. The chairman and the ranking minority member are here, prepared to begin the debate. So I welcome the opportunity to move to that legislation.

It is also essential that we have an opportunity for the Senate to work its will on both South Africa and Contra aid.

The fact of the matter is, Mr. Leader, you do not know whether you have the votes on Contra aid. I believe that we do, with regard to South Africa. Because you do not know whether you have the votes on it, you are holding South Africa hostage to Contra aid.

The PRESIDING OFFICER. The Senator will address the Chair and not address another Senator.

Mr. KENNEDY. Who was I addressing?

Mr. DOLE. Me.

Mr. KENNEDY. Excuse me.

The fact is, the majority leader is not sure whether he has the votes on Contra aid, and so he is holding South Africa hostage to Contra aid. That is the fact. The leader may call it by another name, but that is the fact of the matter.

Furthermore, as a strong supporter of sanctions against South Africa, I am prepared to offer the South African amendment on the debt limit bill, although I prefer that we have a freestanding measure as outlined by the Senator from Connecticut. We are prepared to ban a cloture vote. We are prepared to see it go back to the House on the debt limit bill.

□ 2020

I do not believe that the majority leader is so sure whether he wants Contra aid to go back to the House on the debt limit. The House might take another look at it. But let us not mislead the Senate that it is a question of Tweedledum and Tweedledee, South Africa and Contra aid. It is going to be much more difficult for the majority leader to pass Contra aid than for us to pass sanctions against South Africa. We can dispose of the South Africa issue in 4 days at the most, if we need two cloture votes on the debt limit, one on the amendment, and one on final passage of the bill. If the opponents do not require us to have a second cloture vote, we could dispose of it in 2 days.

On the merits, the South African issue could be disposed of in 1 day.

But unless we are able to obtain some assurance about a fair opportunity to vote on South Africa, we will have to exercise whatever parliamentary rights we have, so that the Senate can express itself on this issue.

I thank the Chair.

Mr. DOLE. Mr. President, in my view we have two important issues.

I think many of us who supported sanctions on South Africa last September are prepared to do so again. This is not the question.

I would guess on that issue there is not much division in this Senate. I hope not. It is bipartisan, nonpartisan, whatever, as it should be.

But there is another issue where the Senate is closely divided. It is an issue in which the President of the United States feels very strongly, and that is Contra aid.

I have some responsibility to the President as leader of the Senate, whether I am majority leader, minority leader, or whatever.

I am perfectly willing to sit down and work out some agreement that is fair and above board, the only kind we are going to have in this body; the only kind we ever had as far as this Senator knows.

But I am not prepared to say OK we will take care of South Africa and then you just do the best you can on Contra aid.

We passed Contra aid in this body in March, a bipartisan vote. In my view, there is no reason that we should not have an opportunity to take it up again. Whether or not we have the votes on cloture I do not know.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. NUNN addressed the Chair.

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1987

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar 713, S. 2638, the DOD authorization bill.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOLE and Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. I say the Senator from Massachusetts indicated a few moments ago he did not mind going to the DOD authorization bill. That is what I was attempting to do.

But I will move that the Senate turn to that in a minute and see if we can accommodate some of our colleagues on an issue I thought was of some interest and that is the DOD authorization bill.

But the facts are unless we can do it one way we are not going to do it at all. That is what I hear in this Chamber.

Mr. GOLDWATER. Will the Senator yield?

Mr. DOLE. I am happy to yield to the Senator.

Mr. GOLDWATER. I would like to make a suggestion, I guess in the form of an inquiry.

I look at the situation we have right now with the debt limit of great importance to our country, the DOD authorization bill of even greater importance to our country.

I do not think there is any question at all but the people in South Africa know that this Congress is going to vote sanctions. I do not think there is any question of that.

Now, on Contra aid there may be some question on that, but we are not interested I think at the moment in South Africa. I am just wondering if my friend from Massachusetts, and I think he has to feel the same way as I do relative to this sanctions vote, considers it absolutely necessary that we have the vote on the sanctions next week? Could we not put that off, say, until we come back from the recess because we do have these very, very important bills, the debt limit and our Armed Services authorization bill which the Senator from Massachusetts has worked so hard on with all of us?

Mr. KENNEDY. I respond to the Senator.

The PRESIDING OFFICER. The majority leader has the floor.

Does the majority leader yield?

Mr. DOLE. I yield to the Senator from Massachusetts for that purpose.

Mr. KENNEDY. Mr. President, I say to the Senator from Arizona, let me just say it is not necessary to vote next week on sanctions against South Africa. I do believe that it is essential, though, that we vote on them prior to the August recess. We may need two cloture votes, and I would hope we could take up the issue to have the second cloture vote, if necessary, on Friday, August 15, the day that we begin the recess. There is no reason we have to vote next week on it, but I would hope that we would vote before the August recess begins.

Mr. President, if I could just have the majority leader's attention for 1 minute.

Mr. DOLE. The Senator from Kansas has the floor. I am happy to yield.

Mr. KENNEDY. I withdraw my earlier objection. I did not intend to oppose moving to the defense authorization bill, but I wanted to make my position clear on the South Africa issue. In argument, we have the option to add that onto the defense authorization bill if we are not able to reach some other satisfactory arrangement.

Mr. NUNN. Mr. President, will the majority leader yield?

The PRESIDING OFFICER. Does the Chair understand that the Senator from Massachusetts has withdrawn the objection to the majority leader's unanimous-consent request?

Mr. KENNEDY. To move to the defense authorization.

Mr. DOLE. Let me renew my request.

I ask unanimous consent that the Senate now turn to the consideration of Calendar No. 713, S. 2638, the DOD authorization bill.

Mr. NUNN. Mr. President, will the majority leader yield?

Mr. DOLE. I am happy to yield the floor.

Mr. NUNN. I would like him to yield.

Mr. DOLE. I am happy to yield.

Mr. BYRD. Could we have the clerk report the bill?

The assistant legislative clerk read as follows:

A bill (S. 2638) to authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for such Department for fiscal year 1987, to revise and improve military compensation programs, to improve defense procurement procedures, to authorize

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certain construction at military installations for fiscal year 1987, to authorize appropriations for national security programs of the Department of Energy for fiscal year 1987, and for other purposes.

The Senate proceeded to consider the bill.

Mr. NUNN. Mr. President, will the majority leader yield for a brief question?

Mr. DOLE. Yes.

Mr. NUNN. It seems to me that there is still another. We are not going to solve the whole problem tonight. It is obvious we are not going to solve the Contra problem in terms of getting that up. We are not going to solve the South Africa problem.

There is another problem it seems to me we should be able to solve and help the majority leader and it seems to me to help the body. That is close off the amendments to the debt ceiling other than those two matters.

The way this unanimous consent is drafted—and I would ask the majority leader to make sure he follows this closely, it may be that he has some reason that would be opposed to this particular suggestion—there are four paragraphs in this unanimous-consent agreement.

Paragraph 1 basically says that no other business except aid to the freedom fighters and South Africa can be in order on this debt ceiling.

Paragraph 2 goes to the DOD authorization bill and states that if final passage does not occur the Senate will resume the debt ceiling bill.

Paragraph 3 forecloses any amendment on South Africa or Contra aid to the military authorization bill.

And paragraph 4 goes back to the debt limit extension bill.

It seems to me it is very important tonight if it is possible to close off amendment to this bill other than the Contra aid and South Africa.

If you struck paragraph 3 it seems to me that then we would be right where we are now because the Senator from Massachusetts can offer to this DOD authorization bill, which is now the pending business of the Senate, the South African resolution, the majority leader can offer the Contra resolution; so the DOD authorization bill has already got that exposure.

I would hope neither of those would be offered on that bill.

If you struck paragraph 3 you would foreclose any further amendment to the debt ceiling. You would put us in a position we are no worse off than we are right now on the DOD authorization bill, but you would protect the Senator from Massachusetts and the majority leader's right to offer the Contra or the South Africa resolution to either the DOD authorization bill or the debt ceiling bill.

What that would do it would leave everyone where they are now but the Senate as a whole and majority leader I think would be much better off because you would not have other amendments that could be proposed to the debt ceiling bill over the weekend.

We may come back here Monday morning and have 50 more amendments to the debt ceiling bill and then instead of making progress we are going to be behind the eight ball.

So it seems to me if we struck paragraph 3 and pose that same unanimous-consent agreement everyone would be as well off but we would not have that kind of exposure and no one would be losing their opportunity, including the Senator from Massachusetts.

□ 2030

Mr. DOLE. Mr. President, I thank the Senator from Georgia on his constructive suggestion; even if we would only agree to the first paragraph, just the first paragraph.

Mr. KENNEDY. I think the suggestion is a constructive one and I would support the recommendation of the Senator from Georgia.

Mr. BYRD. If I understood the distinguished Senator from Georgia, he is suggesting that the agreement that was presented be presented again—that agreement was not entered into—be presented again, but without paragraph 3.

Mr. NUNN. Mr. President, the Senator from West Virginia is correct.

Mr. BYRD. Mr. President, paragraph 3 is not what gave this Senator any problem to begin with.

Mr. NUNN. I understand that, but the problems posed by the Senator from West Virginia would be, it seems to me, answered by striking paragraph 3, because then the Senator from Massachusetts, on the South African resolution, and the Senator from Kansas could pose their amendments to the DOD bill, as well as the debt ceiling bill.

Mr. DOLE. Mr. President, if I might add, I think I know the concern the distinguished minority leader has, and we could add to that another paragraph, which asks unanimous consent that, regardless of cloture being invoked on the debt limit bill, House Joint Resolution 668, that the germaness provisions of rule XXII not prohibit the offering of amendments on the two issues dealing with aid to Contras, freedom fighters, and South Africa. Would that take care of it?

Mr. BYRD. Mr. President, I suppose I have worked out more time agreements in this Senate than any other Senator in the history of the Senate.

I would be happy, if the distinguished majority leader wanted to, to put in a quorum call and let us see what we are talking about, let us see it in writing, and it may be that this is something we could agree on.

Mr. DOLE. Mr. President, I would be pleased to do that, because I think the Senator from Georgia could be correct. I mean, we could get back here on Monday and there would be an additional 10 or 20 amendments on the debt ceiling, and that would not be in the best interest of getting that passed.

Mr. KERRY. Mr. President, will the majority leader yield?

Mr. DOLE. I am happy to yield to the junior Senator from Massachusetts.

Mr. KERRY. Mr. President, it is my understanding, then, that essentially we have in writing the entirety of the proposed UC in paragraphs 1, 2, and 4.

Three would be taken out and in its place would be the paragraph that has just been propounded with respect to the germaneness issue as to South Africa and Contra assistance.

Mr. DOLE. That would be satisfactory with me.

Mr. KERRY. It would be a four paragraph UC, with the addition of the new paragraph.

Mr. DOLE. Either that, or we could just add what I just read to paragraph 1, eliminating the present unnumbered paragraph 3.

Mr. GOLDWATER. Will the Senator yield?

Mr. DOLE. I am happy to yield.

AMENDMENT NO. 2271

(Purpose: To reduce amounts authorized to reflect inflation and fuel savings, and to correct technical errors)

Mr. GOLDWATER. Mr. President, because we are now in the position of having had the defense bill brought up and there are more problems to solve, I would like to get some of my troops home.

I would like to, on behalf of the committee, send to the desk an amendment and ask for its immediate consideration. It is a technical amendment. I will explain it briefly.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. GOLDWATER] proposes an amendment numbered 2271.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment reads as follows:

On page 3, line 3, strike out "$2,985,600,000" and insert in lieu thereof "$2,793,700,000".

On page 3, line 4, strike out "$2,354,900,000" and insert in lieu thereof "$2,198,200,000".

On page 3, line 6, strike out "$4,101,000,000" and insert in lieu thereof "$3,794,900,000".

On page 3, line 7, strike out "$2,342,800,000" and insert in lieu thereof "$2,283,300,000".

On page 3, line 8, strike out "$5,559,300,000" and insert in lieu thereof "$5,365,900,000".

On page 4, line 9, strike out "$10,552,070,000" and insert in lieu thereof "$9,903,070,000".

On page 4, line 11, strike out "$5,905,890,000" and insert in lieu thereof "$5,557,490,000".

On page 4, line 12, strike out "$9,914,600,000" and insert in lieu thereof "$9,323,800,000".

On page 4, line 13, strike out "$6,121,657,000" and insert in lieu thereof "$5,934,057,000".

On page 4, line 17, strike out "$1,477,000,000" and insert in lieu thereof "$1,382,700,000".

On page 6, line 18, strike out "$17,484,904,000" and insert in lieu thereof "$16,383,104,000".

On page 6, line 19, strike out "$8,611,400,000" and insert in lieu thereof "$8,116,200,000".

On page 6, line 20, strike out "$47,374,848,000" and insert in lieu thereof "$10,068,348,000".

On page 7, line 18, insert the following:

(c) Notwithstanding the amounts authorized to be appropriated by subsection (a), the total amount authorized to be appropriated by this subsection if $454,300,000".

On page 7, line 23, strike out "$1,477,500,000" and insert in lieu thereof "$1,431,300,000".

On page 10, line 24, strike out "$4,939,469,000" and insert in lieu thereof "$4,815,669,000".

On page 11, line 2, strike out "$9,490,978,000" and insert in lieu thereof "$9,265,378,000".

On page 11, line 3, strike out "$15,301,673,000" and insert in lieu thereof "$14,908,873,000".

On page 11, line 4, strike out "$7,507,074,000" and insert in lieu thereof "$7,310,974,000".

On page 20, line 1, strike out "$20,664,070,000" and insert in lieu thereof "$20,602,870,000".

On page 20, line 2, strike out "$24,275,960,000" and insert in lieu thereof "$24,016,760,000".

On page 20, line 3, strike out "$1,834,100,000" and insert in lieu thereof "$1,830,300,000".

On page 20, line 4, strike out "$19,418,371,000" and insert in lieu thereof "$19,036,071,000".

On page 20, line 6, strike out "$778,300,000" and insert in lieu thereof "$776,100,000".

On page 20, line 7, strike out "$906,000,000" and insert in lieu thereof "$887,400,000".

On page 20, line 8, strike out "$63,000,000" and insert in lieu thereof "$62,800,000".

On page 20, line 9, strike out "$907,800,000" and insert in lieu thereof "$887,100,000".

On page 20, line 10, strike out "$1,722,800,000" and insert in lieu thereof "$1,714,800,000".

On page 20, line 11, strike out "$1,774,700,000" and insert in lieu thereof "$1,727,900,000".

On page 241, line 7, strike out "$3,050,606,000" and insert in lieu thereof "$2,950,806,000".

On page 242, line 17, strike out "$6,000,000 and insert in lieu thereof "$5,500,000".

On page 242, line 17, insert the following:

"(8)(A) Notwithstanding the amounts authorized to be appropriated by paragraphs (1)-(6) of this subsection, the total amount authorized to be appropriated by this subsection for the purposes described in such paragraphs is $1,326,910,000.

"(B) Notwithstanding the amounts authorized to be appropriated by subparagraphs (A) and (B) of paragraph (7) of this subsection, the total amount authorized to be appropriated by this subsection for the purposes described in such subparagraphs is $1,618,396,000.".

On page 256, line 7, strike out "$2,236,843,000" and insert in lieu thereof "$2,161,343,000".

On page 257, after line 13, insert the following:

"(8)(A) Notwithstanding the amounts authorized to be appropriated by paragraphs (1)-(6) of this subsection, the total amount authorized to be appropriated by this subsection for the purposes described in such paragraphs is $1,437,160,000.

"(B) Notwithstanding the amounts authorized to be appropriated by subparagraphs (A) and (B) of paragraph (7) of this subsection, the total amount authorized by this subsection for the purposes described by such subparagraphs is $724,183,000.".

On page 268, line 9, strike out "$2,229,899,000" and insert in lieu thereof "$2,148,689,000".

On page 269, after line 13, insert the following:

"(7)(A) Notwithstanding the amounts authorized to be appropriated by paragraphs (1)-(5) of this subsection, the total amount authorized to be appropriated by this subsection for the purposes described in such paragraphs is $1,313,280,000.

"(B) Notwithstanding the amounts authorized to be appropriated by subparagraphs (A) and (B) of paragraph (6) of this subsection, the total amount authorized to be appropriated for the purposes described by such subparagraphs is $835,409,000.".

On page 275, line 9, strike out "$587,490,000" and insert in lieu thereof "$568,500,000".

On page 275, line 25, strike out "$31,950,000" and insert in lieu thereof "$30,760,000".

On page 276, after line 18, insert the following:

"(10) Nothwithstanding the amounts authorized to be appropriated by paragraphs (1)-(8) of this subsection the total amount authorized to be appropriated by this subsection for the purposes described by such paragraphs is $550,900,000.".

On page 278, line 5, strike out "$247,000,000" and insert in lieu thereof "$239,000,000".

On page 278, line 19, strike out "$121,100,000" and insert in lieu thereof "$118,700,000".

On page 278, line 20, strike out "$86,700,000" and insert in lieu thereof "$83,200,000".

On page 278, line 22, strike out "$44,500,000" and insert in lieu thereof "$43,800,000".

On page 278, line 25, strike out "$140,000,000" and insert in lieu thereof "$137,000,000".

On page 279, line 1, strike out "$58,900,000" and insert in lieu thereof "$55,400,000".

On page 30, line 11, insert "and shall" after "subsection (a),".

On page 83, line 4, strike out "which" and insert in lieu thereof "that".

On page 106, beginning on line 14, strike out "(using" and all that follows through "fiscal year)" on line 16.

On page 107, beginning on line 10, strike out "(using" and all that follows through "fiscal year)" on line 11.

On page 111, line 4, insert "of this Act" after "701 and 702".

On page 118, line 23, strike out "part" and insert in lieu thereof "title".

On page 120, line 22, insert "of this Act" after "section 808".

On page 122, line 23, strike out "to an offense" and insert in lieu thereof "only to offenses".

On page 125, line 7, insert "of this Act" after "806".

On page 203, line 22, strike out "structures" and insert in lieu thereof "structure".

On page 235, strike out lines 23 and 24.

On page 236, line 2, strike out "$4,240,000" and insert in lieu thereof "$5,120,000 ".

On page 236, line 4, strike out "$2,640,000" and insert in lieu thereof "$2,800,000".

On page 236, line 6, strike out "$1,320,000" and insert in lieu thereof "$1,400,000".

On page 236, line 8, strike out "$1,320,000" and insert in lieu thereof "$1,400,000".

On page 236, line 10, strike out "$5,610,000" and insert in lieu thereof "$5,950,000".

On page 236, line 11, strike out "$60,000" and insert in lieu thereof "$69,000".

On page 236, line 12, strike out "$330,000" and insert in lieu thereof "$350,000".

On page 236, line 14, strike out "$4,753,000" and insert in lieu thereof "$6,000,000".

On page 306, after line 6, insert the following:

SEC. 2186a. MULTIFUEL SOURCES FOR NEW HEATING SYSTEMS AT MILITARY INSTALLATIONS.

(a) IN GENERAL.—Section 2690 of title 10, United States Code, is amended to read as follows:

"§ 2690. Multifuel sources for new heating systems

"(a) Except as provided in subsection (b), each new heating or cogeneration system which is installed or constructed at any military installation located on lands under the jurisdiction of a military department and which requires 100 million British thermal units input per hour or more shall have multiple fuel capability. The primary and secondary fuel capability of any such system shall be a fuel from the solid fuel group or the liquid and gas hydrocarbon group (petroleum and natural gas). The fuel capability of a new heating or cogeneration system shall be determined on the basis of life cycle costs and availability of fuels.

"(b) In any case in which local restrictions or costs make the installation or construction of solid or dual fuel equipment infeasible, the Secretary concerned may waive the requirement of subsection (a), but such waiver shall not become effective until after the Secretary concerned has notified the appropriate committees of Congress in writing of the waiver and the reasons for exercising such waiver authority.

"(c) In this section, the term 'multiple fuel capability' means the capability of using two or more types of fuel.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of Chapter 159 of such title is amended by striking out the term relating to section 2690 and inserting in lieu thereof the following:

"2690. Multifuel sources for new heating systems.".

Mr. GOLDWATER. Mr. President, the purpose of this committee amend-

ment is to reduce the overall authorization totals included in the original bill reported by the committee to reflect additional inflation and fuel savings identified and validated after the committee bill was reported to the Senate, and to correct a number of purely technical errors appearing in S. 2638.

I ask unanimous consent that the committee amendment be considered and agreed to en bloc and that the bill, as amended, be considered as original text for the purposes of further amendment.

The PRESIDING OFFICER. Is there objection to the Senator's request? Without objection, it is so ordered.

Mr. GOLDWATER. I ask unanimous consent that an explanation of the amendment be printed at this point in the RECORD.

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

The committee amendment makes changes to the reported bill in three areas: inflation funding adjustments, reductions for fuel savings, and minor technical amendments.

The budgetary impact of the amendment is to reduce the authorization bill as reported by $6.8 billion in budget authority and approximately $2 billion in outlays. The authorization bill will total $294.8 billion in budget authority and $286 billion in outlays.

INFLATION

The amendment reduces the budget authorizations in the bill by approximately $6 billion due to reestimates of inflation for Fiscal Years 1985-1987. The impact on the FY 1987 outlay estimate is a reduction of approximately $1.4 billion.

In its letter of May 29, 1986, DOD identified $581 million in available funds resulting from actual end-of-year inflation experience for FY 1985. Based on committee staff assumptions of inflation estimates for Fiscal Years 1986 and 1987, DOD has identified an additional $6.4 billion savings which could result from reestimates of inflation for FY 1986 and FY 1987.

The authorization bill as reported already includes $1 billion in reductions in the O&M and procurement accounts which are based on inflation adjustments. Therefore, the committee amendment reduces the reported bill by only $6 billion in additional inflation savings.

FUEL SAVINGS

In its letter of May 29, 1986, DOD identified $664 million in savings resulting from lower fuel prices in FY 1986, and the reported bill takes these savings into account. More recent informal estimates from DOD indicate that an additional $800 million may be available in FY fuel savings.

The committee amendment reflects the reduction of an additional $800 million from the O&M accounts for fuel savings. The impact on the FY 1987 outlay estimate is a reduction of approximately $640 million.

TECHNICAL AMENDMENTS

This portion of the committee amendment consists of corrections of typographical and other minor errors in the printing of S. 2638, as well as corrections required to carry out the intent of the committee at the time it ordered the bill reported.

SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION

[In thousands of dollars]

	Fiscal year—		Budget authority			
			S. 2638 as reported		Committee amendment	
	1986 final	1987 request	Change from request	Recommendation	Change from bill	Revised recommendation
PROCUREMENT						
Army:						
Aircraft	3,524,200	3,264,700	−279,100	2,985,600	−191,900	2,793,700
Missiles	2,904,332	2,438,200	−83,300	2,354,900	−156,700	2,198,200
Weapons & tracked combat vehicles	4,676,800	4,452,600	−351,600	4,101,000	−306,100	3,794,900
Ammunition	2,497,200	2,254,000	88,800	2,342,800	−59,500	2,283,300
Other procurement	5,240,256	6,169,00	−609,700	5,559,300	−193,400	5,365,900
Total, Army procurement	18,842,788	18,578,500	−1,234,900	17,343,600	−907,600	16,436,000
Navy:						
Aircraft	11,175,678	11,304,300	−752,230	10,552,070	−649,000	9,903,070
Weapons	5,216,095	6,095,400	−189,510	5,905,890	−348,400	5,557,490
Shipbuilding and conversion	10,840,400	11,046,200	−1,131,600	9,914,600	−590,800	9,323,800
Other procurement	6,381,282	6,538,800	−416,143	6,121,657	−187,600	5,934,057
Marine Corps	1,660,766	1,565,000	−88,000	1,477,000	−94,300	1,382,700
Total, Navy procurement	35,274,221	36,549,700	−2,578,483	33,971,217	−1,870,100	32,101,117
Air Force:						
Aircraft	23,030,524	19,127,400	−1,642,496	17,484,904	−1,101,800	16,383,104
Missiles	8,317,042	8,982,400	−371,000	8,611,400	−495,200	8,116,200
Other procurement	8,568,083	10,900,300	−525,452	10,374,848	−306,500	10,068,348
Total, Air Force procurement	39,915,649	39,010,100	−2,538,948	36,471,152	−1,903,500	34,567,652
Defense agencies procurement	1,287,740	1,488,400	−10,900	1,477,500	−46,200	1,431,300
National Guard & Reserve proc	1,501,800	0	465,000	465,000	−10,700	454,300
DOD NATO cooperative programs	15,000	0	0	0	0	0
Coastal defense augmentation	235,000	0	0	0	0	0
DOD chemical demilitarization prog	0	120,100	0	120,100	0	120,100
Total, procuement	97,072,198	95,746,800	−5,989,231	89,848,569	−4,738,100	85,110,469
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION						
Army	4,841,472	5,550,300	−610,831	4,939,469	−123,800	4,815,669
Navy (including Marine Corps)	10,076,939	10,586,800	−1,095,822	9,490,978	−225,600	9,265,378
Air Force	13,787,408	17,275,400	−1,973,727	15,301,673	−392,800	14,908,873
Defense agencies	6,642,386	8,364,300	−1,010,326	7,353,974	−194,700	7,159,274
Director, test and evaluation	118,500	141,800	0	141,800	−1,400	140,400
Director, oper test and evaluation	0	11,300	0	11,300	0	11,300
Total, research, development, test, and evaluation	35,466,705	41,929,900	−4,690,706	37,239,194	−938,300	36,300,894
OPERATION AND MAINTENANCE						
Army	19,097,557	21,341,870	−677,800	20,664,070	−61,200	20,602,870
Navy	24,514,719	25,688,500	−1,412,540	24,275,960	−259,200	24,016,760
Marine Corps	1,612,050	1,864,100	−30,000	1,834,100	−3,800	1,830,300
Air Force	19,620,538	21,214,500	−1,796,129	19,418,371	−382,300	19,036,071
Defense agencies	7,600,894	8,573,700	−240,772	8,332,928	0	8,332,928
Army Reserve	780,100	793,100	−14,800	778,300	−2,200	776,100
Naval Reserve	894,950	975,900	−69,900	906,000	−18,600	887,400
Marine Corps Reserve	57,200	65,300	−2,300	63,000	−200	62,800
Air Force Reserve	902,700	975,600	−70,800	904,800	−17,700	887,100
Army National Guard	1,652,800	1,786,900	−64,100	1,722,800	−8,000	1,714,800
Air National Guard	1,806,200	1,932,700	−158,000	1,774,700	−46,800	1,727,900
Rifle Practice, Defense	920	930	0	930	0	930

SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION—Continued

[In thousands of dollars]

	Fiscal year—		Budget authority			
			S. 2638 as reported		Committee amendment	
	1986 final	1987 request	Change from request	Recommendation	Change from bill	Revised recommendation
Claims, Defense	143,300	155,600	−11,500	144,100	0	144,100
Court of Military Appeals, Defense	3,200	3,400	−200	3,200	0	3,200
Pan American Games	10,000	15,000	0	15,000	0	15,000
Environmental restoration fund	(379,100)	385,900	−15,300	370,600	0	370,600
Afghanistan aid	0	0	10,000	10,000	0	10,000
Total, operation and maintenance	78,697,128	85,773,000	−4,554,141	81,218,859	−800,000	80,418,859
REVOLVING AND MANAGEMENT FUNDS						
Army stock fund	393,000	296,700	−25,000	271,700	0	271,700
Navy stock fund	638,500	478,500	−40,000	438,500	0	438,500
Marine Corps stock fund	37,700	45,900	−4,000	41,900	0	41,900
Air Force stock fund	415,900	239,400	−20,000	219,400	0	219,400
Defense stock fund	91,700	136,800	−11,000	125,800	0	125,800
ADP management fund	100,000	0	0	0	0	0
Total, revolving and management funds	1,676,800	1,197,300	−100,000	1,097,300	0	1,097,300
Special foreign currency	2,100	3,500	0	3,500	0	3,500
Total	212,914,931	224,650,500	−15,243,078	209,407,422	−6,476,400	202,931,022
MILITARY CONSTRUCTION						
Army	1,685,570	1,698,570	−306,560	1,392,010	−65,100	1,326,910
Navy/Marine Corps	1,669,445	1,795,380	−296,120	1,499,260	−62,100	1,437,160
Air Force	1,759,093	1,702,820	−327,340	1,375,480	−62,200	1,313,280
Defense agencies	238,295	674,600	−104,710	569,890	−18,990	550,900
Army National Guard	149,101	121,100	0	121,100	−2,400	118,700
Air National Guard	139,000	140,000	0	140,000	−3,000	137,000
Army Reserve	70,700	86,700	0	86,700	−3,500	83,200
Naval Reserve	51,800	44,500	0	44,500	−700	43,800
Air Force Reserve	70,650	58,900	0	58,900	−3,500	55,400
NATO infrastructure	38,000	247,000	0	247,000	−8,000	239,000
Total, military construction	5,871,756	6,569,570	−1,034,730	5,534,840	−229,490	5,305,350
FAMILY HOUSING						
Army	1,627,131	1,740,646	−88,050	1,652,596	−34,200	1,618,396
Navy	738,739	792,913	−55,330	737,583	−13,400	724,183
Air Force	941,898	860,409	−6,000	854,409	−19,000	835,409
Defense agencies	20,300	17,600	0	17,600	0	17,600
Homeowners assistance fund	0	6,000	0	6,000	−500	5,500
Total, family housing	3,328,068	3,417,568	−149,380	3,268,188	−67,100	3,201,088
Base Closure Commission	0	0	1,000	1,000	0	1,000
Total, mil con and family housing	9,199,824	9,987,138	−1,183,110	8,804,028	−296,590	8,507,438
DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS						
Operating expenses	6,017,887	6,523,694	−202,175	6,321,519	0	6,321,519
Plant construction	938,541	1,027,241	−136,000	891,241	0	891,241
Capital equipment	462,387	547,465	−35,000	512,465	0	512,465
Adjustments	0	0	−300,000	−300,000	0	−300,000
Total, DOE programs	7,418,815	8,098,400	−673,175	7,425,225	0	7,425,225
Federal Emergency Management Agency Civil Defense Program	130,815	126,565	−15,000	111,565	0	111,565
Revision of Davis-Bacon	0	0	−28,000	−28,000	0	−28,000
Grand total of bill	229,664,385	242,862,603	−17,142,363	225,720,240	−6,772,990	218,947,250

The PRESIDING OFFICER. Who seeks recognition?

Mr. DOLE. Mr. President, the pending business is the DOD authorization?

The PRESIDING OFFICER. The pending business is the DOD authorization.

Mr. DOLE. That will be pending on Monday?

The PRESIDING OFFICER. The majority leader is correct.

Mr. DOLE. And, as I understand it, on Monday, the managers will make their opening statements. I have also learned that on Monday there will be a full debate of SDI. I think there are some 10 or 13 speakers prepared to address that issue.

Unless there are other statements the manager wishes to make, I would suggest the absence of a quorum so we might see if we can work out at least a portion of this unanimous-consent agreement that protects us from further amendments on the debt limit extension.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 2140

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of Alaska, rescinds the quorum call.

RECESS SUBJECT TO THE CALL OF THE CHAIR

The PRESIDING OFFICER. The Senate will stand in recess subject to the call of the Chair.

Thereupon, at 9:44 p.m., the Senate recessed until 12:19 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. STEVENS].

□ 0020

[The following proceedings occurred after midnight:]

Mr. DOLE. Mr. President, first I wish to thank the Presiding Officer for his patience. I must say, as I waited for Senator BYRD, I thought there cannot be anything complicated about this. Then he showed it to me. He started raising a lot of questions.

What we are trying to maintain is neutrality, and at the same time cut off a lot of amendments being filed Monday, Tuesday, and Wednesday on the debt ceiling that would prevent action on anything, on that or South Africa.

I believe what we both want to do, and I think the RECORD should reflect that, is we would like to work out some agreement.

We are going to try that Monday, Tuesday, and Wednesday. We are

going to do it in good faith. We will make a gentleman's agreement. We have had to deal with other people. The two of us can probably work out an agreement.

Mr. President, these are very important issues. I cannot recall any time since I have been around here where you had a situation like this.

What we would hope to do, and what I believe the principals would like to do in each case, would be to have free-standing proposals where there can be a vote—Contra aid, South Africa, getting away from the debt ceiling, not a very attractive vehicle—and then go to conference.

I am not certain what would happen. The DOD authorization is not an attractive vehicle for either of us. The Contra aid would tie it up in conference for weeks.

I believe there is a strong feeling by Members on both sides of the aisle on each issue that we ought to resolve these issues before the August 15 recess. That is the feeling of the distinguished minority leader and that is the feeling of the majority leader. I guess the only difference is how we resolve it. I would like to resolve both in a positive way, which would mean passing each; others that resolving would be to pass one and kill the other. I am not saying which would be the case.

In any event, I want to thank the distinguished minority leader for his patience and assistance.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I will propound the following unanimous-consent request.

Provided, that no further amendments be in order to House Joint Resolution 668, other than those dealing with South Africa—front line States—and those dealing with Central America—Contra aid—neither of which can be offered to the other;

Provided, the committee amendment, as amended, be deemed agreed to;

Provided, that no call for regular order will serve to bring back House Joint Resolution 668 prior to the close of business Wednesday next.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, and I will not object, I simply rise to state that I wish to thank the distinguished Presiding Officer, the distinguished senior Senator from Alaska, for his patience and his assistance in helping to arrive at the language that we are agreeing to this evening. It is now 12:25 in the morning, as a matter of fact, Saturday morning.

I also want to thank the distinguished majority leader for his patience and his assistance in working out the language that we are agreeing to this evening.

Mr. President, I should state for the RECORD that since we stopped and walked away to begin our attempts at working out an agreement several hours ago, we have spent all of that time working on this agreement.

We have not reached an agreement on the whole package yet. When we left here today, prior to that moment we were talking about, I believe, four paragraphs. I simply state here, as I stated then, those four paragraphs contained a great number of problems. Now we see that indeed that was the case.

Part of that overall proposal at that time I think has now been worked out with the request that the distinguished majority leader has propounded. I think I need say no more. This at least accomplishes something.

Having said that, I think I will withdraw my reservation.

The PRESIDING OFFICER. There being no objection, the unanimous-consent request of the majority leader is agreed to and the three pending amendments will fall.

The text of the unanimous-consent agreement is as follows:

Ordered, That during the consideration of H.J. Res. 668, the Debt Limit Extension Bill, no other amendments be in order, except South Africa/Front Line States and Central America/Contra aid amendments, neither of which can be offered to the other; that the committee amendment, as amended by the Senate, be considered agreed to; and that no call for the regular order shall serve to bring back the unfinished business, H.J. Res. 668, prior to the close of business on Wednesday, August 6, 1986.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. BYRD. I ask unanimous consent that the following comments be included with those I made earlier.

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

Mr. BYRD. Mr. President, I thanked various Senators earlier with respect to our efforts to work out the partial agreement that we reached this evening.

I should also thank the staff and in thanking the staff I compliment Senator DOLE on his magnificent staff. They are very dedicated and extremely helpful in working out agreements.

I am also extremely proud of my own floor staff who are equally helpful and dedicated, and I think without their outstanding services this evening we would have had to labor longer.

Mr. DOLE. Mr. President, I thank the distinguished minority leader.

I certainly want to share those remarks. On both sides staff help has been invaluable.

I think we all are very candid about what we are trying to achieve that made it much easier. We are trying to keep a measure of neutrality while we worked out the larger agreement.

I certainly appreciate all their suggestions.

Again I thank the distinguished Presiding Officer. I knew he had other plans this evening. It is a little late. But we appreciate very much his patience and assistance.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond the hour of 12:35 a.m.

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

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MEASURE PLACED ON THE CALENDAR

The Committee on Finance was discharged from the further consideration of the following bill; which was placed on the calendar:

S. 1655. A bill to amend the Unfair Competition Act of 1916 and Clayton Act to provide for private enforcement of the Unfair Competition statute in the event of unfair foreign competition, and to amend title 28 of the United States Code to provide for private enforcement of the Customs fraud statute.

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-3559. A communication from the Secretary of Energy transmitting a draft of proposed legislation to provide the Department with flexibility to adjust the production rate of the Naval Petroleum Reserves; to the Committee on Armed Services.

EC-3560. A communication from the Assistant Secretary of the Air Force transmitting, pursuant to law, a report on decision to convert the grounds maintenance function at Reese AFB, Texas, to performance under contract; to the Committee on Armed Services.

EC-3561. A communication from the Assistant Secretary of the Treasury transmitting, pursuant to law, a report on the Fishery Conservation and Management Act; to the Committee on Commerce, Science, and Transportation.

EC-3562. A communication from the Secretary of Energy transmitting, pursuant to law, the Comprehensive Ocean Thermal Technology Application and Market Development Plan; to the Committee on Energy and Natural Resources.

EC-3563. A communication from the Acting Secretary of the Postal Rate Commission transmitting, pursuant to law, notice of the rescheduling of a postponed hearing on a change in collect on delivery service; to the Committee of Governmental Affairs.

EC-3564. A communication from the Benefits Administrator of the Seventh Farm Credit District, St. Paul, Minn., transmitting, pursuant to law, the annual report of the District disclosing the financial condition of the Retirement Okan for the Employees; to the Committee on Governmental Affairs.

EC-3565. A communication from the D.C. Auditor transmitting, pursuant to law, a report entitled "Revenue Report for April 1986"; to the Committee on Governmental Affairs.

EC-3566. A communication from the Acting Director of the Selective Service System transmitting, pursuant to law, a revision of systems of records relative to the Privacy Act; to the Committee on Governmental Affairs.

EC-3567. A communication from the Assistant Administrator of the Environmental Protection Agency transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3568. A communication from the Employee Benefits and Risk Manager, Farm Credit Banks of Louisville, KY, transmitting, pursuant to law, a financial report on farm credit institutions in the Fourth District; to the Committee on Governmental Affairs.

