The Senate met at 12:30 p.m. and was called to order by the Honorable Thomas A. Daschle, a Senator from the State of South Dakota.

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

Let us pray.
Hast thou not known? hast thou not heard, that the everlasting God, the Lord, the Creator of the ends of the Earth fainteth not, neither is weary? There is no searching of His understanding. He giveth power to the faint and to them that have no might. He increaseth strength. Even the youths shall faint and be weary, and the young men shall utterly fall; But they that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run, and not be weary; and they shall walk, and not faint.—Isaiah 40:28-31.

Merciful Father in heaven, we do not handle failure very well—and the more powerful, the less willing we are to acknowledge it. We tend not to tolerate failure in others, especially spouses and children. We refuse to admit failure in ourselves despite which the greatest exploits in human history have evolved out of failure. Thank You, Lord, for one of the finest freedoms bestowed upon us—freedom to fail. Help us realize we are not failures, no matter how often we fail, until we accept failure as final. Give us grace to accept failure in ourselves and allow for the failure of others as we grow and mature and achieve. Your will be done on Earth as it is in heaven. In Jesus name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE
The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. Stevens].

The assistant legislative clerk read the following letter:


To the Senate:
Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Thomas A. Daschle, a Senator from the State of South Dakota, to perform the duties of the Chair.

JOHN C. STEVENS,
President pro tempore.

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

RECOGNITION OF THE MAJORITY LEADER
The Acting President pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL
Mr. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

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

CAMPAIGN FINANCING REFORM
Mr. BYRD. Mr. President, today other Senators and I will be introducing an amendment to the campaign financing reform bill, Senator Boren and others will be on the floor to debate that amendment. I would hope to go until 6 o'clock or thereabouts. I may be prepared to offer a cloture motion on that amendment before the day is over.

At the moment, I do not anticipate any other business today. There could be a conference report prepared and ready, or there may not be. There could be other business to be transacted by unanimous consent. But, for the most part, the attention this afternoon, once morning business is concluded, will be riveted on campaign financing reform.

I have been disturbed this morning to find in a Louisville paper that our colleague, Senator McConnell, is being reported as having said that: "Senate Republicans met late yesterday and, with one GOP Senator dissenting, agreed to hold a cloture vote against the new version and any subsequent version that contains spending limits"—"spending limits"; let me repeat the words—"spending limits—and public financing."

Mr. President, I ask unanimous consent that the entire article to which I have referred be printed in the Record.

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

McConnell, Ford split on campaign financing
(By Robert T. Garrett)

WASHINGTON.—In a minidrama in which Kentucky's senators are playing lead roles, Senate Democrats agreed yesterday to scale back their proposal for public financing of congressional elections.

But few if any Republicans were reported willing to go along, which appears to be a week-old Senate impasse on campaign-finance legislation.

Helping to craft the compromise that Senate leaders hope will keep Democrats in line and peel away wavering Republicans was Kentucky Democratic Sen. Wendell Ford.

With each passing day, Ford is finding the bill before the Senate more to his liking. It increasingly seems to be stirring his combat juices.

Also feeling feistier and more confident with each passing day, though, is Kentucky Republican Sen. Mitch McConnell.

In his most visible role since coming to the Senate in 1985, McConnell has been one of two GOP senators leading a filibuster against the bill. McConnell has helped devise the minority party's strategy and has worked to keep Republicans almost rock-solid in their opposition.

The bill, among other things, would create the first system of public financing of congressional campaigns. In exchange for agreeing to limit their campaign spending, future candidates for the Senate would receive some public funds.

The debate on the Senate bill, sponsored by Democrat Robert Byrd of West Virginia and David Boren of Oklahoma, has focused on whether to impose spending limits and create the mandated system of public financing that would make the limits possible.
After the Democrats failed on Tuesday to cut off the filibuster—they needed 60 votes to do so, and got only 52—they began rewriting the bill to win some of their skull sessions have been held in Ford's office. Ford is the chairman of the committee that approved the bill in April.

The second version they drafted yesterday left its spending limits for participating Senate candidates intact (just over $2 million in 1987, $2.7 million in 1988) and did not alter its limits on how much money such candidates could draw from political-action committees.

But they have gone more for the cost of the public-financing scheme. Under the proposed new version, candidates could receive, at most, only 40 percent of their general-election finances from public funds—not 80 percent, as in the original bill.

They could receive federal matching money or for gifts of $250 or less from individuals.

A spokesman for Byrd, the Senate Democratic leader, said it had not been decided last night whether to allow the public subsidies to candidates to come, first, from $1 amounts taxpayers donated from their incomes; or second, from similar amounts taxpayers opted to have diverted from their tax payments.

McConnell said Senate Republicans met later in the day and for one GOP senator dissenting, agreed to bind themselves as a caucus to vote against the new version and any similar proposal that contains spending limits and public financing.

Mr. BYRD. Mr. President, there is too much money in politics. The people of this country know that and from their tax payments.

The legislation that will be introduced today will reduce—and it will be explained better, in more detail, later, but for now—it will reduce public financing more than half of what would be the case in the committee substitute for S. 2, which will be pending as soon as morning business is concluded. So we are meeting halfway, more than halfway, that objection.

I regret to have read this news story that our Republican friends have met and have attempted to act in a secret caucus to bind their Members against voting for this amendment or any subsequent amendment that puts a limitation on campaign expenditures.

It is too bad, if that is what we have come to. I would appeal to those on the other side of the aisle who believe—and I know that there are those who do believe we need campaign financing reform—I would appeal to them to work with us. Let us work together and attempt to find a way, to not only develop, but also pass, effective, meaningful campaign financing reform legislation that will put a limit on campaign spending.

Mr. President, I yield the floor.

RESERVATION OF TIME FOR REPUBLICAN LEADER

Mr. BYRD. Mr. President, I ask unanimous consent that the time of the distinguished Republican leader be reserved for his use later.

The ACTING PRESIDENT pro tempore. Without objection, the time will be reserved.

BICENTENNIAL MINUTE

JUNE 11, 1987: BIRTH OF JEANNETTE RANKIN

Mr. DOLE. Mr. President, on June 11, 1860, Jeanette Rankin was born near Missoula, MT. A longtime spokeswoman for peace and women's rights, Rankin could also claim several congressional

"firsts." Rankin was not only the very first woman ever elected to the U.S. Congress, but she was also the first woman to run for a seat in the Senate.

Rankin was elected to the House in 1916, 11 years before the 19th Amendment gave women the right to vote. Women in Montana, and other Western States, had gained that right through State action before women in the East. Rankin had long been involved in suffrage and other reform movements, and she campaigned across Montana for the State's "at large" seat in the House on a platform of Federal suffrage; an 8 hour day for women; tax law reform; legislation to protect children; and prohibition.

Rankin was best known during her first term in Congress for her vote against World War I; but she worked hardest at getting the suffrage amendment passed. In 1918, Rankin decided to run for the Republican primary, as a candidate of the National Party, a coalition of progressives, farmers, and prohibitionists. Her stand against the war led to her defeat, although she received 29 percent of the votes cast.

A quarter century later, Jeanette Rankin returned to Congress on the eve of the Second World War. Still an ardent pacifist, she was the only Member of Congress to cast a dissenting vote against America's entry into World War II. She was, in fact, the only Member of Congress to vote against both World Wars. After casting her vote, Rankin needed protection of the Capitol Police to get back to her office in the Cannon Building.

After this second term, Rankin retired from Congress to devote the rest of her life to working for peace. In 1968, at 87, she was back in Washington to lead several thousand women in a demonstration on the steps of the Capitol to protest the Vietnam war. Jeanette Rankin died in 1973 at the age of 94.

ADMINISTRATION Pulls Back Maverick Missile Sale

Mr. DOLE. Mr. President, as I'm certain everyone here knows, the administration is withdrawing its proposed sale of Maverick air-to-air surface missiles to Saudia Arabia.

Some might say that the administration merely read the handwriting on the wall—a resolution calling for the disapproval of the sale had well over 60 cosponsors.

But in fact, the administration has shown its willingness to both listen to Congress, and be responsive to it throughout this whole episode. And this is just another indication—as the consultations and reporting on the gulf situation and the reflagging issue showed—that on foreign policy mat-
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ters the White House wants to keep the lines of communications with Congress open.

Last week, Secretary of State Shultz came to my office for a meeting with a number of Senators—from both sides of this aisle—who wanted to express their concern about the Maverick sale. He listened to all their arguments, and within a short time the State Department notified Congress that it was extending the period of review for the sale from 30 to 50 days. It did so with the hope that "this additional time would provide an opportunity for a fuller dialog on the merits of this proposed sale prior to any legislative action."

But it became readily apparent by yesterday that the overwhelming sentiment was against the sale, and the administration pulled back.

A number of Senators had questions about the role of the Saudis—their role in the Stark incident, their role in supporting the PLO, their role in being a constructive force in the Middle East peace process, and their future role in providing military assistance to the United States in protecting the gulf.

Some of these questions have been answered, some of the concerns allayed. But until we have complete and credible answers, it is going to be very difficult for the administration to convince Congress to allow sales of sophisticated military equipment to the Saudis. It’s that simple.

The administration wants to cooperate with Congress on these arms sales—it made that clear at each and every step of this most recent process. And I have no doubts that it will continue to do so.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there was a period for the transaction of morning business, not to extend beyond the hour of 1 p.m., with Senators permitted to speak therein for a period not to exceed 5 minutes.

The Senator from Tennessee.

TRANSPORTATION OF NUCLEAR WASTE

Mr. SASSER. Mr. President, on Monday, a tractor trailer rig carrying seven 8,000-pound casks of enriched low-level uranium overturned at a busy exit on Interstate 40 in a very highly populated area just outside Knoxville, TN.

I am happy to report this incident did not result in the release of radioactive material into the atmosphere, though emergency procedures were taken as a precaution.

There was, in this case, no health threat. There was no loss of life.

But that overturned rig must serve as a warning, and we in this body must heed that warning.

The transportation of highly radioactive materials is an inherently risky business. In fact, accidents of the type that occurred outside Knoxville appear, statistically speaking, to be unavoidable.

In this instance it would appear that 5 of the trucks 10 hit the exit of off-street parking lots, and the 8th hit the guardrail. We have known that such negligence has become commonplace. We know that tractor-trailer related accidents have been all-too-frequent in recent years.

Absolute enforcement of truck safety regulations is a virtual impossibility, but the added potential of a nuclear catastrophe, a catastrophe that could threaten entire communities, simply must force us to take extraordinary precautions in the shipment of radioactive materials.

There are things that we can do. The obvious first step is to limit the transport of such materials through densely populated areas.

Mr. President, it is a violation of simple common sense to pursue a nuclear waste disposal plan that we know is exposing more citizens to risk than necessary.

Unfortunately, that is precisely what the Department of Energy is proposing right now. Instead of seeking a final underground repository in sparsely populated areas, as the Nuclear Waste Policy Act mandates, DOE is hell-bent on putting an above-ground monitored retrievable storage facility in Oak Ridge, TN.

In short, we are talking about a plan that could store all of the nuclear waste produced in this country, above ground, in one of the most highly populated areas of Tennessee, directly adjacent to the most visited national park east of the Mississippi River.

And then the route to Oak Ridge, Interstate 40, the artery on which the trailer overturned this Monday—that interstate is one of the most heavily traveled in the country.

In short, Mr. President, the DOE's proposal for a monitored retrievable storage site in Oak Ridge maximizes risk. It represents a totally unnecessary act of foolhardy brinkmanship. I would contend that the overturned rig on Interstate 40, the State officials trying to fend off the health threats, the local residents anxiously considering evacuation, that frightening scene is only a small beginning of what we can expect if we allow DOE to continue with its ill-advised plan.

The Department of Energy proposal means that some 854 additional shipments of highly dangerous nuclear waste will pass through the Knoxville/Oak Ridge area along I-40 and I-75.

Quite frankly, given the traffic on those interstates and given our experience with truck safety, we are literally begging for calamity.

Mr. President, we can do better than play Russian roulette with our nuclear wastes.

To my colleagues in States adjacent to Tennessee, make no mistake about it, the Department of Energy plan endangers your interstates and your citizens too, and it does so unnecessarily.

Disposing of nuclear wastes poses risks which are unavoidable. There is no doubt about that. But we certainly don’t need to increase the peril by seeking out the most highly populated areas through which to move these hazardous materials.

The technological age frequently leaves policymakers lusting for the lesser of two evils. It is the very definition of poor policymaking to pursue, actively, the greater evil. Certainly we must avoid doing that in formulating this country’s nuclear waste disposal policy.

Mr. President, I ask unanimous consent that an excellent editorial from the Knoxville Journal concerning this issue be included in the Record.

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

[From the Knoxville (TN) Journal, June 10, 1987]

ACCIDENT ONE MORE REASON TO BAR MRS

An accident like the one Monday in which a truck carrying nuclear fuel overturned on Watt Road is just one more reason why Oak Ridge shouldn’t be the site of a nuclear waste storage facility.

The truck was carrying seven 8,000-pound casks of enriched low-level radioactive uranium from a Columbia, S.C. Westinghouse manufacturing facility to a Missouri power plant where it was to be used.

If the U.S. Department of Energy locates a Monitored Retrievable Storage (MRS) facility in Oak Ridge, nuclear waste shipments—from high level materials such as spent fuel rods from the nation’s nuclear power plants—will grow on Knoxville area highways to 1,600 percent, according to DOE projections.

This means that 854 shipments, nuclear waste shipments, would travel along the area’s interstates each year.

While radioactive levels in Monday’s accident didn’t rise because the storage casks didn’t break, one need only drive along I-40 or I-75 in and around Knoxville to worry about one of the commonly seen reckless drivers swerving in front of a nuclear waste truck, causing it to tear and leak radioactive materials.

The brakes will fail on one of the trucks and this time, cause injury or death and the release of radioactivity.

Proponents of the MRS argue that the casks in which radioactive waste is stored will not break. They have been thrown against brick walls, crashed by trains and otherwise tested only to remain intact.

But they forget that the casks that hold both new and spent nuclear materials are not accident-proof.

Poor design or a careless worker leaving a crucial bolt can weaken the casks and leave them open not only to destruction in
an accident, but also to external contamination. Last year, the Nebraska governor forbade casks from coming through that state for fear of such external contamination.

A report prepared earlier this year by the Environmental Policy Group of the Tennessee Department of Health and Environment indicated there are concerns about the health and safety of Tennessee residents if the shipments proceed.

Several state senators expressed worry over the safety of transporting radioactive materials through Tennessee during the recent legislative session.

The Radioactive Waste Campaign, which is opposed to the MRS, estimates that the trucks carrying the waste will have five wrecks per million miles traveled. If a site is located in Tennessee, the number of accidents is expected to be two to three per year, given the average 500-mile trip the trucks would have to travel.

The decision whether to build an MRS and whether to locate it on the site preferred by DOE is up to Congress. A showdown could come soon, as a key Senate committee chairman has introduced legislation enabling the site, in response to Gov. Ned McWherter's veto last month of the DOE plan.