EC-3569. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report on the Low Income Home Energy Assistance Program for fiscal year 1985; to the Committee on Labor and Human Resources.

EC-3570. A communication from the Director of the EEOC transmitting, pursuant to law, a report on the Commission's interagency coordination activities; to the Committee on Labor and Human Resources.

EC-3571. A communication from the Acting Assistant Secretary of Education transmitting, pursuant to law, the annual report of the Office for Civil Rights; to the Committee on Labor and Human Resources.

EC-3572. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a confidential report on a foreign military assistance sale to the Netherlands; to the Committee on Armed Services.

EC-3573. A communication from the President and Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, the 1985 Annual Report of the Eximbank; to the Committee on Banking, Housing, and Urban Affairs.

EC-3574. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report on GAO's unqualified opinion relative to the Pennsylvania Avenue Development Corporation's fiscal year 1985 financial statements; to the Committee on Energy and Natural Resources.

EC-3575. A communication from the Assistant Secretary of the Interior transmitting, pursuant to law, the annual report on royalty management and collection activities; to the Committee on Energy and Natural Resources.

EC-3576. A communication from the Executive Secretary of the FDIC transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3577. A communication from the Plan Administrator for the Eighth Farm Credit District, Omaha, NE, transmitting, pursuant to law, the GAO report for the employee benefit trust plan; to the Committee on Governmental Affairs.

EC-3578. A communication from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a report on a new computer-matching program relating to State Medicaid agencies; to the Committee on Governmental Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-821. A joint resolution adopted by the Legislature of the State of California; to the Committee on Banking, Housing, and Urban Affairs.

"SENATE JOINT RESOLUTION NO. 40

"Whereas, Agriculture is a vital sector of the United States economy, particularly in California where it accounts for nearly 15 billion dollars in gross receipts from the production of 250 different crops and livestock; and

"Whereas, The prosperity of California agriculture depends directly upon healthy export markets which account for 25 percent of California agricultural sales and nearly one-third of the state's farm acreage; and

"Whereas, The preservation and development of export markets is necessary in order for California to utilize its long-term comparative advantage in the production of food and fiber for world markets; and

"Whereas, The federal government has imposed food and trade embargoes as a political weapon against unfriendly nations; and

"Whereas, Unilateral embargoes have typically been ineffective because the targeted nations have succeeded in establishing alternative suppliers in other countries; and

"Whereas, Embargoes have placed an unfair and disproportionate burden on the trade and agricultural sectors and have damaged the reputation of the United States as a reliable supplier on world markets; and

"Whereas, The ability of agriculture in the United States and California to compete effectively in world export markets in the long run depends critically upon developing its reputation as a reliable supplier; now, therefore, be it

"*Resolved by the Senate and the Assembly of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to refrain from using food embargoes as a unilateral sanction against unfriendly nations when such an action would be likely to cause harm to the agricultural and trade sectors of the United States and California, unless it can be shown that the action has widespread, multilateral support which will preclude the offending nation from simply turning to alternative suppliers in other countries and causing a further deterioration in the reputation of United States agriculture as a reliable supplier of food and fiber products to world markets, or unless it can be shown that such an embargo is vital to the security of the citizens of the United States; and be it further

"*Resolved,* That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, the Majority Leader of the Senate, to each Senator and Representative from California in the Congress of the United States, and to the Secretary of State and the Secretary of Agriculture."

POM-822. A resolution adopted by the Eighteenth Guam Legislature; to the Committee on Energy and Natural Resources:

"RESOLUTION NO. 403 (LS)

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, the United States Congress authorized a panel to study the termination of the Power Pool Agreement between the United States Navy and the Guam Power Authority; and

"Whereas, this panel is comprised of representatives of the United States Navy, the Guam Power Authority and the Department of Interior; and

"Whereas, upon completion of an independent study by the firm of Ernst and Whinney, recommendations will be submitted to the United States Congress on the question of termination of said Power Pool Agreement; and

"Whereas, the Guam Power Authority and the Department of Interior have shown a reluctance to apprise the Legislature of the progress made on such study or details of the negotiations relative to the termination of the Power Pool Agreement; and

"Whereas, the question of terminating the Power Pool Agreement is perhaps the single greatest issue facing the people of Guam; and

"Whereas, the Legislature is the chief policy making body of the territory of Guam; and

"Whereas, it is vitally important that the Legislature be kept informed about the possible termination of the Power Pool Agreement so that local policies regarding development and utilities can be properly designed and implemented; and

"Whereas, during the week of July 21, 1986, representatives of Ernst and Whinney will be on Guam to brief members of the Guam Power Authority Board of Directors, as well as the Board of Directors of the Public Utilities Commission and the Governor of Guam; and

"Whereas, the Board of Directors of the Guam Power Authority and the Public Utilities Commission, as well as the Governor, will be given an opportunity to comment on the completed independent study prior to its finalization and submission to the United States Congress; and

"Whereas, the Legislature has not been extended an invitation to said briefing; and

"Whereas, the Guam Power Authority and the Department of Interior have refused to provide copies of the interim report by Ernst and Whinney to the Legislature; now therefore, be it

"Resolved, that the Eighteenth Guam Legislature request the United States Congress to direct the United States Department of Interior to invite members of the Legislature to briefings to be held on Guam by Ernst and Whinney during the week of July 21, 1986, relative to discussing the completed study on terminating the Power Pool Agreement; and be it further

"Resolved, that the Eighteenth Guam Legislature request Ernst and Whinney and the Department of Interior to provide the Legislature with a copy of all reports as they come out; and be it further

"Resolved, that the Legislature be given an opportunity to comment on said study, and that its comments be included in the submittal of such study to the United States Congress; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to Richard Montoya, Assistant Secretary of Territorial Affairs, Department of Interior; to Nancy Boone, Department of the Interior; to all members of the study panel; to the President of the United States Senate; to the Speaker of the United States House of Representatives; to Congressman Ben Blaz; to Senator James McClure; to Congressman Morris Udall; to Senator J. Bennett Johnston; to the Chairman of the Board of the Guam Power Authority; to Guam Power Authority Acting General Manager Tom Ada; and to the Governor of Guam."

POM-823. A joint resolution adopted by the Legislature of the State of California; to the Committee on Environment and Public Works:

"SENATE JOINT RESOLUTION NO. 48

"Whereas, Santa Monica Bay is a state and national treasure, where the beaches are among the most popular in the country, and the water provides a variety of recreational and commercial activities to residents and tourists of the state and country; and

"Whereas, The dumping of DDT, cyanide, polychloronated biphenyls (PCBs), and other hazardous wastes into Santa Monica Bay has created a potentially hazardous health and environmental problem to the citizens in the greater Los Angeles area; and

"Whereas, Reports of the contamination of Santa Monica Bay have been verified by the health officials of the County of Los Angeles, the California Regional Water Quality Board (Los Angeles Region), and the State Department of Health Services; and

"Whereas, The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sec. 9601 et seq.) provides that those hazardous substance release sites placed on its priority list will qualify for federal cleanup funds to quickly alleviate these problems; and

"Whereas, It is imperative to assess the contamination of Santa Monica Bay and the potential health consequences and to act as soon as possible to correct this contamination which could affect the public health of the large population of the greater Los Angeles area; now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature supports and endorses the effort by the Representatives from California in Congress to place Santa Monica Bay on the Environmental Protection Agency's "National Priorities List" for removal and remedial action funding pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and thus expedite the cleanup of Santa Monica Bay, and also supports and endorses the agreement by the Environmental Protection Agency to conduct a preliminary assessment of the condition of Santa Monica Bay; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the Administrator of the Environmental Protection Agency and to each Senator and Representative from California in the Congress of the United States."

POM-824. A joint resolution adopted by the Legislature of the State of California; to the Committee on Environment and Public Works:

"SENATE JOINT RESOLUTION NO. 63

"Whereas, Federal disaster assistance to supplement state and local efforts is available under Public Law 93-288, the Disaster Relief Act of 1974; and

"Whereas, Since 1976, 20 of the 38 states of emergency in California caused by storms, fires, floods, earthquakes, and other natural calamities received declarations of disaster by the President of the United States and thus warranted federal aid for losses to public property; and

"Whereas, Under Public Law 93-288, federal aid of $288.7 million in these 20 disasters helped cushion the total public loss of $775 million to state and local government; and

"Whereas, New regulations proposed by the Federal Emergency Management Agency to implement Public Law 93-288 will impose a financial burden on California and local governments by increasing the local percentage of the cost-sharing ratio; and

"Whereas, Under the proposed regulations for capability indicators for assistance based on per capita income and damage liability, California must first incur damages of $30 million before any federal assistance can become available; and

"Whereas, This level of loss would have made state and local governments totally responsible for losses incurred in 10 of the 20 presidentially-declared disasters since 1976; and

"Whereas, The eligibility of local governments for federal assistance will also be severely curtailed under the capability indicators established by the proposed regulations; and

"Whereas, Restrictions of eligibility pertaining to special districts are intentionally discriminatory and are unacceptable because of fiscal or insurance consequences; and

"Whereas, Other restrictions in the proposed regulations would subject individual local governments or the state to unreasonable financial commitments and would not finance corrective measures meant to prevent the recurrence of problems; and

"Whereas, The proposed regulations interfere with state autonomy by requiring the Governor and the Legislature to impose additional mandates on local governments in order to qualify for federal assistance; and

"Whereas, In imposing those requirements and adopting capability indicators based on per capita income, the federal government fails to recognize the state constitutional limits on public expenditures and revenue collection by both state and local governments; now, therefore, be it

Resolved by the Senate and assembly of the State of California, jointly, That the Legislature of the State of California memorializes the President and Congress of the United States to prohibit the adoption of the proposed changes in 44 Code of Federal Regulations Part 205 pertaining to the disaster declaration process, public assistance eligibility, public assistance program administration, and hazard mitigation as published in the Federal Register volume 51, No. 75, April 16, 1986; and be it further

Resolved, That the Legislature of the State of California further memorializes the Congress of the United States to convene oversight hearings on the proposed changes in regulations governing the work of the Federal Emergency Management Agency in order to properly evaluate the need to the federal government and the impact to the states and local governments of the proposals; and be it further.

"Resolved, That the Secretary of Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-825. A resolution adopted by the Mono County, CA, Board of Supervisors opposing planned changes in the Disaster Relief Act as proposed by the Federal Emergency Management Agency; to the Committee on Environment and Public Works.

POM-826. A resolution adopted by the Kings County, CA, Board of Supervisors relative to federal disaster assistance; to the Committee on Environment and Public Works.

POM-827. A resolution adopted by the Legislature of the State of California; to the Committee on Finance.

SENATE RESOLUTION NO. 45

"Whereas, Congress is currently considering a tax reform bill which could have a profound effect on the lives and pocketbooks of millions of Americans; and

"Whereas, As part of its deliberations on this tax reform bill, the Congress is weighing various proposals regarding the treatment of individual retirement accounts (IRA's) under the Federal Internal Revenue Code; and

"Whereas, According to a recent study 28 million American families are currently taking advantage of the deduction for IRA contributions and the deferral of taxation on interest earned by IRA's, which are available to them pursuant to existing laws; and

"Whereas, Statistics indicate that approximately 65% of the households with IRA's have annual incomes of $40,000 or less; and

"Whereas, Another recent study indicates that IRA contributions have significantly increased the amount of savings deposited in financial institutions, and a higher rate of savings helps to stimulate the economy by keeping money in productive circulation; and

"Whereas, The current treatment of IRA's under the federal tax laws has proved to be beneficial both for a large number of individual taxpayers and for the economy as a whole; now, therefore, be it

Resolved by the Senate of the State of California, That the Congress and President of the United States are respectfully memorialized to maintain the current availability of the deduction for individual retirement accounts in any tax reform statute which they may enact; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, the Speaker, and the Chairperson of the Committee on Ways and Means of the United States House of Representatives, the Chairperson of the Committee on Finance of the United States Senate, and each Senator and Respresentative from California in the Congress of the United States.

POM-828. A resolution adopted by the Senate of the Legislature of the State of Illinois; to the Committee on Finance:

"SENATE RESOLUTION No. 902

"Whereas, Terrorism is on the rise throughout the world, and Americans are the target in many instances; and

"Whereas, The countries that sponsor and encourage the terrorist acts of their citizens need to be dealt with in a practical sense, one that will hurt the stability of their nation; and

"Whereas, Military retaliation is a reaction to terrorism, while economic sanctions such as the ban of imports from terrorist allied countries would make it harder for countries to promote and support terrorist attacks; therefore, be it

"*Resolved, by the Senate of the Eighty-Fourth General Assembly of the State of Illinois,* That we urge Illinois businesses to boycott the importation of goods from Iran, Libya and Syria; and that we urge the President of the United States and the Congress to take all necessary steps to ban the importation of such goods into the United States; and be it further

"*Resolved,* That we urge the Governor of Illinois to publicize this urgent message with the hope that businesses throughout the State will feel the necessity to comply with the request; and be it further

"*Resolved,* That a suitable copy of this preamble and resolution be respectfully submitted to President Ronald W. Reagan, Governor James R. Thompson, the Speaker of the United States House of Representatives, the President of the United States Senate, and the Members of the Illinois Congressional Delegation."

POM-829. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

SENATE JOINT RESOLUTION No. 65

"Whereas, Twelve years have passed since the Turkish invasion and the Cyprus problem remains one of denied redress; and

"Whereas, The humanitarian crisis involving two hundred thousand refugees and two thousand missing persons grows increasingly more desperate; and

"Whereas, The Government of the Republic of Cyprus rendered substantive assistance to our wounded marines in Lebanon while Turkey refused to do so though requested; and

"Whereas, President Reagan has declared that human rights shall be the hallmark of United States foreign policy; and

"Whereas, By the illegal use of United States supplied military weapons in violation of the United States Foreign Assistance and Sales Acts, and in violation of the Charter of the United Nations Organization, Turkey has attacked, seized and continues to occupy 38% of the territory of the independent nation of Cyprus; and

"Whereas, Turkey is currently the recipient of financial and military assistance approaching $1 billion per annum; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California, jointly,* That the Legislature of the State of California urges the President and the Congress of the United States:

"1. To assist the United Nations Secretary General in finding a solution to the Cyprus problem based on the Charter and the relevant resolutions of the United Nations, with international guarantees for the unity, sovereignty and independence of the Republic of Cyprus;

"2. to stop subsidizing, through its aid to Turkey, the illegal occupation of Cyprus until a mutually acceptable solution is found:

"3. To exert their best efforts with Turkey to effectuate, prior to a final agreement,

"a. The return of the FAMAGUSTA-VAROSHA and MORPHOU regions under Greek Cypriot control;

"b. The removal of the 35,000 turkish occupation troops and 60,000 colonizers from the island;

"c. To restore to the people of Cyprus majority rule with minority rights guaranteed, freedom of movement, freedom of settlement and the right to own property anywhere in the republic; and be it further

"*Resolved,* That the Members urge the President and the Congress to give generous support to the Cypriot refugees; and be it further

"*Resolved,* That the members urge the President and the Congress to review the current policies of Turkey regarding its treatment of the ethnic and religious minorities residing in Turkey, in the light of President Reagan's repeated expressions of concern for human rights; and be it further

"*Resolved,* That the Secretary of the Senate transmit copies of this resolution to the President of the United States, to the presiding officer of each House of the Congress of the United States, to the Secretary of State and to each Senator and Representative from California in the Congress of the United States."

POM-830. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas, the United States of America was founded on the fundamentals of human liberty, including the freedom of speech, the right to justice, and the equality of all people; and

"Whereas, the maintenance of those rights for all people has dictated our actions with all the countries of the world throughout the history of this great nation; and

"Whereas, insuring the maintenance of these fundamental human rights must include the implementation of strict sanctions against those nations which vehemently and consistently deny the human dignity which God gives to every human being; and

"Whereas, the Republic of South Africa, utilizing a racially discriminatory system of apartheid, is a nation deserving such sanctions; and

"Whereas, the government of the Republic of South Africa has taken no decisive action toward the realization that minority rule and majority suppression cannot exist in modern society; and

"Whereas, the government of the Republic of South Africa answers the pleas of political leaders through exile; imprisonment, as is the case of Nelson Mandela; or death, as was the case of Steven Biko; and

"Whereas, Nelson Mandela has been imprisoned for twenty-four years for attempting to exercise the same freedoms that Americans actively practice daily; and

"Whereas, achieving the freedom of Nelson Mandela is imperative to the fostering of peaceful change in the Republic of South Africa; and

"Whereas, the United States is quite capable of stringent sanctions, since nearly a half billion American dollars are spent annually on the purchase of South African Krugerrands which accounts for approximately fifty percent of their sales; and

"Whereas, technological sanctions and the granting of asylum to political refugees are two other means by which the United States could influence the Republic of South Africa into initiating a change that will not result in further discrimination and human rights violations; and

"Whereas, the black majority in South Africa is seeking not to dominate, but to live in democratic equality in much the same manner as our own Founding Fathers; and

"Whereas, the United States must abandon its present failing policy of 'constructive engagement' to pursue a more stringent policy that will bring about a change that will result in justice for all, since means used to date have not proven successful: Therefore, be it

"*Resolved,* That the Legislature of Louisiana does hereby memorialize the Congress of the United States and in particular the members of the Louisiana congressional delegation to impose more stringent sanctions against the Republic of South Africa in hopes of achieving the release of Nelson Mandela and the abandonment of apartheid rule in that nation, and be it further

"*Resolved,* That certified copies of this Resolution shall be forwarded to the Secretary of the Senate and the clerk of the House of Representatives of Congress of the United States, and to each member of the Louisiana congressional delegation."

POM-831. A joint resolution adopted by the Legislature of the State of California; to the Committee on Governmental Affairs:

SENATE JOINT RESOLUTION No. 45

"Whereas, The findings of the Commission on Wartime Relocation and Interment of Civilians, established by the federal Commission on Wartime Relocation and Internment of Civilians Act, describe the circumstances of the evacuation, relocation, and internment of in excess of 110,000 United States citizens and permanent resident aliens of Japanese ancestry during World War II pursuant to Executive Order No. 9066 issued by President Roosevelt on February 19, 1942; and

"Whereas, The evacuation, relocation, and internment of individuals of Japanese ancestry was carried out notwithstanding that there were no documented acts of espionage or sabotage, or other acts of disloyalty by any citizens or permanent resident aliens of Japanese ancestry on the west coast; and

"Whereas, There was no military or security reason for the evacuation, relocation, and internment; and

"Whereas, The evacuation, relocation, and internment of the individuals of Japanese ancestry was caused by racial prejudice, war hysteria, and a failure of political leadership; and

"Whereas, The excluded individuals of Japanese ancestry suffered enormous damages and losses, both material and intangible, and there were incalculable losses in education and job training, all of which resulted in significant human suffering for

which full and appropriate compensation has not been made; and

"Whereas, The basic civil liberties and constitutional rights of those individuals of Japanese ancestry interned were fundamentally violated by that evacuation and internment; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact House Resolution 442, the "Civil Liberties Act of 1985," which would, among other things, acknowledge the fundamental injustice of the evacuation, relocation, and internment of United States citizens and permanent resident aliens of Japanese ancestry; apologize on behalf of the people of the United States for the evacuation, relocation, and internment of such citizens and permanent resident aliens; provide for a public education fund to finance efforts to inform the public about the internment of those individuals so as to prevent the recurrence of any similar event; and make restitution to those individuals of Japanese ancestry who were interned; and be it further

"*Resolved,* That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-832. A joint resolution adopted by the Legislature of the State of Illinois; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION NO. 23 OFFERED BY SENATOR SAM M. VADALABENE

"Whereas, The freedom and peace we enjoy in our country today are in large part due to the valiant efforts of those brave heroes of the American armed forces who were willing to fight and die for their nation and their fellowman; and

"Whereas, To fittingly and properly honor these valiant men and women, the first Memorial Day was established by General Order Number 11 of the Grand Army of the Republic in Washington, D.C., on May 5, 1868, to be May 30, 1868; and

"Whereas, It has been noted that several federal holidays have been changed from traditional dates to Mondays in order to create three-day weekend holidays; and

"Whereas, The date of May 30 remains significant in the minds and hearts of many citizens of this great Republic and holds special significance to the members of the various veterans organizations in this country, including the American Legion; therefore, be it

"*Resolved, by the Senate of the Eighty-Fourth General Assembly of the State of Illinois, the House of Representatives concurring herein,* That we join with the American Legion, all veterans organizations and concerned veterans and citizens of this country in urging the Congress of the United States to enact legislation which will reestablish the date of May 30 of each year to be observed as the Memorial Day holiday in commemoration of the countless brave heroes who sacrificed their lives in valiant service to our country; and be it further

"*Resolved,* That suitable copies of this preamble and resolution be presented to the President of the United States Senate, the Speaker of the United States House of Representatives and each Member of the Illinois Congressional Delegation."

POM-833. A joint resolution adopted by the Legislature of the State of California; to the Committee on Veterans' Affairs:

"SENATE JOINT RESOLUTION NO. 42

"Whereas, For 17 years, the Mission Hills Little League, Inc., and the Veterans' Administration have carried out a cooperative agreement which allows the league to use perimeter areas of the Sepulveda Veterans' Hospital facility to maintain playing fields for which, in exchange, the league administers, operates, and maintains the fields as well as a nine-hole golf course located on the same grounds for use by convalescing patients and the public; and

"Whereas, Under recent federal legislation mandating reductions in government expenditures, the United States General Accounting Office has recommended that the Veterans' Administration dispose of what is referred to as "excess land" which directly threatens the use by Mission Hills Little League, Inc., of the land on which these playing fields are situated; and

"Whereas, Mission Hills League, Inc., has been operating quality programs for youth since 1957, the backbone of which are involved with these playing fields operated under the agreement with the Veterans' Administration; and

"Whereas, The program operated by Mission Hills Little League, Inc., is financially self-sustaining through donations, fund raising activities, local business sponsors, and snackbar revenues with administration and operation of the league accomplished entirely by volunteers; and

"Whereas, All girls and boys ages six to 15 are eligible to play little league ball since no one is ever turned away by Mission Hills Little League, Inc., because of inability to pay, unlike most private organizations; and

"Whereas, In the 29 years since its beginning, approximately 12,000 youths have participated in the Little League program operated by Mission Hills Little League, Inc., and while attaining the physical skills and fitness benefits of a baseball program, the children are learning other important skills such as social interaction, sportsmanship, teamwork, community pride, and responsibility, and these benefits far outweigh the value of one-time revenue from the sale of the acreage on which the fields are situated; and

"Whereas, There is no feasible alternative site for these playing fields in the densely-populated Mission Hills area, so that this popular program which is so important and constructive for the development and well-being of our young people is threatened with curtailment if these fields are no longer available for use; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California, jointly,* That the Legislature of the State of California urgently memorializes the President, Congress, and the Veterans' Administration to do everything possible to preserve the right of Mission Hills Little League, Inc., to continue to use the playing fields on the Sepulveda Veterans' Hospital facility pursuant to that agreement which has worked so well and has been a benefit both to the Little League and the hospital for 17 years; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the United States Veterans' Administration."

POM-834. A concurrent resolution adopted by the legislature of the State of Louisiana; ordered to lie on the table:

HOUSE CONCURRENT RESOLUTION NO. 243

"Whereas, the Congress of the United States is currently considering Senate Bill 1567 and House Resolution 6 in conference committee; and

"Whereas, this legislation is known as the "Water Resources Authorization Bill"; and

"Whereas, this legislation authorizes many new construction projects in this country and, if enacted into law, would impose cost sharing by local interests on many previously approved projects; and

"Whereas, the Congress of the United States, by the Flood Control Act of 1928, as amended, approved the Mississippi River and Tributaries Project without cost-sharing provisions; and

"Whereas, the Mississippi River and Tributaries Project drains forty-one percent of the lands in the United States and two provinces in Canada and is of such magnitude that the entire nation benefits from both the flood-control and navigation aspects of the project.

"Whereas, several upstream states have completed their portions of the project; and

"Whereas, the remaining features to be accomplished are located in Louisiana, and this state has participated in the project to a substantial degree; and

"Whereas, Senate Bill 1567 and House Resolution 6, as amended, would impose cost sharing on the Mississippi River and Tributaries Project and would cause an untold amount of delay in the completion of this significant and important national flood-control project.

"Therefore, be it resolved that the Legislature of Louisiana does hereby memorialize the Congress of the United States to remove the Mississippi River and Tributaries Project from the cost-sharing provisions of House Resolution 6.

"Be it further resolved that certified copies of this Resolution shall be forwarded to the Secretary of the Senate and the clerk of the House of Representatives of the Congress of the United States, and to each member of the Louisiana congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 567: A bill to convey Forest Service land to Flagstaff, Arizona (Rept. No. 99-353).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with amendments:

S. 1819: A bill to amend the Wild and Scenic Rivers Act to designate certain segments of the Cache la Poudre River and the South Fork of the Cache la Poudre River in Colorado as a component of the National Wild and Scenic River System (Rept. No. 99-354).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with amendments and an amendment to the title:

S. 1888: A bill to provide for a program of cleanup and maintenance on Federal public

lands, national parks, recreation areas, and for other purposes (Rept. No. 99-355).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with amendments:

S. 1911: A bill to direct the Administrator of General Services to release, on behalf of the United States, certain conditions and reservations contained in a conveyance of land to the State of Utah (Rept. No. 99-356).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 1946: A bill to designate the West Branch of the Farmington River as a study area for inclusion in the national wild and scenic rivers system, and for other purposes (Rept. No. 99-357).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, without amendment:

S. 2091: A bill to amend the provisions of the Federal Land Policy and Management Act of 1976 relating to the acquisition of public lands (Rept. No. 99-358).

H.R. 850: A bill to modify the boundary of the Humboldt National Forest in the State of Nevada, and for other purposes (Rept. No. 99-359).

H.R. 934: A bill to provide certain authority to reduce erosion within the Cuyahoga Valley National Recreation Area, and for other purposes (Rept. No. 99-360).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with amendment:

H.R. 1343: A bill to authorize the use of funds from rental of floating drydock and other marine equipment to support the National Maritime Museum in San Francisco, California (Rept. No. 99-361).

H.R. 1390: A bill to authorize additional long-term leases in the El Portal administrative site adjacent to Yosemite National Park, California, and for other purposes (Rept. No. 99-362).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, without amendment:

H.R. 1963: A bill to increase the development ceiling at Allegheny Portage Railroad National Historic Site and Johnstown Flood National Memorial in Pennsylvania, and for other purposes and to provide for the preservation and interpretation of the Johnstown Flood Museum in the Cambria County Library Building, Pennsylvania (Rept. No. 99-363).

H.R. 3212: A bill to declare that the United States holds certain lands in trust of the Reno Sparks Indian Colony (Rept. No. 99-364).

H.R. 3556: A bill to provide for the exchange of land for the Cape Henry memorial site in Fort Story, Virginia (Rept. 99-365).

By Mr. STAFFORD, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 2397. A bill to authorize appropriations for the Public Buildings Service of the General Services Administration for fiscal year 1987 (Rept. No. 99-366).

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. GORTON:

S. 2708. A bill to authorize certain atmospheric and satellite programs and functions of the National Oceanic and Atmospheric Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SPECTER:

S. 2709. A bill to amend the Motor Vehicle Information and Cost Savings Act to require certain information to be filed in registering the title of motor vehicles, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HEINZ (for himself and Mr. SPECTER):

S. 2710. A bill to address the problem of human exposure to radon through indoor accumulation by directing the Environmental Protection Agency to establish and coordinate a nationwide program of research dissemination of information to the public; to the Committee on Environment and Public Works.

By Mr. DODD:

S. 2711. A bill to restrict procurement by the Department of Defense of ball bearings and roller bearings, and for other purposes; to the Committee on Armed Services.

By Mr. KENNEDY (for himself and Mr. HARKIN):

S.J. Res. 384. A joint resolution instructing the U.S. Executive Directors of Multilateral Institutions to vote against loans to Chile; to the Committee on Foreign Relations.

By Mr. RIEGLE (for himself, Mr. ROTH, Mr. DECONCINI, Mr. DODD, Mr. ROCKEFELLER, Mr. NICKLES, Mr. EXON, Mr. HOLLINGS, Mr. DIXON, Mr. HATCH, Mr. GORE, Mr. PELL, Mr. MOYNIHAN, Mr. GRASSLEY, Mr. LAUTENBERG, Mr. QUAYLE, and Mr. LEVIN):

S.J. Res. 385. A joint resolution to designate October 23, 1986 as "National Hungarian Freedom Fighters Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. HAWKINS:

S. Res. 456. A resolution expressing the sense of the Senate regarding a new international convention on drug trafficking; to the Committee on Foreign Relations.

By Mr. DIXON (for himself, Mr. SIMON, Mr. DOMENICI, Mr. BINGAMAN, and Mr. LEVIN):

S. Res. 457. A resolution to commemorate the return of Reverend Lawrence Martin Jenco to freedom from captivity in Lebanon; considered and agreed to.

By Mr. HATFIELD:

S. Res. 458. A resolution referring the bill for the relief of Spalding and Son, Inc. to the Chief Judge of the United States Claims Court; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GORTON:

S. 2708. A bill to authorize certain atmospheric and satellite programs and functions of the National Oceanic and Atmospheric Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION ATMOSPHERIC AND SATELLITE PROGRAM AUTHORIZATION ACT

● Mr. GORTON. Mr. President, today I am introducing legislation to authorize fiscal year 1987 appropriations for the atmospheric and satellite programs of the National Oceanic and Atmospheric Administration [NOAA].

This bill authorizes a total of $640.9 million in new budget authority for NOAA. The current level of funding for these programs, after reductions made pursuant to the Gramm-Rudman-Hollings legislation, is $663.2 million. I would like to describe for my colleagues the activities which are authorized by this bill, the assumptions which I have used to build the subactivity authorization figures, and some of the major funding issues within the scope of this legislation.

NOAA's atmospheric and satellite programs fall into five budget subactivities. The following table contains the current funding level, the administration's fiscal year 1987 request, and the authorization level in my bill for each subactivity.

[In millions of dollars]

	Fiscal year 1986	Request	1987 authorization
Public warning and forecast	277.8	274.5	317.0
Atmospheric and hydrological research	64.3	60.3	64.3
Satellite services	69.3	72.4	69.3
Satellite systems	229.8	168.2	[1] 190.2
Data and information services	22.1	23.1	22.1
Total	663.2	589.5	662.9

[1] Includes $22 million already authorized by Public Law 99-62.

PUBLIC WARNING AND FORECAST SERVICES

This subactivity includes the collection, processing, and dissemination of meteorological, hydrologic, an oceanographic information by the National Weather Service.

Mr. President, NOAA has for several years been involved in the development of the next generation weather radar [Nexrad] program. Nexrad is being developed by NOAA, the Federal Aviation Administration [FAA], and the Air Force to replace outdated Federal weather radars. Nexrad will be a Dopplar radar system, and will improve significantly forecasts of severe storms, aviation hazards, and flash floods.

NOAA's share of Nexrad funding has come out of the public warning and forecast subactivity. The administration has proposed, however, to fund NOAA's fiscal year 1987 share of Nexrad—$47.5 million—out of the FAA's aviation trust fund. The Congress has shown no inclination to use the aviation trust fund for this purpose, and the House has passed an appropriations bill which includes $42

million in the public warning and forecast subactivity for Nexrad.

My bill specifies that at least $42.5 million of the $317 million authorized for the subactivity is authorized only for Nexrad development. Nexrad is a high administration priority for fiscal year 1987 because long lead part procurement must be completed in 1987 to maintain the schedule for full-scale Nexrad production in upcoming years. I urge my colleagues to support a funding level of at least $42.5 million for Nexrad in fiscal year 1987.

The bill tracks the President's request for the other programs within the subactivity; in fact, the authorization level—$317 million—is equal to the requested level—$274.5 million—plus the Nexrad authorization—$42.5 million.

ATMOSPHERIC AND HYDROLOGICAL RESEARCH

The purpose of NOAA's atmospheric and hydrological research is to develop knowledge and understanding of the processes and conditions which cause environmental changes. The knowledge gained by these programs helps NOAA develop technologies and techniques to improve environmental monitoring and weather forecasting.

The authorization level in my bill for this subactivity is $64.3 million, which is the 1986 level after reductions made pursuant to Gramm-Rudman-Hollings. The authorization level is about $4 million higher than the administration's request, and is intended to restore proposed reductions in meteorological research, including mesoscale convective system research and the Program for Regional Observing and Forecasting Services [PROFS].

SATELLITE SERVICES

The Satellite Services subactivity includes the operation and maintenance of NOAA's satellite systems and associated ground equipment. NOAA is responsible for the operation of three satellite systems: the geostationary operational environmental satellites [GOES], polar-orbiting environmental satellites, and land remote sensing satellites [Landsat].

My bill authorizes $69.3 million for this subactivity. This level is the same as the 1986 post-Gramm-Rudman-Hollings level, and no changes in services are intended.

SATELLITE SYSTEMS

This subactivity consists of the procurement of NOAA's satellite systems. I believe that the most important issues in this bill are within this subactivity because all of NOAA's satellite systems are at critical points in their procurement schedules and because the administration has proposed to reduce funding for satellite systems by more than $60 million. I would like to describe the status of each of the satellite systems and the assumptions which I have used in authorizing this subactivity.

The geostationary satellite, or GOES, system is NOAA's primary satellite system for weather forecasting. The satellite photographs which are used on television weather forecasts are from GOES.

NOAA normally operates two GOES, but the premature failure of a GOES satellite in 1984 and the loss of its replacement in the Delta launch failure earlier this year have left NOAA with only one healthy satellite in orbit and one more to be launched before the end of the decade. NOAA is developing a new generation of GOES satellites which, if adequately funded, will be prepared for launch by 1990.

The administration requested a fiscal year 1987 appropriation of $118.5 million for procurement of the new GOES satellites. I had thought that this funding level would be provided by the Congress without controversy, but the House appropriations bill has cut $40 million from the President's request. My bill assumes that the entire $118.5 million will be available for GOES procurement, and I strongly urge my colleagues to support full funding for GOES.

The polar-orbiting satellite system supplements the GOES system for weather forecasting and provides the U.S. commitment to an international search-and-rescue satellite program. NOAA operates two polar orbiters, which each provide global coverage every 12 hours. The administration has proposed to cut funding for polar-orbiter procurement from $85 million to less than $25 million, and to reduce NOAA's system to a single satellite.

My bill directs NOAA to continue to launch satellites into two complementary polar orbits, but does not add money to the administration's request. The requested level of $25 million is sufficient to maintain a two-satellite system because NOAA has not spent about $65 million in previous appropriated money, which is intended to begin procurement of three new polar orbiters. NOAA did not begin the procurement because of uncertainty over the design and launch of the new satellites. The development of these satellites, known as NOAA, K, L, and M, is well behind schedule and I hope that NOAA will expedite the arrangements for procurement of NOAA, K, L, and M.

NOAA's third satellite system, Landsat, is not used for weather forecasting but for revealing features of the Earth's surface. Landsat data have many commercial applications, including oil and mineral exploration, cartography, hydrology, and agricultural monitoring. The Congress authorized the phased commercialization of Landsat in 1984, and last year authorized a subsidy of $295 million to fund the development of a system to follow the current Landsat system; $125 million of this authorization has been appropriated; the authorization extends through fiscal year 1989.

The administration has proposed to terminate the subsidy for the Landsat commercialization contract. This proposal effectively would end United States involvement in land remote sensing and would leave the growing market for remote sensing data to other nations, notably France, which launched its SPOT satellite earlier this year.

My bill states that at least $22 million of the funds authorized for satellite systems is authorized only for Landsat commercialization. This is not a new authorization, but a requirement that the satellite systems appropriation include some of the funds already authorized for Landsat commercialization. The Landsat commercialization contract calls for a fiscal year 1987 appropriation of $87 million, but budgetary restraints cause us to think in more modest terms. NOAA hopes to combine any appropriated funds with funds from other sources, including the Department of Defense and NASA. I hope that, rather than abandon a commitment of 15 years and over $1 billion, the Congress will see that the Landsat Program is transferred to the private sector, as proposed by Presidents Carter and Reagan, and as authorized by the Congress.

My bill authorizes $190.2 million for satellite systems. The authorization is intended to track the administration requests for GOES and the polar orbiters—$168.2 million—and to add at least $22 million for Landsat.

Mr. President, I ask unanimous consent that the text of the bill be included at this point in the RECORD.

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

S. 2708

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 "National Oceanic and Atmospheric Administration Atmospheric and Satellite Program Authorization Act of 1986".

TITLE I—ATMOSPHERIC PROGRAMS

PUBLIC WARNING AND FORECAST SERVICES

SEC. 101. (a) There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its public warning and forecast service duties under law, $317,000,000 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to public warning and forecast specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. et seq.), the Act entitled "An Act to define the functions and duties

of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a et seq.), and by any other law involving such duties. Such duties include meteorological, hydrological, and oceanographic public warnings and forecasts.

(b) Of the amount authorized to be appropriated by subsection (a) of this section, $42,500,000 is authorized to be appropriated only for activities related to the Next Generation Weather Radar Program. Such activities may include site surveys, preparation for production radars, limited radar production, initial operational test and evaluation of radars, training of personnel, release of long lead items for full production, award of the production contract, and land acquisition for radar sites.

ATMOSPHERIC AND HYDROLOGICAL RESEARCH

SEC. 102. There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atomspheric Administration to carry out its atmospheric and hydrological research duties under law, $64,300,000 for fiscal year 1987. Moneys appropriated pursuant to this autorization shall be used to fund those duties relating to atmospheric and hydrological research specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. 311 et seq.,), and by any other law involving such duties. Such duties include research for developing improved prediction capabilities for atmospheric and hydrological processes.

TITLE II—SATELLITE PROGRAMS

SATELLITE SERVICES

SEC. 201. There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its satellite services duties under law, $69,300,000 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to satellite services specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. 311 et seq.), the National Aeronautics and Space Administration Authorization Act, 1985, approved July 16, 1984 (Public Law 98-361; 98 Stat. 422), and by any other law involving such duties. Such duties include satellite maintenance and operations and satellite data analysis.

SATELLITE SYSTEMS

SEC. 202. (a) There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its satellite systems duties under law, $168,200,000 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used by the National Oceanic and Atmospheric Administration to purchase, launch and operate the most reliable polar-orbiting meteorological satellite system that is feasible, including a full complement of all present instruments in the afternoon orbit and a backup capability for additional reliability in the morning orbit. In addition, such moneys shall be used to fund those duties relating to satellite systems specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. 311 et seq.), the National Aeronautics and Space Administration Authorization Act, 1985, approved July 16, 1984 (Public Law 98-361; 98 Stat. 422), and by any other law involving such duties. Such duties include spacecraft procurement, launch, and associated ground station system changes involving polar-orbiting and geostationary environmental satellites.

(b) None of the funds authorized to be appropriated by subsection (a) of this section may be expended until not less than $22,000,000 of the funds made available by the Act entitled, "An Act to provide authorization of appropriations for activities under the land Remote-Sensing Commercialization Act of 1984", approved July 11, 1985 (Public Law 99-62; 99 Stat. 118) have been expended.

DATA AND INFORMATION SERVICES

SEC. 203. There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its data and information services duties under law, $22,100,000 for fiscal year 1987. Moneys appropriated pursaunt to this authorization shall be used to fund those duties relating to data and information services specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. 311 et seq.), and by any other law involving such duties. Such duties include environmental data and information products and services in the atmospheric, marine, solid earth, and solar-terrestrial sciences.●

By Mr. SPECTER:

S. 2709. A bill to amend the Motor Vehicle Information and Cost Savings Act to require certain information to be filed in registering the title of motor vehicles, and for other purposes; to the Committee on Commerce, Science, and Transportation.

UNIFORM TITLE LEGISLATION

● Mr. SPECTER. Mr. President, I am introducing legislation which will increase the penalties for odometer tampering. I congratulate the Senator from Nebraska, Senator EXON, for introducing and getting passed in this body an excellent odometer tampering bill, S. 475. However, I believe that even stiffer penalties than are contained in S. 475 are required. We need a penalty that will put an end to a crime that costs the Nation's consumers $2 billion annually according to the National Highway Traffic Safety Administration. My bill addresses the problem of repeat offenders who are major perpetrators of this crime.

S. 475 increases the maximum penalty for odometer tampering from $1,000 to $2,000 and the maximum jail sentence from 1 year to 3 years. Two thousand dollars may be enough for a first offender, but a repeat offender should be more severely punished. In the legislation that I propose, second-time offenders would receive a maximum fine of $5,000 per car and third-time offenders would receive a maximum penalty of $10,000 per car, up to a maximum fine of $100,000 for any related series of violations.

The major odometer tampering offenders reportedly are fleets with late model luxury cars that have high mileage. The Pennsylvania Independent Automobile Dealers Association (PIADA) provided an example of the economics of odometer fraud. They stated that a typical fleet car with 30 to 40 thousand actual miles has an increased resale value of $4,000 with only 5 to 10 thousand miles showing on its odometer. Even if we catch these offenders, the maximum fine is only $2,000, which means a profit of $2,000 in the above example. They correctly pointed out that this is not a sufficient deterrent and that fines should be increased to reduce the would-be criminal's preceived profit.

The jail sentences must also be increased. S. 475 accomplishes increasing the penalty under current law from a misdemeanor with a 1-year maximum, to a felony with a 3-year maximum sentence. To deter would-be repeat offenders, my bill provides a 3-year mandatory jail term for third time offenders.

I am aware of the overcrowding in our jails, however, I feel that the threat of a mandatory jail sentence will end odometer fraud once and for all without a significant increase in our jail population.

A summary comparison of the legislation that I am introducing versus S. 475 follows:

Penalty	S. 475		Sen. Specter's bill	
	Max. fine (car)	Crim. penalty (yrs. max.)	Max. fine (car)	Crim. penalty (yrs. max.)
First offenders	$2,000	3	* $2,000	3
Second offenders	2,000	3	* 5,000	3
Third offenders	2,000	3	* 10,000	3

* Up to a maximum fine of $100,000 for any related series of violations.

S. 475 also requires States to use the bank intaglio process on car registrations. This process includes the use of a special paper, that shows alterations, and requires the use of special equipment. State officials claim that purchasing this equipment would cost millions of dollars in additional administrative costs.

My bill will allow states to come up with their own alternatives to the bank intaglio process, as long as they offer similar protection against alterations. These alternatives would have to be approved by the U.S. Secretary of Transportation. The flexibility in my bill would save the States money and give them discretion in decision-making, while still protecting the public. I would just like to add that this bill is endorsed by the Pennsylvania Independent Automobile Dealers Association [PIADA].

I feel that my bill will significantly deter odometer fraud and save Americans billions of dollars, and I urge my fellow Senators to support it.●

By Mr. HEINZ (for himself and Mr. SPECTER):

S. 2710. A bill to address the problem of human exposure to radon through indoor accumulation by directing the Environmental Protection Agency to establish and coordinate a nationwide program of research dissemination of information to the public; to the Committee on Environment and Public Works.

INDOOR RADON RESEARCH AND ASSISTANCE ACT

● Mr. HEINZ. Mr. President, today I rise to introduce legislation on behalf of myself and Senator SPECTER which would designate the Environmental Protection Agency as the lead Federal agency in addressing the serious national radon contamination problem.

The bill, called the "Indoor Radon Research and Assistance Act of 1986", will give the Environmental Protection Agency (EPA) the statutory authority to conduct and coordinate Federal efforts to research the problem of radon gas contamination. This bill has been introduced as H.R. 5202 by Congressman YATRON in the other body where it has 44 cosponsors.

This legislation is needed because nothing in our laws gives any entity of the Federal Government the explicit authority to take actions to alleviate indoor radon hazards and provide guidance and leadership to States and the private sector in addressing indoor radon.

Radon contamination is the health threat of the decade: the Centers for Disease Control estimate that 5,000 to 20,000 people die each year of radon induced lung cancer. This compares with 100,000 lung cancer overall each year.

And radon contamination is not limited to Pennsylvania and New Jersey. Although the magnitude of the indoor radon problem is not yet known, existing radon testing data show some high radon levels in nearly every State, indicating that indoor radon contamination is a national problem.

No overall Federal strategy exists to address the indoor radon issue. However, various Federal agencies are involved in radon-related efforts. For example, the EPA is currently conducting research on the extent of radon contamination in the United States and providing technical assistance to the States while the Department of Energy (DOE) conducts other types of research. EPA and DOE plan to spend $10.8 million during fiscal years 1985 and 1986 on radon related-research. It is important to note that although the Federal agencies reviewed in the GAO report all appear to have sufficient statutory authority to conduct their ongoing radon efforts, these efforts are being conducted at the discretion of each individual agency. None of the enabling statutes reviewed by the GAO explicitly mandates or requires that radon research, technical assistance, guidance or other assistance be provided.

In addition, all the radon activities of the various Federal agencies are being conducted autonomously. Designating the EPA as lead agency will insure that Federal radon research efforts do not overlap, that radon research is conducted on the most significant issues and that the Federal Government is operating under and recommending consistent radon policies and guidance. The Congress should designate the EPA as the lead Federal agency regarding radon for the purpose of prudent oversight and clear accountability.

At this time no clear statutory authority or responsibility exists for federally regulating radon or for providing financial assistance to alleviate indoor radon hazards. As the Federal role in addressing the radon problem increases, it is only proper that citizens have the expertise and leadership of one Federal agency to rely on rather than several.

It should be noted that the bill Senator SPECTER and I introduce will make the EPA the lead agency but does not compel the EPA to take a regulatory response to the radon problem. While the EPA would provide technical assistance to the States, the EPA would not pay for the actual remediation of homes of radon. The cost of radon removal at this time must be borne by residents. Since the costs of radon mitigation can run as high as $15,000, I fully support extending the current medical deduction to taxpayers who make efforts to rid their homes of the cancer inducing radon gas. I plan to work with my colleagues to ensure that the current medical deduction is extended to radon costs this year as part of the final tax reform bill.

This bill is acceptable to the EPA and I urge all my colleagues to support Senator SPECTOR and I in this legislation.●

● Mr. SPECTER. Mr. President, I am introducing today a Senate companion bill to Congressman YATRON's bill in the House of Representatives which will provide the statutory authority for the Environmental Protection Agency to address one of the foremost health dangers in America today—radon gas contamination in residential housing. Radon is a colorless, odorless gas that emanates from decaying natural uranium deposits and seeps into homes from air and water. Radon is a leading cause of lung cancer and may be responsible for up to 20,000 deaths each year nationwide.

This legislation will direct the Administrator of the Environmental Protection Agency to establish and coordinate a nationwide program of research and development, technical assistance to the States and dissemination of information to the public.

The Pennsylvania Congressional Delegation recently requested a General Accounting Office study of the Federal efforts to address the radon problem. The GAO investigation revealed that while EPA has taken a lead role, numerous Federal agencies are involved in addressing the radon problem. This bill provides EPA with the explicit authority to lead the fight against radon contamination by coordinating efforts among all agencies involved and expanding its present activities.

During debate on the Superfund reauthorization, Senators LAUTENBERG and MITCHELL successfully offered an amendment which I cosponsored, directing the EPA Administrator to conduct a broad program of indoor air quality research. While the value of that measure cannot be doubted, it is my sense that additional legislation is necessary for several reasons. First, this bill, on the basis of the GAO's findings, specifically addresses radon contamination, not the broader and more general problem of indoor air quality. Second, much has happened since the adoption of the above-mentioned Superfund amendment in September 1985. This bill will include essential programs that were excluded from the Superfund amendment, such as technical assistance to the States. Third, the Superfund amendment does not provide sufficient funding for an effective radon program. Rather than the $6 million, 2-year authorization in the Superfund measure, this legislation will provide a $5 million authorization for each of the next 5 fiscal years.

Last, and not the least of concerns, the conference committee on Superfund has been struggling for some time to complete its work. With no guarantee that the Superfund conference will be concluded in the near future, or that the indoor air amendment will be part of the final package, it is essential that the Senate have another, stronger radon mitigation vehicle with which to work over the coming weeks.

The need for statutory authority to address radon is clear. The radon threat began to receive national attention some 20 months ago when Mr. Stanley Watras of Boyertown, PA, a construction engineer for the Limerick Nuclear Power Plant, walked into his workplace. To his suprise and to the astonishment of his fellow workers, Mr. Watras set off the plant's radiation alarms, signalling that he had been contaminated by radiation beyond the level of safety. Mr. Watras subsequently requested a radiation level check at his home a few miles

from the plant. Air samples taken at the Watras home revealed an extraordinary concentration of radon gas.

Mr. Watras' home, we have discovered, lies along the "Reading Prong," a stretch of land beginning outside Reading and running northeast into New Jersey, New York, and even into New England. In recent visits to homes in the Boyertown area, I witnessed the recording of dangerously high levels of radon contamination and discussed this problem on-site with EPA officials. Clearly, this is a health danger with which local, State and Federal Governments must come to grips immediately.

Mr. President, the wide geographic scope of the radon problem and the unknown extent of radon gas' effects clearly necessitate the implementation of a statutory, nonregulatory program within the Federal Government. Recognizing that indoor radon contamination is a national problem, the coordination of efforts among States and Federal agencies is necessary to disseminate information, identify dangerous radon concentrations and facilitate mitigation efforts. I urge my colleagues to join me in support of this bill so, that we can expedite remedial action for this important problem.

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

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

S. 2710

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 "Indoor Radon Research and Assistance Act of 1986".

SEC. 2. FINDINGS.

The Congress finds that—

(1) radon may accumulate indoors in such a way as to increase the risk of developing lung cancer in humans;

(2) evidence indicates that high levels of radon have been found indoors throughout the United States;

(3) an adequate information base on indoor radon problems does not exist and such an information base should be developed by the Federal Government;

(4) reliable and inexpensive technologies and methods to detect, prevent, and abate human exposure to radon through indoor accumulation do not exist and such technologies and methods should be developed by the Federal Government;

(5) at the time of the introduction of this Act, Federal indoor radon research programs are fragmented and underfunded;

(6) the Environmental Protection Agency's efforts to conduct research, provide technical assistance, and disseminate information to the public concerning exposure to radon through indoor accumulation has been hindered by a lack of clear statutory authority; and

(7) the General Accounting Office has recommended that the Environmental Protection Agency be assigned the overall responsibility of directing and coordinating Federal activities addressing indoor air quality problems, especially exposure to radon through indoor accumulation.

SEC. 3. ADMINISTRATOR OF ENVIRONMENTAL PROTECTION AGENCY TO ESTABLISH, CONDUCT, AND COORDINATE NATIONWIDE STUDY OF HUMAN EXPOSURE TO RADON THROUGH INDOOR ACCUMULATION.

(a) ESTABLISH OF PROGRAM; ASSESSMENT WITHIN 1 YEAR.—The Administrator of the Environmental Protection Agency shall—

(1) establish a research and development program with respect to human exposure to radon through indoor accumulation; and

(2) complete a nationwide statistical survey of the sources and levels of radon within 1 year after funds are appropriated to carry out this Act.

(b) PROGRAM REQUIREMENTS.—In carrying out the program described in subsection (a), the Administrator of the Environmental Protection Agency shall do at least the following:

(1) CONDUCT AND COORDINATE FEDERAL RESEARCH EFFORTS.—Conduct and coordinate Federal research efforts relating to the causes, effects, extent, prevention, and abatement of indoor accumulation of radon.

(2) TECHNICAL ASSISTANCE TO STATES.—Encourage, cooperate with, and render technical assistance, training, and guidance to relevant State agencies and other appropriate public or private agencies, institutions, organizations, and individuals to help such entities gain expertise and the capacity to effectively respond to the problems posed by human exposure to radon through indoor accumulation.

(3) COLLECTION AND DISSEMINATION OF INFORMATION.—In cooperation with other Federal departments and agencies, and with other public or private agencies, institutions, and organizations having related responsibilities—

(A) collect information on—

(i) the short- and long-term health effects of varying degrees of human exposure to radon,

(ii) the sources and levels of radon, and

(iii) ways to prevent or abate the indoor accumulation of radon, or avoid exposure to radon; and

(B) disseminate such information to the public.

(4) DEVELOP RELIABLE AND INEXPENSIVE MITIGATION TECHNIQUES.—Develop reliable, inexpensive, and easy to implement processes, methods, and devices to detect, prevent, control, and reduce the indoor accumulation of radon.

(5) DEVELOP MODEL CERTIFICATION PROGRAMS.—In consultation with State governments, develop model certification programs for contractors engaged in radon detection and abatement.

(6) DEVELOP MODEL BUILDING CODES.—In consultation with the Department of Housing and Urban Development, develop model building codes designed to prevent the accumulation of radon in housing.

(c) RADON DEFINED.—As used in this Act, the term "radon" means radon gas and the decay products of radon gas.

(d) REPORTS.—The Administrator of the Environmental Protection Agency shall annually submit to the Congress a report on the activities carried out under this section.

(e) CONSTRUCTION OF SECTION.—This section shall not be construed to authorize or require any regulatory program or activity other than the activities specified in this section. This section shall not be construed to affect the regulatory authority of any other agency or instrumentality of the United States.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act not to exceed $5,000,000 for each of fiscal years 1987, 1988, 1989, 1990, and 1991.

By Mr. DODD:

S. 2711. A bill to restrict procurement by the Department of Defense of ball bearings and roller bearings, and for other purposes; to the Committee on Armed Services.

BALL AND ROLLER BEARING IMPORT RELIEF ACT OF 1986

● Mr. DODD. Mr. President, on June 18 of this year the Joint Logistics Commanders of the Department of Defense issued a very important report on the state of the ball bearing industry in this country and its critical importance to our national defense and security. The Joint Logistics Commanders Bearing Study contains a number of very troubling conclusions and poses a series of options available to the United States to redress the problems confronting the industry.

Among other things, this report found that "the industry is at risk and will experience a dramatic contraction if nothing is done" to reverse the erosion of this industry which has resulted from a trend of increasing import penetration. I might note, Mr. President, that the industry has already lost one-third of its domestic market to foreign firms. As plant after plant has closed its doors, 10,000 American workers have lost their jobs. Moreover, the report concluded that if we do not soon take action to reverse these trends, we may find ourselves with a domestic industry which is incapable of meeting our defense requirements at the very time that peace may be threatened. The bearing industry is a very important industry to the State of Connecticut, and to the more than 20 other States where the industry has factories. Not only does this industry provide components to our aerospace and weapons industries, but to almost every other industry in the economy in which moving parts are an element in the final product.

Since 1980, Connecticut alone has lost nearly 3,000 jobs as imports have replaced domestic sales. Comparable losses have also occurred elsewhere in the United States. What has occurred in Connecticut and elsewhere has made it clear to me that we can no longer let this situation continue. The time has come to act to save our domestic bearing industry, and to preserve and protect our national security.

In order to achieve these goals, I am today introducing the "Ball and Roller Bearing Import Relief Act"—a bill which I hope will lead to the revitalization of an industry so critical to our national defense. This bill would re-

quire that, for a period of 5 years, all Department of Defense procurement of ball and roller bearings be from domestic companies, unless the Secretary of Defense is able to certify that a specific type of bearing is not available domestically, in sufficient quantity. I believe that this provision will guarantee the industry a minimum level of sales. Without sufficient sales to restore profitability to the industry, funds will be unavailable for the investments that are required if the industry is to keep pace with changing technology.

Defense procurement alone may not generate sufficient funds required by the industry, since defense sales represent only 15 percent of the industry's sales. A healthy share of the nondefense market is also essential to the survival of the industry. Therefore, tariffs and quotas may also be necessary in the short term to ensure the survival of the industry and to meet our national security interests. For that reason, I have also included provisions for the expedited consideration of any request by the industry for tariff or quota protection pursuant to the national security provisions of section 232 of the Trade Expansion Act of 1962. Finally, in recognition of the fact that it may not be possible to reopen all of the factories which have closed their doors since the mid-1960's when imports first began to flood our markets, I have also included procedures for expedited consideration of petitions by workers or firms in this industry for trade adjustment assistance under the Trade Act of 1974. It is my hope that in a small way this may ease their painful transition to other employment and business activities.

This bill is just the first step along the long road to restoring the domestic ball and roller bearing industry to health. However, it is a crucial first step and one we must take quickly if the United States is to preserve this industry and if we are to protect our long term national security interests. Mr. President, I would ask that the text of my bill be printed in the RECORD.●

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

S. 2711

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Ball and Roller Bearing Import Relief Act of 1986".

SEC. 2. The Congress finds that—

(1) a healthy domestic ball and roller bearing industry (hereafter in this section referred to as the "industry") is of critical importance to a sound domestic industrial base in the United States;

(2) the industry has a broad role in the supply of essential components to other industries representing the core of a modern industrial economy;

(3) the Federal Government has previously recognized the importance of the industry to the defense-related industrial base of the United States by requiring that certain bearings purchased by the Department of Defense be manufactured in the United States or Canada;

(4) the United States market for this industry has been increasingly penetrated by imports over the past decade, which has resulted in reductions in capacity, employment, and abandonment of certain markets by domestic producers in the industry; and

(5) the industry is under a state of siege, caught between an eroding share of the domestic market and rising imports of bearing-containing finished goods that compete with the industry's domestic customers.

SEC. 3. (a) Except as provided in subsection (b), the Department of Defense may not procure ball bearings or roller bearings which have been manufactured outside the United States (including the Commonwealth of Puerto Rico, Virgin Islands of the United States, and the territories and possessions of the United States).

(b)(1) If the Secretary of Defense certifies in writing to the Secretary of Commerce that—

(A) any kind of ball or roller bearings needed by the Department of Defense is not manufactured in the United States; or

(B) any kind of ball or roller bearings manufactured in the United States is not available in sufficient quantities to meet the needs of the Department of Defense, the prohibition prescribed in subsection (a) shall not apply in the case of any contract for the procurement of such kind of ball or roller bearings, as the case may be, which is awarded pursuant to a procurement solicitation issued during the period beginning 30 days after the date on which the certification is received by the Secretary of Commerce and ending on the date on which the Secretary of Defense or the Secretary of Commerce determines that the certified condition has terminated.

(2) Notwithstanding paragraph (1), the Department of Defense may not conduct a procurement with respect to which a certification has been made under such paragraph if the Secretary of Commerce disagrees with the findings of the Secretary of Defense (with respect to a condition described in such paragraph) contained in the certification and notifies the Secretary of Defense, in writing, of the disagreement within 30 days after the date on which the certification is received by the Secretary of Commerce.

(c) The Secretary of Defense shall prescribe regulations to carry out this section.

(d) This section shall apply to procurement solicitations issued by the Department of Defense during the 5-year period beginning on January 1, 1987.

SEC. 4. Subsection (b) of section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862(b)) is amended—

(1) by striking out "Upon request" and inserting in lieu thereof "(1) Upon request", and

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

"(a)(A) The President and the Secretary shall give expedited consideration to any application submitted under this section with respect to imports of ball bearings or roller bearings.

"(B) The Secretary shall provide notice to the Secretary of Labor of any determination made by the Secretary under paragraph (1) that imports of ball bearings or roller bearings threaten to impair the national security.".

SEC. 5. (a) Section 223 of the Trade Act of 1974 (19 U.S.C. 2273) is amended by adding at the end thereof the following new subsection:

"(e) The Secretary shall give expedited consideration to any petition filed under section 221 on behalf of workers of a firm, or subdivision of a firm, that produces ball bearings or roller bearings if the Secretary of Commerce has determined under section 232 of the Trade Expansion Act of 1962, at any time during the 3-year period preceding the date of the determination of the Secretary under subsection (a), that imports of ball bearings or roller bearings threaten to impair the national security.".

(b) Section 251 of the Trade Act of 1974 (19 U.S.C. 2341) is amended by adding at the end thereof the following new subsection:

"(e) The Secretary shall give expedited consideration to any petition filed under subsection (a) on behalf of a firm that produces ball bearings or roller bearings if the Secretary has determined under section 232 of the Trade Expansion Act of 1962, at any time during the 3-year period preceding the date of the determination of the Secretary under Subsection (c), that imports of ball bearings or roller bearings threaten to impair the national security.".

By Mr. KENNEDY (for himself and Mr. HARKIN):

S.J. Res. 384. Joint resolution instructing the U.S. Executive Directors of Multilateral Institutions to vote against loans to Chile; to the Committee on Foreign Relations.

PROHIBITING U.S. SUPPORT FOR LOANS TO CHILE

Mr. KENNEDY. Mr. President, I send a joint resolution to the desk and urge its prompt and favorable consideration by the Senate. It instructs the U.S. Executive Directors of multilateral financial institutions to vote against loans to Chile until Congress determines that the Government has ended its abhorrent human rights abuses, has agreed to extradite the killers of Orlando Letelier and Ronni Moffit, and has brought to justice those individuals responsible for the brutal murder-by-fire of Rodrigo Rojas.

Darkness has descended upon the people of Chile. Hope for an early and peaceful return to democracy is fading. The virulent repression and inhumanity of the Chilean regime knows no bounds. From the day General Pinochet seized power in 1973, through the assassination of Orlando Letelier on the streets of Washington and now to the fiery execution of Rodrigo Rojas—a student at Woodrow Wilson High School in Washington—General Pinochet's reign of terror continues.

The violence and repression grow with each passing day as students, housewives, physicians and lawyers are beaten and arrested on the streets of Santiago.

For too long, this administration has kept General Pinochet afloat by voting to approve $2 billion in loans to the Government of Chile. These votes

have been in direct violation of section 701 of the International Financial Institutions Act.

Shortly after Orlando Letelier and Ronni Moffitt were murdered in the streets of Washington in 1976, Congress cut off all economic and military assistance to Chile. Congress also enacted into law section 701 of the International Financial Institutions Act which directs the U.S. Executive Directors of multilateral financial institutions to oppose loans to countries whose governments engage in a pattern of gross violations of internationally recognized human rights. For 13 years, the Government of Chile has engaged in such a pattern but the Reagan administration has yet to oppose a single multilateral international loan to Chile on the human rights grounds stipulated in section 701.

President Ford voted no; President Carter voted no; but the Reagan administration has voted in favor of $2.2 billion in loans to Chile. This is not only unconscionable; it is illegal.

Continued U.S. support of multilateral loans to Chile violates section 701 of the International Financial Institutions Act. The statute is clear: the U.S. Executive Directors are instructed to oppose any loan to countries whose governments engage in a pattern of gross violations of internationally recognized human rights, such as torture or cruel, inhumane, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial to life, liberty, and the security of person. The law does not allow for a pattern of improvements in human rights, nor does it allow for abstentions on votes. Under the law, if the Government engages in a pattern of gross human rights violations, the United States must vote no. This is not a matter of discretion; it is a matter of law.

The Government of Chile has been consistent for 13 years; it has systematically and routinely violated fundamental human rights. Let me just take note of two specific examples of this record. The Government of Chile murdered Orlando Letelier on our streets; it murdered Rodrigo Rojas de Negri who was a resident of Washington. More generally, the State Department's 1985 Human Rights Report states 5,401 instances of detention, 564 kidnapings and 72 political killings. According to America's Watch Committee during just March and April of 1986 the Government of Chile was responsible for 5 violent deaths, 22 attempted homicides, 1,610 detentions for political activities, 4 expulsions, 13 threats and intimidations, and 141 cases of torture, cruel, inhumane or degrading treatment. Between April 29 and May 15, the Government raided 39 shanty towns and rounded up over 94,000 individuals, yet of that group of 94,000, only 5 individuals were charged with crimes. These shanty town raids are clearly a method of intimidation used by the Government. Rodrigo Rojas was visiting one such shanty town to show solidarity with its people when the Chilean soldiers raided the town and set him on fire.

Voting no on more international loans to Chile would do more than send a clear signal to Pinochet that the United States was seriously committed to opposing human rights abuses; it would also have a severe economic impact on Chile. Chile's foreign debt is estimated to be around $20 billion; its annual interest payments are nearly $2 billion, roughly half of its annual export earnings. Yet in 1985, Chile received $1.1 billion in multilateral bank loans which then facilitated a major debt rescheduling package worth nearly $2 billion. These loans have enabled Pinochet to maintain his good standing with the international financial community—and his tight grip on power.

While the United States alone does not control sufficient votes in the multilateral institutions to stop the loans, our policies have strong influence not only with the direction other countries chose to vote, but also in the number and amount of loans which are brought up for consideration in the institutions.

It is time the United States puts itself clearly on the side of democracy and decency in Chile and distanced itself from the Pinochet regime. Orlando Letelier, Rodrigo Rojas, and countless others whose names we do not know have died at the hands of Pinochet and his henchmen. It is time for the U.S. Congress to repudiate the Pinochet regime and state its unequivocal support for immediate restoration of democracy in Chile. And the place to begin is with the resolution before us today.

I urge the Senate to adopt this important Resolution.

By Mr. RIEGLE (for himself, Mr. DECONCINI, Mr. DODD, Mr. ROCKEFELLER, Mr. NICKLES, Mr. EXON, Mr. HOLLINGS, Mr. DIXON, Mr. HATCH, Mr. GORE, Mr. PELL, Mr. MOYNIHAN, Mr. GRASSLEY, Mr. LAUTENBERG, Mr. QUAYLE, and Mr. LEVIN):

S.J. Res. 385. Joint resolution to designate October 23, 1986 as "National Hungarian Freedom Fighters Day"; to the Committee on the Judiciary.

NATIONAL HUNGARIAN FREEDOM FIGHTERS DAY

● Mr. RIEGLE. Mr. President, today, along with the bipartisan support of 16 cosponsors, I am introducing a joint resolution designating October 23, 1986 as "National Hungarian Freedom Fighters Day". A companion bill, House Joint Resolution 657 has been introduced in the House of Representatives by Congressman FRANK HORTON of New York.

This year, October 23 will mark the 30th anniversary of the failed attempt by the Hungarian people to free themselves from Soviet domination. On that date three decades ago, university students in Budapest organized to express their solidarity with striking workers in Poland, and to vent their frustration with the intransigence of the Hungarian dictatorship headed by Matyas Rakosi. They marched to the radio building to express their dissatisfaction through a broadcast. Within minutes, dozens of them lay dying from wounds inflicted by the bullets of the Hungarian police forces.

The following day, the Hungarian Politiburo consented to the students' demands and elected Imre Nagy to the premiership. He proceeded to announce Hungary's neutrality, its withdrawal from the Warsaw Pact, and the intention to hold free multiparty elections.

Within hours, what began as a humble movement, initiated by a number of disenchanted students and supported by Imre Nagy, had gained the support of a vast number of Hungarian citizens, united in their desire to be liberated from Soviet oppression.

Two days after Hungary was declared an independent state, the military forces of the Soviet Union moved into Budapest and crushed the brave attempt by the freedom fighters to regain their sovereignty. Despite courageous efforts by scores of Hungarians to retain their freedom, hundreds of Hungarian citizens were murdered and thousands were injured in the invasion. A tragic signal was sent around the world that the Soviet Communists would not tolerate dissent within their empire, and that all Eastern European nations would remain subject to Moscow as long as the Communist Party reigns.

This message would, unfortunately, be repeated—in Czechoslovakia in 1968, in Afghanistan during the last days of 1979 and in Poland in 1970 and again in 1981. The Hungarian freedom fighters are only some of the more obvious victims of arbitrary Soviet tyranny.

Commemoration of Hungarian Freedom Fighters Day gives us occasion to reflect on a world much changed by the effects of World War II. Hungary is but one of the many countries which fell prey to Soviet domination, imprisoned behind a curtain which has divided Europe—East and West.

While the Hungarian uprising was easily put down by the Soviet forces, the spirit of those who sacrificed their lives in that effort continues to burn in the hearts of those still striving for liberty. Recalling the Hungarian experience gives us a new and greater appreciation for the freedoms we enjoy

and grants us the opportunity to support the efforts of those for whom the struggle continues today.

Mr. President, I ask unanimous consent that the full text of the resolution be printed in the RECORD.

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

S.J. RES. 385

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas, the antidemocratic Government of Hungary was installed and is supported by the Government of the Soviet Union;

Whereas, on October 23, 1956, freedom fighters in Hungary attempted to establish a coalition government and free the people of Hungary from oppression by ending the political and economic domination of the people of Hungary by the Government of the Soviet Union;

Whereas, the continued oppression of the people of Hungary by the Government of the Soviet Union is a violation of the principles set forth in the Yalta Agreement of 1945, the Universal Declaration of Human Rights, and the Helsinki Final Act of the Conference on Security and Cooperation in Europe, of which the Government of the Soviet Union is a signatory or under which such Government is otherwise obligated;

Whereas, the Congress supports the efforts of the people of all nations to assert the right of self-determination; and

Whereas, October 23, 1986, is the 30th anniversary of the uprising of the people of Hungary against the antidemocratic Government of Hungary: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, that October 23, 1986, is designated "National Hungarian Freedom Fighters Day", and the President of the United States 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.●

ADDITIONAL COSPONSORS

S. 853

At the request of Mr. PRYOR, the name of the Senator from Connecticut [Mr. WEICKER] was added as a cosponsor of S. 853, a bill to amend the Trade Act of 1974 to allow watches to be designated as eligible articles for purposes of the generalized system of preferences.

S. 1026

At the request of Mr. PRESSLER, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 1026, a bill to direct the cooperation of certain Federal entities in the implementation of the Continental Scientific Drilling Program.

S. 1888

At the request of Mr. BUMPERS, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1888, a bill to provide for a program of cleanup and maintenance on Federal public lands, national parks, recreation areas, and for other purposes.

S. 2345

At the request of Mr. KENNEDY, the names of the Senator from Utah [Mr. HATCH], and the Senator from California [Mr. WILSON] were added as cosponsors of S. 2345, a bill to improve counseling, education, and services relating to acquired immune deficiency syndrome.

S. 2489

At the request of Mr. KENNEDY, the name of the Senator from Florida [Mrs. HAWKINS] was added as a cosponsor of S. 2489, a bill to improve the training of physicians in geriatrics.

S. 2536

At the request of Mr. HATCH, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 2536, a bill to provide for block grants to States to pay for the costs of immunosuppressive drugs for organ transplant patients.

S. 2649

At the request of Mr. KENNEDY, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 2649, a bill to amend title XIX of the Social Security Act to strengthen and improve Medicaid services to low-income children, and for other purposes.

S. 2650

At the request of Mr. KENNEDY, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 2650, a bill to amend title XIX of the Social Security Act to strengthen and improve Medicaid services to pregnant women and infants, and for other purposes.

S. 2665

At the request of Mr. SYMMS, the name of the Senator from Nevada [Mr. LAXALT] was added as a cosponsor of S. 2665, a bill to amend the national maximum speed limit law.

S. 2668

At the request of Mr. BRADLEY, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 2668, a bill to amend the Tariff Schedules of the United States to temporarily suspend the duties on jacquard cards.

S. 2669

At the request of Mr. BRADLEY, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 2669, a bill to amend the Tariff Schedules of the United States to temporarily suspend the duties on certain weaving machinery.

S. 2678

At the request of Mr. BENTSEN, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 2678, a bill to provide a comprehensive national oil security policy.

S. 2680

At the request of Mr. THURMOND, the name of the Senator from Virginia [Mr. TRIBLE] was added as a cosponsor of S. 2680, a bill to amend the Internal Revenue Code of 1954 to allow a charitable contribution deduction to farmers who donate agricultural products to assist victims of natural disasters.

S. 2695

At the request of Mr. EXON, the name of the Senator from Nebraska [Mr. ZORINSKY] was added as a cosponsor of S. 2695, a bill to provide for an additional district court judge for the judicial district of Nebraska.

S. 2701

At the request of Mr. LUGAR, the name of the Senator from Virginia [Mr. TRIBLE] was added as a cosponsor of S. 2701, a bill to provide a comprehensive policy for the United States in opposition to the system of apartheid in South Africa, and for other purposes.

SENATE JOINT RESOLUTION 249

At the request of Mr. DENTON, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of Senate Joint Resolution 249, a joint resolution to proclaim October 23, 1986, as "A Time of Remembrance" for all victims of terrorism throughout the world.

SENATE JOINT RESOLUTION 338

At the request of Mr. RIEGLE, the name of the Senator from Idaho [Mr. MCCLURE] was added as a cosponsor of Senate Joint Resolution 338, a joint resolution to designate November 18, 1986, as "National Community Education Day".

SENATE JOINT RESOLUTION 348

At the request of Mr. GLENN, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of Senate Joint Resolution 348, a joint resolution to designate the week beginning November 24, 1986, as "National Family Caregivers Week".

SENATE CONCURRENT RESOLUTION 94

At the request of Mr. DENTON, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of Senate Concurrent Resolution 94, a concurrent resolution expressing the sense of the Congress that the President should declare a State of national emergency with respect to terrorist acts committed against nationals of the United States.

SENATE RESOLUTION 420

At the request of Mr. CHILES the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of Senate Resolution 420, a resolution to express the sense of the Senate regarding prompt payment of Medicare claims.

AMENDMENT NO. 2242

At the request of Mr. GORTON, the names of the Senator from West Virginia [Mr. BYRD], the Senator from Arkansas [Mr. BUMPERS], the Senator from Michigan [Mr. RIEGLE], the Senator from Maine [Mr. COHEN], the Senator from California [Mr. CRANSTON], the Senator from Michigan [Mr. LEVIN], The Senator from Alabama [Mr. DENTON], the Senator from North Carolina [Mr. BROYHILL], the Senator from Indiana [Mr. QUAYLE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. NICKLES], and the Senator from Georgia [Mr. MATTINGLY] were added as cosponsors of Amendment No. 2242 proposed to House Joint Resolution 668, a joint resolution increasing the statutory limit on the public debt.

AMENDMENT NO. 2250

At the request of Mr. SASSER, the name of the Senator from Colorado [Mr. HART] was added as a cosponsor of Amendment No. 2250 proposed to House Joint Resolution 668, a joint resolution increasing the statutory limit on the public debt.

SENATE RESOLUTION 456—RELATIVE TO A NEW INTERNATIONAL CONVENTION ON DRUG TRAFFICKING

Mrs. HAWKINS submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 456

Whereas trafficking in illegal drugs is increasingly undertaken by criminal organizations with multinational dimensions;

Whereas law enforcement and demand reduction measures must also assume multinational dimensions effectively to combat trafficking and use of illegal drugs;

Whereas the United Nations Division on Narcotic Drugs is currently working on a draft of a new international convention on drug trafficking at the direction of the General Assembly and the United Nations Commission on Narcotic Drugs; and

Whereas this draft convention will be one of the matters discussed at the 1987 World Conference on Drug Abuse to be held in Vienna, Austria, in July 1987: Now, therefore, be it

Resolved, That (a) the Senate hereby strongly urges the President to give high priority and complete support to these new multinational initiatives against drug trafficking.

(b) It is the sense of the Senate that—

(1) the President should name as the head of the United States delegation to the 1987 World Conference on Drug Abuse the most appropriate representative with at least Cabinet-level rank; and

(2) the President should instruct the United States delegation to such Conference to urge the adoption of the following elements in any new international convention against drug trafficking:

(A) A central provision should establish the principle of universal jurisdiction over the narcotics trafficking offenses that will be covered by the convention, similar to that accorded to the offense of air piracy by the Convention for the Suppression of Unlawful Seizure of Aircraft.

(B) Any drug trafficking should be an extraditable offense in any extradition agreement, and the political offense exemption should not be applicable to any extradition request involving such an offense.

(C) The statute of limitations for drug trafficking offenses and forfeiture provisions related to drug trafficking should be removed or extended to the greatest possible extent.

(D) An appropriate level of import and export control of precursor and essential chemicals for controlled and illicit drugs should be instituted, similar to the control required for the drugs themselves.

(E) The failure of parties to the Single Convention on Narcotic Drugs and the Psychotropic Covention to enforce the control and antidrug trafficking measures in free ports should be seriously addressed.