Congress should consider two key aspects. First, Oak Ridge is too populated and is too near even larger population centers to make it a reasonable site for the storage of nuclear waste, even on a temporary basis. And second, Congress should consider the implications of the transportation question. The MRS is designed to store the waste above ground, then repackage it and ship it on to underground permanent sites in another state, probably in the West.

But this creates needless miles of travel, which in turn increase the chance of accidents.

Those two to three wrecks per year involving trucks carrying the radioactive materials could happen in any Congressman's district.

The materials, which are kept in casks whose safety no one can guarantee despite claims to the contrary, should not be shipped twice—once to the so-called temporary site in propulated Tennessee, then again later out West.

The risks the transporters and their hazardous content travel should be limited to one trip—to a permanent site in the sparsely populated West.

Mr. SASSER. Mr. President, I wish to disavow the distinguished senior Senator from Wisconsin for yielding in advance to me.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is recognized.

IS THE FED CHAIRMAN AN ECONOMIC POWERHOUSE? THINK AGAIN

Mr. PROXMIRE. Mr. President, just how much power has the Chairman of the Federal Reserve Board? Respondents to a poll conducted by U.S. News & World Report have in the past rated the FED Chairman as the second most powerful man in the country after only the President of the United States. How about this comparison? Does it make sense? The answer is No. Emphatically no.

This is an absurd comparison. In spite of all the so-called checks and balances of the Constitution, the President of the United States has extremely limited power. The Federal Reserve Board, headed by the Chairman in Chief of what's arguably the most powerful military force on Earth. He can if he wishes almost totally control our foreign policy. He and his allies can initiate a nuclear strike against a foreign country. Although the Constitution gives the President limited power to determine our laws, in fact, he has an immense legislative power, far more than any Member of the Congress and often more than the entire Congress combined.

It is the President who initiates most major legislation. It is the President who has the power to determine how vigorously legislation is executed and, indeed, whether legislation is executed at all. And, of course, the President alone can block almost all controversial legislation by simply exercising his veto.

But it is in the total domination of the executive branch that a President can exercise his most effective power. He appoints the tightest policy-makers to office. He can fire them at will. The Senate almost never challenges Presidential nominees. Our form of government has rightly been called a Presidential government—not Congress. It is, in fact, a Presidential government, and it is. The President's power is only limited by the President's ability, his energy, and his desire to lead.

Now compare all this with the Chairman of the Federal Reserve Board. The FED Chairman's power is limited primarily to control over the supply of credit to our economy. He has no voice in military policy. He has an international economic policy influence. The President, however, has achieved it only through negotiations with the central bank leaders of other countries. And even then it is circumscribed within the narrow limits of international credit. He has a very modest bank regulatory power which he shares with two other Federal commercial bank regulators and 50 State bank regulators.

Furthermore, the FED Chairman's power is limited by the fact that he owes his office to the President who appoints him. Every last vestige of power the Chairman exerts comes to him from the Congress. The Constitution gives the Congress the money and the power. The Congress has delegated that power to its created Federal Reserve Board. It can abolish the Federal Reserve Board any time at will. The Congress can reclaim its own constitutional powers over the Nation's credit supply at any time in whole or in part.

But the real limit on the power of the FED Chairman comes from the fact that he has just one vote in a seven member Board. The Chairman's term as Chairman lasts only 4 years. The terms of his colleagues on the Board last 14 years. The Chairman cannot control the highly skilled FED staff. He does allocate duties among the Board members. But he can only institute or sustain bank regulatory policy with the agreement of a majority of the other six members of the Board. Those other members can and do disagree with the Chairman.

Now, how about monetary or credit policy? This is the real cutting edge of the Federal Reserve Board's power. How full is the Chairman's power in this role, because of the very nature of his power is especially diluted. He must share his power with 11 other members of the Open Market Committee. That means the six other Federal Reserve Board members plus five presidentially appointed Federal Open Market Committee members. Those other Board members can and do disagree with the Chairman.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that the period for the transaction of morning business, under the provisions heretofore stated, be extended to the hour of 1:30 p.m. today.

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

Mr. RIEGLE. Mr. President, I rise today to begin to discuss in a serious way our trade problem in this country. It has been announced by the majority
leader that when we complete action on the campaign finance reform legislation that is currently in front of the Senate floor will be the trade bill. We have produced within the Finance Committee a trade proposal which will be the matter that will be before the Senate at that time. I wanted today to begin the discussion that has to precede the consideration of that trade bill by indicating exactly where we are in our trade circumstance today.

Frankly, we are in terrible trouble. I brought with me three charts today to illustrate this. In my view, a powerful fashion.

The first chart depicts our trade deficit. The line at the top of the chart indicates the balance of trade. You can see from looking at the chart in the left-hand side, a very large part of our goods and our services were more or less holding our own in the trade account. In the late seventies, however, we came down to a deficit position and remained there, on a plateau, for several years, until 1982.

Then, suddenly, our trade situation got much worse and, as this chart shows, we began to hemorrhage in terms of our trade situation. The U.S. trade deficit last year was nearly $170 billion. It is incredible to imagine that we bought $170 billion more of foreign goods than we were able to sell overseas. Nothing in our contemporary history touches that kind of trade performance.

If you think of this chart on our trade balance each year as a credit statement, I would like to show what our balance sheet looks like, because this shows an even more troubling picture of our negative circumstance.

Mr. PROXMIRED. Mr. President, will the Senator yield?

Mr. RIEGLE. Yes, Mr. President.

Mr. PROXMIRED. I commend the Senator on what he is doing. I think this is extremely important. I am sure that in Michigan, as well as in Wisconsin, this has a terrific impact on the jobs that are available.

It is not true that when you have a $170 billion adverse balance of trade, that means you lose between 3.5 and 5 million jobs? In other words, the fact that we have around 8 million people unemployed in the country can be traced in very large part—in fact, most of it—to the fact that we have such a devastating adverse balance of trade.

Mr. RIEGLE. That is exactly right. I would say further than because some of the important goods are high-value-added goods, they represent high-paying jobs. They represent skilled jobs. They represent employment that we have used in the past in this country to build the middle class, so that many of the jobs that are disappearing are some of the best jobs in our society. We are losing the jobs but we are losing jobs that are very hard to replace.

In addition to the jobs, let me go to the issue of our underlying financial situation. This will also be of interest to the Senator from Wisconsin because of the emphasis he gives to these kinds of issues.

This chart shows also that as these trade deficits have piled up, we have crossed the line and become a debtor nation. If you look at the chart that shows our underlying financial position, you will see that until roughly 1984, going all the way back to 1914, we were a creditor nation. We had a very strong international financial position. That carried us through the Great Depression, the world wars, and so forth.

But about 1984, as this chart shows, we crossed out of the creditor nation status shown in blue here, and we became a debtor nation for the first time since 1914. In a short period of time—that is, 12 years—our government has gone into and our debt has escalated into this debtor nation status to the point where we have passed everybody else on that list. We hear about Poland, Mexico, Brazil—we are now the No. 1 debtor nation. Interestingly, and alarmingly, we are adding new international debt at the rate of $1 billion every 2 1/2 days. That is the slope we are on now.

If you think in terms of the change in circumstance from this high point just about 4 years ago to this low point today, to imagine our fortunes have changed that dramatically, it is really a breathtaking change. The New York Federal Reserve Board has estimated that by 1990, which is only 3 1/2 years away, we are going to owe the rest of the world roughly $1 trillion.

What has happened? I want to relate this now to the Venice summit. The President went to Venice and hoped to persuade our allies to help us in certain ways—the Persian Gulf, trade barriers, terrorism, et cetera. And basically, he got the cold shoulder. The reading is that our allies are not too happy.

It turns out that much of the debt we now owe, we owe to our allies. They are our creditors. In the case of the Western European nations, we now owe them about $238 billion. In the case of Japan, we owe Japan about $73 billion. We are in debt to these nations, in effect, as our creditors. So, when the President of our country goes to deal with these foreign powers, who are so deeply in debt and going more deeply into debt each day, it is not surprising that we do not have so much leverage. It is not surprising that we are not able to exercise very much influence because we are in a very weak position. We are in a very weak position because we put ourselves in hock with this kind of massive debt.

When the trade bill comes to the floor, we are going to have an opportunity to do something about reversing these trend lines, restoring the balance of trade, and starting to work our way out of this debtor-nation status. But we do not have long to do it, because time is a very precious commodity.

I think it is beginning to hurt us in every area of our national conduct. I shall give another example. Recently, we had a major Treasury refinancing, as we have to do periodically, to roll over the debt. The Japanese for a time indicated that maybe they would not participate in that financing. This set off a shock in the financial markets and interest rates kicked up suddenly. Anybody who has an adjustable rate mortgage knows it has just been adjusted upward, because the prime rate has gone up. The nations to whom we are so deeply in debt are now beginning to pull the string on us and show us we are going to have to pay higher interest rates in order to attract them. If they are going to have an interest in that money.

So now even though the economy is not in as bad shape as the United States today, we are finding that interest rates have gone up. It would be better for economic growth and job creation if interest rates could stay down and perhaps go even lower.

We are caught in an extraordinary dilemma. When the trade bill comes to the floor, I will be offering an amendment that we are still refining—and we are working with members of the Finance Committee now—that will be an alternative to the Gephardt amendment. It will be an amendment that will deal with the unfair trade barriers in foreign countries that have helped create these terrible conditions.

I want to show one final chart. This is a depiction of our bilateral trade deficit with just the nation of Japan. It is incredible to see how, from 1976 through 1986, this annual trade deficit has expanded at such an alarming rate, this despite a 40-percent change in the value of the dollar versus the yen, which should have had an effect of improving the situation but in fact did not and has not as yet.

We have a very serious problem. We have trade barriers in Japan today that are valued at an annual estimated amount of $15 billion. We have American products and American services that are ready to sell in Japan and it is just that we are trying to sell in Japan. They are better products, they are cheaper, and they could be sold there but for the Japanese Government and the Japanese economic system which will not let those American products be sold. Some are agricultural products, some are manufacturing products. We know about other problems, but just the sheer barriers in Japan to keep out our products that could be sold there today amount to 15 billion dollars' worth of this total.
So the amendment that I am crafting to make the trade laws fair will address just those items where the cheating is going on that prevents our products—and the workers jobs those products represent—from being able to compete fairly, even like Japan with these huge surpluses.

There are really three countries that are in the most offending category today with huge bilateral surpluses and very considerable barriers to products. They are Japan, Taiwan, and Korea. My amendment will deal with all countries that fall into that category, but those are the three chief offenders now.

So I indicate to my colleagues that this is the purpose and background of why we have to craft something reasonable, something that keeps the trading system open, that gives us a chance to work our way out of this terrible debtor nation condition so that we have the economic strength for the future, so that when our President does go to a summit meeting he does not have to go hat in hand. He does not have to go, in a sense, talking to people to whom we are deeply in debt for the future, as they are increasingly doing.

This is the background for everyone as we approach this major trade debate. I will be circulating in due course a letter to colleagues asking for their support on this trade amendment that I will be offering which, as I say, will be an alternative, a replacement for the Gephardt amendment. It will only go against the unfair trade practices in foreign countries. There is a formula by which it will be done, and I think it is a reasonable, balanced amendment. We have no more time to lose, we have the economic strength for the economic trouble internationally and it is time we acted to change that.

The PRESIDING OFFICER (Mr. Wirth). The time of the Senator from Michigan has expired.

Mr. RIEGLE. I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana.

GEPHARDT II

Mr. BAUCUS. Mr. President, yesterday I began a series of statements explaining why I feel that the Gephardt amendment would be a bad trade law. This morning we heard from the Senator from Michigan who explained that he is going to be offering to the trade bill a son of Gephardt, a variation of the Gephardt amendment. As I understand the Senator, I think the amendment, in its modification, the rewrite of Gephardt is a slight improvement of a very bad amendment, but in my judgment it does not go nearly far enough, and I will explain why.

Yesterday, I focused on what life would be like under the Gephardt amendment. Today, I would like to explain why Gephardt and its variations, as we have heard thus far, are not a conceptually sound approach to trade policy.

UNFAIR TRADE PRACTICES—NOT THE ENTIRE PROBLEM

Mr. GEPHARDT and his supporters argue that certain countries trade unfairly in order to maintain excessive trade surpluses with the United States. They argue that the structure of these economies denies us market access, that only dramatic action will jolt them into opening their markets.

You know what? They are right, but only by about 10 percent. Those nations do trade unfairly and it is correct for us to attack them for their trade practices. But the problem with the Gephardt amendment is that it does not address the heart of the problem. The Gephardt amendment takes a bachelor's degree approach to today's trade problems, but America needs to take a Ph.D. approach.

Today we live in a world in which Japan's overriding concern has been to maintain its export base with little priori ty given to improving its people's standard of living. Meanwhile, the United States gives top priority to maintaining its standard of living artificially through an excessive budget deficit and short-term consumption. Japan refuses to stimulate its economy. The United States has made very few concrete efforts to improve its own competitive position. In other words, getting tough on the Japanese will not do much good unless we also get tough on ourselves.

These are broader problems that must be solved before our trading posture will improve. Eliminating unfair trade practices is not the solution, but it is only a small part of the solution. There is much more. In fact, Gephardt himself concedes that these unfair trade practices account for no more than 15 percent of the overall trade deficit. According to the Office of the Trade Representatives' trade barriers were eliminated, U.S. exports would increase by no more than $30 billion, which is something but is not much in the face of a $170 billion overall trade deficit.

In contrast, a recent study by the Federal Reserve Board indicated that 50 to 75 percent of the trade deficit was attributable to the inflated exchange rate of the U.S. dollar caused by the U.S. fiscal budget deficit. In other words, the budget deficit is the main engine driving the U.S. trade deficit. Further, the Wharton School of Economics recently estimated that 20 percent of the U.S. trade deficit was caused by declining U.S. competitiveness in world markets. Until the United States can produce products that are competitive with their Japanese counterparts, we will always have a trade problem, a severe trade problem.

So I do not oppose the Gephardt amendment because it does not address a legitimate problem. Rather, I oppose the Gephardt amendment because it does not address the problem in a way that will do the most good for this country. We have a choice. We can make our trade policy by blaming all of our trade problems on our trading partners—we are the good guys, they are the bad guys and we shoot the heck out of the bad guys—or we can recognize the complexity of the situation. Many countries trade more unfairly than do we, but the United States causes some of its own problems, too, and we can structure a trade policy that faces those tough questions. The good guys versus the bad guys trade policy does not get us anywhere but the good guys trade policy is more likely to get results and help our constituents. We owe it to them to make the right choice. The Gephardt amendment is not only inadequate trade policy, it is also harmful trade policy. Tomorrow I will take a good look at the impact that the Gephardt amendment and its variations would have on consumers and upon the economy generally.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

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

JUDGE SENTELLE AND MASONRY

Mr. HELMS. I feel obliged to comment on a matter that has developed with regard to the nomination of the Honorable David Sentelle to the U.S. Court of Appeals for the District of Columbia Circuit.