(F) Laws and international agreements dealing with the problem of tracing and forfeiture of financial and other assets of drug traffickers should be refined to reach such assets passing through fiduciaries.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

● Mrs. HAWKINS. Mr. President, I have today introduced a Senate resolution urging the President to incorporate specific, tough elements into the U.S. negotiating stance on the U.N.'s new International Convention on Drug Trafficking. This resolution flows from the work of the Senate Caucus on International Narcotics Control, which I chair.

The caucus held hearings on this general subject in June where we took testimony from our U.N. Ambassador Vernon Walters, the Justice Department, Customs, and the Coast Guard. This Drug Trafficking Convention is currently being drafted at the U.N.'s Division of Narcotics Drugs in Vienna. A preliminary draft should be circulated for comment to member nations some time this month. Comments from nation states on this preliminary draft will be sought before October 31, 1986. The draft treaty will then be discussed in depth at the U.N.'s February 1987 Vienna meeting of the Commission on Narcotic Drugs.

By getting the views of the Senate in on the ground floor, we should be in a better position to affect the actual language of the new drug trafficking convention.

In essence, this resolution seeks the same no nonsense and expedited procedures for apprehension and prosecution of drug traffickers as has been secured in international law for airplane hijackers. Universal jurisdiction over drug trafficking offenses would allow the long arm of U.S. law enforcement to reach out wherever drug traffickers seek refuge.

Other specific elements for the drug trafficking treaty sought by this resolution include provisions to:

Expedite extradition of drug traffickers;

Removal of the statute of limitations for drug trafficking offenses and asset forfeiture laws by member nations;

Establishment of an appropriate regime of international controls for precursors and essential chemicals needed for drug production.

Tighten surveillance and improved cooperation in free ports, many of which are currently considered major trafficking transshipment hubs by law enforcement officials;

Improved money laundering and asset forfeiture laws which anticipate and deal with the various ruses and dodges of drug traffickers and their witting and unwitting agents.

This is in no way intended as an exclusive list of suggestions by the Senate. It is simply a compilation of some key elements which have come to the attention of the Senate Caucus.

I hope my colleagues will see fit to join me in this worthwhile initiative, which is intended to be helpful to our treaty negotiators.●

SENATE RESOLUTION 457—COMMEMORATING THE RETURN TO FREEDOM OF REVEREND LAWRENCE MARTIN JENCO

Mr. DIXON (for himself, Mr. SIMON, Mr. DOMENICI, Mr. BINGAMAN, and Mr. LEVIN of Michigan) submitted the following resolution; which was considered and agreed to:

S. RES. 457

Whereas the release of the Reverend Lawrence Martin Jenco from captivity by his terrorist kidnappers is a matter of international celebration;

Whereas, Terry Anderson, David Jacobson, Thomas Sutherland, and William Buckley are still being held captive in Lebanon by the Islamic Jihad;

Whereas, the Islamic Jihad, in releasing Father Lawrence Martin Jenco, stated that this was their last humanitarian gesture;

Whereas the families of those who remain captive cannot fully share the joy of the Jenco family so long as their loved ones remain hostage;

Whereas much more can be accomplished with humanity than hatred;

Resolved, that the Nation welcomes Reverend Lawrence Martin Jenco home;

Be it further resolved, That we cannot forget those who do not yet enjoy the freedom being celebrated by Father Jenco;

Be it further resolved, That we must continue all efforts to gain the release of the other hostages; and

Be it further resolved, That the Nation recognizes the efforts of all who worked so diligently for his release and that of his fellow hostages.

SENATE RESOLUTION 458—TO REFER THE BILL S. 249 TO THE COURT OF CLAIMS

Mr. HATFIELD submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 458

Resolved, That the bill (S. 249) for the relief of Spalding and Son, Inc. of Grants Pass, Oregon, together with all accompanying papers, is hereby referred to the United States Claims Court pursuant to sections 1492 and 2509 of title 28, United States Code. The Claims Court shall proceed expeditiously with the same in accordance with the provisions of said sections, and report to the Senate at the earliest practicable date, giving such findings of fact and conclusions of law as shall be sufficient to inform the Congress of the nature and character of the demand as a claim legal or equitable against the United States, and the amount, if any, legally or equitably due from the United States to Spalding and Son, Inc.

AMENDMENTS SUBMITTED

STATUTORY INCREASE IN PUBLIC DEBT LIMIT

BRADLEY (AND EVANS) AMENDMENT NO. 2253

Mr. BRADLEY (for himself and Mr. EVANS) proposed an amendment to the joint resolution (H.J. Res. 668) increasing the statutory limit on the public debt; as follows:

At the end of the amendment, add the following:

SEC. . INDIAN FISHING RIGHTS.

(a) Notwithstanding any other provision of law—

(1) income derived by an Indian from fishing, whether for commercial or subsistence purposes, shall not be subject to, or taken into account in determining, any income tax imposed by the Internal Revenue Code of 1954, by any other provision of Federal law, or by any law of a State or political subdivision of a State, and

(2) any activities conducted by any Indian in connection with fishing shall not be subject to any tax imposed by the Internal Revenue Code of 1954, by any other Federal law, or by any law of a State or political subdivision of a State,

if the rights of such Indian to fish are provided for, or secured by, any treaty or other provision of Federal law, regardless of whether such rights are limited to subsistence or commercial fishing.

(b) The provisions of subsection (a) shall apply notwithstanding any other provision of Federal law that may be enacted on or after the date of enactment of this Act, unless such subsequent provision of Federal law specifically cites this section.

HEINZ AMENDMENT NO. 2254

Mr. HEINZ proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the amendment, add the following new section:

SEC. . FOOD BANK SPECIAL NUTRITION PROJECTS.

The first sentence of section 211(d) of the Agricultural Act of 1980 (7 U.S.C. 4004(d)) is amended by striking out "a progress report on July 1, 1983, and a final report on January 1, 1984," and inserting in lieu thereof "an annual report".

THURMOND (AND OTHERS) AMENDMENT NO. 2255

Mr. THURMOND (for himself, Mr. LUGAR, Mr. TRIBLE, Mr. HOLLINGS, Mr. GRASSLEY, Mr. ZORINSKY, Mr. ABDNOR, Mr. BOREN, Mr. DENTON, Mr. COCHRAN, Mr. ROCKEFELLER, Mr. HELMS, Mr. NICKLES, Mr. QUAYLE, Mr. SIMPSON, Mr. MATTINGLY, Mr. NUNN, Mr. EXON, Mr. PRYOR, Mr. WALLOP, Mr. GORE, Mr. HEFLIN, Mr. RIEGLE, Mr. HECHT, Mr. COHEN, Mr. SIMON, Mr. ANDREWS, Mr. WILSON, Mr. BURDICK, Mrs. HAWKINS, and Mr. STEVENS) proposed an amendment to the joint resolution H.J. Res. 668, supra; as follows:

At the end of the amendment, add the following:

SEC. . CONTRIBUTIONS OF AGRICULTURAL PROPERTY FOR VICTIMS OF NATURAL DISASTERS.

(a) IN GENERAL.—Subsection (e) of section 170 of the Internal Revenue Code of 1954 (relating to contributions of ordinary income and capital gain property) is amended by adding at the end thereof the following new paragraph:

"(6) SPECIAL RULE FOR CONTRIBUTIONS OF AGRICULTURAL PRODUCTS FOR VICTIMS OF NATURAL DISASTERS.—

"(A) IN GENERAL.—For purposes of this paragraph, a qualified contribution means a charitable contribution of an agricultural product by a taxpayer who produced such agricultural product, if such taxpayer is actively and regularly engaged in the trade or business of farming, but only if—

"(i) the donee is a State, political subdivision of a State, or an agency of such State or political subdivision,

"(ii) the agricultural product is to be used by the donee within the 3-month period beginning on the date on which such contribution is made for the care of individuals who have been adversely affected by a drought, flood, or other major natural disaster that occurred during the 6-month period ending on such date,

"(iii) the agricultural product is not transferred by the donee in exchange for money, other property, or services,

"(iv) the taxpayer receives from the donee a written statement certifying that the donee's use and disposition of the agricultural product will be in accordance with the provisions of clauses (ii) and (iii), and

"(v) in the case in which the agricultural product is subject to regulation under the Federal Food, Drug, and Cosmetic Act, such product fully satisfies the applicable requirements of such Act and regulations promulgated thereunder for 180 days before the date of contribution.

"(B) AMOUNT OF DEDUCTION.—Notwithstanding any other provision of this subsection, the amount allowable as a deduction under subsection (a) for any qualified contribution (as defined in subparagraph (A)) shall be an amount equal to the wholesale market value of the agricultural product reduced by the amount of any costs or expenses incurred in the production of such product and for which a deduction has been taken by the taxpayer.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) FAIR MARKET VALUE.—The term 'fair market value' means, with respect to any agricultural product, the lowest wholesale market price for such product in the regional market nearest the taxpayer during the month in which the contribution is made.

"(ii) AGRICULTURAL PRODUCT.—The term 'agricultural product' means any hay, feed, crop, livestock, poultry, or product thereof, which is not subject to any excise tax imposed under chapters 51 and 52.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to contributions made after June 30, 1986, in taxable years ending after June 30, 1986.

GRASSLEY (AND OTHERS) AMENDMENT NO. 2256

Mr. GRASSLEY (for himself, Mr. LAUTENBERG, Mr. PROXMIRE, Mr. DENTON, Mr. DOLE, Mr. HARKIN, Mr. MATTINGLY, Mr. D'AMATO, Mr. CHILES, Mr. DECONCINI, Mr. HOLLINGS, and Mr. LEVIN) proposed an amendment, which was subsequently modified, to the Joint resolution (H.J. Res. 668), supra; as follows:

At the end of the committee amendment, insert the following:

SEC. . DENIAL OF CERTAIN TAX BENEFITS WITH RESPECT TO ACTIVITIES IN CERTAIN FOREIGN COUNTRIES.

(a) DENIAL OF FOREIGN TAX CREDIT.—Section 901 (relating to taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) DENIAL OF FOREIGN TAX CREDIT, ETC. WITH RESPECT TO CERTAIN FOREIGN COUNTRIES.—

"(1) IN GENERAL.—Notwithstanding any other provision of this part—

"(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) during the taxable year to any country to which this subsection applies, and

"(B) subsections (a), (b), and (c) of section 904 and sections 902 and 960 shall be applied separately with respect to income for such taxable year from sources within any country so identified.

"(2) COUNTRIES TO WHICH SUBSECTION APPLIES.—

"(A) IN GENERAL.—This subsection shall apply to any foreign country—

"(i) the government of which the United States does not recognize, unless such government is otherwise eligible to purchase defense articles or services under the Arms Export Control Act.

"(ii) with respect to which the United States has severed diplomatic relations,

"(iii) with respect to which the United States has not severed diplomatic relations but does not conduct such relations, or

"(iv) which the Secretary of State has, pursuant to section 6(j) of the Export Administration Act of 1979, as amended, designated as a foreign country which repeatedly provides support for acts of international terrorisms.

"(B) Period for which subsection applies.—This subsection shall apply to any foreign country described in subparagraph (A) during the period—

"(i) beginning on the later of—

"(I) January 1, 1987, or

"(II) 6 months after such country becomes a country described in subparagraph (A), and

"(ii) ending on the date the Secretary of State certifies to the Secretary of the Treasury that such country is no longer described in subparagraph (A).

"(3) PART-YEAR RULE.—If this subsection applies to any foreign country for any period less than an entire taxable year, paragraph (1) shall be applied by taking into account only that proportion of the taxes and income described in paragraph (1) for the taxable year as the portion of the taxable year which includes such period bears to the entire taxable year."

(b) DENIAL OF DEFERRAL OF INCOME.—

(1) GENERAL RULE. —Section 952(a) (defending subpart F income) is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", and", and by inserting immediately after paragraph (4) the following new paragraph:

"(5) the income of such corporation derived from any foreign country during any period during which section 904(i) applies to such foreign country."

(2) INCOME DERIVED FROM FOREIGN COUNTRY.—Section 952 (defining subpart F income) is amended by adding at the end thereof the following new subsection:

"(e) INCOME DERIVED FROM FOREIGN COUNTRY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of subsection (a)(5), including regulations which treat income paid through 1 or more entities as derived from a foreign country to which section 904(i) applies if such income was, without regard to such entities, derived from such country."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1987.

HELMS (AND DENTON) AMENDMENT NO. 2257

Mr. HELMS (for himself and Mr. DENTON) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the pending amendment, add the following:

SEC. —. DISAPPROVAL OF ACTION OF THE DISTRICT OF COLUMBIA COUNCIL.

The Congress disapproves of the action of the District of Columbia Council described as follows: The Prohibition of Discrimination in the Provision of Insurance Act of 1986 (D.C. Law 6-170); and, notwithstanding any other provision of law, D.C. Law 6-170 shall be null and void effective from June 6, 1986.

DOMENICI (AND CHILES) AMENDMENT NO. 2258

Mr. DOMENICI (for himself and Mr. CHILES) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the committee amendment, as amended, add the following new section:

SEC. —. MODIFICATION OF SCHEDULE UNDER "FALLBACK" PROCEDURE.

(a) IN GENERAL.—

(1) Section 274 of the Balanced Budget and Emergency Deficit Control Act (2 U.S.C. 922) is amended by striking subsection (f) and redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(2) Part E of the Balanced Budget and Emergency Deficit Control Act is amended by redesignating section 275 as section 276 and inserting after section 274 the following new section:

"SEC. 275. ALTERNATIVE SEQUESTRATION PROCEDURES.

"(a) REPORTS TO JOINT COMMITTEE.—In the event that any of the reporting procedures described in section 251 are invalidated, then any report of the Comptroller General under subsection (b) or (c)(2) of section 251 shall be transmitted to the Speaker of the House of Representatives (in this section referred to as the 'Speaker') and the President of the Senate, who shall refer the report to the Temporary Joint Committee on Deficit Reduction in accordance with subsection (c).

"(b) ESTABLISHMENT OF TEMPORARY JOINT COMMITTEE.—

"(1) Upon the invalidation of any such procedure, there is established a Temporary Joint Committee on Deficit Reduction (in this section referred to as the 'Joint Committee'), composed of the entire membership of the Committees on the Budget of the House of Representatives and the Senate. The Chairmen of such committees shall act as Co-Chairmen of the Joint Committee.

"(2) Actions taken by the Joint Committee shall be determined by a majority vote of the members representing each House.

"(3) The purposes of the Joint Committee are to receive any report referred to it pursuant to paragraph (3) or (7) of subsection (c) and to report (with respect to each such report) a joint resolution under paragraph (1) or (2) of subsection (d).

"(c) ALTERNATIVE SCHEDULE.—Notwithstanding any other provision of this Act, in the event that the reports of the Comptroller General for a fiscal year are to be transmitted to the Speaker and the President of the Senate pursuant to subsection (a)—

"(1) the Directors shall transmit the report under section 251(a)(2) for such fiscal year to the Comptroller General on August 20 of the calendar year in which the fiscal year begins (as provided in such section),

"(2) the Comptroller General shall transmit the report under section 251(b) for such fiscal year to the Speaker and the President of the Senate on August 25 of the calendar year in which the fiscal year begins (as provided in such section);

"(3) the Speaker and the President of the Senate shall refer the report of the Comptroller General under section 251(b) to the Joint Committee—

"(A) on August 25 of the calendar year in which the fiscal year begins, or

"(B) if August 25 of such year falls during an adjournment of the Congress for a period of more than 3 days, on the day after the last day on which either House of the Congress stands adjourned pursuant to the concurrent resolution providing for such adjournment;

"(4) the President shall issue an initial order under section 252(a) for the fiscal year after a joint resolution reported pursuant to subsection (d)(1) becomes law and before the later of—

"(A) September 2 of the calendar year in which the fiscal year begins, or

"(B) two calendar days after the day on which the joint resolution becomes law;

"(5) the Directors shall transmit the report under section 251(c)(1) for such fiscal year to the Comptroller General on the second calendar day of the fiscal year;

"(6) the Comptroller General shall transmit the report under section 251(c)(2) for such fiscal year to the Speaker and the President of the Senate on the third calendar day of such fiscal year;

"(7) the Speaker and the President of the Senate shall refer the report of the Comptroller General under section 251(c)(2) to the Joint Committee on the third calendar day of such fiscal year; and

"(8) the President shall issue a final order under section 252(b) for the fiscal year within one calendar day after a joint resolution reported pursuant to subsection (d)(2) becomes law.

"(d) JOINT RESOLUTION.—

"(1) Not later than two calendar days after the date on which the Speaker and the President of the Senate refer a report of the Comptroller General under section 251(b) to the Joint Committee (pursuant to subsection (c)(3) of this section), the Joint Committee shall report a joint resolution certifying the contents of the report.

"(2) Not later than one calendar day after the date on which the Speaker and the President of the Senate refer a report of the Comptroller General under section 251(c)(2) to the Joint Committee (pursuant to subsection (c)(7) of this section), the Joint Committee shall report a joint resolution certifying the contents of the report.

"(3)(A) In the event that any of the reporting procedures described in section 251 are invalidated, the Joint Committee may report a joint resolution affirming as law any order issued by the President under section 252 that was rendered invalid by the invalidation of such procedures.

"(B) Any joint resolution reported pursuant to this paragraph shall provide that—

"(i) the order is affirmed as of the date on which the order was issued, and

"(ii) the joint resolution affirming the order does not supersede any laws enacted after the date on which the order was issued and before the date on which the joint resolution becomes law.

"(e) PROCEDURES FOR CONSIDERATION OF JOINT RESOLUTION.—

"(1) Except as provided in paragraph (2), the provisions of section 254(a)(4) shall apply to consideration of a joint resolution reported pursuant to subsection (d).

"(2)(A) In the case of any joint resolution reported pursuant to subsection (d), debate in each House of the Congress shall be limited to two hours.

"(B)(i) In the case of a joint resolution reported to a House of the Congress pursuant to paragraph (1) or (3) of subsection (d), a vote on final passage shall be taken by such House on or before the second calendar day of session after the date on which the joint resolution is reported to that House.

"(ii) In the case of a joint resolution reported to a House of the Congress pursuant to paragraph (2) of subsection (d), a vote on final passage shall be taken by such House within one calendar day after the date on which the joint resolution is reported to that House.

"(f) DISCHARGE OF JOINT RESOLUTIONS.—Any joint resolution of the type described in paragraph (1) or (2) of subsection (d) that is introduced in either House of the Congress

shall be referred to the Joint Committee. If the joint Committee fails to report a joint resolution under such paragraph by the requisite date, any joint resolution referred to the Joint Committee pursuant to the preceding sentence shall be automatically discharged to the House in which it was introduced and shall be placed upon the appropriate calendar.

"(g) EFFECT OF ENACTMENT OF JOINT RESOLUTION.—Upon the enactment of a joint resolution under paragraph (1) or (2) of subsection (d), such joint resolution shall be deemed to be the report received by the President under subsection (b) of (c)(2) of section 251 (whichever is applicable).

"(h) DATES FOR SUBMISSION OF REPORTS AND ISSUANCE OF ORDERS.—The provisions of section 251(e) shall apply to reports submitted and orders issued in accordance with this section.".

(3) The table of contents set forth in section 200(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 note) is amended by striking the item relating to section 275 and inserting in lieu thereof the following new items:

"Sec. 275. Alternative sequestration procedures.

"Sec. 276. Effective dates.".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of the enactment of this joint resolution.

PRESSLER (AND ABDNOR) AMENDMENT NO. 2259

Mr. PRESSLER (for himself and Mr. ABDNOR) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the appropriate place, insert the following new section:

SEC. . APPLICATION OF AGRICULTURAL PAYMENT LIMITATIONS TO STOCKHOLDERS.

Subparagraph (B) of section 1001(5) of the Food Security Act of 1985 (7 U.S.C. 1308(5)(B)) is amended to read as follows:

"(B) A stockholder of a corporation with more than a 20 percent ownership interest in the corporation shall not be considered as a separate person from the corporation for purposes of determining whether the corporation and stockholder are separate persons under this section.".

DOMENICI (AND OTHERS) AMENDMENT NO. 2260

Mr. DOMENICI (for himself, Mr. FORD, Mr. HATCH, Mr. SIMPSON, Mr. WALLOP, Mr. MCCLURE, Mr. BINGAMAN, Mr. GARN, and Mr. BUMPERS) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the committee amendment insert the following new section:

SEC. . Pursuant to the provisions of section 161 v. of the Atomic Energy Act of 1954, the Congress disapproves the uranium enrichment criteria submitted to Congress pursuant to such section on July 24, 1986. Notwithstanding any other provision of law, the Secretary of the Department of Energy shall not implement the uranium enrichment criteria as submitted to the Congress.

GLENN (AND EXON) AMENDMENT NO. 2261

Mr. GLENN (for himself and Mr. EXON) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the Committee amendment, add the following new section:

SEC. . LIMITATION ON RECOMMENDED INCREASES IN THE PUBLIC DEBT LIMIT.

(a) IN GENERAL.—Section 1105(c) of title 31, United States Code, is amended—

(1) by striking "The President" the first place it appears and inserting in lieu thereof "Notwithstanding any other provision of law, the President",

(2) by inserting "(other than action that would require an increase in the borrowing authority or an increase in the limit imposed by section 3101(b) of this title by more than the maximum deficit amount for the fiscal year for which the budget is submitted)" after "action" the first place it appears, and

(3) by adding at the end the following new paragraph:

"(2) For purposes of this subsection, the term 'maximum deficit amount' means with respect to a fiscal year—

"(A) the maximum deficit amount determined for that fiscal year under section 3(7) of the Congressional Budget and Impoundment Control Act of 1974, or

"(B) in the case of any fiscal year beginning after September 30, 1991, zero.".

(b) APPLICATION.—The amendment made by subsection (a) shall apply to fiscal years beginning after September 30, 1987.

HEINZ (AND OTHERS) AMENDMENT NO. 2262

Mr. HEINZ (for himself, Mr. SPECTER, Mr. SASSER, Mr. BYRD, Mr. HOLLINGS, Mr. GRASSLEY, Mr. ZORINSKY, and Mr. PRYOR) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the Committee amendment, add the following new section:

SEC. —. EXEMPT PROGRAMS AND ACTIVITIES

(a) IN GENERAL.—Section 255(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)) is amended by inserting after the item relating to Compensation of the President the following new item:

"Dual benefits payments account (60-0111-0-1-601);".

(b) APPLICATION.—The amendment made by subsection (a) shall apply to fiscal years beginning after September 30, 1986.

EAGLETON (AND OTHERS) AMENDMENT NO. 2263

Mr. EAGLETON (for himself, Mr. GORE, Mr. LEVIN, and Mr. GLENN) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the amendment, insert the following new section:

SEC. . CIVIL SERVICE RETIREMENT AND DISABILITY FUND.

(a) INVESTMENT AND RESTORATION OF THE FUND.—Section 8348 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(j)(1) Notwithstanding subsection (c) of this section, the Secretary of the Treasury may suspend additional investment of amounts in the Fund if necessary to ensure that the public debt of the United States does not exceed the public debt limit.

"(2) Any amounts in the Fund which, solely by reason of the public debt limit, are not invested shall be invested by the Secretary of the Treasury as soon as such investments can be made without exceeding the public debt limit.

"(3) Upon expiration of the debt issuance suspension period, the Secretary of the Treasury shall immediately issue to the Fund obligations under chapter 31 of title 31 that (notwithstanding subsection (d) of this section) bear such interest rates and maturity dates as are necessary to ensure that, after such obligations are issued, the holdings of the Fund will replicate to the maximum extent practicable the obligations that would be held by the Fund if the debt issuance suspension period had not occurred.

"(4) On the first normal interest payment date after the expiration of any debt issuance period, the Secretary of the Treasury shall pay to the Fund, from amounts in the general fund of the Treasury of the United States not otherwise appropriated, an amount determined by the Secretary to be equal to the excess of—

"(A) the net amount of interest that would have been earned by the Fund during such debt issuance suspension period if—

"(i) amounts in the Fund that were not invested during such debt issuance suspension period solely by reason of the public debt limit had been invested, and

"(ii) redemptions and disinvestments with respect to the Fund which occurred during such debt issuance suspension period solely by reason of the public limit had not occurred, over

"(B) the net amount of interest actually earned by the Fund during such debt issuance suspension period.

"(5) For purposes of this subsection and subsections (k) and (l) of this section—

"(A) the term 'public debt limit' means the limitation imposed by section 3101(b) and title 31; and

"(B) the term 'debt issuance suspension period' means any period for which the Secretary of the Treasury determines that the issuance of obligations of the United States sufficient to orderly conduct the financial operations of the United States may not be made without exceeding the public debt limit.".

(b) SALES AND REDEMPTIONS BY THE FUND.—Section 8348 of title 5, United States Code, as amended by subsection (a), is further amended by adding at the end the following new subsection:

"(k) The Secretary of the Treasury may sell or redeem securities, obligations, or other invested assets of the Fund only for the purpose of enabling the Fund to make payments authorized by the provisions of this subchapter or chapter 84 of this title or related provisions of law. If the Fund holds any amounts, which, by reason of the public debt limit, are not invested, the Secretary may nevertheless make such sales and redemptions if, and only to the extent, necessary to ensure that such payments are made in a timely manner.".

(c) REPORTS REGARDING THE OPERATION AND STATUS OF THE FUND.—Section 8348 of title 5, United States Code, as amended by subsections (a) and (b), is further amended by adding at the end the following new subsection:

"(l)(1) The Secretary of the Treasury shall report to Congress on the operation and status of the Fund during each debt issuance suspension period for which the Secretary is required to take action under paragraph (3) or (4) of subsection (j) of this section. The report shall be submitted as soon as possible after the expiration of such period, but not later than the date that is 30 days after the first normal interest payment date occurring after the expriation of such period. The Secretary shall concurrently transmit a copy of such report to the Comptroller General of the United States.

"(2) Whenever the Secretary of the Treasury determines that, by reason of the public debt limit, the Secretary will be unable to fully comply with the requirements of subsection (c) of this section, the Secretary shall immediately notify Congress of the determination. The notification shall be made in writing.".

ABDNOR (AND OTHERS) AMENDMENT NO. 2264

Mr. ABDNOR (for himself and Mr. Pressler) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the appropriate place in the committee amendment, as amended, add the following new section:

SECTION .

Not withstanding any other provision of law,

(a) the Secretary of Agriculture shall reimburse farmers or ranchers for the cost incurred by such farmers or ranchers for transporting hay during the period July 1, 1985, to June 1, 1986, as a result of a natural disaster caused by flood, excessive moisture, or drought;

(b) The Secretary shall reimburse such farmers or ranchers in an amount which does not exceed 80 percent of the cost of such transportation (but not to exceed $50 per ton);

(c) The Secretary shall carry out the provisions of this through the Commodity Credit Corporation.

SECTION .

Section 22(b)(1) of Public Law 99-349 is amended by deleting "40 percent of the projected payment rate" and inserting in lieu thereof "100 percent of the projected payment rate".

SECTION .

It is the sense of Congress that with respect to farm and ranch borrowers who were adversely affected by drought disaster in 1985 or flood disaster in 1985 and 1986—

(1) the Secretary of Agriculture should exercise the authority provided under section 331A of the Consolidated Farm and Rural Development Act and instruct the Farmers Home Administration to defer loan repayments and forgo foreclosures in cases where such farm and ranch borrowers are unable to make loan payments in full due to no fault of their own; and

(2) the lending institutions of the Farm Credit System and commercial lending institutions are encouraged, insofar as practicable, to adopt lenient lending, forbearance, and foreclosure policies, and to the maximum extent possible participate and cooperate with Federal and State lenders in assistance programs, with respect to such borrowers who are under financial stress due to no fault of their own.

BUMPERS (AND OTHERS) AMENDMENT NO. 2265

Mr. BUMPERS (for himself, Mr. PRYOR, Mr. FORD, Mr. DIXON, and Mr. HARKIN) proposed an amendment, which was subsequently modified, to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the pending committee amendment insert the following:

SOYBEAN PRICE SUPPORT

SEC. . The Senate finds that:

(a) Soybean production and processing are two of the fastest growing sectors in agriculture, with production having increased seven fold over the last thirty years;

(b) Soybeans rank number two in value in the U.S. for all crops grown, and nearly fifty percent of all soybeans grown in the U.S. are produced on farms harvesting 50 acres or less;

(c) One-fifth of all U.S. cropland is planted to soybeans, and soybeans account for over 30% of all land in production in Appalachia, over 40% in the southeast, and over 50% in the delta states;

(d) The U.S. is the leading exporter of soybeans, exporting over 40% of the soybean crop each year, and over 15% of the value of all U.S. agricultural exports is due to the sale of soybeans, oil, and meal;

(e) It is widely speculated that the Secretary of Agriculture will announce a new formula price support loan of $4.77 per bushel for soybeans in August 1986, and that required budget cuts could push actual loan prices lower for 1987 soybeans;

(f) Trading of soybeans is currently hovering near the $5.02 loan rate, USDA soybean acreage figures for 1986 were higher than predicted by trade analysts thus putting further pressure on prices, and export sales are slow with foreign buyers anticipating lower soybean prices with the expected lowering of the loan rate;

(g) U.S. soybean stocks are likely to remain near the 1985-1986 record level of 14 million metric tons (515 million bushels) and world soybean stocks are forecast to reach a record 23 million metric tons, and the anticipation of continued large supplies led the Secretary to announce a 12 month extension of 1985 price support loans in order to encourage continued on-farm storage, thereby relieving pressure on commercial storage;

(h) Although world soybean exports are forecast to show a slight gain, U.S. soybean exports are forecast to remain near current levels during 1986-1987, and Brazil and Paraguay are expected to capture the small amount of projected gain;

(i) Although drought conditions affect areas of the south, currently less than 5 percent of the U.S. soybean production lies within the drought area, and this has no significant impact on prices;

(j) Soybeans are an important crop grown on 550,000 farms in the U.S., and a drop in prices, whether brought on by higher than expected production, level exports sales, a decrease in loan rate, or a combination of these, will have a serious negative impact on net farm income;

(k) In the Food Security Act of 1985, P.L. 99-198, under Section 801, the Secretary is directed to establish the price support rate for soybeans at $5.02 per bushel for 1986 and 1987, and the Secretary, at his discretion, may reduce the support rate no more than 5 percent per year nor below $4.50 per bushel in an effort to maintain domestic and export sales;

(l) Under Section 801 the Secretary may authorize the use of a marketing loan to assist in the maintenance of the "Competitive relationship of soybeans and domestic and export markets . . ."

(m) Under the authority of the Commodity Credit Corporation Charter Act, the Secretary has the authority to implement for soybeans a so-called producer option payment program, under which the government will pay (in cash or certificate) a producer not to put his soybeans into loan or will pay a producer who has a loan to opt out of the loan; and in either case the producer would sell his soybeans at the world price.

Therefore, It is the sense of the Senate, that:

(1) the Secretary of Agriculture should institute a marketing loan program for soybeans as authorized in the 1985 Food Security Act, or a so-called producer option payment program; and

(2) the Secretary should maintain the formula price support loan rate for soybeans at $5.02 per bushel.

ABDNOR (AND OTHERS) AMENDMENT NO. 2266

Mr. ABDNOR (for himself, Mr. SIMPSON, Mr. DANFORTH, Mr. ANDREWS, Mr. DURENBERGER, Mr. KASTEN, Mr. PRESSLER, and Mr. BOSCHWITZ) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the appropriate place, insert the following:

SEC. . Section 20(u)(4) of the Small Business Act is amended by striking out "$1,050,000,000" and inserting in lieu thereof "$1,200,000,000".

BUMPERS (AND OTHERS) AMENDMENT NO. 2267

Mr. BUMPERS (for himself, Mr. BYRD, and Mr. SARBANES) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the appropriate place in the Committee amendment, add the following new section:

SEC. . TIMELY ISSUANCE OF OASDI BENEFIT CHECKS; ADMINISTRATIVE EXPENSES OF OASDI TRUST FUNDS.

(a) EXEMPT PROGRAMS AND ACTIVITIES.—Section 255(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)) is amended by inserting after the item relating to Exchange stabilization fund the following new items:

"Federal Disability Insurance Trust Fund (20-8007-0-7-650);

"Federal Old-Age and Survivors Insurance Trust Fund (20-8006-0-7-650);".

(b) PAYMENTS FROM OASDI TRUST FUNDS TO FISCAL SERVICE OF THE TREASURY.—Section 201(g) of the Social Security Act (42 U.S.C. 401(g)) is amended—

(1) by striking "(ii) in paragraph (1)(A)(ii) and inserting in lieu thereof (ii) the sum derived by adding (I) the amounts required to be expended from the Trust Funds for such three-month period pursuant to paragraph (5), and (II)", and

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

"(5) Notwithstanding any other provision of law, the Managing Trustee is directed to pay from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Dis-

ability Insurance Trust Fund to the Department of the Treasury, for allocation to the Fiscal Service of such Department, the amounts estimated by the Managing Trustee which will be expended by the Fiscal Service during the three-month period referred to in paragraph (1)(A)(i) in connection with the administration of programs established under this title that relate to such Trust Funds. Payments made pursuant to this paragraph shall be finally accounted for in coordination with the final accounting provided for in paragraph (1)(A) and shall be subject to annual audit. Proper adjustments shall be made pursuant to this paragraph to the extent prior payments under this paragraph were greater than or less than actual expenditures by the Fiscal Service in connection with the administration of this title.".

(c) EFFECTIVE DATES.—

(1) The amendments made by subsection (a) shall apply to fiscal years beginning after September 30, 1986.

(2) The amendments made by subsection (b) shall apply to three-month periods beginning after September 30, 1986.

BOREN (AND OTHERS) AMENDMENT NO. 2268

Mr. BOREN (for himself, Mr. ANDREWS, Mr. NICKLES, Mr. ABDNOR, Mr. EXON, and Mr. ABDNOR) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the pending amendment, add the following new section:

SEC. . Section 107D(c)(1)(E)(ii) of the Agricultural Act of 1949 is amended by striking out "marketing year for such crop" and inserting in lieu thereof "the first five months of the marketing year for the 1986 crop and the marketing year for each of the 1987 through 1990 crops".

WILSON (AND OTHERS) AMENDMENT NO. 2269

Mr. WILSON (for himself, Mr. LUGAR, Mrs. HAWKINS, Mr. HEINZ, and Mr. TRIBLE) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

SEC. . Subsection (g) of section 201 of the Social Security Act (42 U.S.C. 401(g)) is amended—

(1) in paragraph (1)(A)(ii), by inserting after "(ii)" the following:

"the sum derived by adding (I) the amounts required to be expended from the Trust Funds for such three-month period pursuant to paragraph (5), and (II)", and

(2) by adding at the end of the subsection the following:

"(5) Notwithstanding any other provision of law, the Managing Trustee is directed to pay from each of the Trust Funds to the Department of the Treasury, for allocation to the Fiscal Service of such Department, the amounts estimated by the Managing Trustee which will be expended by such Service during the three-month period referred to in paragraph (1)(1)(i) in connection with the non-personnel costs of administration of title II relating to such Trust Funds. Payments made pursuant to this paragraph shall be finally accounted for in coordination with the final accounting provided for in paragraphs (1)(A) and shall be subject to annual audit. Proper adjustments shall be made in payments subsequently made pursuant to this paragraph to the extent prior payments were greater than or less than actual expenditures by such Service.".

MATHIAS AMENDMENT NO. 2270

Mr. HEINZ (for Mr. MATHIAS) proposed an amendment to the joint resolution (H.J. Res. 668), supra; as follows:

At the end of the committee amendment insert the following:

(a) Congress finds:

(1) that U.S. competitiveness depends on the productivity and creativity that is promoted and protected by the proper administration of patent, copyright, and trademark laws.

(2) that the user fees paid by those applying for patents and registering claims for copyrights and trademarks are an important source of revenue for the proper administration of intellectual property laws.

(3) that under the current interpretation of the Gramm-Rudman-Hollings statute user fees are included in the baseline for purposes of sequestration.

(4) that this interpretation, by reducing taxpayer support as patent, copyright and trademark user fees increase, may discourage use of the intellectual property law system, and have adverse effects on creativity and innovation.

(b) The General Accounting Office is directed to conduct a study of the budgetary treatment of user fees in the Patent and Trademark Office and Copyright office, and report to Congress within six months of the date of enactment to show how such budgetary treatment and user fee policy may affect the proper administration of patent, copyright and trademark laws.

(c) The General Accounting Office is further directed to include in such a way an examination of offsetting collections credited to appropriation accounts, offsetting receipts, and governmental receipts dedicated to trust funds under the Balanced Budget and Emergency Deficit Control Act of 1985. The study shall identify the amount of spending that is supported by such collections and receipts and discuss the treatment of such spending under a sequester order.

DEPARTMENT OF DEFENSE AUTHORIZATON ACT

GOLDWATER AMENDMENT NO. 2271

Mr. GOLDWATER proposed an amendment to the bill (S. 2638) to authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for such Department for fiscal year 1987, to revise and improve military compensation programs, to improve defense procurement procedures, to authorize certain construction at military installations for fiscal year 1987, to authorize appropriations for national security programs of the Department of Energy for fiscal year 1987, and for other purposes; as follows:

On page 3, line 3, strike out "$2,985,600,000" and insert in lieu thereof "$2,793,700,000".

On page 3, line 4, strike out "$2,354,900,000" and insert in lieu thereof "$2,198,200,000".

On page 3, line 6, strike out "$4,101,000,000" and insert in lieu thereof "$3,794,900,000".

On page 3, line 7, strike out "$2,342,800,000" and insert in lieu thereof "$2,283,300,000".

On page 3, line 8, strike out "$5,559,300,000" and insert in lieu thereof "$5,365,900,000".

On page 4, line 9, strike out "$10,552,070,000" and insert in lieu thereof "$9,903,070,000".

On page 4, line 11, strike out "$5,905,890,000" and insert in lieu thereof "$5,557,490,000".

On page 4, line 12, strike out "$9,914,600,000" and insert in lieu thereof "$9,323,800,000".