Judge Sentelle is a prominent and highly respected North Carolinian. His nomination to the D.C. Circuit Court of Appeals has been before the Senate since February 2. The hearing on his nomination was conducted by the Senate Judiciary Committee on April 1 and was reported unanimously—unanimously—from the Judiciary Committee on April 29 along with the nomination of Ronald Lew of California to the Federal bench of the central district of California.

Mr. President, it had been reasonably assumed that both nominations would be quickly and routinely confirmed by the Senate—and, in fact, the nomination of Judge Lew was confirmed on May 7.

But not the nomination of Judge Sentelle. The distinguished Senator from Illinois [Mr. Simon] placed a "hold" on the Sentelle nomination be-
cause Senator Simon stated that he had some concern about Judge Sentelle's being a member of the Masonic Order. I certainly do not criticize Senator Simon for seeking information about Masons. He was well aware that Masonry is among the Nation's most historic and most highly respected organizations, and throughout the history of the United States there have been literally thousands of this Nation's top leaders, including President George Washington, who were and are Masons.

Indeed, Mr. President, both the majority leader of the Senate Mr. Byrd and the minority leader [Mr. Dole] are 33rd-degree Masons. So is the distinguished assistant minority leader [Mr. Simpson].

I shall address that general point in more detail momentarily. Let me now return to the Sentelle nomination, which has been delayed for the better part of 6 weeks for no reason whatsoever.

Last week I talked with Senator Simon and he readily agreed to lift his "hold" on the Sentelle nomination. Presumably my friend, the able Senator from Illinois, had received the assurances that he needed from the American Bar Association. In any event, Senator Simon did, in fact, withdraw his "hold" on the Sentelle nomination.

Then, Mr. President, the distinguished Senator from Massachusetts [Mr. Kennedy] put his "hold" on the Sentelle nomination—for, insofar as I know, no stated reason.

Now, let me make it clear that I support the courtesy extended to all Senators to place "holds" on any nomination about which they have a question. It is essential to the advise-and-consent process which makes it the right and duty under the Constitution to exercise their responsibility in approving or disapproving nominations.

I myself in my 14% years in the Senate have exercised that responsibility. I have placed many "holds" on nominations. I shall continue to do so when I think it important to do it. But I never have been frivolous about it, and if there is any question about that I shall be delighted to sit down with any Senator who may doubt it and explain specifically and in detail why, in each case I have placed the "hold." There have been those who may have disagreed with my reasoning in the instance of the holds that I have placed in past time. But I can assure them, and demonstrate to them if they have any doubt as to my faithfulness in exercising my constitutional responsibility as a Senator with respect to advise and consent.

I say that to emphasize that I have never criticized any Senator who was led to place such a "hold" on any nomination when it was placed in good faith. But when a "hold" is placed for a frivolous or political reason, if and when that should ever happen, it is regrettable and it is totally inconsistent with the advise-and-consent process of the Senate under the Constitution.

And many Senators find fault with the character, ability, dedication, personal life, loyalty or the beliefs of David Sentelle and wishes to delay or oppose Judge Sentelle's nomination for any of those reasons, there will be no holding up of the nomination.

But to delay the confirmation of Judge David Sentelle because he is a Mason, because he is and has been a Mason goes beyond the pale. I do hope that the leadership will proceed to bring up the Sentelle nomination unless a Senator can provide a complaint beyond the fact that the Senator may dislike the fact that Judge Sentelle is a Mason.

I should mention, Mr. President, that I have done it myself in the past, and I am doing it now, and will undoubtedly do it in the future. But I have never failed to state my reasons.

And I say again that if Senator Kennedy or any other Senator can identify any defect in the character of Judge Sentelle, or any lack of ability, or any failure to conduct himself as a decent, honorable, and totally loyal American citizen, I will have no complaint about further delay of the Sentelle nomination.

But to delay David Sentelle's nomination because he is a Mason borders on being unconscionable. I am hopefully confident that this is not the basis for the further delay of the Sentelle nomination and I do hope that it can be presented promptly for consideration by the Senate.

If membership in a Masonic lodge were a disqualification for public service, American history books would be bereft. Nine signers of the Declaration of Independence, 13 signers of the Constitution, 15 of our 40 presidents—including George Washington, Benjamin Franklin, Harry Truman, Lyndon Johnson, and Gerald Ford—are of the Senate's Majority Leader Robert Byrd and Minority Leader Robert Dole, Sam Nunn, John Glenn, Mark Hatfield, Arlen Specter, Strom Thurmond, Ernest Hollings, James McClure, Charles Grassley, J. Bennett Johnston, John Ennis, J. Exon, Jesse Helms, Quayle, Byrd and Dole, Robert Stafford, and Alan Simpson—and at least 58 Members of the House of Representatives, including Speaker of the House Jim Wright, Don Edwards, Claude Pepper, Dan Glickman, Guy Vander Jagt, William Ford, Trent Lott, Hamilton Fish, and Delbert Latta, are Masons.

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EXTENDING MORNING BUSINESS FOR 45 MINUTES

Mr. BYRD. Mr. President, I ask unanimous consent that the period for morning business be extended for 45 minutes.

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

Mr. STEVENS. Mr. President, while the distinguished leader is here, I had intended to make a statement on the pending business before going to a conference at 2 o'clock. Is there going to be a limit on the time a Senator may speak during this extended period?

Mr. BYRD. Mr. President, in response to my friend, I ask unanimous consent that Senators may speak out of order during this period for morning business and that they may speak for not to exceed 15 minutes each and that the speech, if it relates to the unfinished business, may appear in the Record at a place which would be appropriately connected with that unfinished business at such time as the Senate returns to the unfinished business.

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

Mr. STEVENS. Mr. President, I thank my good friend for his usual courtesy and kindness.

Mr. BYRD. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I ask unanimous consent that the remarks I give at this time, even though in morning business, appear when the unfinished business is taken up and be laid in the Record at that time.

The PRESIDING OFFICER. Those are, in fact, the terms and conditions under which we are in morning business.

(Mr. Reid's remarks, as well as Mr. Wirth's remarks, are printed later in the Record, with reference to a consideration of the Senate Election Campaign Act.)

CALMING TROUBLED WATERS: TIME FOR A DIALOG ON THE PERSIAN GULF

Mr. PELL. Mr. President, on June 4, I introduced legislation to keep the United States out of the Iran-Iraq war by barring the "reflagging" of Kuwaiti tankers with the American flag—wringing the American flag as a lifeline around these vessels. In my statement, I argued that the benefits of reflagging—and the provision of United States naval escort for the Kuwaiti tankers—were minimal while the risks are substantial. I would like to explore these issues a bit further today.

The administration asserts, with great rhetorical flourish, that the reflagging of 11 Kuwaiti tankers and their escort by the United States Navy is essential to American interests in freedom of navigation in the Persian Gulf. In fact, some 600 ships travel through the Strait of Hormuz each month, or roughly one every hour. Each of these ships is vulnerable to attack from Chinese Silkworm missiles, soon, apparently, to be operational on the Iranian shores.

Further, at any given time there are some 100 ships in the gulf. These are vulnerable to aerial attack from either Iran or Iraq.

Since 1983, Iran and Iraq have been waging war against ships calling at each other's ports. Iran has repeatedly stated that if Iraq cuts off its shipping throughout the gulf, Iran will make sure no other country may make use of the gulf.

Protecting 11 Kuwaiti tankers will not make even a modest contribution to freedom of navigation in the gulf. Protecting all 600 ships transiting in and out of the gulf would require a commitment of resources on a scale not contemplated by the administration.

Freedom of navigation, then, is no argument for the reflagging. A second argument advanced is that if the United States does not provide naval escorts, then the Soviets will. A Soviet reflagging would, it is contended, give them a foothold in the gulf.

I have never been persuaded that we should do something merely because the Soviets are doing it, or might do it. This is especially true if the action is contrary to our own interests.

In this case, the Soviets have acted with far greater caution than we have. The Soviets have not increased their naval presence in the gulf and, in spite of a Soviet tanker being struck by an Iranian mine, have carefully avoided bellicose rhetoric.

According to First Deputy Foreign Minister Yuli M. Vorontsov, cited in an article appearing in Sunday's New York Times, the Soviet Union has been engaged in discussions with Iran, Iraq, India, and other countries on the Persian Gulf situation. Further, the Soviets have proposed talks with the United States on how to protect shipping in the gulf.

We should accept the Soviet offer for discussions. In fact, a United States-Soviet dialog provides the best opportunity to limit the Soviet naval presence in the Persian Gulf.

Instability creates opportunities for the Soviets. United States credibility in the Persian Gulf region is at an all-time low. Our allies and the regional states view our plans with great skepticism, a skepticism shared by the American people.

A go-it-alone, high risk, highly rhetorical policy will not reestablish United States credibility. On the contrary, it risks further damage to U.S. prestige and influence.

Now is the time to talk softly—at the United Nations, to our allies, to the Soviet Union, and to the regional states about protecting shipping in the Persian Gulf, and above all, about ending the Iran-Iraq war.

Mr. President, I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The PRESIDING OFFICER. The majority leader is correct.

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

The PRESIDING OFFICER. Without objection, it is so ordered.
June 11, 1987

CONGRESSIONAL RECORD—SENATE 15415

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that the period for the extension of morning business be extended until 3:15 p.m.; that Senators may speak therein up to 15 minutes each, and, provided further, that any speeches that are on the subject of campaign financing reform appear in the Record at such place as occurs when S. 2, the unfinished business, is again laid before the Senate.

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

The PRESIDING OFFICER (Mr. ADAMS). The Senator from Nebraska.

SMALL BUSINESS

Mr. KARNES. Mr. President, I take the Senate floor today to apprise my colleagues of an action taken by the Senate Small Business Committee this morning. Our action was to mark up a bill to address two critical problems in our economy today: the problems of small businesses and the trade deficit. I am pleased to be a cosponsor of S. 1344, the Small Business International Trade and Competition Enhancement Act, which was acted on favorably by the Senate Small Business Committee this morning on a bipartisan 17-to-0 vote. I feel this legislation can provide American small businesses with the opportunity and the resources to expand into and compete effectively in international markets.

The innovative and entrepreneurial nature of small businesses provides our Nation's economy with vitality. Through creativity and diversity, small businesses add strength and stability to the economic foundation upon which this country was built. These innovative and diverse businesses employ nearly half of the private sector work force and have created nearly two-thirds of the Nation's new jobs in the last decade.

This proposal will have a significant impact not only upon the national economy but also upon my State's economy. Nebraska's economy is very dependent on small businesses. The Nebraska Department of Economic Development estimates that 99.2 percent of the State's business are considered small businesses.

The Small Business Administration has informed me that there are approximately 60,000 businesses in Nebraska. The Nebraska Department of Economic Development estimates that roughly 450 Nebraska businesses currently export or have exported in the past 7 years. This means that only about three-quarters of 1 percent of Nebraska businesses are exporting in the world markets. My colleagues will discover that a similar situation exists in many of their States.

Much of our Nation's economic growth can be attributed to small businesses. This is why it is essential that we not overlook this important business sector as we strive to regain our leadership role in the world marketplace.

Any trade enhancement policy which Congress adopts must not only include export initiatives for America's small businesses. S. 1344 will initiate programs designed to provide small businesses with the ability to actively pursue international markets for their goods and services.

This bill provides small business with greater access to necessary capital, credit, and trade data so that they may venture into the international marketplace. It provides for a greater integration of already established governmental programs which will serve as conduits in the search for new trading partnerships.

The legislation will improve small businesses' ability to compete in international markets by increasing the distribution of information about demand in foreign markets, market leads, export financing programs, and other available trade data. The framework for gathering and disseminating this information is already constructed and ready to be utilized. The bill will expand the mandate of the existing Small Business Administration International Trade Office. Furthermore, it will expand the functions of the Department of Commerce and the Small Business Administration by bringing them together in a cooperative relationship designed to develop and promote exports by small businesses. The measure will give small businesses access, through localized SBA networks, to the vast resources of the Department of Commerce and other relevant Federal agencies.

The legislation will provide for the development of trade promotion programs within States by creating Small Business Export Assistance Centers. These centers will be operated through already existing entities such as the Small Business Development Centers. The Small Business Export Assistance Centers will serve as information dispersion centers and will also serve as a delivery clearinghouse for small businesses that wish to participate in the international marketplace.

The Small Business Development Centers are excellent vehicles by which trade expansion programs can reach out to small business. Nebraska has one of the original pilot centers which is now known as the Nebraska Business Development Center. The NBDC holds about 125 workshops and seminars, and consults on about 1,200 cases per year through its 5 statewide locations. A review of last year's NBDC report provides ample proof of the center's effectiveness in assisting small businesses in Nebraska.

This type of network is in place not only in Nebraska but all over the country. The network is there and should be utilized to draw our innovative small businesses out into the international markets. As legislators, we should always be looking at where we have invested our resources in the past and build upon and expand those programs which are successful.

A great deal of effort has been put forth by the Federal Government to set up this SBDC center network. As we look outward for opportunities in the world market we must also look inward for American businesses which can take advantage of the opportunities that we discover. I think this bill will provide the avenue which will link our small businesses with the world marketplace. I hope that S. 1344 receives the overwhelming support which it deserves when it is put before the full Senate.

Mr. President, I look upon S. 1344 as our measure that the small business interests of America will be included in the comprehensive trade reform legislation which Congress intends to enact in the very near future.

EXTENSION OF TIME FOR MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

Mr. BYRD. Mr. President, I ask unanimous consent that morning business be extended, under the same restrictions as heretofore, until 3:30 p.m. today.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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.

ALTERNATIVE DISPUTE RESOLUTION

Mr. GRASSLEY. Mr. President, I rise today to speak on a question that goes to the heart of our American judicial system. That is, how do we resolve disputes in this country?

For many years before his retirement, Chief Justice Warren Burger warned that if our legal system did not change to cope with our excessive urge to have the courts settle all disputes, our way of life would be jeopardized.

Justice Burger's fear may be the reality. We are, by any measure, the most litigious society in the world. Many other experts within the legal establishment have been joined by lay
critics who believe that we are suffering from too many laws, too many lawsuits, too many legal entanglements, and too many lawyers.

In fact, the United States has the largest number and rate of lawyers in the world—the number having more than doubled since 1960 to more than 600,000.

These men and women are hard at work. The proof is in the 16 million civil lawsuits pending in our State and Federal courts—1 lawsuit for every 15 Americans.

Of course, only a small percentage of these cases—roughly 5 to 10 percent—actually go all the way to judicial resolution. But all of these cases are costly. In fact, the only thing that’s certain about a lawsuit is the expense.

Although the Government subsidizes many of the costs of running the courts, their full use requires expensive lawyers and the time of the disputants. This means that courts are generally inaccessible to all but the most wealthy parties.

Along with many others—lawyers and nonlawyers alike—I have reached the following conclusion:

Our society cannot and should not rely exclusively on the courts for the resolution of disputes. Other mechanisms may be superior in a variety of controversies. These alternatives may be less expensive, faster, less intimidating, more sensitive to the concerns of the parties, and more responsive to underlying problems.

In my view—as a citizen, a legislator, a member of the Judiciary Committee, and as one with a desire to improve the regard which our people hold the legal system—the answer to our legal dilemma is in alternative dispute resolution.

The methods of ADR are not new. Arbitration, mediation and negotiation and the like have been with us for years. State and Federal courts are trying a range of alternatives to adjudication.

ADR methods now resolve consumer complaints, small commercial disputes, insurance claims, employment grievances, even divorce cases.

The administrative conference of the United States, the American Bar Association and private sector groups have studied and implemented some of these techniques, on occasion.

On my own, I recognize a fact that administrative agencies now decide far more cases than do the Federal courts—hundreds of thousands annually.

The subject matter of these cases covers every aspect of our lives—disability claims, civil rights, labor relations, health and safety, grants, loans and procurement, trade issues, and so on.

The irony is that while agencies’ procedures were set up as an alternative to excessively formal court rules, many agencies’ decisions now get hung up in procedural red tape. Agencies have become too much like mimics of the courts.

It is true that some Federal agencies have taken tentative steps toward use of alternative dispute resolution. Perhaps in my view, we in the Congress ought to do more to promote the increased and thoughtful use of ADR.

Shortly, I will be introducing legislation encouraging greater agency use of alternative dispute resolution. The same forces that make ADR methods attractive to private disputes can make them useful in Government cases decided by quorum.

Of course, just as alternative dispute resolution offers great promise, it also raises many questions. For example, how do we decide which mechanism is most appropriate in a particular case? How should these alternatives be financed? How should the outcomes be decided by a Federal agency?

I look forward to joining with my colleagues, and the administration and the private bar in finding the answers to these questions. If we succeed, we will immeasurably improve the public perception—and the reality—of our American justice system.

As former Chief Justice Burger said that is a very important goal for us to have and a very important concern that we ought to be dealing with.

Mr. President, I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

THE CLEAR AIR ACT

Mr. WIRTH. Mr. President, I wish to speak briefly during this time of morning business on the introduction of legislation to reform and strengthen the Clean Air Act, legislation introduced yesterday by the Senator from Maine [Mr. MIRCHIEL], joined by the Senator from Rhode Island [Mr. CHAFFE], the Senator from Vermont [Mr. STAFFORD], the Senator from Florida [Mr. GRAHAM], and myself.

Mr. President, I commend the Senator from Maine for his leadership on this extraordinarily important issue. In my home state of Colorado, and across the country, too many cities are failing to meet the Clean Air Act’s deadline for reducing pollution levels for carbon monoxide and ozone. There is no doubt that the pollution in these cities is a threat to our health, especially for the most vulnerable among us, our children and the elderly.

The increasing medical evidence, Mr. President, on the impact that air pollution is having on the mental capacities of our children is absolutely astonishing, and as Senator MIRCHIEL pointed out yesterday if the American public had available to them in detail the kind of testimony that we have received from medical personnel, the growing effects of air pollution on health, mental well-being, nervous system of our children, they would not only back this bill but a much, much stronger one.

At the same time, many of these cities now not in compliance simply will not meet the Clean Air Act’s deadlines. That is a fact of life. As a result, these cities face the imposition of penalties—from the cutoff of highway trust funds to various other construction bans.

The legislation that the Senator from Maine introduced yesterday is a fair solution to this problem. This legislation tells the States and cities that we are serious about reducing pollution in the Nation’s urban areas. While we are going to extend the deadline, we are also going to demand that the States and cities develop and implement plans to bring air pollution under control.

I emphasize the word “implement” because the bill being introduced by the Senator from Maine and others of us in the Senate very wisely contains tough provisions that will prevent the States and cities from relaxing their efforts once they have a new plan in place. In other words, we are not giving them just a deadline to say, “We are going to extend the deadline; don’t worry about it.” They have to implement very, very tough steps outlined in this legislation. The legislation tells local governments that they must implement these plans so that the public and the Congress can see steady, significant improvement in air quality.

This legislation also recognizes that there are a number of steps that the Federal Government can, and must, take to reduce air pollution.

This legislation will strengthen the emission standards for cars, trucks, and buses. That will mean continued improvement in air quality across this country.

And we hope for a diminution in the particulates in the air that contribute to a lot of the haze that one sees in the cities, particularly the brown cloud that one sees down the front range in Colorado.

This legislation gets tough as well on auto testing and inspection. It requires authority to ensure that all of the cars and trucks meet all the Federal
The first of those is high-altitude testing. We know that vehicles perform less efficiently at high altitudes than they do at sea level. We know that emissions equipment is required in automobiles and yet there is no testing today, of emissions equipment and how it performs at high altitude. So how can we be assured at high altitude and how can the public know and how can the public health interests be assured if, in fact, we do not know that equipment is behaving at high altitude the way it is designed to behave at sea level? It should also be, Mr. President, that EPA conducts a significant high-altitude testing program. It does not today. Those laboratories were dismantled. Those testing facilities were closed down. I think we want to go back and require once again high-altitude testing.

A second area that we want to talk with the committee staff about for possible amendment relates to the requirement on oxygenated fuels. The oxygen content in this legislation is simply the requirement that fleets that are centrally fueled be required to use oxygenated fuels. It may well be that we can develop a way in which we can require, say, 10 or 15 percent of all fuel sold in cities like Denver that have an attainment problem, that fuels sold there be oxygenated fuels, which would make a significant contribution to the air pollution problem.

Many of the traditional oil interests suggest that would be damaging to them; that if we did that sort of thing that would cut down on their ability to sell their more traditional oil products. Other oil companies are saying, "Yes, we would like to get into that business. Please come up with this requirement that will encourage us and help to push the market."

I think we can work this out. I think that the evidence is increasingly strong that having a requirement for oxygenated fuel for all automobiles would be very helpful.

A third area that I hope we are able to discuss is the issue of daylight savings. If we are able to extend daylight savings, the chances are that that will have more people driving during daylight hours, and that in turn will have a positive effect on the ozone. I cannot speak, Mr. President, to the chemistry of how it works. But, if we are to extend, according to the scientific evidence made available to me, if we are able to extend daylight savings, that can also have a positive impact on a number of cities. If they extend the daylight savings and have more people driving in more daylight, in more sunshine, it will break up some of the chemical compounds and have a positive impact on air pollution.

In closing, Mr. President, I again want to commend the Senator from the State of Maine and the Committee on Environment and Public Works that have moved quickly on this legislation. I hope we can move that rapidly through the committee and onto the floor, and that our colleagues in the House of Representatives will bring a similar wisdom and perspective and that we will have legislation passed before the end of the year. That deadline is important for all of the cities like those in Colorado and elsewhere that are now not going to be able to extend daylight saving at the end of the year. This is a good carrot-stick piece of legislation. I urge my colleagues to consider it very carefully and I hope they will join us in supporting this legislation.

200TH ANNIVERSARY OF CHAR­TER TO COLUMBIA COLLEGE AND AWARDING OF HONOR­ARY DEGREE TO SENATOR MOYNIHAN

Mr. PELL. Mr. President, on April 25 Columbia University celebrated the bicentennial of the charter to Columbia College. The University also chose that auspicious occasion to award an honorary doctor of laws degree to Senator DANIEL PATRICK MOYNIHAN, the senior U.S. Senator from New York.

In his convocation address Senator MOYNIHAN gave a lively and provocative speech. I commend Senator MOYNIHAN's Columbia University address to all of my colleagues. His are creative, original, and forthright remarks and they most certainly merit very serious thought and consideration. I can say without any hesitation whatsoever that the U.S. Senate is a far richer place because of his presence and his candor.

Mr. President, I ask unanimous consent that the citation awarding Senator MOYNIHAN the doctor of laws degree and the text of the Senator's convocation address be inserted in the RECORD.

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

(Following is the text of the citation by Columbia University President Michael I. Govern in awarding an honorary Doctor of Laws degree to Senator Daniel Patrick Moynihan at a convocation at the University celebrating the bicentennial of the present charter of Columbia College.)

DANIEL PATRICK MOYNIHAN—FOR THE DEGREE OF DOCTOR OF LAWS

Legislator, diplomat, scholar, orator, you serve the people of New York, the nation and the world as a leading intellectual in the United States Senate. Beginning in modest circumstances not far from where we stand today, you interrupted your student days to serve in the Navy, your first duty with the government. You then combined a distinguished academic career with service under four U.S. Presidents—in the Labor Department, on the White House staff and as ambassador to India and the United Nations.

Daniel Patrick Moynihan—For the Degree of Doctor of Laws.
You have worked unceasingly to improve the way government and society serve those least able to help themselves: the young, the poor, and the dispossessed. As you know, you frequently offered new and enduring insights that would ultimately help to shape informed discussion of public policy. As a dedicated public servant for America and for our friends around the world. As a legislator, you have been the defender of Social Security, the patron of spokesmen for welfare reform, and the championing up of an uninviting education. As Vice Chairmen of the Senate Intelligence Committee, you have provided wise counsel and you have steadfastly insisted on Congressional oversight. The enormous majority you achieved in your re-election to the Senate demonstrates the confidence of your fellow New Yorkers hold for you.

Now, in recognition of your distinguished service, Columbia University is honored to confer upon you the degree of Doctor of Laws, honoris causa.

CONVOCATION SPEECH BY SENATOR DANIEL PATRICK MOTHYAN

One measure of the morale of a civilization is the manner in which it observes the notoriety of its errors. On this score, Columbia College has acquitted itself well over the centuries. The festivities of 1837 emerge by every amount as admirable and satisfying. The speeches, poems, and Latin odes, 1887, as befitted that gilded age, saw a statey procession to the old Metropolitan Opera House where a veritably Wagnerian three score honorary degrees were conferred. In 1937, busy with the affairs of the nation, the College seems to have noticed the sesqui-centennial that came between the sesqui-centennial of those affairs, was not the worst thing, especially now that the bicentennial makes the trick is to combine a respect for the past without too much reverence; indeed intimidation. There is enough of the latter in Western civilization just now: thinking ourselves outthought and out performed by score honorary degrees were conferred. In of those affairs, was not the worst thing,

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If the Secretary of Education was silent when the private institutions of higher education were being stripped of their status by the tax code, what of the representatives of higher education when the post of Secretary of Education was being created?

Silent, also. That is to say the American Association of Universities, under pressure from the White House, no less political for being political in the face of Republican pressure, said nothing. Its executive committee knew better. The Department was a political entity, and education supported by elementary and secondary school teachers. There is nothing the matter with political rewards, but in Washington the educational activities of the national government are overwhelmingly directed to higher education. Inevitably it would be higher education that would be most affected, and which has been. (A February 20 statement of the Board of Regents of the University of the State of New York described the Administration's proposed cuts in education aid, principally affecting higher education, as "devastating.")

The day of the moment will pass. The distemper of the 1980s, is in most ways a delayed response to the disorder of the 1960s, that "slum of a decade" to cite Dick Niofsta. One can imagine a certain reasonableness descending on the capital, rippling outwards. Yet that is but another invitation to complacency and to the incompetence it breeds. A generation ago Schumpeter warned us we are "in the middle of a strange new game."

And then something wonderful happened. It is not, morning business is closed.

Said DeCrispino doesn't remember the little girl's name. But he remembers the moment. It was the first day of school, the teacher was teaching the kids with the Special Olympics at the International Special Olympics when the little girl first walked on the court. She had been in a wheelchair, but now she was on her feet, and they'd given her a ball. She hit it, and it rolled toward the front wall, and clean and sure as a double off the wall at Fenway Park.

The tiny gallery exploded in applause. The little girl shrieked. And on her face now was a smile you wanted to press between the pages of a book. "She just lit up," DeCrispino recalls. "I'll never forget it. That moment gave me a bigger thrill than anything I've ever done in athletics.

There are the kinds of stories that spill out and over again as the Maryland Special Olympics prepares to get under way this weekend at Towson State.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

They are stories of both small triumphs and triumphs against overwhelming odds. They are stories of grit and determination and quiet courage—all against the backdrop of the largest program of athletic competition for the mentally disabled.

A young man stumbles across the finish line in the first race and just out a yelp of pure delight. A little girl swims her first lap and scrambles from the pool and leaps into the arms of her mother. You listen to people like Sam DeCrispino, a teacher at Parkville High and a Special Olympics instructor for eight years now, and the stories of individual triumph never seem to end.

Perhaps the most famous story is the one the teacher had heard whenever:

Roberta Cameron was a Special Olympian who trained long and hard with a friend for her race.

She broke cleanly from the starting blocks and soon held a 20-yard lead on the rest of the field.

But with the finish line in sight, Roberta Cameron suddenly stopped. She ran back to where her friend had fallen, picked her up, and the two crossed the finish line together.

Roberta Cameron didn't win a medal that day. But her actions on that dusty track spoke eloquently of the underlying theme of these Games, which is still love and caring.

"These Games are the truest essence of sports," says DeCrispino. "The athletes want to win. But it's not win at any cost..."

This year nearly 1,600 Special Olympians from throughout Maryland will converge on Towson State.

They will be joined by an equal number of organizers, coaches and "huggers," volunteers who serve as special friends offering encouragement during the competition.

Each participant earns a ribbon; the more gifted and determined will go on to win gold, silver and bronze medals. But the goal, as always, will be to try, not to necessarily win. It will be to experience, not necessarily conquer.

Mainly, it will be to gain in self-confidence, improve in self-image, they will be the best they can be in the world," says DeCrispino, the teacher, of the Special Olympians. "They'll do anything you tell them to do. If they can't they'll break their back trying."

One more quick story on the meaning of Special Olympics, culled from an incident that took place after the Games at Towson State three years ago.

Sam DeCrispino happened to be walking across campus when he fell behind the path of a young Special Olympian. She was walking with her hugger, no one except Sam was within 100 yards of the pair.

Suddenly the girl paused and screamed at the heavens: "I'm so proud of myself!"

It was a cry as pure and joyful as any the teacher had ever heard.

"I don't think she even had a medal," he said.

She didn't seem to miss one, either.

18TH ANNUAL SPECIAL OLYMPICS MARYLAND SUMMER GAMES

Mr. SARBANES. Mr. President, tomorrow we will see the start of the 18th Annual Special Olympics Maryland at Towson State University. From the very beginning when the parade of over 1,500 athletes kicks off the games, until the closing ceremonies, there will be displays of skill, courage, sharing, and joy. For almost two decades athletes, coaches, huggers, and volunteers have joined together to participate in the Maryland Special Olympics and to make it a very special event. I am sure that the games this year will be as special and significant to the participants as they have been in the past, and I look forward to joining them in Towson this weekend.

The Special Olympics games have grown from Eunice Kennedy Shriver's day care camp in 1963 to games held today nationwide and worldwide. Under the sponsorship of the Joseph P. Kennedy, Jr. Foundation, Special Olympics games have sprung up on the local, State, and regional levels and are now held in over 20,000 communities in the United States. This year more than 1 million athletes will compete in all 50 States and in 65 foreign countries. Many of these athletes will then represent their State and country this August at the 1987 International Summer Special Olympics Games in London.
SENATORIAL ELECTION CAMPAIGN ACT

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

The legislative clerk read as follows:

A bill (S.2) to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and public financing of Senate general election campaigns, to limit contributions by multi-candidate political committees, and for other purposes.

The Senate resumed consideration of the bill.