On page 4, line 13, strike out "$6,121,657,000" and insert in lieu thereof "$5,934,057,000".

On page 4, line 17, strike out "$1,477,000,000" and insert in lieu thereof "$1,382,700,000".

On page 6, line 18, strike out "$17,484,904,000" and insert in lieu thereof "$16,383,104,000".

On page 6, line 19, strike out "$8,611,400,000" and insert in lieu thereof "$8,116,200,000".

On page 6, line 20, strike out "$10,374,848,000" and insert in lieu thereof "$10,068,348,000".

On page 7, after line 18, insert the following:

"(c) Notwithstanding the amounts authorized to be appropriated by subsection (a), the total amount authorized to be appropriated by this subsection is $454,300,000".

On Page 7, line 23, strike out "$1,477,500,000" and insert in lieu thereof "$1,431,300,000".

On Page 10, line 24, strike out "$4,939,469,000" and insert in lieu thereof "$4,815,669,000".

On Page 11, line 2, strike out "$9,490,978,000" and insert in lieu thereof "$9,265,378,000".

On Page 11, line 3, strike out "$15,301,673,000" and insert in lieu thereof "$14,908,873,000".

On Page 11, line 4, strike out "$7,507,074,000" and insert in lieu thereof "$7,310,974,000".

On Page 20, line 1, strike out "$20,664,070,000" and insert in lieu thereof "$20,602,870,000".

On Page 20, line 2, strike out "$24,275,960,000" and insert in lieu thereof "$24,016,760,000".

On Page 20, line 3, strike out "$1,834,100,000" and insert in lieu thereof "$1,830,300,000".

On Page 20, line 4, strike out "$19,418,371,000" and insert in lieu thereof "$19,036,071,000".

On Page 20, line 6, strike out "$778,300,000" and insert in lieu thereof "$776,100,000".

On Page 20, line 7, strike out "$906,000,000" and insert in lieu thereof "$887,400,000".

On Page 20, line 8, strike out "$63,000,000" and insert in lieu thereof "$62,800,000".

On Page 20, line 9, strike out "$904,800,000" and insert in lieu thereof "$887,100,000".

On Page 20, line 10, strike out "$1,722,800,000" and insert in lieu thereof "$1,714,800,000".

On Page 20, line 11, strike out "$1,774,700,000" and insert in lieu thereof "$1,727,900,000".

On Page 241, line 7, strike out "$3,050,606,000" and insert in lieu thereof "$2,950,806,000".

On Page 242, line 17, strike out "$6,000,000" and insert in lieu thereof "$5,500,000".

On page 242, after line 17, insert the following:

"(8)(A) Notwithstanding the amounts authorized to be appropriated by paragraphs (1)-(6) of this subsection, the total amount authorized to be appropriated by this subsection for the purposes described in such paragraphs is $1,326,910,000.

"(B) Notwithstanding the amounts authorized to be appropriated by paragraphs (A) and (B) of paragraph (7) of this subsection, the total amount authorized to be appropriated by this subsection for the purposes described in such paragraphs is $1,618,396,000.".

On page 256, line 7, strike out "$2,236,843,000" and insert in lieu thereof "$2,161,343,000".

On page 257, after line 13, insert the following:

"(8)(A) Notwithstanding the amounts authorized to be appropriated by paragraphs (1)-(6) of this subsection, the total amount authorized to be appropriated by this subsection for the purposes described in such paragraphs is $1,437,160,000.

"(B) Notwithstanding the amounts authorized to be appropriated by paragraphs (A) and (B) of paragraph (7) of this subsection, the total amount authorized by this subsection for the purposes described by such subparagraphs is $724,183,000.".

On page 268, line 9, strike out "$2,229,899,000" and insert in lieu thereof "$2,148,689,000".

On page 269, after line 13, insert the following:

"(7)(A) Notwithstanding the amounts authorized to be appropriated by paragraphs (1)-(5) of this subsection, the total amount authorized to be appropriated by this subsection for the purposes described in such paragraphs is $1,313,280,000.

"(B) Notwithstanding the amounts authorized to be appropriated by subparagraphs (A) and (B) of paragraph (6) of this subsection, the total amount authorized to be appropriated for purposes described by such paragraphs is $835,409,000.".

On page 275, line 9, strike out "$587,490,000" and insert in lieu thereof "$568,500,000".

On page 275, line 25, strike out "$31,950,000" and insert in lieu thereof "$30,760,000".

On page 276, after line 18, insert the following:

"(10) Notwithstanding the amounts authorized to be appropriated by paragraphs (1)-(8) of this subsection the total amount authorized to be appropriated by this subsection for the purposes described in such paragraphs is $550,900,000.

On page 278, line 5, strike out "$247,000,000" and insert in lieu thereof "$239,000,000".

On page 278, line 19, strike out "$121,100,000" and insert in lieu thereof "$118,700,000".

On page 278, line 20, strike out "$86,700,000" and insert in lieu thereof "$83,200,000".

On page 278, line 22, strike out "$44,500,000" and insert in lieu thereof "$43,800,000".

On page 278, line 25, strike out "$140,000,000" and insert in lieu thereof "$137,000,000".

On page 279, line 1, strike out "$58,900,000" and insert in lieu thereof "$55,400,000".

On page 30, line 11, insert "and shall" after "subsection (a),".

On page 83, line 4, strike out "which" and insert in lieu thereof "that".

On page 106, beginning on line 14, strike out "(using" and all that follows through "fiscal year)" on line 16.

On page 107, beginning on line 10, strike out "(using" and all that follows through "fiscal year)" on line 11.

On page 111, line 4, insert "of this Act" after "701 and 702".

On page 118, line 23, strike out "part" and insert in lieu thereof "title".

On page 120, line 22, insert "of this Act" after "section 808".

On page 122, line 23, strike out "to an offense" and insert in lieu thereof "only to offenses".

On page 125, line 7, insert "of this Act" after "806".

On page 203, line 22, strike out "structures" and insert in lieu thereof "structure".

On page 235, strike out lines 23 and 24.

On page 236, line 2, strike out "$4,240,000" and insert in lieu thereof "$5,120,000".

On page 236, line 4, strike out "$2,640,000" and insert in lieu thereof "$2,800,000".

On page 236, line 6, strike out "$1,320,000" and insert in lieu thereof "$1,400,000".

On page 236, line 8, strike out "$1,320,000" and insert in lieu thereof "$1,400,000".

On page 236, line 10, strike out "$5,610,000" and insert in lieu thereof "$5,950,000".

On page 236, line 11, strike out "$60,000" and insert in lieu thereof "$69,000".

On page 236, line 12, strike out "$330,000" and insert in lieu thereof "$350,000".

On page 236, line 14, strike out "$4,753,000" and insert in lieu thereof "$6,000,000".

On page 306, after line 6, insert the following:

SEC. 2186a. MULTIFUEL SOURCES FOR NEW HEATING SYSTEMS AT MILITARY INSTALLATIONS

(a) IN GENERAL.—Section 2690 of title 10, United States Code, is amended to read as follows:

"§ 2690. Multifuel sources for new heating systems

"(a) Except as provided in subsection (b), each new heating or cogeneration system which is installed or constructed at any military installation located on lands under the jurisdiction of a military department and which requires 100 million British thermal units input per hour or more shall have multiple fuel capability. The primary and secondary fuel capability of any such system shall be a fuel from the solid fuel group or the liquid and gas hydrocarbon group (petroleum and natural gas). The fuel capability of a new heating or cogeneration system shall be determined on the basis of life cycle costs and availability of fuels.

"(b) In any case in which local restrictions or costs make the installation or construction of solid or dual fuel equipment infeasible, the Secretary concerned may waive the requirement of subsection (a), but such waiver shall not become effective until after the Secretary concerned has notified the appropriate committees of Congress in writing of the waiver and the reasons for exercising such waiver authority.

"(c) In this section, the term 'multiple fuel capability' means the capability of using two or more types of fuel.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of Chapter 159 of such title is amended by striking out the item relating to section 2690 and inserting in lieu thereof the following:

"2690. Multifuel sources for new heating systems.".

NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT

HATCH (AND OTHERS) AMENDMENT NO. 2272

Mr. DOLE (for Mr. HATCH, for himself, Mr. DANFORTH, Mr. KENNEDY, Mr. HOLLINGS, Mr. GORTON, and Mr. RIEGLE) proposed an amendment to the bill (S. 2184) to authorize appropriations to the National Science Foundation for the fiscal year 1987, and for other purposes; as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "National Science Foundation Authorization Act for Fiscal Year 1987".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) There are authorized to be appropriated to the National Science Foundation, for fiscal year 1987, the sums set forth in the following categories:

(1) Mathematical and Physical Sciences, $489,870,000.

(2) Engineering, $172,470,000.

(3) Biological, Behavioral, and Social Sciences, $270,500,000.

(4) Geosciences, $289,150,000.

(5) Scientific, Technological, and International Affairs, $47,030,000.

(6) Computer and Information Science and Engineering, $122,980,000.

(7) Program Development and Management, $78,000,000.

(8) United States Antarctic Program, $117,000,000.

(9) Science and Engineering Education, $89,000,000.

(b) Notwithstanding any other provision of this Act, from the amount authorized under subsection (a)—

(1) not less than $33,430,000 is authorized only for purposes of the Social and Economic Sciences Division;

(2) not less than $49,870,000 is authorized only for purposes of the Behavioral and Neural Sciences Division;

(3) not less than $89,060,000 is authorized only for the purposes of the Astronomical Sciences Division; and

(4) not less than $11,500,000 is authorized only for the purposes of the College Science Instrumentation Program.

AVAILABILITY

SEC. 3. (a) Appropriations made under authority provided in sections 2 and 5 shall remain available for obligation for periods specified in the Acts making the appropriations.

(b) To the extent that the total amount appropriated to carry out program activities specified in this Act is less than the total amount authorized to be appropriated for such activities under this Act, all such authorized amounts for such activities or their

subactivities shall be reduced proportionally.

OFFICIAL EXPENSES

SEC. 4. From appropriations made under authorizations provided in this Act, not more than $5,000 for fiscal year 1986 may be used for official consultation, representation, or other extraordinary expenses at the discretion of the Director of the National Science Foundation. The determination of the Director will be final and conclusive upon the accounting officers of the Government.

FOREIGN CURRENCY AUTHORIZATION

SEC. 5. In addition to the sums authorized by section 2, not more than $700,000 for fiscal year 1987 are authorized to be appropriated for expenses of the National Science Foundation incurred outside the United States, to be drawn from foreign currencies that the Department of the Treasury determines to be excess to the normal requirements of the United States.

TRANSFERS AUTHORIZED

SEC. 6. (a) Funds may be transferred among the categories listed in section 2(a), so long as the net funds transferred to or from any category do not exceed 10 percent of the amount authorized for that category in section 2.

(b) The Director of the National Science Foundation may propose transfers to or from any category exceeding 10 percent of the amount authorized for that category in section 2. An explanation of any such proposed transfer must be transmitted in writing to the Speaker of the House of Representatives, the President of the Senate, the Committees on Labor and Human Resources and Commerce, Science, and Transportation of the Senate, and the Commitee on Science and Technology of the House of Representatives. The proposed transfer may be made only when 30 calendar days have passed after submission of the written explanation.

MISCELLANEOUS AMENDMENTS

SEC. 7. (a) Section 3(a)(6) of the National Science Foundation Act of 1950 (42 U.S.C. 1862(a)(6)) is amended to read as follows:

"(6) to provide a central clearinghouse for the collection, interpretation, and analysis of data on scientific and engineering resources to provide a source of information for policy formulation by other agencies of the Federal Government; and".

(b)(1) Section 6 of the National Science Foundation Act of 1950 (42 U.S.C. 1864a) is amended—

(A) by striking out "(a)" after the section designation; and

(B) by striking out subsection (b).

(2) Section 5316 of title 5, United States Code, is amended by striking out "Assistant Directors, National Science Foundation (4).".

(c) Section 10 of the National Science Foundation Act of 1950 (42 U.S.C. 1869) is amended by striking out ", within the limits of funds made available specifically for such purpose pursuant to section 16,".

(d) Section 11 of the National Science Foundation Act of 1950 (42 U.S.C. 1870) is amended—

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

(2) by striking out the period at the end of paragraph (j) and inserting in lieu thereof "; and"; and

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

"(k) during the 5-year period beginning on the date of the enactment of the National Science Foundation Authorization Act for Fiscal Year 1987, to indemnify grantees, contractors, and subcontractors associated with the Ocean Drilling Program under the provisions of section 2354 of title 10, United States Code, with all approvals and certifications required by such indemnification made by the Director.".

TASK FORCE ON WOMEN, MINORITIES, AND THE HANDICAPPED IN SCIENCE AND TECHNOLOGY

SEC. 8. (a) It is the purpose of this section to establish a task force on women, minorities, and the handicapped in science and technology to—

(1) examine the current status of women, minorities, and the handicapped in science and engineering positions in the Federal Government and in federally assisted research programs;

(2) coordinate existing Federal programs designed to promote the employment of women, minorities, and the handicapped in such positions;

(3) suggest cooperative interagency programs for promoting such employment;

(4) identify exemplary State, local, or private sector programs designed to promote such employment; and

(5) develop a long-range plan to advance opportunities for women, minorities, and the handicapped in Federal scientific and technical positions in federally assisted research, and to coordinate the activities of participating agencies with the Committee on Equal Opportunities in Science and Engineering established by section 36 of the National Science Foundation Authorization and Science and Technology Equal Opportunities Act (42 U.S.C. 1885c), after the termination of the task force established by this section.

(b) For purposes of this section, the term "participating agency" means—

(1) the National Science Foundation;

(2) the Department of Health and Human Services;

(3) the National Aeronautics and Space Administration;

(4) the Environmental Protection Agency;

(5) the Department of Agriculture;

(6) the Department of Defense;

(7) the Department of Education;

(8) the Department of Energy;

(9) the Department of Commerce; and

(10) the Department of the Interior.

(c)(1) The task force on women, minorities, and the handicapped in science and technology shall be composed of individuals appointed by participating agencies pursuant to this subsection.

(2) The head of each participating agency shall appoint two individuals to serve as members of the task force. If an appointed member is unable to serve for the duration of the task force, the head of the participating agency who appointed that member shall appoint another individual to fill the vacancy.

(3) Task force members may be appointed from private business, academia, professional associations, or nonprofit foundations.

(d) The task force shall prepare and submit a report on its findings and recommendations to the President, the Congress, and the head of each participating agency not later than December 31, 1989.

(e) The Office of Science and Technology Policy shall call the first meeting of the task force not later than 90 days after the date of enactment of this Act, shall ensure that each participating agency has appointed two members, and shall assist the task force to meet its objectives.

(f)(1) Members of the task force not otherwise employed by the Federal Government shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the task force.

(2) The Director of the National Science Foundation shall make provision for administrative support of the task force, and may enter into agreements with the heads of other participating agencies to facilitate the work of the task force.

(g) The task force shall terminate on January 31, 1990.

GREENHOUSE EFFECT REPORT

SEC. 9. The President shall, at the earliest practical date (but not later than August 1, 1987), submit to the Congress a report on any action taken or proposed to be taken by the Federal Government with respect to the establishment of an International Year of the Greenhouse Effect to occur in calendar year 1991. Such report shall include descriptions of possible international missions and related research and educational activities, and other such activities as the President may consider appropriate.

COMPUTER NETWORK STUDY

SEC. 10. (a) The Office of Science and Technology Policy (hereinafter referred to as the "Office") shall undertake a study of critical problems and current and future options regarding communications networks for research computers, including supercomputers, at universities and Federal research facilities in the United States. The study shall include an analysis of—

(1) the networking needs of the Nation's academic and Federal research computer programs, including supercomputer programs, over the period which is fifteen years after the date of enactment of this Act, including requirements in terms of volume of data, reliability of transmission, software compatibility, graphics capability, and transmission security;

(2) the benefits and opportunities that an improved computer network would offer for electronic mail, file transfer, and remote access and communications for universities and Federal research facilities in the United States; and

(3) the networking options available for linking academic and other federally supported research computers, including supercomputers, with a particular emphasis on the advantages and disadvantages, if any, of fiber optic systems.

(b) The Office shall submit to the Congress—

(1) within one year after the date of enactment of this Act, a report on findings from the study undertaken pursuant to subsection (a) with respect to needs and options regarding communications networks for university and Federal research supercomputers within the United States; and

(2) within two years after the date of enactment of this Act, a report on findings from the study undertaken pursuant to subsection (a) with respect to needs and options regarding communications networks for all research computers at universities and Federal research facilities in the United States.

REPEAL

SEC. 11. Title IX of the National Defense Education Act of 1959 (42 U.S.C. 1876 et seq.) is repealed.

ADDITIONAL STATEMENTS

RULES COMMITTEE ALLOCATIONS OF THE CONCURRENT RESOLUTION ON THE BUDGET FOR 1987

● Mr. MATHIAS. Mr. President, attached is a report required by section 302(b) of the Congressional Budget Act.

The report sets forth the Rules Committee's allocations among programs within the committee's direct spending jurisdiction of the amounts allocated to the committee in the joint statement of managers accompanying Senate Concurrent Resolution 120.

I submit the report for the RECORD:

SENATE COMMITTEE ON RULES AND ADMINISTRATION ALLOCATIONS PURSUANT TO SENATE CONCURRENT RESOLUTION 120, 99TH CONGRESS

[In thousands of dollars]

Accounts within the committee's direct spending jurisdiction	1987	1988	1989
Function 500:			
Oliver Wendell Holmes devise fund (Library of Congress). Account: 01-25 03-5075-503:			
Budget authority	6	7	7
Outlays	7	10	10
Gift and trust fund accounts (Library of Congress). Account: 01-25 03-9971-503			
Budget authority	8,751	6,927	6,927
Outlays	9,163	6,927	6,927
Canal Zone biological area fund (Smithsonian Institution): Account: 32-50 33-8190-503:			
Budget authority	119	135	135
Outlays	129	135	135
Total, function 500:			
Budget authority	8,876	7,069	7,069
Outlays	9,299	7,072	7,072
Function 800:			
Presidential election campaign fund (Department of the Treasury): Account: 15-05 20-5081-806:			
Budget authority	37,000	38,000	38,000
Outlays	18,224	155,451	7,090
Total, function 800:			
Budget authority	37,000	38,000	38,000
Outlays	18,224	155,451	7,090
Grand total:			
Budget authority	45,876	45,069	45,069
Outlays	27,523	162,523	14,162●

HELSINKI ACCORDS ANNIVERSARY

● Mr. BOREN. Mr. President, 11 years ago, on August 1, 1975, 35 nations signed the Final Act of Security and Cooperation in Europe, widely known as the Helsinki accords. I join my colleagues in commemorating the anniversary of that agreement and in calling for renewed commitment by the signatory nations to the rights and ideals it enshrines.

The Helsinki accords represent a landmark in the history of international relations and individual human rights. Their precise application, interpretation and significance has been greatly disputed over the past 11 years, but they remain a positive statement of guidelines which demand the respect of the governments and nations of the world in their conduct of their own and other peoples.

The Final Act of Security and Cooperation in Europe sets out principles to be observed by the participating nations in respect of European security; economic, scientific, technological, and environmental cooperation; and humanitarian, cultural, and educational links between different countries. In doing so, it draws attention to the increasing need for international communication and exchange, to further world progress and harmony.

The provisions of the accords in respect of human rights—for example, the guarantees of freedom of thought, conscience and religion, and of equal rights and self-determination of peoples—have a particular importance in the right of the consistent denial of such rights by both signatories and nonsignatories to the accords: the abuses of the apartheid regime in South Africa, and the repression of religious minorities, such as Jews, in the Soviet Union are instances which spring immediately to mind. I call upon the Government of the United States and the governments of all countries to review the Helsinki accords this week and to make whatever alterations in their policies are necessary to ensure that the tenets of the accords do not go unobserved.

Governments work on behalf of citizens. We in the United States and governments elsewhere have a duty to strive to ensure that the fundamental rights of the people of our own and other nations are protected. We pride ourselves on our Nation's history of respect for the freedoms of the individual. We have a moral responsibility to ensure that those rights remain upheld and to work toward achieving an equal level of liberty in those countries where the rights of individuals are continually violated and ignored.

Many of us in the Senate have been involved in working on behalf of our neighbors in every way we can, to seek to attain from their governments concern and respect for their fundamental rights as human beings amongst other human beings. Often we call for compliance with the terms of the Helsinki accords. The accords offer a common standard for nations of many different kinds, and many different aims, to observe.

The power of governments to protect their citizens and to work toward promoting mutual understanding and cooperation among different peoples is immense. Equally, that power may be used negatively to restrain the liberty and creativity of individuals. Mr. President, I believe that the Helsinki accords are a noble and necessary attempt to encourage moral responsibility in the governments of the world, so that nations can work together toward meeting fundamental human needs.

May this 11th anniversary of the accords signify a renewed dedication of the nations of the world toward achieving universal respect for basic human rights.●

HELSINKI HUMAN RIGHTS DAY

● Mr. RIEGLE. Mr. President, today marks the 11th anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe, popularly known as the Helsinki accords. As a cosponsor of Senate Joint Resolution 371, designating August 1, 1986, as "Helsinki Human Rights Day," I rise to commemorate this important date.

On August 1, 1975, 33 West and East European States, with Canada and the United States, signed the Helsinki Final Act. That act provides for:

First, equal rights and self-determination of people, and guarantees of fundamental freedoms of thought, conscience, religion or belief;

Second, improving economic, scientific, and environmental cooperation; and

Third, improving cooperation in humanitarian fields, such as supporting the freer movement of people, ideas, and information, between signatory States.

In light of our special focus on human rights today, it is interesting to note that in his recent Moscow summit with Francois Mitterrand, Mikhail Gorbachev resurrected de Gaulle's vision of a Europe stretching "from the Atlantic to the Urals," implying that it was time to set the stage for a new era of cooperation among European States. "It is necessary," said Gorbachev, "to get rid of political thinking that views Europe as a theater of operations. Europe must set an example of coexistence among sovereign, different but peaceful countries, countries aware of their interdependence and building their relations on trust." He even went so far as to say that the Soviet Union was ready for "international cooperation on humanitarian problems."

Despite Mr. Gorbachev's call for a new Soviet emphasis on humanitarian concerns and European cooperation, the record of the Eastern bloc, and the Soviet Union in particular, in implementing the human rights provisions of the Helsinki accords, leaves much to be desired.

Examples of East bloc violations of the Helsinki accords are numerous. Primary among them, is the persecution suffered by citizens in the East bloc countries who organized to monitor the compliance of their governments with the agreement. The Helsinki Committee in Poland, charter 77 in Czechoslovakia, and monitoring groups in Armenia, Lithuania, Ukraine, and Georgia, placed great

faith in the accords. But many of their members were punished with harsh prison terms in Siberia and elsewhere, simply for exercising the civil rights guaranteed in the final act. Oleksy Tykhy, Yuri Lytvyn, Vasyl Stus, Rev. Bronius Laurinavicius, and others, have paid with their lives for their involement in the public monitoring process in the Soviet Union.

Although some may criticize the Helsinki accords for their lack of effectiveness, I strongly believe that the regular process of reviewing international compliance with the provisions of the agreement has provided us with an important forum for discussing individual liberties in Eastern Europe. Equally important, the United States, by promoting civil liberties and human rights around the world, demonstrates its own commitment to the pursuit of human rights for all people in all nations. By our examples we can hope to influence other governments to honor the rights of their own citizens.

Today we pay tribute to those who, at great personal risk to themselves, continue the struggle for human rights behind the Iron Curtain. The American people, our Government, and our media, all have a very important role to play in advancing the cause of human rights in Eastern Europe and throughout the world. As we mark this "Helsinki Human Rights Day," let us reaffirm our commitment to human rights, and to working toward the full implementation of the provisions of the Helsinki accords.●

TRIBUTE TO BEN COLE

● Mr. LUGAR. Mr. President, it is not often that one man makes such an impression on Washington. Ben Cole is one such man. Since July 1949 Ben Cole has covered Indiana politicians and their role in Washington politics. For 42 years Ben has served as bureau chief of the Indianapolis Star. That paper has been well served. It is difficult to imagine the Washington scene without Ben Cole at each press conference and important committee meeting, reporter's notebook in hand, I have counted so heavily upon his presence and his supporting comments that it will be difficult to hold these events without him.

And Ben Cole has been a very special friend. Long before I came to Washington, Ben had established a reputation for comprehensive coverage of national politics. He was an intimate friend with each member of the Indiana congressional delegation for decades and a regular participant in the life of Hoosier congressional offices.

I have been honored by Ben's introductions to his many friends in the Washington Press Corps and by his especially generous personal coverage of my work. His institutional memory has been a source of reference for me and his general counsel has offered excellent guidelines for thoughtful and prudent activity.

His retirement is richly deserved but surely he will find time for a few more articles of reminiscence and good advice. In the end the U.S. Senate owes Ben Cole its respect and warmest congratulations.

I submit for the RECORD an article by Ben Cole:

AN ASSIGNMENT SPANNING EIGHT PRESIDENCIES COMES TO CLOSE

(By Ben Cole)

WASHINGTON.—The Indianapolis Star is one of my earliest memories and has been a major part of my life.

Long before I could read, I knew about Roger Bean and Jiggs, the only two comic strips in the paper back in 1919. My mother used to read me the Edna Wallace Hopper ads ["Don't Wait 'Til You Look Like Sixty"], and we would laugh together. I had no idea what Mrs. Hopper's facial products did, but it was funny to a tot.

My dad wrote advertising for a furniture store on East Washington Street in Indianapolis [a handy place to watch the circus parades]. In 1921, when I was about 5 years old, he took me with him on a Sunday night while he made last-minute corrections in one of his ads.

I was fascinated by the linotype machine, the big page forms on the steel trucks and all the hubbub in the composing room as the Monday morning paper was being readied.

One of the printers set my name on the linotype—36-point Cheltenham on an 8-point base. I kept that slug well into adulthood. Whatever happened to it I do not know, but I miss it. That piece of typemetal sealed my fate forever. Unknown to me, printer's ink had been infused into my blood.

I saw all the Thomas Meighan movies and longed to be a smart-talking reporter who wore his hat in the house and solved crimes right and left.

In a way, though, it was printing that was the lure of newspapering. In Junior high school in Terre Haute, where my family lived for a time, I spent as many hours as possible in the print shop. The printer's trade was beyond me, however: Only printers' sons needed apply.

My senior year in high school, a counselor urged me to abandon dreams of low-paying work in the writing business and become a doctor. So, that's what I intended to be when I enrolled in Butler University.

Ultimately, however, ink prevailed over antiseptics and, with a lot of help from my dad and some of his newspaper friends, I got a toe-hold job writing business news for the Terre Haute papers.

The Fair Labor Standards Act suddenly reduced hours to 40 a week, and there was a job for a general assignment reporter. No more blurbs about local businesses. (Ironically, at this late date a federal judge in New Hampshire has ruled that reporters are professionals and not subject to the Fair Labor Standards Act.)

Early in World War II, I had an assignment to cover a meeting of business leaders organizing the Indiana war bond effort. The speaker was the state war bond chairman, Eugene C. Pulliam.

He was then in his mid-40s, a dynamic man with a brisk, businesslike and convincing manner of speaking. Somewhere during the evening I thought, "I'd like to work for him."

After the army refused to let me get into uniform, I had a chance to go to Indianapolis and *The Star*—the paper of my dreams. The late James A. Stuart, who was managing editor and then editor of *The Star*, gave me a job as a copy reader.

A month after I started to work on *The Star*, it was bought by Eugene C. Pulliam. Suddenly, I was indeed working for the man who impressed me so greatly that night in Terre Haute.

Robert P. Early, then city editor, asked me to work for him on my days off and cover a United States Senate field hearing on small business. I was overjoyed to be reporting again. The stories caught Mr. Pulliam's eye.

Just before V-E day, Early rescued me from the copy desk forever and I was assigned to cover the Statehouse. Thus began a stormy, tense, absorbing three years of reporting state government and Indiana political news.

Early was promoted to managing editor, meantime. And when my friend, Charlie Griffo, was about to go to work temporarily in Phoenix, Ariz., Early asked me to return to the city room and take his place as assistant city editor. I demurred, but then I seldom won an argument with Bob Early.

During the summer of 1948, Mr. Pulliam confided during a trip to Lake Wawasee that he was about to merge *The Star* and *The News*. "I think you'd better go to Washington," he said.

The idea fell out of my mind however, and in the fall, when the papers were at last brought under single ownership. Eugene S. Pulliam, the city editor of The Star, left to become managing editor of The News.

I was unexpectedly promoted to city editor, a job I'd dreamed of and which, once I got it, turned out to be far more difficult and never-wracking than I ever suspected. Nonetheless, it was a great job and I began to get the hang of it, when Mr. Pulliam remembered that he wanted me to go to Washington.

In June 1949, we set out for Washington, D.C., with our two babies in an old Chevrolet. The car overheated and stranded us overnight in St. Clairsville, Ohio, but at last we reached our destination on the hottest day of the year.

When our furniture eventually arrived, we moved into a tiny brick salt box house in Falls Church, Va. My then-partner from The News was the late Gene Dawson, and the two of us went to work July 5, 1949, on a long table in a tiny one-room bureau.

The first Christmas in Washington brought us desolating homesickness, but after another year, we were thoroughly acclimated.

I have only one complaint about the 37 years spent covering eight presidents, 18 Congresses, countless Supreme Court cases, federal bureaus, departments and assorted special events, plus 16 national political conventions [two each election year except 1956 and 1984 when I was assigned only to one]. The time sped all to fast.

Writing this column has been a 37-year assignment. It began one Friday in 1949 when I gathered up a bunch of little items and strung them together under a title, Hoosiers in Washington. Mr. Pulliam thought it was a great idea and ordered it continued indefinitely. Bob Early said it should have a distinctive title. I came up with Ripples from the Potomac. Early changed it to Washing-

ton Ripples. The boss may not always be right, but he is always the boss.

Now, as the Fisk ads used to say, it's time to retire. My love affair with The Star that began when I was still in rompers is still very much alive, and it will continue as long as I live. It has brought me much happiness, many headaches, countless friends and (I suppose) a smattering of enemies.

I'm told this little column has many followers. It is difficult to tell them goodby, but I do so now with full-hearted thanks for their patience and their continued interest.●

TRIBUTE TO BEN COLE

● Mr. QUAYLE. Mr. President, it is a personal privilege but also my sad duty to report to the Senate on the end of an historic era in Indiana journalism. On July 31, the dean of the Hoosier press corps, Benjamin Richason Cole—Ben to his many friends and admirers—retired after 48 years as a newspaperman, including 42 years with the Indianapolis Star and 37 years as the chief Washington correspondent for Indiana's largest daily.

A native of Indianapolis, Ben graduated from Arsenal Technical High School in 1934, and he attended Butler University in 1934-35, Indiana State Teachers College in 1938 and the American Press Institute at Columbia University in 1948.

Ben launched his career in journalism in 1938 as a reporter for the Terre Haute Tribune-Star Publishing Co. He first went to work for the Indianapolis Star on March 27, 1944, as a copy editor, and in subsequent years, he won steady promotions to statehouse reporter, 1945-48; assistant city editor 1948; and city editor, 1949. He has served as the Star's Washington correspondent since July 5, 1949. In that capacity, he has also filed regular dispatches for the Muncie Star and Vincennes Sun-Commercial, which, along with the Star and Indianapolis News, are owned by Central Newspapers, Inc. Since 1955, Ben has also served as Washington correspondent of another Central Newspapers daily, the Arizona Republic.

A past president of the Indianapolis Press Club, Ben has been honored by both his peers and his public throughout his career. He is a member and past president, 1982, of the prestigious Washington Gridiron Club. Ben also has won election to the Washington Hall of Fame of Sigma Delta Chi, the Society of Professional Journalists, and he has received the Hanson H. Anderson Award for Public Service and been named Hoosier Man of the Year by the Indiana Society of Washington.

Mr. President, Ben Cole has been fair, objective, and accurate in his reporting throughout his long and distinguished career. He is a reporter's reporter who has a wealth of knowledge about their inner workings of the Nation's Capital, but he has never forgotten his Indiana roots. Ben is also a gifted writer who, in news reports, columns, and book reviews, has demonstrated graceful mastery of a demanding craft. His professionalism and strong sense of civic responsibility have been and will continue to be an inspiration to generations of Hoosier journalists.

Ben Cole has retired from the daily grind of journalism, but I am certain he will remain busy in the coming years. I understand that he and his wife, Kathleen, plan to travel, and I know he looks forward to spending more time with his three children and four grandchildren. I also know that Ben has purchased a personal computer, a clear sign he intends to continue writing columns and book reviews. I venture Ben has the makings of an impressive book or two in him, as well. I wish him Godspeed, great happiness, and good health for many years to come.

During his 37 years here in Washington, Ben Cole wrote a weekly column called "Washington Ripples" for the Sunday edition of the Star. A collection of stories about Hoosiers working and living in the Nation's Capital—and of Ben's reminiscences about the eight Presidents, 18 Congresses, innumerable Supreme Court cases and 16 national political conventions he has covered—"Ripples" has been one of the paper's most popular features for years. With Ben's retirement, "Ripples" will be stilled, but his remarkable legacy will never be forgotten.

Mr. President, I ask that a story about Ben Cole by Doug McDaniel that was published in the Indianapolis Star on July 27 be printed in the Record.

The article follows:

STAR'S BEN COLE RETIRING AFTER 37 YEARS IN WASHINGTON

(By Doug McDaniel)

WASHINGTON.—When Benjamin R. Cole first came to the nation's capital to serve as bureau chief of The Indianapolis Star, Harry S. Truman was president.

Since that hot July day in 1949, Cole has watched, reported on, and mingled with the seven other presidents who have sat in the Oval Office.

Now after 48 years as a newspaperman, 42 of them with The Indianapolis Star, the dean of the Indiana press corps will retire July 30.

He takes with him a multitude of honors from his print colleagues and a host of accolades from those he has covered for so many years.

"Ben has been fair, objective, and exceedingly accurate in his reporting throughout his long and distinguished career. Ben Cole is a reporter's reporter who has a wealth of knowledge about the inner workings of the nation's capital," said Sen. Dan Quayle, R-Ind., who was a newspaperman himself before entering Congress in 1977.

Among Cole's honors are membership in the prestigious Washington Gridiron Club, which elected him president in 1982; the Hanson H. Anderson Public Service award; the 1979 Indiana "Man of the Year" award from the Indiana Society of Washington; and the 1986 "alumnus of the year" award by Arsenal Technical High School.

A past president of the Indianapolis Press Club, Cole is also a member of the Washington Hall of Fame of the Sigma Delta Chi Society of Professional Journalists and is listed in Who's Who in America.

It may be unknown to many, but Cole also served as correspondent for the Muncie Star, the Vincennes Sun-Commercial, and the Arizona Republic at the same time he filed dispatches for the Indianapolis Star. Those papers are part of Central Newspapers Inc., which also is the holding company for the Indianapolis Star and The Indianapolis News.

Sen. Richard G. Lugar, R-Ind., who was mayor of Indianapolis before coming to Congress, has long followed the work of Cole.

"Long before I came to Washington, Ben had established a reputation for comprehensive coverage of national politics . . . it will be difficult to imagine the Washington scene without Ben Cole at each press conference and important committee meetings, reporter's notebook in hand," said Lugar.

Cole first knew he wanted to make journalism his profession while attending Butler University in 1935. He landed a job as a substation newspaper carrier manager for the Indianapolis Times. One of the carriers he supervised was a lad named Ted Stevens, who later became a U.S. Senator from Alaska.

The two Indianapolis natives still joke about their carrier days in the neighborhoods around 44th Street and College Avenue. At one recent Capitol Hill luncheon, Cole was introduced as Stevens' "first boss."

Eugene S. Pulliam, publisher of The Indianapolis Star and The Indianapolis News, described Cole as a great newspaperman.

"I was proud to work with him and proud of what he did for the paper. I count him as a good friend," Pulliam said.

Cole began his newspaper career in earnest as a reporter for the Terre Haute Tribune-Star in 1938. He joined The Indianapolis Star as a copy editor in 1944 and worked his way through the ranks to statehouse reporter, assistant city editor and, finally city editor in 1949.

Once in Washington, he developed his widely read "Ripples" column, consisting of anecdotal tales about Hoosiers living and working in Washington. Besides his daily news articles, Cole also contributed editorials and book reviews for The Star.

One of his favorite stories happened shortly after Cole arrived in Washington.

It involved a reporter for the Kansas City Star who, as Cole later found, has a reputation for being a better drinker than journalist. This reporter was passing along a hot news tip to his colleagues: President Truman was going to fill a vacancy at the Supreme Court by naming Sherman Minton of Indiana.

No other reporter but Cole used the story. "In my innocence and youth I looked at him as a wise old oracle. Fortunately, the story turned out to be true and The Indianapolis Star was credited nationwide for breaking the story." Cole recalled.

Al Cromley, bureau chief of the Daily Oklahoman, has known Cole since 1953.

"Ben has the fantastic ability to express himself beautifully, using Hoosier allusions and humor * * *no matter what the topic, he always had an Indiana anecdote to illustrate his point," Cromley said.

"He never lost his roots."

Although Cole is retiring from daily reporting, he still plans to keep active. He has bought a personal computer and will frequently contribute editorials and book reviews.

He is also planning to travel with his wife. Kathleen, and is thinking about writing a book or two.

Lugar perhaps best summed up the feelings of Cole's colleagues and friends.

"His retirement is richly deserved but surely he will find time for a few more articles of reminiscence and good advice."●

CONGRATULATIONS TO TAMMY GIORDANO

● Mr. QUAYLE. Mr. President, I am pleased to offer my congratulations to Tammy Giordano of Shelbyville, IN, who is visiting Washington this weekend to receive the International Youth Award given by the Sertoma organization during their annual convention. Sertoma is an acronym for "service to mankind," a lofty ideal which Tammy personifies.