Mr. STEVENS. Mr. President, I have become increasingly concerned about the pending bill, S. 2, and its effect upon current campaign finance legislation. I must confess that my concern comes primarily from having been present on the floor one day early in 1985 when my former colleague, the Senator from Arizona, Barry Goldwater, addressed the Senate. I thought he made a very important statement on the problems of campaign financing and I listened to what he had to say with great interest. I think it would be wise for everyone to reflect back to the comments of the man that we all call the conscience of the Senate.

I think the Members of the Senate know I have been trying to find some way to bring the opposing sides together regarding the bill that has been presented by the distinguished majority leader, by Senator Boren, and by others. It appears that is really not possible in terms of S. 2 for one basic reason, and that is the requirement for public financing which is such a major focus of the bill.

Senator Goldwater, when he spoke here on the floor on January 3, 1985, made some comments I think bear repeating. He said:

Mr. President, the most expensive election in U.S. history was completed 2 months ago. New funding records were set for Presidential and congressional candidates. Contributions to political committees rose to a higher percentage of total congressional campaign receipts that ever before.

The problems of what this unprecedented rise in campaign spending means to the Nation and when it will end are lost in the rush to raise even more money to pay off old debts or begin campaign treasuries for the next election. Few people seem to care that present campaign law, as applied since the decision of the U.S. Supreme Court on January 30, 1976, in Buckley and Valente, has opened the doors for virtually un­checked huge independent and personal political spending and that this spending threatens the structure of the great freedom of the free election process. The Nation is now enduring what one legal commentator has called "the new Constitutional right to buy elections."

Again Mr. President, I am quoting Senator Barry Goldwater. I am skipping some of his comments in the interest of time, but he went on to say this:

Mr. President, I believe the answer to these dangers is simple. We must set a rational ceiling on total congressional and Presidential campaign spending by all sources, and he candidates themselves, political parties, PAC's, etc.

Senator Goldwater at that time, had indicated his support for campaign finance reform legislation that would be introduced. He later gave his support to Senator Boren. Subsequently Senator Boren introduced, in December, comments that were prepared for Senator Goldwater, who was unable to be here because of the unfortunate illness of his wife.

In a written statement that was placed in the Record by Senator Boren, Senator Goldwater commented upon the time that it takes to raise campaign money. Senator Goldwater said this:

What disturbs me is the fact that it is becoming more and more obvious—that money can get people elected. When I think back to my first campaign in 1952, where I spent $45,000, and then think of my last one just a few years ago, where I spent $45 million, there is a vast difference there, not just in the sums of money, but in the process itself and in what it means to candidates.

We now have experts in the field campaign in almost every big city in the country. They tell the candidate how to spend his money. They tell what kind of tie to wear, and what is the best suit for them to wear. They take polls in every nook and cranny of the state or city or country to determine what issues should be discussed on this street corner and the next street corner and, frankly, I do not think that is any way to elect people in this country.

He went on to say this:

You know and I know that there is not a night in the week in every month during the year that a member of Congress cannot attend one or two fund raising dinners for a colleague. Every one of us is asked to be sponsors for I do not know how many candidates, all in the interest of raising money.

A man or woman should run with a deep demonstration of personal regard for the American form of government, for protecting that government from foreign sources and, I might add, from harmful domestic sources, too. I sum it all up and I think the whole matter has gone far enough.

I urge my colleagues to vote for the Boren amendment so that before too much time has gone by which we can call wasted or head down the wrong track we can bring this thing down to stop. The answer is not greater spending by political parties or anyone else. The answer is less campaign spending. All sources and PAC's are the place to start.

Mr. President, it is most unfortunate that Senator Goldwater is now being referred to, in an advertising campaign throughout the country, as supporting the legislation which is now before us.

I had my staff call Senator Goldwater yesterday. I was not able to talk to him. I understand he is traveling or has traveled, now, here to the Nation's Capital.

I understand he has sent a telegram to the Senator from Oklahoma, and I quote that telegram which was read to my staff on the phone. It is from Senator Goldwater and it says:

Senator Boren and S. 2 now contain Federal financing. I cannot support the bill if that is the truth.

Now, Mr. President, I have gone to great length to bring to the Senate the statements that Barry Goldwater previously made concerning campaign financing. I think he is right. The place to start is with the Boren bill that Senator Goldwater cosponsored last year, a bill which many of us voted for in 1986. The centerpiece of the bill was the proposal of the Senator from Oklahoma to control the amount that can be contributed by PAC's, and to increase the amount which can be contributed by individuals.

I have made a similar suggestion, and I am going to this new concept of new controls on soft money expenditures through the simple act of requiring disclosure. The proposal I placed in the Record yesterday, that I intend to offer at the appropriate time, is the Senator Goldwater bill of last year plus public disclosure of soft money expenditures in Federal elections.

I think that is the place to start. I think the wrong place to start is at the Senator Goldwater, the leading Republican exponent of campaign finance reform says he is unwilling to go; where he was unwilling to go before. He is still unwilling to go to public financing and that is the position of the Senator from Oklahoma.

I have tried my best to see if we could not get an agreement on legislation that would start the process of trying to control the amount of campaign money and the amount of campaign spending, but I think that, unfortunately, the desire of some is the public financing element of the bill that is before us now. Instead, we should try and achieve the ultimate end of the process that Senator Boren and Senator Goldwater commenced so well last year.

Thank you, Mr. President.

Mr. PACKWOOD. Mr. President, I want to congratulate my good friend from Alaska, Mr. Stevens, for the compromise bill he has put in. He has worked very hard on this. He has done as much as he can do to put forth a reasonable, consolidated Republican position, and it is about that position and about S. 2 that I would like to talk, if I might, for a few moments, because I think there is a misimpression being put out by Common Cause, and I will say it very frankly, as to what S. 2 is.
When you read all of the advertisements around the country that Common Cause is putting out, what you discover is that there are advertisements and their direct mail pieces are

"Stop the special interests, break up the PAC's, reform." They do not tell the public that reform in their mind is public financing of campaigns.

I think it is well to call to the attention of the Senate the Senate Watergate Committee report of over a decade ago, which was spawned out of the 1972 elections. That report was very clear in saying that the committee adamantly opposed public financing of campaigns.

That report said that the 1972 election was an example beyond compare of the Government being involved in campaigns, in this case, theft, felonies, the use of the CIA, the use of the FBI. It was the Government using its powers to attempt to influence an election.

So the Senate Watergate Committee, in its recommendations, said there should not be public money, Federal money, involved in campaigns because the danger to this Republic was great. Let us go a step further. After the Watergate Committee report we adopted the so-called Watergate reforms, $1,000 individual contribution limit; $5,000 PAC contribution limit. That is not a movement to be a step forward, a reform. Those were the Watergate reforms.

At that time you had about 400 political action committees. Prior to the campaign reforms in 1971, 1972, 1973, and 1974 any individual could give us as much as he or she wanted. Clement Stone gave over $3 million to Richard Nixon's campaign, legally, in 1972. Max Kovalesky gave over $600,000 to the Senate. It was the Government using its powers to attempt to influence an election.

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Political action committees could give what they wanted, although there were not a lot of political action committees.

The alleged influence of political action committees now is not the result of a few committees giving a lot of money. It is that now, instead of 400 political action committees, we have over 4,000. So, naturally the quantity of money that they give is greater than when 400 gave. That is all history and background.

What are the two things that reformers say they want? One, get the special interests out of politics. And that is normally meant to be the PAC's. The criticism is: But PAC's can still give to public financing of campaigns. They will spend more money on advertising campaigns.

The other criticism is: PAC's can still bundle the money. Bundling means that when the lobbyist for AT&T can no longer get Sally Smith and Jimmy Jones to put up $10 apiece to the AT&T PAC because the PAC is now limited to contribute to a candidate, the lobbyist can still collect all the checks. Instead of Jimmy Jones making the check payable to the AT&T PAC, he makes it payable to Packwood for Senate and Sally Smith makes it payable to Packwood for Senate.

The lobbyist gathers up all these $10 checks and hands them over in a bundle, $5,000 worth of $10 checks in a bundle, to the candidate. So the argument is made the PAC's can by bundling, get around the prohibition on giving.

Senator McConnell and I say: Fine, prohibit bundling. PAC's cannot give to parties. PAC's cannot bundle. PAC's cannot give to candidates. They are out.

That takes care of one thing that the reformers want and they know Jolly well that can be done without passing S. 2, period.

Now, what is the second thing the reformers want? The argument is that campaigns cost too much, Mr. President, cost too much.

The allegation is they are evil. The concentration of the money, even though it is legal, even though it might come in $10 or $20 donations from all of the employees of AT&T PAC's, the concentration of the money from all of these employees is bad. Because when you get a contribution of $3,000 or $4,000 or $5,000 from the AT&T PAC you are not thinking that he presented you all the little donations of $5 and $10 and $15 that Sally Smith and John Jones and all the others put up. What you are thinking is here is the lobbyist for AT&T. He gave me $5,000. And, therefore, you are unduly beholden to him.

So, without getting into an argument as to whether or not you are beholden, or he has your ear and somebody else does not—reformers say he does, PAC's are evil, PAC's must be diminished, PAC's must be diluted, must be eliminated—let us assume we want to eliminate PAC's. PAC's can no longer give.

We can pass a law right now. PAC's can now only give $5,000. We can pass a law that says PAC's can only give $3,000, $2,000, $1,000, or zero.

The Senator from Kentucky and myself are the chief sponsors of a bill that says PAC's cannot give anything, period. So if you take PAC's out of it altogether—no more special interests, allowing only individual contributions—the next thing you can do if you want to get the expenditures down is cut the $1,000 individual contribution down to $100. Cut it down to $50 if you want.

You achieve two things. One, very few people outside of your State are likely to give you great quantities of small money. Maybe under current
law somebody in a special-interest group who lives in West Virginia or Georgia or in Washington, DC, will give you $5,000 because he or she wants your ear, or maybe a rich individual will give you $1,000 because he or she wants your ear. But not many of those people will give you $20 or $50 unless they live in your State. If they are going to give any money, they are going to give it to the congressional or Senate race in their State, not to somebody outside their State whom they know nothing about.

So you lower the individual contribution limit to, say, $100. Now, if an average Senate campaign costs $3 million and if your contribution limit were $100, you would have to have 30,000 contributors at $100 apiece to reach $3 million. The problem is if the contribution limit is $100, the average contribution in my experience is about $30. So now, if you want to raise $3 million, you would have to have 100,000 contributors with an average contribution of $20 apiece.

It is not likely you are going to achieve the effect of bringing the contribution limit down will be to bring down the cost of campaigns because the candidates just will not be able to raise that much money.

So, we could achieve the reforms the reformers want. We could get rid of the special interest giving which is legal under current law. Change the law so PAC's cannot give, get them out. We can lower the individual contribution limit to further lower the cost of campaigns. Those are the twin goals that most of the reformers seek.

But do you know why these so-called reformers really want public financing? Mr. President? Really want it? If you wanted to try to raise $1 million or $1 million of $2 million per campaign at an average contribution of $20, it is a wharf of a lot of work. You are going to have to have a tremendous ground organization. You are going to have to have a lot of people who believe in you. You are going to have to have that kind of money to run a campaign. But if you indeed put a restriction on participation—and that is what a cap on spending is—and when you put a cap on spending is bad, but an individual contribution is bad.

So, for all of those reasons, I hope S. 2 will be defeated. I hope the Democrats and other reformers would be willing to join with the Senator from Kentucky and myself in eliminating all political action committee contributions, all political action committee contributions to individuals or parties, all bundling by PAC's. And I hope that they would join us in the other steps we have suggested.

But I am frank to say I do not think they will. Because they are pushed down to a choice of who is going to work hard. Given that, they would rather the taxpayer work than that we work.

I yield the floor, Mr. President.

PRESIDING OFFICER. Who seeks time? The Senator from Kentucky.

Mr. McConnell. Mr. President, I commend my friend and colleague from Oregon [Mr. Packwood] for an outstanding speech on this issue. He certainly has summed it up well. The larger question, of course, is just what kind of America do we want to have? Because, ultimately, how we determine the players in the political process has a major impact on what this country is like and how it is governed.

Make no mistake about it, Mr. President, under S. 2, when you put a cap on participation—and that is what a cap on spending is—and when you shift the burden of that spending to the taxpayers in an involuntary sense, you indeed put a restriction on participation. That is what this argument is all about: are we going to encourage participation or are we going to snuff it out?

It is also a question of what kind of contribution is bad. S. 2 presumes that a cash contribution is bad, but an in-kind contribution is OK. It seems to me, Mr. President, that that discrimination against the busy American who is out making a living every day, is involved in the Boy Scouts, in church, and a variety of other activities and may not have time to go door to door and get involved in the process in that way. He wants to have an impact but he wants to have an impact in the way that is consistent with the way he is living. And so he wants to contribute to Senator Packwood or in the case of Mr. Domenici, as he has pointed out, with over 20,000 contributors in New Mexico alone.

So the fundamental issue is, do we want to encourage people to participate in the process? For most Americans participation is going to be the form of a contribution, a
tion of money. There is nothing inappropriate about it. There is nothing wrong with it. The amount of money that is being spent in American politics is not scandalous or obscene as some who support S. 2 have said. We should really very little on politics compared to almost anything else that we spend money on in our society.

As the debate goes on, Mr. President, let us think about what kind of America do we want. Do we want an America in which people are encouraged to participate, in which candidates are encouraged to go out and just get as much support as they can? We should not tell candidates there is a cap on how much support they can get. There should not be any limit on that whatsoever. We ought to be able to go out and get as much support as possible from a broad array of people. And with the post-Watergate reform legislation there is a limit on what people can contribute. It is fully disclosable and so any candidate who raises a large amount of money obviously is going to get it from a whole lot of people unless he happens to be a millionaire. All of us in this body I think would like to solve the million­aire loophole problem, but it is a constitutional problem. If we can figure out a way to solve that, let us do that.

But in terms of participation beyond that loophole, we ought to be encour­aging people to be a part of the pro­cess, to get involved, to make a contribu­tion, and we ought to encourage our candidates to work hard, as Senator Packwood has said. It is better the candidate work hard than the taxpay­er in an involuntary fashion have to give up his tax dollars for this purpose.

So, the discussion continues, Mr. President. It is a most important issue, an issue that I think the Senate wisely should consider. We look forward to continuing the discussion. I yield the floor.

Mr. REID. Mr. President, there has been a lot of talk in these last few days about a compromise, which is I think, in keeping with the Senate’s history, because as we all know legisla­tion is the art of compromise. We do our best when acting in a bipartisan fashion.

We all recognize in this instance there is a problem with the way campaigns are financed and funded, and I think it is important that we as a body work together to solve this problem. I think it is important, Mr. President, to recognize, however, that this compromise does not mean ignoring problems or surrendering principles. On certain issues we must resolve existing problems and not just paper them over. There is no better example of the need to do that than when we talk about financing campaigns in the United States today.

A short time ago, I heard my friend, the Senator from Oregon, talking about a problem that we all recognize, the problem of bundling. I would like to talk about a personal example of bundling. I try to relate how it is not just something that we talk about but really exists.

My predecessor, Paul Laxalt, announced last August that he was not going to run for reelection. I decided a few days later that I would be a can­didate for the U.S. Senate to replace Paul Laxalt. From August until March, I basically was the only can­didate in the race. I organized, I worked hard, I spent a considerable amount of time raising money so that I could be competitive in the Senate race in Nevada. So, when I learned I was going to have an opponent, based on the experience I had, I knew that it would be very, very difficult to raise money. It is hard and it takes a lot of time.

So, I felt that I would have an advantage over the person who was going to be running against me because I had been gone 6 or 7 months over him. I was starting ahead of him, and I recognized that even though he may have more access to money than I, it would still take a lot of time to raise money according to the rules and the law as I understood them.

Interestingly enough, Mr. President, something that had taken me 7 months to do he did in 1 day. How did he do it? Through bundling. The exact figures are with the Federal Election Commission, but I had raised by that time approximately $500,000. It was done by my opponent to essentially just 1 day, because the Republican Na­tional Committee, through conduiting, was able to take money and direct it to my opponent.

Now, the law is that in a Senate race in Nevada, the Senatorial Campaign Committee can give approximately $80,000. This far exceeded the time of $100,000. This was done many, many times over in a very short period of time. So, although I had worked very hard for 7 months to keep ahead of the opposition, they caught up with me in 1 day and thereafter I was always behind.

Mr. President, we have to do something about bundling. The practice is an invitation to avoid the rules. It is an invitation to avoid the rules and it is a passthrough. Mr. President, about what bundling really is. I have given an example here today but basically the perversion of the concept occurs when solicitations are made to send in money, for exam­ple, to the Republican Senatorial Campaign Committee. Somebody writes out a check to the Republican Senatorial Campaign Committee. It comes in to the committee, and they redirect the money to a candidate. The New York Times went out and interviewed people and said, “Did you really give money to candidate X?” They said, “I don’t know who you are talking about. I gave money to the Senatorial Campaign Committee.” It is illegal, it is unfair, and the person who does it does not play by the rules.

During the campaign, as I indicated, not only in my race but many senatorial races around the country, there was irrefutable evidence that massive amounts of money were improperly in­fused into various people’s campaigns. Mine is only one example.

I raise this example, Mr. President, not to rehash the past but to present a problem that is going to exist in the future as it exists today unless we do something about it.

Let us remove the temptation by forbidding conduiting.

Another evil, another problem that exists is something called party passthroughs. Party passthroughs allow an organization to give money to a party, and they pass that money through to a candidate. The way it is currently written is wrong and, in the minds of most, illegal.

Let me give another personal example. In my State of Nevada, a State of 72 million acres, wide-open spaces, one of the effective campaign methods are signs that say, “Vote for me.”

I was very concerned when suddenly I woke up one morning and my oppo­nent’s signs were spread all over the State of Nevada—not 50 or 100 but, thousands and thousands of signs, all over the State.

I thought to myself, that is a lot of money to spend on signs. It took a little while before I realized that if you look at the fine print of these huge signs, you found that they were paid for by the State Republican Party.

This is a passthrough we are talking about. Thousands and thousands of dollars were spent on my opponent’s campaign through this improper, wrong, unfair, and, in the minds of most, as I have said, illegal method.

Negative radio ads and mailings paid for by the State and county parties in the State of Nevada, were run against me. This far exceeded the $100,000 limit I talked about before which was permissible under the Republican Senatorial Campaign Committee or the Democratic Senatorial Campaign Committee. Signs all over the State, negative radio ads, newspaper ads, mailings, and I do not know what else, were paid for by the State party. We were only able to find out these matters because they printed a little dis­closure on the signs, and of course there was a disclaimer in the mailings, on the radio ads, and in the newspa­pers.

We do not know how many people had their wages paid. We do not know how many workers were paid directly
or indirectly through the county and State parties.

I think we have to address this in the legislation that is now before the Senate.

There are real examples, not things which are figments of someone's imagination or speculation about what might happen in the future. These are wrongs which have occurred. It happened in every Senate race that was competitive in the century. It happened in the State of Nevada.

We had bundling, conduiting, and party passthroughs. It is wrong, and it should be stopped, and that is what this legislation is about: to try to make level the ball field upon which we all have to run.

Mr. President, while we look at compromise, I would like the opportunity to ask some questions about the McConnell-Packwood bill in the hope that sometime during this debate, there will be some answers to these questions.

Those on the other side of the aisle said that their proposal would outlaw PAC contributions to candidates. That may be true; but I suspect that the Federal Trade Commission, if the Federal Trade Commission had jurisdiction, would raise some questions about truth in advertising.

We all know what a PAC is. It collects money from like-minded people or people with the same special interest and delivers the money to a candidate.

First, would anything in their bill prohibit that practice? I know the answer, but let us hear the answer from the other side. Current law prevents these organized special interests from contributing more than $5,000 to a candidate for each election. Would anything in their bill prevent these special interests from making unlimited contributions? I'd like an answer.

They claim, on the other side of the aisle, said that their proposal would outlaw PAC contributions to candidates. That may be true; but I suspect that the Federal Trade Commission, if the Federal Trade Commission had jurisdiction, would raise some questions about truth in advertising.

We all know what a PAC is. It collects money from like-minded people or people with the same special interest and delivers the money to a candidate.

Next question: Am I not correct that the PAC money that they want to ban or limit could, under their proposal, go in unlimited amounts to political committees, for so-called soft expenditures, corporate expenditures?

Let us talk about soft money or corporate money. They have said that they want to do something about soft money, so please help. As I read their proposal, the other party would open a huge, new loophole by allowing unlimited soft money contributions for the administrative costs of party committees. It does not take much to realize the abuse that would take place if this loophole were allowed.

Does that mean, Mr. President, that their proposal would allow corporations and labor unions to foot the entire bill for operating a national, State, or local party committee? I understand the law to be that these contributions have been illegal since 1908, almost 80 years. So, why would they wish to change the law for the citizen, not giant corporations or labor unions, ought to control a political party?

When I started my statement, Mr. President, I talked about compromise. Why, because in this instance, Mrs. Chairman, for us to achieve in this instance—that is, achieve something that relates to campaign reform—there will have to be a compromise. The history of this Government, the history of this body, the U.S. Senate, is a history of compromise. As I indicated, legislation is the art of compromise.

We would not have a transcontinental railroad but for a classical compromise. We would not have our great National Park System but for a compromise that was reached in this body. We would not have our Interstate Highway System but for compromise. We would not have the Grand Coulee Dam but for compromise. We would not have the Bureau of Reclamation, which has done much in this country, but for compromise. We would not have the Federal Bureau of Investigation but for compromise. We would not have the Peace Corps but for compromise. I think if there were ever an instance where compromise is needed, it is in the area of campaign reform.

Mr. President, I speak as someone who has been through a tough campaign, just a few months ago. I think we have to make a playing field that is level for everyone. We have to make this system of Government, which we love so much, a system of fairness.

When I talk about compromise, we need only look back 200 years ago, in Philadelphia, when our Founding Fathers were meeting in the hot Philadelphia summer, to try to do something to save these thirteen Colonies. How did they do it? They did it through compromise. These men were able to get together and work out compromises on many different issues: the size of the Senate, the length of the term of the Members of the House of Representatives—that there would be three separate but equal branches of Government. That took a long time to achieve. The Constitution itself, that document that we refer to on a daily basis in this body, was arrived at on the basis of compromise.

So there is nothing wrong with talking compromise. It is needed. It is needed on the most glaring deficiency we now have in our system, that is, campaign financing.

Edmund Burke said that "All government—indeed, every human benefit and enjoyment, every virtue and every prudent act—is founded on compromise."

Samuel Eliot Morison said: "Franklin may be considered one of the Founding Fathers of American democracy, since no democratic government can last long without conciliation and compromise."

It is absolutely necessary that we are talking about working something out. It needs to be done.

Mr. President, I would like to end this statement by saying to my friends on the other side of the aisle, let us reason together, and let us meet somewhere around the halfway mark. Let us compromise. It will be in the best interest of America and our duty will be fulfilled if we do what is right in this instance and reform the way campaigns are financed in this country.

I yield back the remainder of my time, Mr. President.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. WIRTH. Thank you, Mr. President.

I start my remarks this afternoon by commending the Senator from Nevada on his final statement on the need for us to bring together all of the parties here who are concerned about getting reform in our campaign finance system and arrive at a compromise.

I could not agree with him more, and I hope that the various parties involved most specifically day to day in this are going to be able to come together.

I also commend the Senator from Oregon [Mr. Packwood] on much of his earlier statement this afternoon. Senator Packwood spoke very eloquently on two broad themes that have been of concern to many of us.
One of those was the fact that this institution in American politics is becoming beholden to a few interests. The Senator is correct in his analysis that that is one of the major thrusts of our concern about reforming campaigns. He is also correct in his analysis of another broad concern that campaigns cost too much.

I do not think there are very many people who have been through elections recently, either on the giving, working, or campaigning side, who would not agree that campaigns do cost too much.

Unfortunately, the Senator's analysis said that one of the key areas that was really at the root of this legislation was who was willing to work hard in campaigns and who was not willing to work hard. Unfortunately, giving a very good analysis of the issues the discussion then tailed off into another by trivialization of the issue by saying who is willing to work hard and who is not willing to work hard. If those who are not willing to work hard want the public to finance campaigns they must be willing to accept what is an important issue for us all.

I would hope that the debate would stay above that level and maintain itself into the level of the real issues involved.

Others involved issues which have been raised over and over again in the last week, what are we going to do about the purchase of elections by a few wealthy individuals? We have apparently a constitutional constraint on this issue by saying who is willing to work hard and who is not willing to work hard. If those who are not willing to work hard want the public to finance campaigns they must be willing to accept what is an important issue for us all.

A second area that was not discussed in the debate earlier today was independent expenditures, a major, major abuse of outside groups coming in and running this extraordinary barrage of negative campaigning.

A third area that we have to figure out what we are going to do about touched on by the Senator from Nevada in his good remarks is the soft money which also has to be addressed so that you do not get a few corporations or unions, or whatever, being able to come in and spend a great deal of money unaccounted for or accounted for and fuel the political process that way.

But the room is there for compromise.

We hear the Senator from Oregon, very carefully and thoroughly and I thought well, talking about the abuse by special interest, talking about campaigns costing too much. That is correct. The Senator from Nevada was talking about soft money; the Senator from Kentucky was talking about the purchasing of elections by wealthy individuals.

I have expressed concerns on a number of occasions about independent expenditures. The concerns are all there. Let us bring people together and come up with a piece of legislation that we can all get behind and be proud of as we reform the political process.

Mr. SANFORD. Mr. President, I would like to make a few remarks about S. 2, the Campaign Reform Act.

I think the reason that we are concerned with election campaign contribution reform is simply because we have been spending too much money.

We have been spending so much money that it has reached the point of a national embarrassment. We have been spending so much money that it is almost obscene.

Surely, there is a far better way that we can spend our money—through contribution limits rather than spending millions and millions of dollars for campaigns.

It makes the political system so very costly; it keeps a great many people from running; and worse than all of that, it discredits our political system.

The people get the feeling that you have to have money to be in politics. They get the feeling that money talks. In fact, money does talk.

So, in this free society, how do we go about regulating ourselves to bring campaign spending back into some rational framework?

I know, in North Carolina in the 1984 Senate election that it is reported that some $25 million was spent. There is no way to justify that kind of spending. There is no way to see it as anything but a potential danger, as it tends to undermine the confidence that people have in the self-government. That is why we need and why we are talking about campaign contribution reform—because we think that things have gotten out of hand. That is why I am interested in finding a way to restore reason and confidence to our system of elections.

In our campaign reform efforts, we run up against the Constitution of the United States. Hardly, one could argue did the Pounding Pathers anticipate that free speech and money would be so intertwined that when we protect free speech we also protect the right to let money speak. Money speaks so much louder than individuals; therein lies our problem.

Because the interpretation is that spending money on a campaign is protected as the right of freedom of expression, there is not any way, as it now stands to force limits of so-called independent expenditures. If, indeed, we could limit expenditures to a great many people in your own home state to give contributions of no more than $250. By the time you get that many contributions, you have done your part of campaign fundraising. It is a tough job to raise money like that, so you do get a great many people participating at the entry point of the campaign.

Then you limit overall spending absolute ceiling, which is determined by
a factor multiplied by the voting age population. I think perhaps we have taken a figure that is yet too high; nevertheless, we have established a figure; 30 cents, for each voting age citizens of that State.

I take that as a fair determination. It might be better if it were lower. But it does give each side about the same amount of money, a limited amount of money at that.

It seems to me that the biggest criticism has been that somehow, we do not want to spend public money for this kind of endeavor; that if we spend public money, we will be diverting it from so many other important things. I agree; there are a great many priorities in the Nation that are not being met in our budget.

But I would argue and have argued that this is not really public expenditure. We call it that, and, on the face of it, it appears to be that, but it is not. This is no more public financing than a contribution to the United Fund or a contribution to the museum fund and you could take a deduction for that.

I know there are economists and there are certainly plenty of people in the budget office who contend that all of the money belongs to the Government and whatever you give away is public expenditure. They actually list it that way. If there is a tax deduction for contributions to the Boy Scouts, it is listed here in the budget office and in the Treasury as a public expenditure because the Treasury did not get it; the citizens who earned it gave it away before the Government could tax it.

Tax deductibility is a concept of charitable giving that I believe has had a great deal to do with the soundness of American society. Under the pluralistic concept, people can support all kinds of organizations. It gets us away from Government doing everything; it is a concept that an individual has decided to make.

I contend that this is not a public expenditure, this is simply a way that an individual can voluntarily say, "I want to contribute to a fund that helps clean up politics, helps restore the credibility of our election process. I want to make that kind of contribution."

It is an individual decision. I can make it and say that it goes to the Democrats or I can make it and say that it goes to the Republicans, but I am making a decision to make more contribution of the various contributions that an individual will make during a tax year.

So, there it is. It is a voluntary contribution. If the money comes in, it is divided up. If not enough comes in, then it is divided up pro rata. No more tax money is poured in here. It is the money that the donor or she earned and is giving away before it becomes taxable income. I find no fault with that, in spite of this theory that anytime you give away money, you are giving away the Government's money because you take a tax deduction; the Government would get part of it if you have not given it to a charity.

I do not go along with that philosophy. I have seen too many benefits from the pluralistic approach to charitable giving that we have always had in this country. I do not subscribe to this philosophy, I suppose, because I was president of a private university for 16 years, and I needed people to support that institution. I think that institution and institution and institution, that is, to raise taxes from the taxpayers, and I never thought that we were taking money away from the Federal Treasury when we got a contribution for Duke University. I could say the same for the Boy Scouts, the Salvation Army, or any other charitable institution.

That brings us to this charge that is constantly made that we are giving away the taxpayers' money, that the taxpayers will be paying for senatorial campaigns if this bill is passed. That is not, in my opinion, an accurate statement of the facts. This is just another way of making a charitable contribution, a contribution to a tax-exempt organization, you might say.