Tammy's list of achievements is impressive, especially when one considers her young age of 17. She has helped with the St. Jude Bike-A-Thon to benefit terminally-ill children; volunteered with Head Start, filling in until staff were available; volunteered with preparing and delivering food supplies with the Shelby County Food Pantry; and donated hours of her time in visits to nursing homes, a children's home and local youth shelter. She has also been a leader in her high school activities, including the volleyball team, Home Economics Club and Future Farmers of America. She worked with school officials to establish local chapters of Students Against Drunk Driving and Teenagers Against Drunk Driving.

Tammy is also one of Shelbyville's most visible youth activities in drug and alcohol prevention programs. It is this dedication which especially commands our admiration. Tammy herself came from a background of abuse and neglect which led to delinquent behavior both at home and in school. By the age of 14, Tammy had run away from a youth shelter and was incarcerated in jail. Her salvation came in the form of a loving family, the Giordanos, who adopted Tammy and another young woman and took them into their family. With the love and guidance of the Giordanos, Tammy's case workers, two dedicated police officers and Tammy's self determination, she has turned her life around. Tammy now dedicates much of her time to helping others and is being so honored by the Seratoma service organization, selected from among nominees from throughout the United States and several foreign countries.

Tammy and her sister Tina were adopted as difficult, older children. They have publicly shared their experience in order to recruit foster families and secure adoptive homes for older, hard to reach children. Tammy's story is one which offers hope and courage to many other youth who face similar odds and one which kindles a profound respect for Tammy and the Giordanos.

I am pleased to bring this success story to the attention of my colleagues and to offer my resounding approval to the selection of Tammy Giordano by the Bertoma club for their International Youth Award. My best wishes go with Tammy and her family for continued success and happiness. Their story is one which inspires hope and reinforces dedication to others.

I ask that the context of Tammy's acceptance speech given when she was selected as a regional award winner, be printed in the RECORD.

The speech follows:

ACCEPTANCE SPEECH—SERTOMA YOUTH AWARD

(Tammy E. Giordano)

I'm very nervous about giving this speech and talking to strange people although I visited the Canada House last night and I am sure you don't remember me but I remember some of you. . . .

I wouldn't be standing here today if it weren't for my family and the people from my community. There were people who wanted me to make it and who believed in me. It seems like centuries ago that I was the scrawny kid that Karen described to you earlier who was headed no-where. I was lucky and blessed by God because I had a whole lot of people from my community who cared for me but I didn't understand why.

I myself, can't believe I am standing here now accepting such an honorable award. People who I thought were my enemies were really my friends trying to help me. Charlie and Dan were policemen. They picked me up. They influenced my life because they really cared about me. Charlie has always been here for me whenever I needed him. If there has ever been anything special in my life, he is always there to see me do it. He got on me a few times but he encouraged me a lot. He really has influenced my life and knowing how much he cares about me makes me feel really good. He will always be a special.

My case workers at home are Vickie and June. They are two terrific ladies and I know they are my friends for life. They put up with a lot of stuff in the beginning when I first came to them. They were also always there when something special was going on in my life. They never gave up on me or stopped believing in me.

The seven most important men in my life are my dad and my brothers. They helped me to grow up and to see that life was fun. They helped me become a stronger person. They expected more of me than I was giving and I wanted to live up to their expectations. Also, their friend and coach, Mr. Brattain, said lots of nice things about them. I wanted people to say things like that about me. They also showed me that there were different ways of doing things than what I had been doing.

My best friend is also my sister. Her name is Tina. She gave me the strength to keep going when things were new and the toughest. She was my crutch. Just sharing our lives gave me strength when I was down but needed to go on. Our relationship will always be special because of what we have come thru together.

The most special person in my life happens to be my mother. She taught me to have confidence and to believe in myself. She taught me how important it is to be proud of what you are. Another thing she taught me was to hold my head up and walk proudly. She still gets on me about that sometimes. She taught me about respect for myself and for others. And I had never given it before but she taught me about love and how to give it to others. She still gets on me about my posture but I tell her every teenager goes thru this.

There are countless others who have helped me. These people are a part of me and they live inside of me. I also want to thank Tri-County Sertoma and La Sertoma. I thank each and every one of you. Sure, I have done a lot of things but without all the people I have mentioned I would have never made it. Part of the person that I am is made up of all the love and support that all of you have given to me.

When I leave here today I will take my award with me and I will be a much stronger person because I will know that all of you are behind me. You have given me so much. I want to be the very best person I can be and I want to work to make the world an even better place to live. That will be my gift back to all of you. Thank you.●

THE ELEVENTH ANNIVERSARY OF THE HELSINKI FINAL ACT

● Mr. D'AMATO. Mr. President, today marks the 11th anniversary of the signing of the Final Act of the Conference of Security and Cooperation in Europe [CSCE], giving birth to the Helsinki process. With participation by 35 nations, including the United States and the Soviet Union, the process has been the subject of considerable debate here and abroad. Hailed by supporters, denounced by critics, and dismissed by others, it nevertheless remains a reality in the international arena. While it was conceived by the Soviets during the 1950's, our experience with the Helsinki process shows it held substantial advantages for the West and still contains considerable potential for employment in the service of United States interests, especially our dedication to human rights. In this 11th year of the Helsinki process, we must dedicate ourselves to the determined, focused, and coordinated effort necessary to realize the process' great remaining potential.

Containing provisions concerning security, trade, and human rights, the Final Act is unique in that it established a standard against which the behavior of participating States can be judged. This is particularly significant in the area of human rights, an area which had long been considered purely a matter of internal affairs. While the Final Act represents a sweeping move forward in this regard, its value must ultimately be determined by the willingness of the signatories to comply with the commitment created by their adherence to it. Mere

words are not sufficient. They must be followed by concrete deeds.

As Dr. Andrei Sakharov has noted, "The whole point of the Helsinki accords is mutual monitoring, not mutual evasion of difficult problems." This concept was further elaborated by another Soviet dissident, Natan Shcharansky. In testimony before the Helsinki Commission, which I chair, Shcharanksy observed:

> I often hear the question, . . . if it is worth it to continue the United States of America's participation in the Helsinki process. My opinion is that the mistake wasn't in signing the Act. The mistake is not to demand that the Soviet Union fulfill all of its obligations under the Final Act.

Both of these men have paid dearly for their commitment to human rights and the Helsinki process. Sakharov, an outspoken critic of Soviet human rights violations, was banished to the closed city of Gorky in 1980. He and his wife, Dr. Elena Bonner, a founding member of the Moscow Helsinki Group, continue to be harassed by the Soviet secret police. There has been no word of the couple's well-being since Bonner returned to internal exile in early June. Shcharansky, also a founding member of the Moscow Group, spent more than 9 years in the Soviet gulag because of his activism, particularly with regard to Jewish emigration. Despite these hardships, they remain steadfast in their defense of individual human rights.

Regrettably, their cases are not isolated instances of abuse. Rather, they symbolize the brutal nature of the Soviet regime and its contempt for those who seek the very rights guaranteed by the Helsinki Final Act. Thousands have been consigned to psychiatric hospitals, while others serve long terms in prisons, labor camps, or internal exile because of their dissent. Churches are closed or destroyed, their members persecuted by the authorities. Millions are denied their national and ethnic rights, the victims of a brutal policy of russification, an attempt to strip them of their rich culture and heritage. Those who seek to emigrate are treated as traitors; they are often fired from their jobs, denied access to educational institutions, and ostracized by the State.

An estimated 400,000 Soviet Jews have indicated their desire to join their families in the West. At the same time, the Soviet Government maintains that all Jews who wish to emigrate have been allowed to do so. Yet when Ida Nudel, an activist in the Jewish emigration movement, hung a sign reading "KGB give me my visa" from the window of her apartment, she was arrested and sentenced to 4 years internal exile. Fifteen years after filing to emigrate, she remains separated from her family residing in the West.

Such human rights violations are not limited to the Soviet Union, however. Millions of East Europeans suffer a similar fate. The people of Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania are denied basic human rights by the repressive regimes in those countries. Despite the suspension of martial law in Poland, hundreds of political prisoners remain behind bars. Just last week, the Romanian Government destroyed the last Sephardic temple in that country. Members of the Hungarian minority in Romania are persecuted. Bulgaria maintains virtually total control over the life of its people and has engaged in a campaign of forcible assimilation aimed at the Turkish minority. Czechoslovakia continues to persecute members of charter '77 and VONS, Committee for the Defense of the Unjustly Persecuted. East Germany enforces a restrictive emigration policy. Hungary continually harasses those who publish or possess unofficial writings.

These are but a few examples of the human rights violations which are taking place today in Eastern Europe. The continuation of these abuses, in violation of provisions of the Final Act, jeopardize the future of the entire Helsinki process.

The credibility of the Helsinki process rests upon compliance in all areas of the Helsinki Final Act, including human rights. The further development of security and cooperation, key objectives of the CSCE, must be based upon trust. While it is true that we should not expect trust to develop overnight, 11 years have passed since the signing of the Final Act with limited progress in this direction.

As we prepare for the opening of the Vienna Review Meeting in November, we look not for wide-ranging new proposals but compliance with existing commitments. As President Gerald Ford noted when he signed the Final Act 11 years ago today, "History will judge this conference not by what we say here today, but by what we do tomorrow—not only the promises we make but by the promises we keep."

NAUM & INNA MEIMAN: STRUGGLING AS REFUSENIKS

● Mr. SIMON. Mr. President, Naum and Inna Meiman are Soviet Jews who have been denied permission to emigrate to Israel several times. The Meimans are an elderly, ailing couple whose wish is only to seek proper medical treatment for Inna and to see their daughter, Olga, who lives in the West. The Meimans have done nothing illegal nor are they of any use to the Soviet Government, yet officials have repeatedly refused their requests.

As refuseniks Naum and Inna have had to endure many years of strain. Since his first application, Naum, who worked as a physicist, was forced to retire from his job and isolated from the scientific community. Now, despite his years of training and brilliant work, he can only try to work at home away from advancements and new theories.

Inna is seriously ill with cancer. She urgently requires medical treatment only available in the West. The Soviets could offer a wonderful humanitarian gester by allowing her an exit visa so she may obtain treatment, yet they have refused her pleas.

In addition, the Soviets have further aggravated the Meimans' situation by disconnecting their telephone, confiscating their mail, and ransacking their apartment.

The Meimans are a good and caring couple who have suffered needlessly because they have expressed their desire to leave the Soviet Union. The Soviets have denied Naum and Inna their basic human rights for far too long. I strongly urge the Soviet authorities to allow Naum and Inna the right to emigrate to Israel.●

HELSINKI HUMAN RIGHTS DAY

● Mr. DECONCINI. Mr. President, I would like to express my pride in our Government's recognition of this day, August 1, 1986, as Helsinki Human Rights Day. It was on this day 11 years ago that 35 nations, including the United States and the Soviet Union, joined together in signing the Final Act of the Conference on Security and Cooperation in Europe, often referred to as the Helsinki accords.

At Helsinki the signatory nations pledged to the world that they would "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion, or belief." At Helsinki the signatory nations agreed to deal in a positive and humanitarian spirit with the freer movement of people, ideas, and information. It has been over a decade since the signing of the Helsinki agreement, and in those years the whole world has seen Soviet action to be in direct contravention to Soviet commitments.

Democratic nations cheered when Anatoly Shcharansky walked across a Berlin bridge to freedom. Free men everywhere cheered when he told a New York crowd: "All the resources of a superpower cannot isolate a man who hears the voice of freedom." But for every Anatoly Shcharansky who walks across a bridge to freedom, there are hundreds more whose names and cases have gone unreported. For every Anatoly Shcharansky there are hundreds of Soviet citizens who continue to be followed, watched, searched, arrested, beaten, sent to psychiatric hospitals, or banished to Siberia to hard labor camps.

Yes; we rejoice in the release of Anatoly Shcharansky after 10 years in Soviet prisons and labor camps. Yes; we rejoice in the recent Kremlin promise to reunite more than 200 of its citizens with relatives here in the United States. Yet; we cannot forget that there are thousands of Soviet citizens whose basic human rights continue to be blatantly violated.

We must continue to send a message loud and clear to the Soviet Union that, while we welcome East-West Cooperation, such cooperation must in part be conditioned on Soviet human rights performance. We must continue to send a message loud and clear to the Soviet Union that there will be no significant improvement in relations between our two nations unless they keep the commitment they pledged at Helsinki.

Three times I've traveled to the Soviet Union and met with refuseniks whose only crime is applying for a visa. And once the authorities discover that someone has applied for an exit visa, the persecution begins. We all know the scenario. Jobs are taken away, apartments searched, phones disconnected, mail seized, arrests made on trumped-up charges.

I've met with Brezhnev, with Andropov, and with Gorbachev on the issue. I pray that I am wrong, but Mr. Gorbachev's negative response last summer did not give me much reason for hope. He made it very clear that human rights in the Soviet Union are none of our business. They believe it to be solely an internal issue and do not look favorably on outsiders who try to intervene.

On that same trip I visited Dr. Alexander Lerner for the second time. I first met that distinguished scholar in November 1978. Professor Lerner has been waiting for 14 years to join his daughter in Israel. And he has paid the price. The end of his professional career. Difficulties passed on to his children—the arrest of his son who applied for a visa.

Professor Lerner talked about the KGB crackdown on Jews who insist on practicing their religion or who teach Hebrew. "Unfortunatley," he told us, "the situation in Jewish life here became worse than before; many are jailed—arrested, sentenced—for nothing, practically. Some of them are Hebrew teachers but, of course, they cannot officially be accused of studying Hebrew, so they are accused of many other things."

Yuli Edelstein is one of those Hebrew teachers. He was accused of illegal possession of drugs which were allegedly found by the KGB on a windowsill. The problem is, the flat where they were found has no windowsills. Because he refused to stop practicing his religion, Yuli Edelstein is now serving a 3-year term in a Siberian labor camp.

There are stories with happy endings. I pray that one day there will be more. Last summer my wife Susan and I met a young couple in Kiev—Sandy and Aleksei Lodisev. Sandy, a U.S. citizen, is Jewish. Aleksei, a Soviet citizen, is not. Their only fault was falling in love. They met while she was on a student fellowship to the Soviet Union. They married, and Aleksei resigned from his position with a computer company. He feared his classified job would jeopardize any chance he had to get a visa. For 4 years his fears proved to be correct.

When I met with Mr. Gorbachev last September I spoke to him about Sandy and Aleksei. I don't know how much of an impact that talk had. But the good news is that Aleksei Lodisev received an exit visa.

Yes; Yelena Bonner was allowed to receive medical treatment in the West. But Dr. Sakharov and Yelena Bonner continue to endure a terrifying regime of isolation at the hands of the Soviet authorities.

In the Kremlin religious believers continue to suffer harassment and persecution, with more than 350 activists of all faiths either in prison or internal exile. The flow of information, which is the foundation for any free society, has been obstructed at every turn by the Soviet Union. The recent nuclear reactor tragedy in the USSR is yet another reminder of Soviet indifference to its own citizens, its satellite nations and the rest of the civilized world.

Purely and simply, the Soviets made human rights and humanitarian commitments in Helsinki. The West needs continually to hold them to their promise.

Mr. President, I am grateful to my colleagues in the Congress for their overwhelming support of my resolution which proclaims this day as Helsinki Human Rights Day. I would particularly like to commend the distinguished chairman of the Helsinki Commission, Senator D'AMATO, and the cochairman, Congressman HOYER, for their leadership and persistence in striving to achieve full implementation of the human rights and humanitarian provisions of the Helsinki accords.

I would like to conclude with the words of the social reformer Jacob Riis: "When nothing seems to help," he says, "I go and look at a stonecutter, hammering away at his rock perhaps a hundred times without a crack showing in it. Yet at the hundred and first blow it will split in two, and I know it was not that blow that did it but all that had gone before."

Jacob Riis was talking about persistence. He was talking about fighting the good fight. He was talking about the kind of work all of us must do to ensure basic human freedom throughout the world.●

A FORMULA FOR GENERATIONAL EQUITY

● Mr. DURENBERGER. Mr. President, for 1½ years I have chaired a small educational organization called Americans for Generational Equity. AGE was founded to promote the time-honored American tradition of passing on to our children and grandchildren a better life than we inherited. It is a tradition that is in danger of dying.

Upward mobility has been the essence of the American dream. Yet, today's affluence is the byproduct of generations of self-sacrifice. We would do well to remember that these past sacrifices were the expression of old American values: Thrift, hard work, self-reliance, individual initiative, and mutual support through the institutions of the family, the church, and the community. It is our value system, not our affluence, that has been the mainstay of the American dream. And as these values have eroded, so, too, has our ability to keep the dream alive.

The statistical profile of the new downward mobility—spelling the end of the American dream for many of our young—has become a familiar staple of social commentary. The baby boom generation is worse off than its parents. Today's 30-year-olds now earn an average 25 percent less than their counterparts did in 1973. Today's children are, on average, considerably worse off than the baby boomers. Almost half of all Americans living in poverty are children.

These trends didn't just happen. They were the result of a sea change in American values. In the 1960's and early-1970's America transformed into the entitled society. We reduced our commitment to saving and investing, preserving our marriages, nurturing our children, and sacrificing for the future. We became a society geared to milking the here and now.

Already, the dividends of this shift are painfully clear. Yet, current Government priorities remain firmly rooted in the new ethos of entitlement. Unless we rediscover the old values, I fear our young and future generations will know far more downward mobility in the future than we have seen to date.

Mr. President, I am not alone in this assessment. Dr. Donald Kennedy is president of Stanford University and a valued colleague on the board of directors of Americans for Generational Equity. His recent speech to the Bohemian Grove illustrates a growing concern among our top educators that America is not living up to its self-image as an investing society. In it, he concludes that "scientific and technological decay, political neglect of education and the schools, and the juvenalization of poverty are all related; all

form a trend in America's political economy that could, if we do not arrest it, become a death spiral."

Dr. Kennedy calls for a series of steps by the Federal Government that I think are long overdue: Tax treatment to encourage investment, particularly in research and other ventures that yield future benefits. Increasing federal investment in the young. A new kind of instrument for evaluating how each national policy affects the welfare of different age groups. A Federal capital budget. Strengthening Federal support for university-level research and education at all levels.

Mr. President, I commend Dr. Kennedy's most forward-looking and insightful remarks.●

CONSTRUCTION INDUSTRY LABOR LAW AMENDMENTS

● Mr. KASTEN. Mr. President, I understand through recent conversations with my colleagues that the Senate will shortly be considering S. 2181, the construction industry labor law amendments, as an amendment to other "must pass" legislation. A recent Washington Post article lays out many of the issues before us on this bill, and I think it deserves the attention of the Members of this body. Mr. President, I ask that the article be printed in the RECORD.

The article follows:

[From the Washington Post, July 30, 1986]

A SENATE TEST OF LABOR'S STRENGTH

(By Peter Perl)

For 15 years, McDowell Contractors Inc. signed contracts with the Operating Engineers union, agreeing to provide union wages, benefits and pension contributions in exchange for a steady supply of skilled labor from the union hall in Birmingham.

But in 1980, all that changed. As members of Engineers Local 312 prepared to start work on an airport-paving job that McDowell had won, the company told the union that McDowell Contractors' workers would not be doing the job.

Instead, McDowell Materials Corp., a newly formed company, would be performing the airport work. McDowell had gone "double-breasted" by creating a nonunion spinoff firm, and the union members were out of luck.

In one of the sharpest labor-management congressional battles of recent years, the Senate is expected to consider this week a highly controversial bill that would outlaw such double-breasted construction firms. The House approved the measure 229 to 173 on April 17, but its outcome in the Senate is uncertain.

Business lobbyists were caught by surprise when the AFL-CIO succeeded in pushing the bill through the House, winning what was considered the first major legislative victory for labor in the last several years. The Senate vote is now shaping up as a major test of strength between a declining labor movement and an aggressive business coalition.

Labor union lobbyists and sponsors of the bill describe it as a simple matter of fairness. "We believe the law should not permit employers to avoid collective bargaining contracts by playing corporate shell games," said Robert Georgine, president of the AFL-CIO Building and Construction Trades Department.

But a broad coalition of business groups and their Senate supporters is strongly fighting the bill. Sen. Orrin G. Hatch (R-Utah), chairman of the Labor and Human Resources Committee, has called it an "obscene measure" that would trample the rights of employers and employees, who Hatch said could be forced to join unions against their will. Hatch has offered 100 amendments and threatened a filibuster to slow the bill's progress.

Sen. Alfonse M. D'Amato (R-N.Y.), who has strong support from New York's powerful construction unions, is a prime sponsor of the bill and plans to increase its chances by trying to attach it to the pending resolution on defense authorization or to legislation to increase the federal debt ceiling.

Both sides have run intense lobbying campaigns aimed at key Senate Republicans, especially those seeking reelection, and both sides claim to have at least 50 votes.

The so-called double-breasting bill is an attempt to reverse the dramatic decline in union membership among the nation's 5 million construction workers. Unions represented roughly 75 percent of construction workers in the 1960s, but that share has fallen to about 30 percent, in part because of the growth of double-breasted operations, which are now common in major metropolitan areas.

In the District of Columbia, for instance, two leading construction firms, offshoots of the same parent firm, are a prime example of double-breasting. The George Hyman Construction Co., founded in 1922, has operated as a union shop for decades. In 1977, Hyman's parent company set up a nonunion arm, Omni Construction, which has became a leading builder in the region. Both are controlled by the Clark Construction Group, based in Bethesda.

The bill would alter the Hyman-Omni setup by amending the National Labor Relations Act to redefine such companies as a "single employer." The House-passed bill says that any two construction firms "having any direct or indirect common ownership, management, or control" would be bound to honor any union contract involving either firm.

"You would force employers to go either all-union or all-nonunion routes, and you would force literally tens of thousands of workers into unions, without their ever having a vote," said Mark A. DeBernardo, manager of labor law for the U.S. Chamber of Commerce, which has lobbied heavily against the bill, along with the National Association of Manufacturers, the Associated General Contractors, and dozens of other trade groups and corporations. Labor Secretary William E. Brock also opposes it.

"This is very, very bad legislation . . . and it took awhile for the industry to come awake to how bad it is," said Richard Getsinger, senior vice president of Hyman. He said the bill could force Clark to choose between nonunion and union operations, and said the bill could "backfire" on unions by forcing some firms to abandon union operations.

Getsinger said labor law already prohibits union firms from creating "sham" companies specifically to evade an existing union contract. The National Labor Relations Board has cited dozens of companies for illegal double-breasting in recent years, but unions contend that loopholes in the law allow most companies to avoid NLRB sanctions.

Critics said a hidden danger of the bill is that it would legalize "common situs" picketing, in which workers striking one subcontractor could shut down an entire construction site. Such picketing is now illegal. Critics also said that if the owner of a nonunion firm in Texas with 500 workers bought stock in a unionized firm in Maryland with 10 workers, the 500 workers would be instantly unionized against their will.

But these arguments are dismissed as "red herrings and scare tactics" by former representative Leo C. Zeferetti (D-N.Y.) now the AFL-CIO's chief lobbyist on the bill. "This has been the most ridiculous campaign of nonsense and rhetoric ever," said Zeferetti, who said the bill has been debated and amended in the House so that it is clearly aimed only at requiring "both sides to live up to their contracts." When nonunion workers are compelled to join unions, he said, they are free to vote to decertify the union.

"It is a classic union-versus-contractor dispute," said a Republican Senate staff member, "Some of the unions have made it their life-and-death number one priority, and the businesses are now working hard to mobilize opposition and have finally started screaming."●

MAJ. GEN. ALFRED F. AHNER'S CAREER AND RETIREMENT

● Mr. QUAYLE. Mr. President, I would like to draw the attention of my colleagues to the retirement on July 1 of Maj. Gen. Alfred F. Ahner, adjutant general of the State of Indiana.

General Ahner served as adjutant general of the State of Indiana for some 16 years. His career of military service began in August 1942, when he enlisted in what was then the Enlisted Reserve Corps. He served on active duty throughout World War II, and was commissioned in 1945. Released from active duty in 1946, he was assigned to the Officer's Reserve Corps, and then appointed to the Indiana Army National Guard in 1948.

In the Guard, his efforts and abilities were recognized. After serving in a variety of posts, he was appointed assistant adjutant general in 1957, and promoted to lieutenant colonel. General Ahner was temporarily appointed adjutant general in 1959, when a vacancy in the post occurred, and promoted to brigadier general. General Ahner was appointed adjutant general in 1972, and promoted to major general in 1974. He has served as adjutant general continously since then. The State of Indiana has greatly benefited from his conscientious service and hard work over the years.

I have a long professional and personal relationship with General Ahner. Beyond having served under him during my years as a member of the Indiana National Guard, I am privileged to now count him as a friend. I am sure all my colleagues join me in congratulating General Ahner

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on his years of service to our country and to the State of Indiana, and in extending to him our best wishes for the future.●

NATIONAL WHITE HOUSE CONFERENCE ON SMALL BUSINESS

● Mr. LAXALT. Mr. President, I would like to take this opportunity to remind my distinguished colleagues that the National White House Conference on Small Business will be meeting here in Washington, DC, August 17-21, and to encourage them to show the conference delegates we appreciate the vital role they are playing in the American economy.

Five years ago, when the delegates to the 1980 White House Conference on Small Business issued their final report, they predicted that we were entering into a new age of entrepreneurship. Today, with small business having contributed 5 of the 7 million new jobs created during this recovery, we can see just how accurate that prediction was.

After the doldrums of the seventies, the American entrepreneur has regained his place in the world's imagination. Through innovation and risk-taking, small business owners are showing that the spirit of enterprise still burns brightly in this country and is still the best way to bring people jobs and a better way of life.

Next month's conference will provide the small business community with an opportunity to gather and evaluate the impact of the Federal Government upon the entrepreneur. What they will produce is a list of their top 40 recommendations for Government action. This will serve as an agenda to guide the President and Congress as they consider the issues which affect this important sector of our economy.

The White House Conference on Small Business will also provide all of us with a chance to join in what President Reagan has called "a celebration of the age of the entrepreneur." These men and women have given a great deal to their communities and this country. It is important that they return from this conference with the knowledge that we appreciate their importance in fulfilling the American dream.●

ENERGY INDEPENDENCE: OIL IMPORT FEE NEEDED

● Mr. BINGAMAN. Mr. President, I am greatly concerned about two issues; the lack of a national energy policy, and the resulting impact on the oil and gas industry and the entire Nation.

BACKGROUND

The United States has enjoyed a period of relative energy stability largely because of drilling and exploration between 1973 and 1982, and successful conservation efforts. However, the domestic oil industry today is faced with rapidly declining prices, oversupply, and increased competition from lower priced imports of crude and petroleum products. The industry also has had to restructure to meet the demands of merger activity and now faces the uncertainty of proposed changes in our tax laws.

These factors are undercutting our exploration and production efforts in the United States. Since 1981 nearly 346,000 jobs have been lost in the oil and gas industry. Although almost 82,000 wells were drilled in 1984, the rig count and other indicators point to a significantly lower number in 1985. The past 2 months have seen a substantial decrease in drilling permits, down 37 percent from 1985 levels. Just as the industry responded to the need for more drilling in the 1970's and early 1980's, oversupply and weak prices are now forcing the industry to cut back its activity. Action by major producers such as Arco, Tenneco, Phillips, and Amoco in the past few months to slash capital spending for exploration and development prove this point.

As the United States faces reduced drilling, production and exploration, lower refinery capacity and increased imports of crude and product, the inevitable result in the U.S. industry will be a return to foreign dependence. In only 1 year since 1970 has the Nation found as much oil as it produced. That was in 1980, and since then domestic reserves have declined to 27.8 billion barrels, the lowest level since 1951. As the rate of drilling drops as a result of lower oil prices, the shrinkage of these reserves would accelerate. That will make the United States more dependent on foreign sources of oil. Without any exploratory program, the Nation's reserves could drop by half by 1990, with production likely to decline as well. The Energy Information Agency predicts a doubling of imports by 1995. This scenario is based on a per barrel price of oil of $25. Given the current situation, the level of imports will certainly increase.

IMPORT FEE

Clearly, the Nation would benefit most from long-term stability in the oil market, which would in turn ensure the preservation of a strong, constant level of drilling in this country.

There are several bills that have been introduced to impose an oil import fee. However, there has been little support for such a fee at this time. This is unfortunate, but our energy independence is already threatened.

Last night we considered a bill which would establish a $10 fee on every barrel of crude oil or petroleum product imported into the United States. Unfortunately, although I voted for it, it was roundly defeated. A fee would serve to raise the price of imported oil from the levels determined by an unstable market. A fee would be applied to imports of refined and crude oil products in order to prevent importation of these products to circumvent the crude oil fee. The existence of such a variable fee would establish a floor for domestic oil prices and help stabilize the world oil price.

Furthermore, a fee would ensure that foreign producers pay a fair tax on oil that flowed into the United States as a result of a price drop. The extremely low tariff imposed on imported oil at present in effect enables imports to be subsidized by the taxes paid in domestic production. A fee would also preserve the value of the Nation's Strategic Petroleum Reserve, on which nearly $13.5 billion has been spent since 1977. A fee would discourage import, while encouraging domestic production, and thus enable the United States to avoid a return to dangerous levels of foreign dependence.

NATIONAL SECURITY

Most important, an oil import fee would help ensure that our national security is not threatened. Without a fee to stabilize oil prices, the potential threats are significant.

REDUCED STRIPPER OIL PRODUCTION

A drop in prices could eliminate over half of the Nation's production from low-volume stripper wells, making necessary an additional $4.6 billion per year in imports. There are over 441,000 stripper wells, and they produce an average of only 3 barrels per day, or a daily total of about 1.3 million barrels. Many operate on a margin of only a few dollars per barrel.

As oil prices decline, large numbers of strippers become uneconomic and have to be shut in. Once production from a well ends, most States require that the wells be plugged and abandoned. The United States could thus lose perhaps 7 to 8 percent of its total domestic production. Furthermore, since stripper wells comprise three-fourths of the Nation's wells, they drive much of the oil well servicing support industry, which has itself been in depression. Although stripper wells produce little individually, collectively they are a major resource for the Nation.

THE END OF ALASKAN EXPLORATION

Alaska provides 1.1 million barrels of oil per day, roughly 20 percent of total domestic production. Alaska holds nearly a third of the Nation's known oil reserves, and is estimated by the U.S. Geological Survey to contain up to a quarter of the Nation's undiscovered recoverable reserves. A drop in oil prices would preclude the chance that other Alaskan oil fields could be found and put on stream. Eliminating Alas-

ka's rich potential would mortgage the Nation's energy future.

REDUCED OCS EXPLORATION

The U.S. Geological Survey estimates that a third of the Nation's remaining undiscovered recoverable reserves of oil lie under the waters of the Outer Continental Shelf. A fall in prices makes the deeper waters of the OCS uneconomic and ensure that much of the Nation's potential would remain locked away for years.

REDUCED NATURAL GAS DEMAND

Virtually all of the power plant capacity and 45 percent of the U.S. industrial load can switch to residual fuel oil. If oil prices, and therefore fuel oil prices, continue to drop, the gas bubble may not end until the mid-1990's.

Clearly some action must be taken and I think an oil import fee must be further considered.

OPPOSITION

I am well aware of the arguments against an import fee from the impact it would have on our friendly trading partners, such as Mexico and Canada, to the lost opportunity for economic growth because of falling prices and the potential for inflated prices in other sectors of the economy. I believe the concerns for our neighbors to the north and south are somewhat overstated. I would think that both nations would benefit from a more stable world oil market—which is what this fee is intended to encourage. However, I would suggest that any short-term losses to our economy would not compare with the devastating impact of a collapse of our domestic energy industry.

ADMINISTRATION'S RULE

It is true that the President currently has the authority to impose an oil import fee under the Trade Expansion Act of 1962, but has been unwilling to recognize that it is in the national interest to do so. Unfortunately, the administration seems oblivious to the potential consequences of declining prices. Secretary of Energy Herrington, testifying before the Senate Energy and Natural Resources Committee several weeks ago said: "Energy is no longer a destabilizing force in our economy." I believe that statements such as this show little understanding of the seriousness of our energy situation, and demonstrate the kind of short-term perspective that has come to characterize Federal Government policy on energy.

SUMMARY

The Congress must take the lead in recognizing the importance of our energy needs. If enacted, an oil import fee would prevent the United States from returning to greater dependency on foreign sources of energy. It would enable the domestic industry to remain a viable source of energy in the future. And it would preserve governmental tax revenues in the event of a fall in world oil prices, and stop the tax subsidization of imported oil. Most important the Nation would benefit most from long-term stability in the oil market, which would in turn ensure the preservation of a strong, constant level of drilling and exploration and a viable domestic industry. We must end the complacency that currently clouds our energy future and realize the growing threat to our Nation's desire for energy independence. An oil import fee can help move us in that direction.

I am disappointed the Hart oil import fee was defeated last night, but I know it will be considered again and I intend to support it again. I urge my colleagues to join me in this support.●

HELSINKI HUMAN RIGHTS DAY

● Mr. LEVIN. Mr. President, today marks the 11th anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe, better known as the Helsinki accords. Congress has marked the occasion by declaring August 1, 1986, as "Helsinki Human Rights Day."

We all know that the Helsinki accords have not brought an end to human rights violations by the Soviet Union and other Eastern European coutries. In fact, there has not been any discernible decrease in these violations over the past 11 years. On the other hand, the existence of the Conference on Security and Cooperation in Europe gives us a regular forum in which to raise questions of human rights with these countries, pointing out where they have violated specific portions of the Helsinki accords. The followup conferences in Belgrade and Madrid have also given us opportunities to raise specific human rights cases with the governments concerned, and the upcoming review conference in Vienna will provide a similar opportunity.

I hope that at Vienna our delegates will bring up the case of Abe Stolar and his family. Abe Stolar is an American citizen, whose immigrant parents moved back to Russia when he was a boy. The Stolars have been trying to leave the Soviet Union since before the Helsinki accords were signed in 1975. They have been granted permission to leave several times before, only to have their hopes cruelly dashed at the last moment. Last November, the day before President Reagan met Secretary General Gorbachev in Geneva, the Soviets informed the United States Government that a number of Soviet refuseniks would be allowed to emigrate. The Stolars were on that list. Nine months later, the rest of the people on that list have departed, and the Stolars are still there.

Abe Stolar recently sent me a copy of an open letter he wrote to former Soviet Ambassador to the United States, Anatoly Dobrynin, in which he asks Mr. Dobrynin to use his influence to end the Stolars' long wait. He appeals to Mr. Dobrynin as someone who has firsthand knowledge of the American way of life, and who understands how Soviet human rights violations harm relations between our two countries.

Not long ago, I spoke to Abe Stolar on the telephone. I have corresponded with him for many years now. His courage and perseverance continue to amaze me. After all the disappointments of the past 11 years, he remains undiscouraged. Abe Stolar has little reason to be optimistic and yet he still believes that "reason and common sense" will prevail. I hope that my colleagues will be as inspired as I was by his letter.

Mr. President, I ask that Abe Stolar's letter to former Ambassador Dobrynin appear in the RECORD.

The letter follows:

AN OPEN LETTER

Mr. DOBRYNIN: Since I was sadly disappointed not to receive any reply to the letter I wrote you on April 11, I am compelled to once again call your attention to my case through this Open Letter.

I am an American citizen who was stripped of former Soviet citizenship 11 years ago. I have been trying to get out of the Soviet Union with my family since then. Neither my son nor my wife are Soviets.

To recapitulate my story: After ten years of my fight to be released, the Soviets finally in March 1985 allowed, even pressured, part of my family to get out, but insisted that we abandon my daughter-in-law, Julia Shurukht, in Russia. The chief of the national Visa Office, R.A. Kuznetsov, made it clear that this would not be a temporary separation; my son and his wife would never see each other again.

The day before President Reagan's meeting with General Secretary Gorbachev in Geneva last November, the Soviets officially informed the United States government that my family of four, including my daughter-in-law, was being allowed out. We were on a list of ten families that the Soviets were letting out. The other nine have long left, but my family is still here.

This February my daughter-in-law gave birth to a baby. Now the fight is to get all five of us out.

The Visa Office demands that my daughter-in-law produce a written renunciation of financial claims from her mother. The mother had submitted such a waiver of financial claims, but it was not notarized, so the Visa Office demands a new one, which the mother refuses to give since she has maintained no relations with her daughter for many years.

The command to let my family go must come from someone higher up in authority, like you. We appeal to you, a man who has been in the closest contact with the American way of life for many years, and who can appreciate more than regular Soviet leaders the damage being done to the Soviet image by our prolonged detention here without rights and in unnatural circumstances. You witnessed demonstrations outside the Soviet Embassy in Washington and the Soviet mission in New York.

We hope that in your person, a man of common sense and reason has come into a position to put an end to the shameful treatment my family is being subjected to till this very day.

We hope you will finally put an end to this deplorable situation, which benefits no one, and causes nothing but harm. We hope you will see that my whole family of five people can leave the Soviet Union without further delays.

ABE STOLAR,
Moscow, June 17, 1986.

HELSINKI ACCORDS

● Mr. BOSCHWITZ. Mr. President, today is the 11th anniversary of the signing of the Helsinki final act. Unfortunately, it is an anniversary more in the breech than in the fulfillment of the act's goals. Despite being a signatory, the Soviet Union continues to violate the precepts concerning elemental human rights in the accords.

The Helsinki accords were designed to be a balanced package of principles to provide a framework for improving cooperation in many areas, including security, trade, environment, culture, and human rights. If the accords have allowed some improvement in relations with the East, Europe, we must still insist upon a more vigorous application of the Helsinki accords which guarantees to each of our citizens freedom of movement, religion, and cultural expression, as well as the right to emigrate.

The issue of human rights must continue at the top of our list as we look toward the upcoming summit with the Soviet Union. The struggle for family reunification, approval of visas, and family visits, which are for all intents and purposes simply ignored by the Soviets, must not be sacrificed in order to improve United States-Soviet relations.