The Senate campaign fund, the kitty into which the money goes, could very well be set up as a separate organization, in which you could contribute $4 or whatever Congress says. You could contribute to this fund and you could take a deduction for this contribution on your income tax form, and there you are; you have made another contribution to another organization that is a part of our pluralistic concept. It so happens that it is far simpler to let the Treasury act as the conduit for that kind of free will contribution. So I contend that this is not a public expenditure, this is simply a way that an individual can voluntarily say, "I want to contribute to a fund that helps clean up politics, helps restore the credibility of our election process. I want to make that kind of contribution."

It is a national disgrace, in my opinion. This is about the best shot that we have to reform it. I certainly hope that we will not let this session go by without passing the kind of campaign contribution reform that will restore some of the credibility that we have been losing.

Mr. President, I yield.

Mr. McCONNELL. Will the Senator from North Carolina respond to a question?

Mr. SANFORD. Yes.

Mr. McCONNELL. I listened with interest to the observations by my friend from North Carolina about desirability of limiting campaign spending. As my friend knows, there are really two kinds of spending and two kinds of giving. There is the cash contribution which S. 2 seeks to limit, and then there is soft money.

Mr. SANFORD. There is what?

Mr. McCONNELL. Soft money. Those expenditures by corporations, labor unions, and others. I was wondering if my friend could tell me how S. 2 deals with the issue of soft money as opposed to cash money?

Mr. SANFORD. I do not believe that S. 2 deals with soft money, does it?

Mr. McCONNELL. My friend is correct, except for the disclosure in a limited sort of way.

Mr. SANFORD. I would have no problem with legislation dealing with soft money. I think soft money for certain purposes, educational purposes, properly limited, properly defined, can be worthwhile. But that, too, is something that has been subject to abuse. I do not fault S. 2 for not dealing with soft money, but I think we should.

Mr. McCONNELL. As my friend from North Carolina knows, there is no constitutional problem with doing something about not only disclosure of
soft money expenditures but also it could even be limited so a cash contribution could be treated just like a soft money contribution.

We have been talking in the Chamber about possible areas of compromise, and I am wondering if my friend would not agree that is an area we possibly ought to address better than we have?

Mr. SANFORD. I will support S. 2 if the Senator will support S. 2, and I will support limiting soft money if the Senator wants to do that. I think we need S. 2. I think we do need some definition of soft money. Of course, soft money, if I understand the definition of the term as the Senator is using it, does not actually go into a specific campaign, although of course it goes for the benefit of that campaign.

Mr. McCONNELL. Much like the independent expenditure.

Mr. SANFORD. Except we do not do something about soft money, and we cannot do something about independent expenditures. I have no problem with that.

Mr. McCONNELL. Precisely. The independent expenditure is constitutionally protected. The soft money expenditure is not constitutionally protected and has been a gaping loophole in the post-Watergate legislation that many have talked about. It seems to the Senator from Kentucky that it might be appropriate not only to have full disclosure of soft money, not just by political parties, as S. 2 would do, but by labor unions, corporations, and others, as well as even considering a limitation.

The other area I wanted to touch on just briefly with the Senator from North Carolina was his suggestion that the public money being allocated under S. 2 was somehow voluntary. It is true, of course, that the checkoff is voluntary. The independent expenditure is constitutionally protected. The soft money expenditure is not constitutionally protected and has been a gaping loophole in the post-Watergate legislation that many have talked about. It seems to the Senator from Kentucky that it might be appropriate not only to have full disclosure of soft money, not just by political parties, as S. 2 would do, but by labor unions, corporations, and others, as well as even considering a limitation.

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States Senator, but does not include an open primary election; (9) the term 'general election period' means the period beginning on the date on which the candidate qualifies for the general election ballot under the law of the State to elect a Senator subse-
sequent to the date on which the candidate withdraws from the campaign or otherwise ceases actively to seek election, whichever has the shorter date; (10) the term 'immediate family' means a candidate's spouse, and any child, stepchild, parent, grandparent, brother, half-brother, sister, half-sister, stepbrother, stepsister, the spouse of any such person and any child, stepchild, parent, grandparent, brother, half-brother, sister, half-sister of the spouse of any such person; (11) the term 'major party' means 'major party' as defined in section 9002(6) of the Presidential Election Campaign Fund Act, provided that for candidates which qualify by a State to elect a Senator subsequent to an open primary in which all the candidates for the office participated and which a candidate qualifies for the ballot in the general election, shall be treated as a candidate of a major party for purposes of this title; (12) the term 'primary election' means any election which may result in the selection of a candidate for the ballot of the general election; (13) the term 'primary election period' means the period beginning on the day following the date of the last Senate election for the same Senate office and ending on the date of the first primary election for such office following such last Senate election for such office or the date on which the candidate withdraws from the election or otherwise ceases actively to seek election, whichever occurs first; (14) the term 'runoff election' means the election held after a primary election, and prescribed by applicable State law as the means for deciding which candidate(s) will not accept any contributions in excess of 4 million or less, voting age population over 4 million; unless such amount is increased pursuant to section 503(g); (5) certify to the Commission under penalty of perjury that at least one candidate and the candidate's authorized committees have not expended and will not expend, for the primary election, more than the amount equal to 67 percent of the general election spending limit applicable to such candidate pursuant to section 503(b) or more than $7,550,000, whichever amount is less, unless such amount is increased pursuant to section 503(g); (6) certify to the Commission under penalty of perjury that such candidate and the candidate's authorized committees have not expended and will not expend, for the primary election, more than the amount equal to 87 percent of the general election spending limit applicable to such candidate pursuant to section 503(b), unless such amount is increased pursuant to section 503(g); (7) certify to the Commission under penalty of perjury that at least one candidate and the candidate's authorized committees have not expended and will not expend, for the runoff election, if any, more than 20 percent of the maximum amount of the limitation applicable to such candidate as determined under section 503(b), unless such amount is increased pursuant to section 503(g); (8) certify to the Commission under penalty of perjury that at least one candidate and the aggregate amount of contributions received for purposes of paragraph (1) have come from individuals residing in such candidate's State; (9) certify to the Commission under penalty of perjury that at least one other candidate (A) no contribution other than a gift of $400,000, will be taken into account; (B) no contribution received prior to January 1 of the calendar year preceding the year in which the general election involved is held shall be taken into account, and in the case of a special election by the office of the Senator no contribution received prior to the date on which the vacancy occurs in that office or received after the date on which the general election involved is held shall be taken into account; (C) The threshold amounts in subsection (a)(1) shall be increased at the beginning of each calendar year based on the increase in the price index as determined under section 315(c), except that for purposes of determining such increase, the term 'base period', as used in such section shall mean the calendar year of the first election after the date of enactment of the Senatorial Election Campaign Act of 1987.

LEGISLATIVE EXPENDITURES

"Sec. 505. (a) a candidate who receives a payment for use in a general election under this title shall make expenditures from the personal funds of such candidate, or the funds of any member of the immediate family of such candidate, aggregating in excess of $20,000, during the election cycle. (b) Except as otherwise provided in this Act, no candidate who receives matching payments for use in a general election under this title shall make expenditures for such general election which in the aggregate exceed $400,000, plus (c) in States having a voting age population of 4 million or less, 30 cents multiplied by the voting age population; or (d) in States having a voting age population over 4 million, 30 cents multiplied by 4 million plus 25 cents multiplied by the voting age population, except that the amount of the limitation under this subsection, in the case of any candidate, shall not be less than $950,000, nor more than $6,500,000. (e) no candidate who receives matching payments for use in subsections (b), (d), and (e) shall be subject to the provisions of subsections (b) and (d) of section 315.

"(d) No candidate who is otherwise eligible to receive payments for a general elec-
tion under this title may receive any such payments if such candidate spends, for the primary election, more than the amount equal to 67 percent of the limitation on expenditures for the general election determined under subsection (b), or more than $2,750,000, whichever is less, except as provided in subsection (g).

(c) No candidate who is otherwise eligible to receive payments for a general election under this title may receive any such payments if such candidate spends for a runoff election, if any, more than an amount which in the aggregate does not exceed the maximum amount of the limitation applicable to such candidate as determined under subsection (b), except as provided in subsection (g).

(1) For purposes of this section, the amounts set forth in subsections (b), (d), and (e) of this section shall be increased at the beginning of each calendar year based on the increase in the price index as determined under section 315(c), except that for purposes of determining such increase the term ‘base period’ as used in section 315(c) means the calendar year of the first election after the date of enactment of the Senatorial Election Campaign Act of 1987.

(2) The provisions of subsection (b), in any State with no more than one transmitter for a commercial Very High Definition Television Service (VHDS) television station licensed to operate in that State, no candidate in such State who receives a payment for use in a general election under this title shall make expenditures for such general election in which the aggregate exceeds the higher of—

(A) $950,000; or

(B) $400,000 plus 45 cents multiplied by the voting age population up to a population of 4 million, plus 40 cents multiplied by the voting age population over 4 million, up to an amount not exceeding $5,850,000.

(3) The limitation set forth in subsection (b) shall not apply to expenditures by a candidate or a candidate’s authorized committees from a compliance fund established to defray the costs of legal and accounting services provided solely to insure compliance with the limitations on expenditures, (including contributions received from individuals which, when added to all other contributions received by such candidate, aggregating an amount in excess of $10,000 are made in opposition to a candidate or for the opponent of such candidate, are received from individuals which, when added to the aggregate expenditures made by such candidate do not exceed the limitation on expenditures applicable to such candidate pursuant to section 503.

ENTITLEMENT OF ELIGIBLE CANDIDATES TO PAYMENTS

Sec. 504. (a) Except as otherwise provided in section 506,—

(1) eligible candidates shall be entitled to matching payments under section 506 in an amount equal to the amount of each contribution received by such candidate and such candidate’s authorized committees provided that in determining the amount of each such contribution—

(A) the provisions of section 502(b) shall apply; and

(B) the contributions required by section 502(a)(3) shall not be eligible for matching payments under this title; and

the total amount of payments to which a candidate is entitled under this paragrah shall not exceed 50 percent of the amount of the limitation determined under section 503(b) and the amount required to be raised by such candidate to establish eligibility under section 502(a)(1);

(2A) an eligible candidate who is a candidate of a major party shall be entitled to matching payments under section 506 in an amount equal to the amount of the limitation determined under section 503(b) and the amount required to be raised by such candidate to establish eligibility under section 502(a)(1);

(2B) an eligible candidate who is not a candidate of a major party shall be entitled to matching payments under this title; and

the total amount of payments to which a candidate is entitled under this paragrah shall not exceed 50 percent of the amount of the limitation determined under section 503(b) and the amount required to be raised by such candidate to establish eligibility under section 502(a)(1).

(2C) An eligible candidate who is a candidate of a major party shall be entitled to matching payments under section 506, equal to the amount of contributions received by such candidate and the candidate’s authorized committees if any candidate in the same general election not eligible to receive funds under this title either raises aggregate contributions or makes aggregate expenditures for such election which exceed twice the amount of the expenditure limit applicable to such candidate under section 503(b) for such election.

(2D) Payments received by a candidate under this section shall be used to defray expenditures incurred with respect to the general election period for such candidate. Such payments shall not be used (1) to make any payments, directly or indirectly, to such candidate or to any member of the immediate family of such candidate, (2) to make any expenditure other than expenditures to further the general election of such candidate, (3) to make any expenditures which constitute a violation of any law of the United States or of the State in which the expenditure is made, or (4) to repay any loan to any person except to the extent the proceeds of such loan were used to further the general election of such candidate.

(c) A candidate who receives payments under section 506, in addition to the amount of contributions received under subsection (a) or (3)(B) of subsection 503(b) of such candidate, may spend such funds to defray expenditures in the general election without regard to the provisions of section 503(b).

(d) A candidate who receives payments under paragraph (2) or (3)(B) of subsection (a) may spend such funds to defray expenditures in the general election without regard to the provisions of section 503(b).
"CERTIFICATION BY COMMISSION

"Sec. 505. (a) No later than 48 hours after an eligible candidate files a request for access to a share of such candidate's full entitlement.

"(b) A verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirements of this title.

"(c) Certifications by the Commission under subsection (a) and all determinations made by the Commission under this title, shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 507 and judicial review under section 508.

"ESTABLISHMENT OF FUND; PAYMENTS TO ELIGIBLE CANDIDATES

"Sec. 506. (a) The Secretary shall maintain in the Presidential Election Campaign Fund (hereafter referred to as the 'Fund') every amount necessary, pursuant to section 6096(a) of the Internal Revenue Code of 1986, in addition to any other accounts maintained under such section, a separate account to be known as the 'General Election Fund'.

"(b) An independent expenditure by a member of any political committee who, whom any portion of any such payment is made to pay for an independent expenditure by a political committee designated by the Commission through the random selection method, or knowingly or willfully make expenditures for any purpose not provided for in this title.

"(c) If the Commission determines that an independent expenditure by any political committee designated by the Commission through the random selection method, or to any other accounts maintained under such section, any political committee designated by the Commission through the random selection method, or knowingly or willfully make expenditures for any purpose not provided for in this title.

"(d) If the provisions of this subsection apply and the amounts in the Fund are not, or may not be, sufficient to satisfy the full entitlement of an eligible candidate, the Secretary shall, from time to time, deposit into the Fund, for use by candidates eligible to receive payments under this title, the amount available after the Secretary determines that the amounts in the Fund necessary for payments under subtitle H of the Internal Revenue Code of 1986 are adequate for the next presidential election. The monies designated for such account shall remain available without fiscal year limitation.

"(e) Pursuant to the priorities provided in paragraph (3) of subsection (c), upon receipt of a certification from the Commission under this title, the Secretary shall promptly pay to the candidate involved in the certification, out of the Fund, the amount certified by the Commission.

"(f) No notification shall be made by the Commission under this section with respect to an election more than three years after the date of section 505.

"CRIMINAL PENALTIES

"Sec. 507A. (a) No candidate shall knowingly or willfully accept payments under this title in excess of the aggregate payments to which such candidate is entitled or knowingly or willfully use such payments for any purpose not provided for in this title or knowingly or willfully make expenditures from his personal funds, or the personal funds of his immediate family, in excess of the limitation provided in this title.

"(b) Any person who violates the provisions of subsection (a) shall be fined not more than $25,000, or imprisoned not more than 5 years, or both. Any officer or member of any political committee who knowingly consents to any expenditure in violation of the provisions of subsection (a) shall be fined not more than $25,000, or imprisoned not more than 5 years, or both.

"(c) It is unlawful for any person who receives any payment under this title, or to whom any portion of any such payment is made, to knowingly or willfully assist or authorize the use of, such payment or such portion except as provided in section 504(d).

"(d) Any person who violates the provisions of paragraph (1) shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

"(e) It is unlawful for any person knowingly and willfully—

"(A) To furnish any false, fictitious, or fraudulent evidence, books, or information (including any certification, verification, notice, or report), to the Commission under this title, or to include in any evidence, book, or information furnished by it for purposes of this title.

"(B) To fail to furnish to the Commission any information or representation of a material fact, or to falsify or conceal any evidence, books, or information relevant to a certification by the Commission under this title, or to fail to furnish to the Commission any information or representation of a material fact, or to falsify or conceal any evidence, books, or information relevant to a certification by the Commission under this title.