Today is the 11th anniversary of the signing of the Helsinki accords. Let us acknowledge the day, while recognizing that we have a long way to go before declaring a victory in the war to preserve human rights.●

ELEVENTH ANNIVERSARY OF THE HELSINKI FINAL ACT

● Mr. LEAHY. Mr. President, I rise today to speak in commemoration of the signing of the Helsinki final act on August 1, 1975. On that day, the leaders of 33 nations of Western and Eastern Europe, Canada, and the United States, placed respect for fundamental human rights squarely within the framework of East-West relations.

The final act addressed a broad range of international concerns—the environment, national security, trade, human rights, and exchanges in the areas of science and technology, culture, and education. By observing the final act's standards for humane and responsible international behavior, signatory states agreed to work toward mutual trust and cooperation.

For many Helsinki observers, these 11 years have been disheartening. In 1976, the "Moscow Helsinki Group" was formed to oversee the Soviet Union's implementation of the provisions of the final act. The Group disbanded after several years of harsh repression. Forty-two members of other Soviet Helsinki monitoring groups are currently in prison, labor camps or internal exile. We must have faith that they will someday join Natan Shcharansky, who after 9 years of imprisonment, this year crossed the Glienicke Bridge to freedom.

In 1975, we committed ourselves to adhere to certain standards in our relations with other nations. We reaffirm that commitment today. The record of the Eastern European nations has been profoundly disappointing. Tens of thousands of their citizens look to us to continue to set the example, and we likewise reaffirm our commitment to them.

We all are hopeful that in the next decade, relations between East and West will reach a new level of mutual acceptance and cooperation. That was the goal of each of the leaders who signed the final act, and that is what the people of our countries long for. Today we renew our pledge to do all we can to make that a reality.

ORDERS FOR MONDAY, AUGUST 4, 1986

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate convenes on Monday, August 4, 1986, the reading of the Journal be dispensed with, no resolutions come over under the rule, the call of the calendar be dispensed with, and, following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senator PROXMIRE and Senator BOREN; to be followed by a period for the transaction of routine morning business, not to extend beyond the hour of 12 noon, with Senators permitted to speak therein for not more than 5 minutes each; provided further, that the morning hour be deemed to have expired.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. There is no objection.

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

THE CALENDAR

Mr. DOLE. Mr. President, I would like to inquire of the distinguished minority leader if he is in a position to pass any of the following calendar items: Calendar No. 736, Calendar No. 737, Calendar No. 739, and Calendar No. 740.

Mr. BYRD. Mr. President, the items that have been identified by the distinguished majority leader have been cleared by all Members on this side of the aisle and we are ready to proceed.

Mr. DOLE. I thank the minority leader.

Mr. President, I ask unanimous consent that the calendar items identified be considered and passed en bloc, that all committee-reported amendments be considered and agreed to en bloc, and that a statement by the distinguished Senator DOMENICI be inserted following S. 1963.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

CONVEYANCE OF CERTAIN LANDS TO THE NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY

The Senate proceeded to consider the bill (S. 1963) to direct the Secretary of the Interior to convey certain interests in lands in Socorro County, NM, to the New Mexico Institute of Mining and Technology, which had been reported from the Committee on Energy and Natural Resources, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

S. 1963

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TRANSFER OF LANDS

(a) Subject to valid existing rights and except as provided in section 3, the Secretary of the Interior (hereafter in this Act referred to as the "Secretary") is authorized and directed to convey to the New Mexico Institute of Mining and Technology (hereafter in this Act referred to as the "Institute"), Socorro, New Mexico, at fair market value, as determined by the Secretary, all rights, title, and interest of the United States in and to the public lands aggregating approximately **[8.501.55]** *8,501.55* acres in Socorro County, New Mexico, as generally depicted on a map entitled "New Mexico Institute of Mining and Technology Land Transfer, Socorro, New Mexico" dated 1985, to be used for research and education.

(b) The conveyance required by subsection (a) shall occur only after the Institute performs and provides to the Secretary a survey of the archeological resources of the area which identifies the mitigation measures, if any, that the Institute, in coordination with the State of New Mexico Historic Preservation Office, will implement following the conveyance and shall be conditioned on the implementation of such mitigation measures.

MAPS AND DESCRIPTION OF LANDS

SEC. 2. As soon as practicable after the date of the enactment of this Act, the Secretary of the Interior shall submit a map and legal description of the public lands designated in the first section of this Act to the Committee on Energy and Natural Resources of the Senate, and the Committee

on Agriculture and the Committee on Interior and Insular Affairs of the House of Representatives. Such map and legal description shall have the same force and effect as if included in this Act, except that any clerical or typographical errors in such map or legal description may be corrected. The Secretary of the Interior shall place such map and legal description on file, and make them available for public inspection, in the Office of the Director, New Mexico State Office, Bureau of Land Management, Santa Fe, New Mexico.

RESERVATION OF RIGHTS

[SEC. 3. There are reserved to the United States all minerals that may be found in the lands described in the first section, together with the right of the United States, its permittees, lessees, or grantees, at any time, to prospect for, mine, and remove such minerals.]

SEC. 3. There are reserved to the United States all minerals that may be found in the lands described in the first section, Provided, however, That such lands, except for valid existing rights, shall not be available for location and patent under the United States Mining Law, Act of May 10, 1872 (17 Stat. 91; 30 U.S.C. 22, 28, 28b).

● Mr. DOMENICI. Mr. President, this measure would direct the Secretary of the Interior to convey for fair market value approximately 8,502 acres of Bureau of Land Management land in Socorro County, NM, to the New Mexico Institute of Mining and Technology.

The land that will be conveyed in this bill is necessary so that valuable educational research and testing work at the terminal effects research and analysis group at the institute can continue. The institute's present field laboratory does not have enough useable space for these activities. If the institute's present field laboratory is not expanded, a very important component of our Nation's defense-related research and testing capabilities will be put in jeopardy. Therefore, this legislation is not only very important for the institute and for New Mexico, but for the Nation as well.

NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY

New Mexico Institute of Mining and Technology, or New Mexico Tech as we New Mexicans call it, is located in the city of Socorro, NM, which lies approximately 75 miles south of Albuquerque in the Rio Grande Valley. Founded as the New Mexico School of Mines when New Mexico was still a territory, New Mexico Tech has become a highly regarded college and research center. It has gained international prominence for the work it has conducted in the areas of petroleum recovery, explosive technology, and military hardware research.

New Mexico Tech encompasses a small college—approximately 1,300 undergraduate and graduate students—plus three other divisions: the State of New Mexico Bureau of Mines and Mineral Resources, the New Mexico Petroleum Recovery Research Center, and the Research and Development Division. The Bureau of Mines is the official State agency responsible for original investigations and recommendations concerning the development of New Mexico's considerable mineral and energy resources. The Petroleum Recovery Research Center is the newest of New Mexico Tech's divisions. Since its establishment in 1975, the center has gained wide recognition for its studies on new and improved methods of recovering oil and gas. The Research and Development Division supports research throughout New Mexico Tech and operates a number of geophysical laboratories, including a new Center for Explosives Technology Research and the Terminal Effects Research and Analysis group.

I would like to note that a recent poll of residents of Socorro County, NM, where New Mexico Tech is located, shows overwhelming support for New Mexico Tech and its research projects. Sixty-one percent of respondents stated that they believe that the relationship between Tech and the community are very good or excellent. Sixty-eight percent of respondents supported New Mexico Tech's attempts to attract private industry to construct research facilities on the campus. Ninety percent of respondents expressed the belief that New Mexico Tech helps the economy of the region.

TERMINAL EFFECTS RESEARCH AND ANALYSIS GROUP

In 1949, New Mexico Tech established the Terminal Effects Research and Analysis [TERA] group. TERA conducts research on defense system components intended for use by the U.S. Armed Forces. This work involves large explosive charges, rocket propellants, and long-range gun firings, all of which require large expanses of land for purposes of safety and security. Accordingly, TERA includes a 10-square-mile field laboratory on State land for these defense-related research and testing projects. The activities of this laboratory have steadily increased to a level of more than $3 million annually. The customer list of the laboratory includes all three military services and most major defense contractors.

TERA evolved from ordnance research projects during World War II. Over the years, TERA's combination of knowledge and experience, specialized test facilities, fast turnaround, and reasonable cost have served to make it a very important defense related research center. The expertise of TERA centers on experimental development, evaluation, and analysis of defense system components.

The group's personnel design, fabricate, test, and evaluate a wide variety of defense-related materials and components. Primarily known for original work in the fields of aircraft vulnerability, antiaircraft missile warhead design, and warhead evaluation, TERA has also been involved in the design and evaluation of gun-fired projectiles for similar targets. The group was deeply involved in the pioneering design, test, and evaluation effort for the Talos, Tartar, and Terrier warhead systems and has been more recently involved in projects with the Sea-Sparrow, Phoenix, standard missiles-2, AMRAAM, Chaparral, and Roland missile systems.

A number of products of TERA's research and development efforts are considered to be original concepts. These include the continuous rod warhead, the metallic-fuel-enhanced focused gas warhead, the wrap-around warhead, and the HIBAL warhead.

Although major emphasis has been on work with defense systems under U.S. Navy contracts, TERA has carried out many projects for other branches of the military and Government agencies, such as the Departments of Energy and State, and for many private concerns as well. U.S. defense laboratories for whom TERA has conducted work include: Naval Surface Weapons Center/Dahlgren Laboratory; Naval Civil Engineering Laboratory; Naval Ship Research and Development Command; Army Ballistic Research Laboratory; Picatinny Arsenal; Redstone Arsenal; Eglin Air Force Base; Kirtland Air Force Base; Air Force Armament Test Laboratory; Air Force Ballistic Missile Office; Air Force Technical Director; Rock Island Arsenal; Army Tank and Automotive Command; Army Research and Development Command; and Naval Weapons Center.

The TERA field laboratory is situated in mountainous terrain on New Mexico Tech land, just 10 minutes from the main campus. The current 44 test facilities and associated equipment provide for an unusually self-contained and self-sufficient system for conducting research, development, and analysis. Within this field laboratory are a variety of gun ranges, ordnance storage and loading facilities, a large machine shop, complete construction and equipment-service shops, extensive salvage material reserves, and an office complex with computer facilities.

At TERA, there is unusually close interplay between the components of ordnance development that frequently are isolated from each other. For instance, computer analysis and weapons design activities are carried out within a few steps of a machine shop where weapon components under study are fabricated for field testing, which is carried on only 2 miles from the back door. TERA can fabricate weapon components under study, provide a field laboratory for testing these, and perform sophisticated computer analyses of test results. This

close-knit interaction permits theoretical analysis, practical experience, fabrication, and field testing to blend in a remarkably productive and cost-effective manner.

TERA maintains a full-time staff of approximately 200 individuals. Of this number, 52 are research professionals and technical assistants. The remainder of the staff is comprised of instrumentation, camera, and ordnance crews, machinists, field construction personnel, mechanics, office staff, and guards.

One of the greatest resources available to the research effort is the capability of the student body—both graduate and undergraduate. Student assistants can be found in all phases of the TERA effort. Approximately 45 students will be working at TERA at any given time. New Mexico Tech faculty and staff are also available on a proportional time basis.

THE NEED FOR AN EXPANDED FACILITY

In recent years, the spread of civilian population centers has made it increasingly difficult for Federal laboratories and project offices to carry out certain types of research and development activities at their facilities. As a consequence, all branches of the military are looking to TERA to assume more of the testing work which is required to fulfill their explosive testing obligations. For instance, New Mexico Tech is currently conducting negotiations with the military for such project requests as a 5-kilometer—3 mile—gun range to test 120mm ammunition for the M-1 Abrams tank, an area for testing 10,000-pound explosive charges against blast barriers for U.S. embassies abroad, and a 5-kilometer range for a testbed electromagnetic rail gun. This work, by its very nature, involves large explosive charges, rocket propellants, and long-range gun firings, all of which require large expanses of land for purposes of safety and security.

The current emphasis on economic development, particularly through the Rio Grande Research Corridor initiative, also is resulting in an increased demand for TERA's facilities. To meet these demands, the field laboratory will have to expand beyond its current boundaries. However, all the usable, meaning horizontal, land available within the current TERA facility is occupied.

There currently is land available for the expansion of the laboratory facilities. This land lies south and west of the present field laboratory and is contiguous to the present laboratory boundaries. The land is owned by the Federal Government and is administered by the Bureau of Land Management of the Department of the Interior.

It is this land which S. 1963 seeks to transfer to New Mexico Tech for use as part of the TERA laboratory. This arrangement would allow TERA to continue its vital work and would permit TERA to make timely commitments to potential customers, particularly private industry customers whose inflexible schedules usually require their receiving on-the-spot, guaranteed agreements for facilities.

The land proposed to be transferred meets several requirements. Most importantly, it is contiguous to the present laboratory and, thus, is well situated for security purposes. It also meets both line-of-site and safety requirements. Additionally, the land will allow for economies of operation that might otherwise not exist in a location further removed from the existing facility. Finally, the expanded facilities will also provide TERA with certain capabilities which do not now exist—a longer range, an ability to do larger tests, less down time, and thereby greater efficiency.

Let me assure you that TERA's use of this land would be carried on with the highest possible standards of safety and security. For 37 years, this group has been doing explosives testing and research on lands in this area. The research does not consist of dropping bombs or shooting missiles, either of which could land unexploded. Rather, the research consists of the explosion of individual ordnance and the firing of individual rounds of various types of ammunition under extremely controlled conditions that preclude the possibility of having unexploded ordnance. There is no likelihood of contaminating the land to be transferred with unexploded ordnance of other hazardous materials.

S. 1963

S. 1963 authorizes the Secretary of the Interior to convey three parcels of land totaling 8,501.55 acres, more or less, to New Mexico Tech. This land is specifically designated for use for educational and research purposes, and it is intended that the land be used by the TERA group to expand its field laboratory. New Mexico Tech will pay fair market value for the land, which is estimated to be about $75 an acre, or a total of approximately $640,000. The university intends to use State general obligation bonds to purchase this land. A measure providing these funds has been approved by the New Mexico State Legislature and the Governor and now awaits approval by the voters.

The transfer of the land is subject to all valid existing rights. There are currently three geothermal leases—comprising approximately 3,000 acres—and nine mining claims on the subject lands. It is not anticipated that these rights would be exercised, but New Mexico Tech is prepared to work out agreements with the possessors of these rights if the possessors decide to develop these resources. There also are two grazing permittees on the subject lands. New Mexico Tech has negotiated agreements with these permittees which will allow the joint use of these lands. The mineral rights of the land to be conveyed are reserved to the United States under the bill, but the lands would not be open for prospecting and patenting under the Mining Act of 1872.

Prior to the transfer of the land, New Mexico Tech must undertake a survey of the archeological resources of the land. New Mexico Tech is obligated to work with the State of New Mexico Historic Preservation Office to develop measures which will mitigate, to the extent possible, any damage to these resources. The conveyance of the land is conditioned upon the implementation of the mitigation measures identified.

It should be noted that alternatives to this land transfer, such as leasing, a land swap, a conveyance pursuant to the Federal Land Policy and Management Act, or transfer under the Recretation and Public Purposes Act, were explored and rejected as either not permitted under the law or unworkable. It was determined that this statutory land transfer was the most proper and effective way to proceed.

CONCLUSION

Mr. President, it is obvious that a lot of worthwhile activity is going on with the TERA group at New Mexico Tech. This bill will guarantee the continuation of the research and development activities at TERA which are so vital to our national interest.

S. 1963 will provide New Mexico Tech with the additional land to fulfill TERA's defense-related commitments. This land meets all the requirements for safe and efficient operations. The Federal Government will receive fair market value for the land. Existing rights to the land and the archeological resources of the property will be adequately protected. I, therefore, hope that this measure will have the support of each Member of this body.●

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1963

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TRANSFER OF LANDS

(a) Subject to valid existing rights and except as provided in section 3, the Secretary of the Interior (hereafter in this Act referred to as the "Secretary") is authorized and directed to convey to the New Mexico Institute of Mining and Technology (hereafter in this Act referred to as the "Institute"), Socorro, New Mexico, at fair market value, as determined by the Secretary, all right, title, and interest of the United States in and to the public lands aggregating ap-

proximately 8,501.55 acres in Socorro County, New Mexico, as generally depicted on a map entitled "New Mexico Institute of Mining and Technology Land Transfer, Socorro, New Mexico" dated 1985, to be used for research and education.

(b) The conveyance required by subsection (a) shall occur only after the Institute performs and provides to the Secretary a survey of the archaeological resources of the area which identifies the mitigation measures, if any, that the Institute, in coordination with the State of New Mexico Historic Preservation Office, will implement following the conveyance and shall be conditioned on the implementation of such mitigation measures.

MAPS AND DESCRIPTION OF LANDS

SEC. 2. As soon as practicable after the date of the enactment of this Act, the Secretary of the Interior shall submit a map and legal description of the public lands designated in the first section of this Act to the Committee on Energy and Natural Resources of the Senate, and the Committee on Agriculture and the Committee on Interior and Insular Affairs of the House of Representatives. Such map and legal description shall have the same force and effect as if included in this Act, except that any clerical or typographical errors in such map or legal description may be corrected. The Secretary of the Interior shall place such map and legal description on file, and make them available for public inspection, in the Office of the Director, New Mexico State Office, Bureau of Land Management, Santa Fe, New Mexico.

RESERVATION OF RIGHTS

SEC. 3. There are reserved to the United States all minerals that may be found in the lands described in the first section: *Provided, however,* That such lands, except for valid existing rights, shall not be available for location and patent under the United States Mining Law, Act of May 10, 1872 (17 Stat. 91; 30 U.S.C. 22, 28, 28b).

DESIGNATION OF CUMBERLAND TERMINUS OF THE CHESAPEAKE AND OHIO CANAL IN HONOR OF J. GLENN BEALL, SR.

The Senate proceeded to consider the bill (S. 1766) to designate the Cumberland terminus of the Chesapeake and Ohio Canal National Park in honor of J. Glenn Beall, Sr., which had been reported from the Committee on Energy and Natural Resources, with an amendment.

On page 2, strike lines 18 and 19, and insert the following:

(d) There are authorized to be appropriated up to $25,000 to carry out the purposes of this Act.

So as to make the bill read:

S. 1766

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Cumberland terminus of the Chesapeake and Ohio Canal National Historic Park is hereby dedicated to J. Glenn Beall, Sr. in grateful recognition of his outstanding efforts to preserve and protect the canal and towpath from development.

(b) In order to carry out the provisions of this Act, the Secretary of the Interior is authorized and directed to provide such identification by signs, including changes in existing signs, materials, maps, markets, or other means as will appropriately inform the public of the contributions of J. Glenn Beall, Sr.

(c) The Secretary of the Interior is further authorized and directed to cause to be erected and maintained, within the exterior boundaries of the Cumberland terminus of the Chesapeake and Ohio Canal National Historical Park, an appropriate memorial to J. Glenn Beall, Sr. Such memorial shall be of such design and be located at such place as the Secretary shall determine.

(d) There are authorized to be appropriated up to $25,000 to carry out the purposes of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1766

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Cumberland terminus of the Chesapeake and Ohio Canal National Historical Park is hereby dedicated to J. Glenn Beall, Sr. in grateful recognition of his outstanding efforts to preserve and protect the canal and towpath from development.

(b) In order to carry out the provisions of this Act, the Secretary of the Interior is authorized and directed to provide such identification by signs, including changes in existing signs, materials, maps, markers, or other means as will appropriately inform the public of the contributions of J. Glenn Beall, Sr.

(c) The Secretary of the Interior is further authorized and directed to cause to be erected and maintained, within the exterior boundaries of the Cumberland terminus of the Chesapeake and Ohio Canal National Historical Park, an appropriate memorial to J. Glenn Beall, Sr. Such memorial shall be of such design and be located at such place as the Secretary shall determine.

(d) There are authorized to be appropriated up to $25,000 to carry out the purposes of this Act.

RELEASE OF REVERSIONARY INTEREST IN CERTAIN LANDS

The bill (H.R. 1740) to direct the Secretary of the Interior to release a reversionary interest in certain lands in Orange County, FL, which were previously conveyed to Orange County, FL, was considered, ordered to a third reading, read the third time, and passed.

EXEMPTION OF CERTAIN LANDS IN THE STATE OF MISSISSIPPI

The bill (H.R. 1795) to exempt certain lands in the State of Mississippi from a restriction set forth in the act of April 21, 1806, was considered, ordered to a third reading, read the third time, and passed.

□ 0030

Mr. DOLE. Mr. President, I move to reconsider the vote by which the various bills were passed.

Mr. BYRD. I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The motion was agreed to.

JAPANESE TECHNICAL LITERATURE ACT

Mr. DOLE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1073.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1073) entitled "An Act to amend the Stevenson-Wydler Technology Innovation Act of 1980 for the purpose of improving the availability of Japanese science and engineering literature in the United States, and for other purposes", do pass with the following amendments:

(1) Page 1, line 4, strike out [1985".], and insert: *1986".*

Page 2, lines 14 and 15, strike out [businesses and professional societies], and insert: *businesses, professional societies, and libraries*

(3) Page 3, line 1, after "translate,", insert: *index,*

(4) Page 4, line 10, strike out [1985,], and insert: *1986,*

(5) Page 4, strike out lines 14-17, inclusive, and insert:

● Mr. BAUCUS. Mr. President, on May 6 of last year Senator ROCKEFELLER and I introduced S. 1073, the Japanese Technical Literature Act. Senators GORTON, GORE, INOUYE, and BINGAMAN became cosponsors. The bill passed the Senate on November 23, 1985, and, with slight revisions, passed the House on June 23 of this year. I rise to urge its final adoption by the Senate today.

Let me briefly explain why this legislation is necessary.

America faces a trade crisis. We all know the statistics. Our international competitors are beating the daylights out of us, and our trade deficit is growing larger each month. For every 2 dollars' worth of U.S. goods going out, 3 dollars' worth of foreign goods are coming in.

An important cause of our declining competitiveness is unfair foreign trade practices. This subject has received a lot of attention in this Chamber, as it should.

But increased market access won't be enough to solve our overall trade problem with Japan or anyone else.

Our fundamental challenge is to increase America's competitiveness in the world economy. In the end, we have to produce our way out of the trade deficit, by increasing our productivity. The plain fact is that Japan and others are catching up. From 1977 to 1983, Japan's manufacturing productivity grew four times as fast as ours; Germany, Italy, and France were way ahead of us too. Even Britain, which

we sometimes think of as an empire in decline, increased its productivity faster than we did.

We have to reverse this trend and increase our productivity growth rate. Otherwise, we won't be able to provide decent economic opportunities for our children.

Increasing America's competitiveness and productivity growth requires many changes. It requires improving the inputs into our economy: education, training, capital, research and development, and management.

Perhaps more fundamentally, it requires a change of habits and outlook: A recognition that we will not remain economically dominant automatically, but only through hard work and constant innovation.

Among other things, this means that we must be willing to learn from others, as they have benefited by learning from us.

An important first step is to improve the flow of Japanese scientific and technical literature to United States researchers and industries. As Harvard professor Ezra Vogel writes in his new book "Comeback":

> The nation most successful in adapting to . . . worldwide economic changes is Japan. To respond more effectively, we Americans need to acknowledge the scope of its success and learn how the Japanese achieved it.

One reason for Japan's postwar economic miracle is Japan's ability to acquire and incorporate American technology. This did not happen accidentally. Japan sends 13,000 undergraduates to American universities each year; we send about 700 to Japan. Japanese companies use university affiliate programs, endowed chairs, and university-based research to get early access to United States technical developments. And since 1957, the Japanese Prime Minister's Office has operated the "Japanese Information Center of Science and Technology," which gathers, abstracts, and translates information from around the world and makes it available to Japanese business and government researchers.

Americans, in contrast, have not paid much attention to Japanese technical developments. At one time, this may have been justified by the belief that the Japanese were imitators, not innovators. But even if that belief was justifiable once, it isn't now. Japan ranks third in scientific research, just behind the United States and the Soviet Union. Japanese semiconductor, telecommunications, fiberoptics, biotechnology, and robotics technology compete directly with ours. And Japan's "Fifth Generation" artificial intelligence project is designed to achieve a profound breakthrough in computer technology.

Plenty of published materials describes these developments. Anyone who's visited Japan and seen the bookstores on almost every streetcorner knows that the Japanese are prolific writers and voracious readers. In fact, the Japanese publish about 10,000 technical journals, from "Advances in Biophysics" to "World of Steel."

Unfortunately, we don't monitor Japanese technical literature closely. Japanese is a difficult language; acquiring and translating Japanese technical documents is very expensive, especially for small companies. But whatever the reason, the result is that we know very little about Japanese inventions. Says D. Bruce Merrifield, Assistant Secretary of Commerce for Productivity, Technology, and Innovation: "We are not doing an adequate job of translating, much less monitoring."

To address this problem, we introduced the Japanese Technical Literature Act [JTLA]. As the committee report says,

> The objective of the bill is to create a program within the Federal Government to increase the availability of Japanese technical literature within the United States.

To accomplish this, we build upon several existing private sector and Government programs.

Specifically, the bill directs the Commerce Department to do four things:

First, it directs the Department to establish a program to monitor Japanese technical information and translate selected Japanese technical documents.

Second, it directs the Department to prepare an annual report describing important Japanese technical developments.

Third, it directs the Department to make existing Government translations more widely available to U.S. businesses, primarily by publishing an annual index of Government translations.

Finally, it directs the Department to encourage more United States companies and trade associations to review Japanese technical literature.

Mr. President, Senator ROCKEFELLER and I worked hard to design a program that would help U.S. businesses at the lowest possible cost, and I think that we succeeded. I was delighted that our bill has been endorsed by the National Association of Manufacturers, the Electronics Industry Association—Telecommunications Group, the Semiconductor Industry Association, and the American Institute of Aeronautics and Astronautics. Letters of support from these organizations were reprinted in the November 23, 1985 CONGRESSIONAL RECORD, on page 33487.

After passing the Senate, S. 1073 was referred to the House Science and Technology Committee. That committee reported the bill favorably, with four minor changes. First, the spending authorization is changed from fiscal 1986 to fiscal 1987. Second, the authority for administering the program is moved from the Office of Productivity, Technology, and Innovation to the office of the Secretary. Third, the Secretary is directed to consult about information needs not only with business and professional societies, but also with libraries. Fourth, the authorization is increased from $500,000 to $1 million; however, the House report recommends that this money come largely from reprogramming existing Commerce Department funds. Each of these changes improves the bill, and I urge that we adopt them by passing S. 1073 as amended by the House.

Mr. President, in one sense this is a modest bill. It won't erase our trade deficit or increase our productivity overnight. But in other sense it is profound, because its passage would be one of the first signs that Congress is beginning to focus on the fundamental issue of the next decade: increasing U.S. international competitiveness.

Before we vote, I would like to acknowledge the important contribution of Senator ROCKEFELLER. We worked together to develop this bill, and his steady hand guided it through the Commerce Committee. I also would like to acknowledge the assistance of Mr. DANFORTH, Mr. GORTON, and Mr. HOLLINGS in the Senate, and Mr. FUQUA, Mr. WALGREN, Mr. MINETA, Mr. LUJAN, Mr. BOEHLERT, and Mr. LUNDINE in the House. Finally, I would like to acknowledge the efforts of the Democratic counsel to the Commerce Committee's Science, Technology, and Space Subcommittee, Pat Windham, whose creativity and technical skills have been crucial to the development of this legislation during every stage of the process.

I urge my colleagues to support passage of this bill.●

● Mr. ROCKEFELLER. Mr. President, I am pleased to join my colleague from Montana [Mr. BAUCUS] as the Senate completes action on S. 1073, the Japanese Technical Literature Act of 1986. In my view, the breadth of support for the measure in the Congress—and the prompt consideration of it by both Houses over the past 14 months—signals a strong commitment on our part to helping American industries and researchers learn more about technological advances by Japan.

The bill would coordinate and expand upon existing efforts by the Federal Government to acquire, translate, and disseminate Japanese scientific and technical publications. The Japanese themselves provided the model for this legislation: For years, they've made vigorous, systematic efforts to learn everything they could from us. Their scientists and engineers comb our professional journals, track our research and inventions, visit our companies and laboratories, and con-

sult widely with those in the forefront of particular fields. All this information-gathering has been of tremendous value to Japanese industry in developing new products and producing them with dazzling efficiency.

We fully recognize that the language barrier makes a parallel effort—on our part—much more difficult. But the competition is proving that we really have no choice. The Japanese have excelled as researchers—and pushed rapidly ahead in such areas as ceramics, fiberoptics, and various aspects of computer technology. American scholars and industrialists could clearly learn a great deal from their counterparts in Japan—and won't stay in the forefront of their field unless they do so.

At stake, I am convinced, are our hopes of remaning a vital economic power. A special report in Business Week a few months ago offered a shocking description of the condition of our industrial landscape. As our industries—one after another—lose their competitive advantage to foreign competitors, we risk becoming a nation of "hollow corporations" whose manufacturing operations have been moved abroad. We may continue to excel as inventors, designers, marketers, and distributors, while our production line is obliterated. Even Japanese executives, according to the article, are amazed that the United States would stand by and let this happen to its economy.

Obviously, this cannot be our vision of the future. But to prevent it, we must innovate—develop new products and processes with at least the same intensity as our competitors. Only then can we count on retaining the strong base in manufacturing that has supported rising standards of living in this country for more than a century.

Our legislation will help American businesses and researchers gain access to information they must have if this country is to return to its rightfully dominant place in international trade. Compared to the size of the information gap—and the difficulty of the Japanese language, which makes the availability of translated material a necessity—the program we're proposing is truly a modest one. Our bill cannot match what the Japanese Government now does in the way of collecting and translating scientific and technical material from other countries, but it represents a good start. The resources devoted to this program by the Commerce Department can make a visible difference—and complement what the private sector can do to make Japanese technical information more widely available.

Admittedly, this country is likely to face a shortage of people qualified to do this kind of translation for some years to come. Relatively few Americans with backgrounds in specialized scientific fields are fluent in both English and Japanese. Private organizations have testified that they prefer—from the standpoint of American users—to have the translations done by people whose native language is English. S. 1073 does not directly address this problem, but we plan with subsequent legislation to explore ways of dealing with this bottleneck by encouraging American science and engineering students to become proficient in technical Japanese.

The measure before us, as my colleague explained, differes in only a few minor respects from the one passed unanimously by the Senate last November. We are pleased that the bill emerged from the House in essentially the same form, and are deeply grateful to the principal House sponsors—Representatives MINETA, WALGREN, LUNDINE, and BOEHLERT—for producing that result. We also welcome the willingness of the Commerce Department to reprogram existing funds, which we hope will enable the program to be operated at close to the level authorized by the bill.

The bill authorizes the program for 1 year, during which the level of technical information-gathering activity by Commerce and other Federal agencies will be thoroughly reviewed. In particular, we are counting on the department to upgrade its presence in this area in Japan, to strengthen its contacts with Japanese Government agencies and research institutions and be in a better position to identify and acquire pertinent technical documents. Clearly, information from potential users of the material—and their professional organizations—will be vital to the department in shaping this program and determining what material to obtain. But we see a continuing role for the department, beyond acquainting potential users with private sources of Japanese technical information. The aim of the program should be to add to the flow of usable information about Japanese research. And if the program succeeds in increasing awareness among businesses and researchers of the need for this information, it should encourage more activity by both private services and government agencies.

In short, the legislation before us represents just the kind of constructive alliance between government and industry that can improve our standing in international competition. With an increased, visible effect by the Commerce Department to gather and make translated material on Japanese technology available to a broader segment of our industries and research institutions, we can start to meet the urgent need for this kind of information. As we send this legislation forward to the White House, we have hopes that the program will be implemented with enthusiasm—and that the investment in technological information-gathering will pay off to our industries the way it has in Japan.●

□ 0030

Mr. DOLE. I move that the Senate concur in the House amendment.

The motion was agreed to.

Mr. DOLE. 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.

NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT, FISCAL YEAR 1987

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate turn to consideration of Calendar No. 734, S. 2184 to authorize appropriations to the National Science Foundation.

The PRESIDING OFFICER. The bill will be stated.

The assistant legislative clerk read as follows:

A bill (S. 2184) to authorize appropriations to the National Science Foundation for the fiscal year 1987, and for other purposes.

The Senate proceeded to consider the bill which has been reported from the Committee on Labor and Human Resources, with an amendment to strike out all after the enacting clause, and insert the part printed in italic and reported from the Committee on Commerce, Science, and Transportation with amendments (omit the material printed in bold brackets and insert the part printed in bold).

S. 2184

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

Short Title

SEC. 101. This title *may be cited as the "National Science Foundation Authorization Act for Fiscal Year 1987".*

AUTHORIZATION OF APPROPRIATIONS

SEC. 102. *(a) There is authorized to be appropriated to the National Science Foundation $1,685,000,000 for the fiscal year 1987.*

(b) Funds authorized for the fiscal year 1987 will be available for the following categories:

(1) Mathematical and Physical Sciences, $489,870,000.

(2) Engineering, $172,470,000.

(3) Biological, Behavioral, and Social Sciences, $270,500,000.

(4) Geosciences, $298,150,000.

(5) Scientific Technological, and International Affairs, $47,030,000.

(6) Computer and Information Science and Engineering, $122,980,000.

(7) Program Development and Management, $78,000,000.

(8) United States Antarctic Program, $117,000,000.

(9) Science and Engineering Education, $89,000,000.

AVAILABILITY

SEC. 103. (a) *Approriations made under authority provided in sections* 102 *and* 105 *shall remain available for obligations for periods specified in the Acts making the appropriations.*

(b) To the extent that the total amount appropriated to carry out program activities specified in this title is less than the total amount authorized to be appropriated for such activities under this title, all such authorized amounts, including floors and ceilings, for such activities or their subactivities shall be reduced proportionally.

OFFICIAL EXPENSES

SEC. 104. *From appropriations made under authorizations provided in this* title, *not more than $5,000 for fiscal year 1987 may be used for official consultation, representation, or other extraordinary expenses at the discretion of the Director of the Foundation. The determination of the Director will be final and conclusive upon the accounting officers of the Government.*

FOREIGN CURRENCY AUTHORIZATION

SEC. 105. *In addition to the sums authorized by section* 102, *not more than $700,000 for fiscal year 1987 are authorized to be appropriated for expenses of the National Science Foundation incurred outside the United States, to be drawn from foreign currencies that the Treasury Department determines to be excess to the normal requirements of the United States.*

TRANSFERS AUTHORIZED

SEC. 106. *(a) Funds may be transferred among the categories listed in section* 102(b), *so long as the net funds transferred to or from any category do not exceed 10 percent of the amount authorized for that category in section* 102.

(b) The Director of the Foundation may propose transfers to or from any category exceeding 10 percent of the amount authorized for that category in section 102. *An explanation of any such proposed transfer must be transmitted in writing to the Speaker of the House of Representatives, the President of the Senate, the Committees on Labor and Human Resources and Commerce, Science, and Transportation of the Senate, and the Committee on Science and Technolgy of the House of Representatives. The proposed transfer may be made only when 30 calendar days have passed after submission of the written explanation.*

(C) Notwithstanding the provisions of subsections (a) and (b), the Director shall allocate from funds available to the Foundation an additional $4,000,000 to the activity described in section 102(b)(9) *for the College Science Instrumentation Program, and an additional $3,000,000 to the activity described in section* 102(b)(3) *for behavioral and social sciences.*

(d) Notwithstanding the provisions of subsection (a) and (b), the Director shall allocate from funds available to the Foundation an additional $4,000,000 to the activity described in section 102(b)(1) for astronomical sciences.

AMENDMENTS TO THE NATIONAL SCIENCE FOUNDATION ACT OF 1950

SEC. 107. *(a) Section 3(a)(6) of the National Science Foundation Act of 1950 (42 U.S.C. 1862(a)(6)) is amended to read as follows:*

"(6) to provide a central clearinghouse for the collection, interpretation, and analysis of data on scientific and engineering resources and to provide a source of information for policy formulation by other agencies of the Federal Government; and".

(b)(1) Section 6 of the National Science Foundation Act of 1950 (42 U.S.C. 1864a) *is amended—*

(A) by striking out "(a)" after the section designation; and

(B) by striking out subsection (b).

(2) Section 5316 of title 5, United States Code, is amended by striking out "Assistant Directors, National Science Foundation (4)".

(c) Section 10 of the National Science Foundation Act of 1950 *(42 U.S.C. 1869) is amended by striking out ", within the limits of funds made available specifically for such purpose pursuant to section 16,".*

TASK FORCE ON WOMEN, MINORITIES, AND THE HANDICAPPED IN SCIENCE AND TECHNOLOGY

SEC. 108. *(a) It is the purpose of this section to establish a task force on women, minorities, and the handicapped in science and technology to—*

(1) examine the current status of women, monorities, and the handicapped in science and engineering positions in the Federal Government and in federally assisted research programs;

(2) coordinate existing Federal programs designed to promote the employment of women, minorities, and the handicapped in such positions;

(3) suggest cooperative interagency programs for promoting such employment;

(4) identify exemplary State, local, or private sector programs designed to promote such employment; and

(5) develop a long-range plan to advance opportunities for women, minorities, and the handicapped in Federal scientific and technical positions in federally assisted research, and to coordinate the activities of participating agencies with the Committee on Equal Opportunities in Science and Engineering established by section 36 of the National Science Foundation Authorization and Science and Technology Equal Opportunities Act (42 U.S.C. 1885c), after the termination of the task force established by this section.

(b) For purposes of this section, the term "participating agency" means—

(1) the National Science Foundation;

(2) the National Institutes of Health;

(3) the National Aeronautics and Space Administration;

(4) the Environmental Protection Agency;

(5) the Department of Agriculture;

(6) the Department of Defense;

(7) the Department of Education;

(8) the Department of Energy;

(9) the Department of Commerce; and

(10) the Department of the Interior.

(c)(1) The task force on women, minorities, and the handicapped in science and technology shall be composed of individuals appointed by participating agencies pursuant to this subsection.

(2) The head of each participating agency shall appoint two individuals to serve as members of the task force. If an appointed member is unable to serve for the duration of the task force, the head of the participating agency who appointed that member shall appoint another individual to fill the vacancy.

(3) Task force members shall be appointed from private business, academia, professional associations, or nonprofit foundations.

(d) The task force shall prepare and submit a report on its findings and recommendations to the President, the Congress, and the head of each participating agency not later than December 31, 1989.

(e) The Office of Science and Technology Policy shall call the first meeting of the task force not later than 90 days after the date of enactment of this Act and shall ensure that each participating agency has appointed two members.

(f)(1) Members of the task force not otherwise employed by the Federal Government shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the task force.

(2) The Director of the National Science Foundation shall make provision for administrative support of the task force, and may enter into agreements with the heads of other participating agencies to facilitate the work of the task force.

(g) The task force shall terminate on January 31, 1990.

REPEAL

SEC. 109. *Title IX of the National Defense Education Act of 1959 (42 U.S.C. 1876 et seq.) is repealed.*

Greenhouse Effect Report

Sec. 110. The President shall, at the earliest practicable date (but not later than August 1, 1987), submit to the Congress a report on any action taken or proposed to be taken with respect to the establishment of an International Year of the Greenhouse Effect to occur in calendar year 1991. Such report shall include descriptions of possible international missions and related research and educational activities, and such other activities as the President may consider appropriate.

TITLE II

Short Title

Sec. 201. This title may be cited as the "Supercomputer Network Study Act of 1986".

Findings

Sec. 202. The Congress finds that—

(1) the Federal Government has established supercomputer facilities at United States universities and within Federal research facilities in order to make supercomputer services widely available to the academic and reserch communities;

(2) these supercomputer services play a central role in the advancement of scientific and engineering knowledge in the United States, and will become even more important to research in the years to come;

(3) new research projects and new efforts to improve communications among government, universities, and industry in order to promote the Nation's future competitiveness will require greater transmissions of data among institutions;

(4) universities around the Nation are connected to these academic and Federal supercomputer facilities through a network of telecommunications links that soon may be unable to handle the rapidly increasing demand from researchers;

(5) given the explosive growth in supercomputer activities in the United States, the proliferation of data handling protocols, and the potential inability of current networking arrangements to handle this growing amount of communications, the Federal Government must ensure the development of a supercomputer networking policy to meet the Nation's current and future needs;

(6) as compared with traditional telecommunications technologies, new systems such as fiber optic technologies appear to offer remarkable advantages, including much higher data transmission capacities, lower operating expense, greater reliability, and greater security;

(7) a fiber optic networking system for academic and Federal supercomputers might greatly benefit both the research community and the development of new United States communications technologies;

(8) a high speed networkis likely to provide most institutions of higher learning with more equal access to the currently limited number of United States supercomputer centers; and

(9) the Congress and the academic community would benefit from a study of options for the future networking of such supercomputers in the United States.

Study by the Office of Science and Technology Policy

Sec. 203. (a) The Office of Science and Technology Policy (hereinafter referred to as the "Office") shall undertake a study of critical problems and current and future options regarding communications networks for supercomputers at universities and Federal research facilities in the United States. The study shall include an analysis of—

(1) the networking needs of the Nation's academic and Federal research supercomputer programs over the period which is 15 years after the ate of enactment of this Act, including requirements in terms of volume of data, reliability of transmission, software compatibility, graphics capability, and transmission security;

(2) the benefits and opportunities that an improved computer network would offer for electronic mail, file transfer, and remote access and communications for universities and Federal research facilities in the United States; and

(3) the networking options available for linking academic and other federally supported supercomputers, with a particular emphasis on the advantages and disadvantages, if any, of fiber optic systems.

(b) The Office shall, within 1 year after the date of enactment of this Act, report to the Congress on the findings from the study undertaken in accordance with subsection (a) of this section.

Administrative Provisions

Sec. 204. (a) The Office may, in order to carry out the provisions of this title, hold such hearings and consult with such representatives in academic institutions, the business community, Federal, State, and local governments, and other organizations, associations, and individuals as the Director of the Office considers advisable.

(b) Each department, agency, and instrumentality of the executive branch of the Federal Government, including independent agencies, shall furnish to the Office, upon request made by the Director of the Office, any information or assistance the Director considers necessary to carry out the study undertaken in accordance with this title.

Mr. DOLE. I ask unanimous consent that the committee-reported amendments be withdrawn.

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

The committee amendments were withdrawn.

AMENDMENT NO. 2272

(Purpose: To make an amendment in the nature of a substitute)

Mr. DOLE. Mr. President, I send an amendment to the desk in the nature of a substitute in behalf of Senators HATCH, DANFORTH, KENNEDY, HOLLINGS, GORTON, and RIEGLE, and ask for its immediate consideration.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. HATCH, Mr. DANFORTH, Mr. KENNEDY, Mr. HOLLINGS, Mr. GORTON, and Mr. RIEGLE, proposes an amendment numbered 2272.

Mr. DOLE. I ask unanimous consent that further reading be dispensed with.

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

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "National Science Foundation Authorization Act for Fiscal Year 1987".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) There are authorized to be appropriated to the National Science Foundation, for fiscal year 1987, the sums set forth in the following categories:

(1) Mathematical and Physical Sciences, $489,870,000.

(2) Engineering, $172,470,000.

(3) Biological, Behavioral, and Social Sciences, $270,500,000.

(4) Geosciences, $298,150,000.

(5) Scientific, technological, and International Affairs, $47,030,000.

(6) Computer and Information Science and Engineering, $122,980,000.

(7) Program Development and Management, $78,000,000.

(8) United States Antarctic Program, $117,000,000.

(9) Science and Engineering Education, $89,000,000.

(b) Notwithstanding any other provision of this Act, from the amount authorized under subsection (a)—

(1) not less than $33,430,000 is authorized only for purposes of the Social and Economic Sciences Division;

(2) not less than $49,870,000 is authorized only for purposes of the Behavioral and Neural Sciences Division;

(3) not less than $89,060,000 is authorized only for purposes of the Astronomical Sciences Division; and

(4) not less than $11,500,000 is authorized only for the purposes of the College Science Instrumentation Program.

AVAILABILITY

SEC. 3. (a) Appropriations made under authority provided in sections 2 and 5 shall remain available for obligation for periods specified in the Acts making the appropriations.

(b) To the extent that the total amount appropriated to carry out program activities specified in this Act is less than the total amount authorized to be appropriated for such activities under this Act, all such authorized amounts for such activities or their subactivities shall be reduced porportionally.

OFFICIAL EXPENSES

SEC. 4. From appropriations made under authorizations provided in this Act, not more than $5,000 for fiscal year 1987 may be used for official consultation, representation, or other extraordinary expenses at the discretion of the Director of the National Science Foundation. The determination of the Director will be final and conclusive upon the accounting officers of the Government.

FOREIGN CURRENCY AUTHORIZATION

SEC. 5. In addition to the sums authorized by section 2, not more than $700,000 for fiscal year 1987 are authorized to be appropriated for expenses of the National Science Foundation incurred outside the United States, to be drawn from foreign currencies that the Department of the Treasury determines to be excess to the normal requirements of the United States.

TRANSFERS AUTHORIZED

SEC. 6. (a) Funds may be transferred among the categories listed in section 2(a), so long as the net funds transferred to or from any category do not exceed 10 percent of the amount authorized for that category in section 2.

(b) The Director of the National Science Foundation may propose transfers to or from any category exceeding 10 percent of the amount authorized for that category in section 2. An explanation of any such proposed transfer must be transmitted in writing to the Speaker of the House of Representatives, the President of the Senate, the Committees on Labor and Human Resources and Commerce, Science, and Transportation of the Senate, and the Committee on Science and Technology of the House of Representatives. The proposed transfer may be made only when 30 calendar days have passed after submission of the written explanation.

MISCELLANEOUS AMENDMENTS

SEC. 7. (a) Section 3(a)(6) of the National Science Foundation Act of 1950 (42 U.S.C. 1862(a)(6)) is amended to read as follows:

"(6) to provide a central clearinghouse for the collection, interpretation, and analysis of data on scientific and engineering resources and to provide a source of information for policy formulation by other agencies of the Federal Government; and".

(b)(1) Section 6 of the National Science Foundation Act of 1950 (42 U.S.C. 1864a) is amended—

(A) by striking out "(a)" after the section designation; and

(B) by striking out subsection (b).

(2) Section 5316 of title 5, United States Code, is amended by striking out "Assistant Directors, National Science Foundation (4).".

(c) Section 10 of the National Science Foundation Act of 1950 (42 U.S.C. 1869) is amended by striking out ", within the limits of funds made available specifically for such purpose pursuant to section 16,".

(d) Section 11 of the National Science Foundation Act of 1950 (42 U.S.C. 1870) is amended—

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

(2) by striking out the period at the end of paragraph (j) and inserting in lieu thereof "; and"; and

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

"(k) during the 5-year period beginning on the date of the enactment of the National Science Foundation Authorization Act for Fiscal Year 1987, to indemnify grantees, contractors, and subcontractors associated with the Ocean Drilling Program under the provisions of section 2354 of title 10, United States Code, with all approvals and certifications required by such indemnification made by the Director.".

TASK FORCE ON WOMEN, MINORITIES, AND THE HANDICAPPED IN SCIENCE AND TECHNOLOGY

SEC. 8. (a) It is the purpose of this section to establish a task force on women, minorities, and the handicapped in science and technology to—

(1) examine the current status of women, minorities, and the handicapped in science and engineering positions in the Federal Government and in federally assisted research programs;

(2) coordinate existing Federal programs designed to promote the employment of

women, minorities, and the handicapped in such positions;

(3) suggest cooperative interagency programs for promoting such employment;

(4) identify exemplary State, local, or private sector programs designed to promote such employment; and

(5) develop a long-range plan to advance opportunities for women, minorities, and the handicapped in Federal scientific and technical positions in federally assisted research, and to coordinate the activities of participating agencies with the Committee on Equal Opportunities in Science and Engineering established by section 36 of the National Science Foundation Authorization and Science and Technology Equal Opportunities Act (42 U.S.C. 1885c), after the termination of the task force established by this section.

(b) For purposes of this section, the term "participating agency" means—

(1) the National Science Foundation;

(2) the Department of Health and Human Services;

(3) the National Aeronautics and Space Administration;

(4) the Environmental Protection Agency;

(5) the Department of Agriculture;

(6) the Department of Defense;

(7) the Department of Education;

(8) the Department of Energy;

(9) the Department of Commerce; and

(10) the Department of the Interior.

(c)(1) The task force on women, minorities, and the handicapped in science and technology shall be composed of individuals appointed by participating agencies pursuant to this subsection.

(2) The head of each participating agency shall appoint two individuals to serve as members of the task force. If an appointed member is unable to serve for the duration of the task force, the head of the participating agency who appointed that member shall appoint another individual to fill the vacancy.

(3) Task force members may be appointed from private business, academia, professional associations, or nonprofit foundations.

(d) The task force shall prepare and submit a report on its findings and recommendations to the President, the Congress, and the head of each participating agency not later than December 31, 1989.

(e) The Office of Science and Technology Policy shall call the first meeting of the task force not later than 90 days after the date of enactment of this Act, shall ensure that each participating agency has appointed two members, and shall assist the task force to meet its objectives.

(f)(1) Members of the task force not otherwise employed by the Federal Government shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the task force.

(2) The Director of the National Science Foundation shall make provision for administrative support of the task force, and may enter into agreements with the heads of other participating agencies to facilitate the work of the task force.

(g) The task force shall terminate on January 31, 1990.

GREENHOUSE EFFECT REPORT

SEC. 9. The President shall, at the earliest practical date (but not later than August 1, 1987), submit to the Congress a report on any action taken or proposed to be taken by the Federal Government with respect to the establishment of an International Year of the Greenhouse Effect to occur in calendar year 1991. Such report shall include descriptions of possible international missions and related research and educational activities, and other such activities as the President may consider appropriate.

COMPUTER NETWORK STUDY

SEC. 10. (a) The Office of Science and Technology Policy (hereinafter referred to as the "Office") shall undertake a study of critical problems and current and future options regarding communications networks for research computers, including supercomputers, at universities and Federal research facilities in the United States. The study shall include an analysis of—

(1) the networking needs of the Nation's academic and Federal research computer programs, including supercomputer programs, over the period which is fifteen years after the date of enactment of this Act, including requirements in terms of volume of data, reliability of transmission, software compatibility, graphics capability, and transmission security;

(2) the benefits and opportunities that an improved computer network would offer for electronic mail, file transfer, and remote access and communications for universities and Federal research facilities in the United States; and

(3) the networking options available for linking academic and other federally supported research computers, including supercomputers, with a particular emphasis on the advantages and disadvantages, if any, of fiber optic systems.

(b) The Office shall submit to the Congress—

(1) within one year after the date of enactment of this Act, a report on findings from the study undertaken pursuant to subsection (a) with respect to needs and options regarding communications networks for university and Federal research supercomputers within the United States; and

(2) within two years after the date of enactment of this Act, a report on findings from the study undertaken pursuant to subsection (a) with respect to needs and options regarding communications networks for all research computers at universities and Federal research facilities in the United States.

REPEAL

SEC. 11. Title IX of the National Defense Education Act of 1959 (42 U.S.C. 1876 et seq.) is repealed.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute.

The amendment in the nature of a substitute (No. 2272) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. Mr. President, I move to lay the motion on the table.

The motion to lay on the table was agreed to.

● Mr. HATCH. Mr. President, I am very pleased to recommend passage of this legislation to reauthorize the programs and activities of the National Science Foundation, the Nation's lead agency for guaranteeing the health and progress of our American scientific enterprise. Since 1950, NSF has supported the kind of basic research in science and engineering which is a crucial first-step to the development and implementation of new technologies.

Last year NSF awarded 12,000 grants and contracts for research in all scientific and engineering disciplines in more than 2,000 colleges and universities, nonprofit institutions, and small businesses throughout the United States. In accounting for about 28 percent of all Federal support for research in colleges and universities, the NSF also plays a major role in the education and training of the next generation of American scientists and engineers.

NSF is also a large part of our total national effort to improve science and mathematics education in our elementary and secondary schools. Activities such as teacher institutes, materials development, and sponsorship of National Science Week have already contributed significantly to the enhancement of science and math teaching as well as to the public's understanding of the key role science plays in our society today.

In short, this measure authorizes $1.685 billion for the research and education programs of the National Science Foundation for fiscal year 1987. This level represents an increase of 8.4 percent over the fiscal 1986 presequestration level. This increase in the NSF budget for basic research is especially critical now as the United States is fighting to maintain its leadership in science and technology as well as in the world economy.

In the post-World War II decades, new technology has been responsible for nearly half of all productivity gains. And, while productivity in the United States remains high in absolute terms, it has declined relative to that of Britain, France, West Germany, Japan, and Korea. In order for us to compete internationally, we must continue to support the basic research and education activities of the NSF. We must guarantee the base for future innovation and development as well as the supply of qualified scientists and engineers.

Mr. President, this is no time to stop funding research, and we can't afford to be too cheap despite the pull and tug of other governmental priorities. The investment we make in basic research and science education in the 1980's will yield substantial dividends as we turn into the year 2000. President Reagan is right to emphasize science and technology as key not only to our prosperity as Americans, but also to improving the quality of life for people around the world.

Mr. President, S. 2184 has received considerable scrutiny and has been favorably reported by two Senate committees. I hope all Senators will join us in supporting this measure. I want to express my appreciation to my colleagues on the Labor Committee and on the Commerce Committee for their assistance in bringing to the Senate

what I consider to be an excellent bill. There was a great collegial spirit at work on this bill that extended beyond partisan or committee lines. I might also point out that this spirit reached as far as the House of Representatives, as we consulted with members of the House Science and Technology Committee during our discussions. I attribute this, in large part, to our shared belief in the importance of NSF's mission.

I hope the Senate will approve this measure without further amendment.●

● Mr. GORTON. Mr. President, I am pleased to cosponsor this bill to authorize the National Science Foundation for fiscal year 1987. The National Science Foundation's support for long-term fundamental research contributes to the strength and well-being of the Nation in many ways. The Nation benefits from significant advances in the field of science and engineering, and these advances contribute to progress in many important areas of Federal responsibility, such as health, environmental, and agricultural research, national defense, and our Space Program.

More importantly, however, basic research is the foundation upon which our technologically advanced economy is built. Basic research, and the training of technology personnel, improves the ability of American industry to develop and market products successfully in the international marketplace. University laboratories are the source of fundamental understanding and new ideas which underlie all important new technology, and of the new scientists and engineers we need to solve important national problems.

I would like to congratulate the distinguished Senator from Utah on reporting an authorization bill at the President's request. On sequential referral to the Commerce Committee, there were very few amendments to the bill. I sponsored one which directs the Director to allocate an additional $4 million to astronomical sciences. The purpose of this provision is to rectify some of the unfortunate repercussions on astronomical research of the accident involving the space shuttle *Challenger*. The National Science Foundation funds ground-based astronomers, many of whom also conduct research funded by the National Aeronautics and Space Administration on spaced-based instruments. The *Challenger* accident has caused a lengthy delay in astronomers' ability to use instruments such as the Hubble space telescope, which was to have been launched in the fall of 1986, but which now will not be launched until at least mid-1988. These astronomers must continue their work on ground-based instruments, and the additional $4 million is intended to help fund this research.

I urge my colleagues to support H.R. 4184.●

● Mr. RIEGLE. Mr. President, I am very pleased to join my colleagues from the Commerce and Labor Committees in proposing this substitute.

It is a good proposal. The substitute authorizes NSF's fiscal year 1987 operations at the level requested by the President. Both Senate committees approved that request in our respective versions of the NSF bill, and the figure is in line with the basic assumptions of the budget resolution. I strongly support that proposed budget level and the increases it includes. Never before have NSF's research and education programs been so important to our country's technological competitiveness and economic future.

Mr. President, until last year we encountered tremendous difficulty in enacting an NSF authorization. The bill last year and this bill before us today are the products of many months of negotiation and compromise between the Commerce Committee and the Labor and Human Resources Committee. The procedure that we have established meets all of our needs, and together we have drafted a bill that well serves the needs of the entire scientific community.

I strongly support this legislation, commend it to my colleagues in the Senate, and hope that Congress completes action and sends it to the President in a very timely way.●

● Mr. GORE. Mr. President, it gives me great pleasure to support the proposed National Science Foundation Authorization Act.

Within this bill I have two amendments, the computer network study and the greenhouse effect report. The first amendment was originally introduced with Senator GORTON as S. 2594. It calls for a 2-year study of the critical problems and current and future options regarding communications networks for research computers. The second amendment requires the President to submit a report to Congress on the actions taken to establish an International Year of the Greenhouse Effect.

Both of these amendments seek new information on critical problems of today. The Computer Network Study Act is designed to answer critical questions on the needs of computer telecommunications systems over the next 15 years. For example, what are the future requirements for computers in terms of quantity and quality of data transmission, data security, and softwear compatibility? What equipment must be developed to take advantage of the high transmission rates offered by fiber optic systems?

Both systems designed to handle the special needs of supercomputers and systems designed to meet the needs of smaller research computers will be evaluated. The emphasis is on research computers, but the users of all computers will benefit from this study. Today, we can bank by computer, shop by computer, and send letters by computer. Only a few companies and individuals use these services, but the number is growing and existing capabilities are limited.

In order to cope with the explosion of computer use in the country, we must look to new ways to advance the state-of-the-art in telecommunications—new ways to increase the speed and quality of the data transmission. Without these improvements, the telecommunication networks face data bottlenecks like those we face every day on our crowded highways.

The private sector is already aware of the need to evaluate and adopt new technologies. One promising technology is the development of fiber optic systems for voice and data transmission. Eventually we will see a system of fiber optic systems being installed nationwide.

America's highways transport people and materials across the country. Federal freeways connect with State highways which connect in turn with county roads and city streets. To transport data and ideas, we will need a telecommunications highway connecting users coast to coast, State to State, city to city. The study required in this amendment will identify the problems and opportunities the Nation will face in establishing that highway.

The second amendment provides for a Presidential study of a possible international year of the greenhouse effect. As you know, the buildup of atmospheric carbon dioxide, chlorofluorocarbons, and other trace gases is causing a global warming that could have disastrous results on sea level, agriculture, and the climate. Rapid deforestation around the world is compounding the problem.

Now is the best time to slow down and stave off the potentially devastating impact of the greenhouse effect. We can move quickly to increase research into this global problem by establishing an international year of the greenhouse effect.

The concept of establishing a year of study to focus on a special issue or problem brought great success with the International Geophysical Year in 1957. That year led to the measurement of atmospheric concentrations of carbon dioxide which continues to this day.

Mr. President, I join with my colleagues in supporting the National Science Foundation Authorization Act of 1987.●

● Mr. ROCKEFELLER. Mr. President, I rise here today in strong support of S. 2184, a bill to reauthorize the National Science Foundation for 1987. I am certain that my colleagues in the Senate will view this legislation

with the same enthusiasm and interest as those of us who have served in its authorizing committees.

In an era of budgetary constraints and economic austerity it becomes particularly important to define our spending priorities and allocate our resources wisely. In my view, investing in our country's future, in our technological and scientific base, is not only wise, it is essential.

Mr. President, as an independent Federal agency, NSF has the unique responsibility for insuring the national health, prosperity, and welfare by promoting the progress of science and engineering. The National Science Foundation accomplishes this mission through the support of research and education in all fields of science and engineering at more than 2,000 colleges and universities across the United States.

Although its effort is a small fraction of the total national effort in research and development, the National Science Foundation is the primary source of support for these activities in our Nation's colleges and universities. This community is the principal performer of basic research in the physical and natural sciences that is the basis for the entire R&D enterprise. In fact, research funded by NSF not only provides the necessary personnel training needed by industry and academia, but has led to many developments such as new and improved materials, the revolution in areas of communications and microelectronics, advanced computing and biotechnology.

Furthermore, Mr. President, the National Science Foundation has the critical responsibility of ensuring that our children be educated in science and mathematics at an early age so that they may become our future scientists and engineers, and of supporting a steady stream of graduate students in science and engineering so that our technological excellence be maintained.

For those of us who consider research and education among our top priorities, it was particularly pleasing to note that the administration had requested a 13-percent increase for the National Science Foundation. Indeed, the authorization bill before us today is, in my opinion, a well balanced and fair request which will allow the National Science Foundation to fulfill its mission.

Mr. President, S. 2184 has several important features, among them is a slated increase of $4 million in redirected funds for astronomy. As many of us know, this program is the breeding ground for much of our space-related basic research and it also finances the National Radio Astronomy Observatories, like the one in my State of West Virginia at Greenbank.

Finally, Mr. President, I want to commend my colleagues in the Labor and Human Resources Committee for their excellent work in support of science and mathematics education. Senators HATCH, KERRY, and MATSUNAGA have all paid special attention this year to a subject that is of great interest to me as well as to them—the subject of technology education and preparing young people to deal with an ever more technological society. I hope that the Senate will devote even more attention in the future to this important issue.●

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to Calendar No. 717, H.R. 4184, the House companion bill.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. There is no objection.

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

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 4184) to authorize appropriations to the National Science Foundation for the fiscal year 1987, and for other purposes.

Mr. DOLE. Mr. President, I move to strike all after the enacting clause and insert the text of S. 2184, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 4184), as amended, was passed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that S. 2184 be indefinitely postponed.

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

EXECUTIVE CALENDAR

Mr. DOLE. Mr. President, I would like to inquire of the minority leader if he is in a position to confirm the following nominations on the Executive Calendar:

Calendar No. 895, George R. Salem; Calendar No. 940, William F. Ryan; Calendar No. 941, J. Michael Dorsey; Calendar No. 942, Manuel H. Johnson; Calendar No. 943, Donna Pope; Calendar No. 944, Richard H. Francis; Calendar No. 948, Charles R. Simpson III; Calendar No. 949, John A. Smietanka; Calendar No. 950, Robert G. Ulrich; Calendar No. 951, Lincoln C. Almond; Calendar No. 953, Reginald Bartholomew; Calendar No. 954, Julian Martin Niemczyk; and Calendar No. 955, John Hubert Kelly.

□ 0050

Mr. BYRD. Mr. President, I beg the distinguished majority leader's pardon. I am not sure that I clearly understood one or two of the calendar order numbers. Would he kindly repeat that request?

Mr. DOLE. They were Calendar Nos. 895, 940, 941, 942, 943, 944, 948, 949, 950, 951.

Mr. BYRD. Would the distinguished majority leader go back to 948, please?

Mr. DOLE. Yes; Calendar No. 948, Charles R. Simpson III; 949, John A. Smietanka; 950, Robert G. Ulrich; 951, Lincoln C. Almond; 953, Reginald Bartholomew; 954, Julian Martin Niemczyk; 955, John Hubert Kelly.

Mr. BYRD. So that the majority leader and I are tracking each other precisely, I should like to respond in this manner. Of the calendar orders stated by the majority leader, the following are agreeable on this side with respect to confirmation: 895, 940, 941, 942, 943, 944, 945—no—948, 949, 950, 951. That is as far as I can.

The PRESIDING OFFICER. The Chair is in doubt about 945.

Mr. BYRD. 945 I called by mistake. It is cleared on this side, but the distinguished majority leader did not call it up.

Mr. DOLE. I thank the distinguished minority leader. So that Calendar Nos. 953, 954, and 955 are not included.

Mr. BYRD. Yes.

The PRESIDING OFFICER. The Chair asks the clerk if there is any question about the nominations agreed to.

Mr. DOLE. I thank the Presiding Officer.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate go into executive session in order to consider the nominations just identified by the distinguished minority leader and confirmed by the majority leader.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. DOLE. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF LABOR

George R. Salem, of Virginia, to be Solicitor for the Department of Labor, vice Francis X. Lilly, resigned.

EXPORT-IMPORT BANK OF THE UNITED STATES

William F. Ryan, of New Jersey, to be First Vice President of the Export-Import Bank of the United States for the remainder of the term expiring January 20, 1989, vice John A. Bohn, Jr.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

J. Michael Dorsey, of Missouri, to be an Assistant Secretary of Housing and Urban Development, vice Warren T. Lindquist, resigned.

FEDERAL RESERVE SYSTEM

Manuel H. Johnson, of Virginia, to be Vice Chairman of the Board of Governors of the Federal Reserve System for a term of 4 years, vice Preston Martin, resigned.

DEPARTMENT OF THE TREASURY

Donna Pope, of Ohio, to be Director of the Mint for a term of 5 years. (Reappointment)

SOLAR ENERGY AND ENERGY CONSERVATION BANK

Richard H. Francis, of Virginia, to be President of the Solar Energy and Energy Conservation Bank, vice Joseph S. Bracewell.

THE JUDICIARY

Charles R. Simpson III, of Kentucky, to be U.S. district judge for the western district of Kentucky, vice Charles M. Allen.

DEPARTMENT OF JUSTICE

John A. Smietanka, of Michigan, to be U.S. attorney for the western district of Michigan for the term of 4 years. (Reappointment)

Robert G. Ulrich, of Missouri, to be U.S. attorney for the western district of Missouri for the term of 4 years. (Reappointment)

Lincoln C. Almond, of Rhode Island, to be U.S. attorney for the District of Rhode Island for the term of 4 years. (Reappointment)

NOMINATION OF GEORGE SALEM

Mr. HATCH. Mr. President, I rise today in support of the nomination of Mr. George Salem to be the Solicitor of Labor. Mr. Salem is an excellent candidate for this position, and already has an enviable record as the Acting Solicitor.

In June of this year, the Committee on Labor and Human Resources held a hearing on Mr. Salem's nomination. Although Mr. Salem has been involved in literally tens of thousands of issues while serving as the Acting Solicitor of Labor, one issue caught the attention of one member of the committee—the Labor Department's handling of the ERISA Advisory Council's Task Force on Terminations. Questions were raised about whether any laws had been violated, and accusations were made that Mr. Salem might have run afoul of the Department's own regulations by granting conflict-of-interest waivers to the task force members and allowing the task force to meet in private.

Testimony received at the hearing demonstrated quite clearly that Mr. Salem had properly complied with applicable laws and regulations in the issuance of the waivers and in allowing the meetings to be closed. In a statement prepared by the Office of Government Ethics, the Director of that office indicated that Mr. Salem had acted properly, responsibly, and commendably in the handling of the matter. In fact, the Ethics Office went on to state:

> We would hope more agencies would assist their advisory group members in understanding the appropriate parameters of their actions as has the Department of Labor in this instance. Mr. Salem was unanimously reported from the committee on June 25.

Despite the glowing review by the Office of Government Ethics and the more than adequate responses provided by Mr. Salem, a request was made for an investigation of this matter by the General Accounting Office.

The GAO report is now in, and it vindicates Mr. Salem on all but one count. According to the report, the Task Force on Terminations was not subject to the Federal Advisory Committee Act and therefore the task force was not required to comply with the balance and public access provisions of the act. The report also concluded that once the Department of Labor decided to treat the task force members as special Government employees, the Department's actions, including the granting of waivers, were appropriate. The report also notes, however, that the Department of Labor should have resolved the employee status of the task force members and addressed the conflict-of-interest issues before the task force was allowed to begin meeting, instead of during the meeting process.

While the delay in resolving these issues may not have satisfied totally the Office of Government Ethics guidelines, let's be fair to Mr. Salem. Mr. Salem was not in a position to control the fact that the task force began to meet before he became involved. Those of us familiar with the issue all know that considerable pressure was placed on the Department by some Members of this body for an expedited study of pension plan asset reversions, and the Department was attempting to do all it could to satisfy this congressional directive.

It is to Mr. Salem's credit that despite this pressure, he actually stopped the task force from continuing to meet at one point until the ethical issue could be resolved. In addition, the GAO report states that the determinations made by Mr. Salem with regard to the employment status and conflict-of-interest issues were correct, despite the delay.

Mr. Salem has performed admirably as Acting Solicitor of Labor since last December. He has provided outstanding leadership and valuable insight in carrying out the duties that have been assigned to him. On the basis of his performance and the positive results of what has become a very thorough investigation of his actions, I hope my colleagues will join me in voting to confirm his nomination.

NOMINATION OF WILLIAM F. RYAN

Mr. LAUTENBERG. Mr. President, I support the nomination of William F. Ryan to be First Vice President of the Export-Import Bank.

Mr. Ryan, a resident of New Jersey, brings to the Bank significant experience and expertise in the area of international finance acquired during a distinguished and successful career in the private sector.

Mr. Ryan served as a vice president for finance for Gulf + Western Industries. Before joining Gulf + Western, Mr. Ryan was chief of international finance at what was then known as the Allied Chemical Corp. HIs career in the private sector commenced with the Irving Trust Co. of New York.

Mr. Ryan's appointment to the Export-Import Bank would mark a return to public service that he began as a foreign service officer in the State Department. Mr. Ryan served here at home and in posts in Australia and England.

The Export-Import Bank has an important role to play to encourage American exports, and to combat subsidized credit granted by our trade competitors. I think Mr. Ryan will make a major contribution to the Bank's effort.

Mr. President, Mr. Ryan will bring to Government experience, intelligence, and wisdom. It is heartening to see that an individual of Mr. Ryan's status is willing to leave a successful post in the private sector to serve the Government and to offer to the public the value of his skills.

I urge the Senate to confirm his nomination.

NOMINATION OF RICHARD H. FRANCIS

Mr. McCLURE. Mr. President, on July 30, by a vote of 18 to 0, the Committee on Energy and Natural Resources reported the nomination of Richard H. Francis to be president of the Solar Energy and Energy Conservation Bank at the Department of Housing and Urban Development.

Dr. Francis has served as manager of the bank since June 1982. He had previously held senior positions in educa-

tional and housing organizations beginning in 1971, and prior to that date he served for 20 years as an officer in the U.S. Marine Corps. Dr. Francis is a graduate of the U.S. Naval Academy, and he received his masters degree from Yale University and his Ph.D. from the University of Maryland.

The Solar Energy and Energy Conservation Bank provides loans to eligible persons through the States and, in some instances, through local communities under State auspices. These loans may be used for solar energy or energy conservation projects.

In his statement before the committee during his nomination hearing, Dr. Francis described his implementation of the Bank's program during the past 4 years. He said:

> I am convinced that the program I have developed has resulted in a very effective economical operation which has precluded fraud, waste and mismanagement, thus directing maximum funding toward program objectives. I want to assure you, Mr. Chairman, each member of this committee and the entire Congress that I have attempted to act in the best interest of the citizens of this country whom we all serve to implement this program in a fair and effective manner in accordance with all the governing statutes.

Mr. President, Dr. Francis has fully complied with the committee's rules requiring submittal of a financial disclosure report and a detailed information statement. On behalf of the Committee on Energy and Natural Resources, I recommend Senate approval of Dr. Francis' nomination.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

□ 0040

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

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

THE ABRAMOWITZ NOMINATION

Mr. DOLE. Mr. President, I say before resuming legislative session, it will be my hope that we could confirm the nomination of Morton I. Abramowitz, of Massachusetts, to be Assistant Secretary of State. We had debate and vote on that last week.

It was my understanding that the distinguished Senator from North Carolina, Senator HELMS, would permit me to act on that this week. Maybe I misunderstood the Senator, but I would hope that early next week we could dispose of this nomination.

There are others we may not be able to dispose of but I hope we can do that one.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislation business.

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

ADJOURNMENT UNTIL 11 A.M., MONDAY, AUGUST 4, 1986

Mr. DOLE. Mr. President, I move that the Senate stand in adjournment until 11 a.m., on Monday, August 4, 1986.

The motion was agreed to; and, at 12:39 a.m., the Senate adjourned until Monday, August 4, 1986, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate August 1, 1986:

DEPARTMENT OF DEFENSE

Richard P. Godwin, of California, to be Under Secretary of Defense for Acquisition, new position.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. Edward A. Burkhalter, Jr., [redacted]/1120, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 5148(b), to be assigned as Judge Advocate General of the Navy:

Rear Adm. Hugh D. Campbell, [redacted] 2500 Judge Advocate General's Corps, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Richard M. Dunleavy, [redacted]/1320, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. Robert F. Dunn, [redacted]/1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Diego E. Hernandez, [redacted]/1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Charles R. Larson, [redacted]/1120, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. Paul F. McCarthy, Jr., [redacted]/1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. Edward H. Martin, [redacted]/1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. (lower half) Paul D. Miller, [redacted]/1110, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 711, to be reassigned in his current grade to be senior Navy member of the Military Staff Committee of the United Nations and to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

Vice Adm. Henry C. Mustin, [redacted]/1110, U.S. Navy.

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of sections 593 and 8379, title 10 of the United States Code. Promotions made under section 8379 and confirmed by the Senate under section 593 shall bear an effective date established in accordance with section 8374, title 10 of the United States Code (effective dates in parenthesis):

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. Frederick J. Barratt, [redacted] (3/27/86).

Maj. Harvey R. Chapman, [redacted] (5/13/86).

Maj. Douglas J. Cossentine, [redacted] (5/27/86).

Maj. Richard Drolet, [redacted] (4/5/86).

Maj. Pat C. Fragile, [redacted] (5/7/86).

Maj. Stephen W. Groves, [redacted] (4/6/86).

Maj. Melvin N. Hanna, [redacted] (5/1/86).

Maj. Barney L. Hitt III, [redacted] (4/1/86).

Maj. Richard A. Kertz, [redacted] (4/19/86).

Maj. Willima E. Mancini, [redacted] (4/13/86).

Maj. Frank J. Romaglia, [redacted] (4/9/86).

Maj. Walter S. Stashkiw, [redacted] (5/3/86).

Maj. Kenneth J. Stromquist, Jr., [redacted] (4/17/86).

Maj. Jackie W. Vaughn, [redacted] (4/6/86).

Maj. Kenneth E. Voelker, [redacted] (5/18/86).

Maj. Douglas B. Weber, [redacted] (5/6/86).

Maj. Wynne P. Williams, [redacted] (4/25/86).

CHAPLAINS

To be lieutenant colonel

Maj. Gerald A. Funcheon, [redacted] (4/29/86).

Maj. Larry M. Kirk, [redacted] (4/5/86).

MEDICAL SERVICE CORPS

To be lieutenant colonel

Maj. James R. Caldwell, [redacted] (4/3/86).

NURSE CORPS

To be lieutenant colonel

Maj. Margaret A. Woods, [redacted] (5/8/86).

CONFIRMATION

Executive nonination confirmed by the Senate August 1, 1986:

DEPARTMENT OF DEFENSE

M. D. B. Carlisle, of the District of Columbia, to be an Assistant Secretary of Defense.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Executive nominations confirmed by the Senate August 2, 1986:

DEPARTMENT OF LABOR

George R. Salem, of Virginia, to be Solicitor for the Department of Labor.

EXPORT-IMPORT BANK OF THE UNITED STATES

William F. Ryan, of New Jersey, to be First Vice President of the Export-Import Bank of the United States for the remainder of the term expiring January 20, 1989.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

J. Michael Dorsey, of Missouri, to be an Assistant Secretary of Housing and Urban Development.

FEDERAL RESERVE SYSTEM

Manuel H. Johnson, of Virginia, to be Vice Chairman of the Board of Governors of the Federal Reserve System for a term of four years.

DEPARTMENT OF THE TREASURY

Donna Pope, of Ohio, to be Director of the Mint for a term of five years.

SOLAR ENERGY AND ENERGY CONSERVATION BANK

Richard H. Francis, of Virginia, to be President of the Solar Energy and Energy Conservation Bank.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Charles R. Simpson III, of Kentucky, to be United States District Judge for the Western District of Kentucky.

DEPARTMENT OF JUSTICE

John A. Smietanka, of Michigan, to be United States Attorney for the Western District of Michigan for the term of four years.

Robert G. Ulrich, of Missouri, to be United States Attorney for the Western District of Missouri for the term of four years.

Lincoln C. Almond, of Rhode Island, to be United States Attorney for the District of Rhode Island for the term of four years.