"(C) To furnish any false, fictitious, or fraudulent evidence, books, or information (including any certification, verification, notice, or report), to the Commission under this title, or to include in any evidence, book, or information furnished by it for purposes of this title.

"(D) To fail to furnish to the Commission any information or representation of a material fact, or to falsify or conceal any evidence, books, or information relevant to a certification by the Commission under this title.
tion with any payments received by any candidate who receives payments under this title, or the authorized committees of such candidate.

Cam, or any person who violates the provisions of any rules or regulations under this title, shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

Any person who accepts any kickback or illegal payment in connection with any payments received by any candidate pursuant to the provisions of this title, or received by the authorized committees of such candidate, shall pay to the Secretary for deposit in the Fund, an amount equal to 125 percent of the kickback or payment received.

"JUDICIAL REVIEW

"Sec. 508. (a) Any agency action by the Commission made under the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within thirty days after the agency action by the Commission for which review is sought. It shall be the duty of the Court of Appeals, ahead of all matters not filed under this title, to advance on the docket and act on action instituted under this section and whose compensation it may fix without regard to the provisions of title 5, United States Code, apply to judicial review of any agency action by the Commission for which review is sought. It shall be the duty of the Court of Appeals, ahead of all matters not filed under this title, to advance on the docket and take action on all petitions filed pursuant to this title.

(b) The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action by the Commission for which review is sought.

"PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS

Sec. 508(a) The Commission is authorized to appear in and defend against any action instituted under this section and under section 508 by any person employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of title 5, United States Code, by counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined under section 315 of the Internal Revenue Code of 1986 and the proceeds of any judgments obtained in such actions.

(c) The Commission is authorized, through attorneys and counsel described in subsection (a), to petition the courts of the United States for injunctive relief as is appropriate in order to implement any provision of this title.

(d) The Commission is authorized to appear before the United States Court of Appeals, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to any action instituted in such court pursuant to this title, and to seek enforcement of any judgment or order of such court.

"REPORTS TO CONGRESS; REGULATIONS

Sec. 510. (a) The Commission shall, as soon as practicable after each election, submit a full report to the Senate setting forth-

(1) the expenditures (shown in such detail as the Commission determines appropriate) supported by each candidate and the authorized committees of such candidate;

(2) the amounts certified by the Commission under section 508 for payment to each eligible candidate;

(3) the amount of repayments, if any, required under section 507, and the reasons for each payment required; and

(4) the balance in the Presidential Election Campaign Fund established in the Senate Fund and any other account maintained in the Fund.

Each report submitted pursuant to this section shall be accompanied by a statement setting forth the proposed rule or regulation referring to the proposed rule or regulation containing a detailed explanation and justification of such rule or regulation.

"AUTHORIZATION OF APPROPRIATIONS

Sec. 511. There are authorized to be appropriated to the Commission for the purpose of carrying out functions under this title, such sums as may be necessary.

"SENATE FUND

Sec. 3. Section 6006(a) of the Internal Revenue Code of 1986 is amended-

(1) by striking out "$2" wherever it appears in that subsection and inserting in lieu thereof "$2"; and

(2) by striking out "$2" wherever it appears in that subsection and inserting in lieu thereof "$4".

"BROADCAST RATES

Sec. 4. Section 315(b)(1) of the Communications Act of 1934 (47 U.S.C. 315(b)(1)) is amended by adding at the end thereof the following new subsection:

"Provision. That in the case of candidates for United States Senate in a general election, as such term is defined in section 501(b), who is not eligible to receive payments under section 504, has raised aggregate contributions or made aggregate expenditures for such election which exceed the amount of the limitation determined under section 503(b), shall be printed as a statement setting forth the proposed rule or regulation and notifying the Senate with respect to the proposed rule or regulation which is proposed in lieu thereof the following:

"(1) Not later than the day after the date on which a candidate for United States Senate in a general election, as such term is defined in section 501(b), who is not eligible to receive payments under section 504, has raised aggregate contributions or made aggregate expenditures for such election which exceed the amount of the limitation determined under section 503(b), shall notify each candidate in the election involved who is eligible to receive payments under section 504 about each such determination, and shall certify, pursuant to the provisions of subsection (i), such eligibility to the Secretary of the Treasury for payment of the amount to which such candidate is entitled.

(2) Each report under this section after such report has been filed, shall notify each candidate in the election involved who is eligible to receive payments pursuant to the provisions of this title under section 504, about each such report, and shall certify, pursuant to the provisions of subsection (i), such eligibility to the Secretary of the Treasury for payment of the amount to which such candidate is entitled.

(3) Notwithstanding the reporting requirement established in this subsection, the Commission may in its discretion authorize certification of any statement indicating that a candidate in a general election, as such term is defined in section 503(b), who is not eligible to receive payments under section 504, has raised aggregate contributions or made aggregate expenditures for such election which exceed the amount of the limitation determined under section 503(b) for such election or exceed double such amount. The Commission, within 24 hours after making such determination, shall notify each candidate in the general election involved who is eligible to receive payments under section 504 about each such determination, and shall certify, pursuant to the provisions of subsection (i), such eligibility to the Secretary of the Treasury for payment of the amount to which such candidate is entitled.

(e) All independent expenditures, if any (including those described in subsection (b)(6)(B)(iii)), made by any person after the date of the last Federal election with regard to any candidate for the general election described in subsection (b)(6)(B)(ii)) is amended by adding at the end thereof the following new subsections:

(2) Any declaration filed pursuant to paragraph (1) may be amended or changed at any time within 7 days after the filing of such declaration: Such amended declaration may not be amended or changed further.

(e)(1) Any candidate for United States Senator who qualifies for the ballot for a general election, as such term is defined in section 501(b), if such candidate in such election shall file with the Commission a declaration of whether or not such candidate intends to make expenditures in excess of the amounts described in subsections (d)(2) and (d)(3) of the Federal Election Campaign Act of 1971, provisions shall apply only if such candidate has been certified by the Federal Election Commission as eligible to receive payments under title V of such Act.

"REPORTING REQUIREMENTS

Sec. 5. (a) Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 315(b)(1)) is amended by adding at the end thereof the following new section:

Not later than the day after the date on which a candidate for United States Senate for the general election qualifies for the ballot for a general election, as such term is defined in section 501(b), such candidate in such election shall file with the Commission a declaration of whether or not such candidate intends to make expenditures in excess of the amounts described in subsections (d)(2) and (d)(3) of the Federal Election Campaign Act of 1971.

(2) Any declaration filed pursuant to paragraph (1) may be amended or changed at any time within 7 days after the filing of such declaration: Such amended declaration may not be amended or changed further.

(f)(1) Any candidate for United States Senator who qualifies for the ballot for a general election, as such term is defined in section 501(b), if such candidate in such election shall file with the Commission a declaration of whether or not such candidate intends to make expenditures in excess of the amounts described in subsections (d)(2) and (d)(3) of the Federal Election Campaign Act of 1971.

(2) Any candidate for United States Senator who qualifies for the ballot for a general election, as such term is defined in section 501(b), if such candidate in such election shall file with the Commission a declaration of whether or not such candidate intends to make expenditures in excess of the amounts described in subsections (d)(2) and (d)(3) of the Federal Election Campaign Act of 1971.

(3) Each report under this subsection shall be filed with the Commission and Secretary of State of the State for the election involved, and shall contain a statement setting forth the proposed rule or regulation required by subsection (b)(6)(B)(iii) of this section, and (B) a statement filed under penalty of perjury by the person making the independent expenditures of the person incurring the obligation to make such payments.
such expenditures, as the case may be, that identifies the candidate whom the independent expenditures are actually intended to help elect or defeat. If any such independent expenditures are made during the general election cycle, and if such candidate is eligible to receive payments pursuant to title II of this Act, the Commission shall, within 24 hours after such report is made, notify such candidate in the election involved about each such report, and shall certify, pursuant to the provisions of subsection (i), such eligibility to the Secretary of the Treasury for payment of the amount to which such candidate is entitled.

(4)(A) Notwithstanding the reporting requirements established in this subsection, the Commission may make its own determination that a person has made independent expenditures for purposes of election, or concert with such other person or persons when make such expenditures, as the case may be, with regard to a general election, as defined in section 501(b), that in the aggregate total more than the applicable amount specified in paragraph (2).

(B) The Commission shall, within 24 hours after such notification, notify each candidate in the election involved who is eligible to receive payments under section 504 about each determination under paragraph (A), and shall certify, pursuant to the provisions of subsection (i), such eligibility to the Secretary of the Treasury for payment in full of the amount to which such candidate is entitled.

(5)(g)(1) When two or more persons make an expenditure or expenditures in coordination, consultation, or concert (as described in paragraph (2) or otherwise) for the purpose of promoting the election or defeat of a clearly identified candidate, each such person is required to report to the Commission, under subsection (f), the amount of such expenditure or expenditures made by such person in coordination, consultation, or concert with each other exceeds the applicable amount provided in such subsection.

(2) An expenditure by one person shall constitute an expenditure in coordination, consultation, or concert with another person where—

(A) there is any arrangement, coordination, consultation, or concert (as described in paragraph (2) or otherwise) with respect to such expenditure between such persons making the expenditures, including any officer, director, employee or agent of such person;

(B) in the same two-year election cycle, one of the persons making the expenditures (including any officer, director, employee or agent of such person) or is or has been, with respect to such expenditures—

(i) authorized by such other person to raise or expend funds on behalf of such other person; or

(ii) receiving any form of compensation or reimbursement from such other person or an agent of such other person; or

(C) one of the persons making expenditures (including any officer, director, employee or agent of such person) has communicated with, advised, or counseled such other person in connection with such expenditure;

(D) one of the persons making expenditures to such other person making expenditures each retain the professional services of the same individual or person in connection with such expenditures.

(6)(A) Expenditures by a political action committee, as defined in section 301(4), active in non-Federal elections and maintaining separate accounts for this purpose shall file with the Commission reports of funds received into and disbursements made from such accounts for activities which may influence an election to any Federal office. Such activities shall be determined in accordance with the provisions of section 431(17) of this Act, and shall be made within 24 hours after such report is made, of the appropriate Federal Election Commission for payment of the amount to which such candidate is entitled.

(7)(A) Every political committee, as defined in section 301(8), active in non-Federal elections and maintaining separate accounts for this purpose shall file with the Commission reports of funds received into and disbursements made from such accounts for activities which may influence an election to any Federal office. Such activities shall be determined in accordance with the provisions of section 431(17) of this Act, and shall be made within 24 hours after such report is made, of the appropriate Federal Election Commission for payment of the amount to which such candidate is entitled.

(8) A political action committee, as defined in section 301(4), active in non-Federal elections and maintaining separate accounts for this purpose shall file with the Commission reports of funds received into and disbursements made from such accounts for activities which may influence an election to any Federal office. Such activities shall be determined in accordance with the provisions of section 431(17) of this Act, and shall be made within 24 hours after such report is made, of the appropriate Federal Election Commission for payment of the amount to which such candidate is entitled.

(9)(g)(1) When two or more persons make a deposit or disbursement on behalf of a candidate, each such person making the deposit or disbursement is required to report to the Commission, under subsection (f), the amount and date of each such deposit or disbursement, with respect to each such deposit or disbursement made by such person in coordination, consultation, or concert with each other exceeds the applicable amount provided in such subsection.

(2) Reports required to be filed by this subsection shall be filed for the same time periods required for political committees under section 304(a), and shall include—

(A) a separate statement, for each of the activities in connection with which a report is required under paragraph (1), of the aggregate total of disbursements from the non-Federal accounts; and

(B) supporting schedules, providing an identification of each donor together with the amount and date of each donation with regard to those receipts of the non-Federal account which comprise disbursements reported under subparagraph (A), provided, however, that such schedules are required only for donations from any one source aggregating in excess of $200 in any calendar year.

(3) Reports required to be filed by this subsection need not include donations made to or on behalf of non-Federal candidates or political organizations in accordance with the financing and reporting requirements of State laws, or other disbursements from the non-Federal accounts; and

(4)(A) in subparagraph (1) of this subsection, the term election cycle means—

(A) in the case of a candidate or the authorized committees of a candidate, the term beginning on the day after the date of the last previous general election for such office or seat which such candidate seeks and ending on the date of the next election; or

(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next election.

(B) The Commission shall forward to the Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following:

(2) The following terms in this Act mean—

(a) the term 'election cycle' means—

(A) in the case of a candidate or the authorized committees of a candidate, the term beginning on the day after the date of the last previous general election for such office or seat which such candidate seeks and ending on the date of the next election; or

(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next election.

(2) The Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following:

(2) The following terms in this Act mean—

(a) the term 'election cycle' means—

(A) in the case of a candidate or the authorized committees of a candidate, the term beginning on the day after the date of the last previous general election for such office or seat which such candidate seeks and ending on the date of the next election; or

(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next election.

(c) Section 301(4) of the Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following:

(2) The following terms in this Act mean—

(a) the term 'election cycle' means—

(A) in the case of a candidate or the authorized committees of a candidate, the term beginning on the day after the date of the last previous general election for such office or seat which such candidate seeks and ending on the date of the next election; or

(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next election.

(2) The following terms in this Act mean—

(a) the term 'election cycle' means—

(A) in the case of a candidate or the authorized committees of a candidate, the term beginning on the day after the date of the last previous general election for such office or seat which such candidate seeks and ending on the date of the next election; or

(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next election.
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(B) in subparagraph (F), by inserting after "calendar year," the following: "in the case of multicandidate political committees, separate segregated funds, or in excess of $200 within the election cycle in the case of authorized committees or in excess of $200 within the election cycle in the case of authorized committees or in excess of $200 within the election cycle in the case of authorized committees.

(C) In subparagraph (G), by inserting after "calendar year," the following: "in the case of committees other than authorized committees or in excess of $200 within the election cycle in the case of authorized committees or in excess of $200 within the election cycle in the case of authorized committees or in excess of $200 within the election cycle in the case of authorized committees.

Section 304(b)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by inserting after "calendar year," the following: "in the case of committees other than authorized committees or in excess of $200 within the election cycle in the case of authorized committees or in excess of $200 within the election cycle in the case of authorized committees or in excess of $200 within the election cycle in the case of authorized committees.

Section 304(b)(6)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(6)(A)) is amended by striking out "calendar year," and inserting in lieu thereof "election cycle".

(h) Section 301(13) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(13)) is amended by striking out "calendar year," and inserting in lieu thereof "permanent residence address".

Section 304(b)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by adding before the semicolon at the end thereof the following: "in order to determine to whom an expenditure is made is merely providing personal or consulting services and is in turn making expenditures to other persons who provide goods or services to the candidate or his authorized committees, the name and address of such other person, together with the date, amount and purpose of such expenditure shall also be disclosed".

LIMITS ON CONTRIBUTIONS BY MULTICANDIDATE POLITICAL COMMITTEES AND SEPARATE SEGREGATED FUNDS

Sec. 6. (a) Section 315(a)(x) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(x)) is amended by-

(1) striking out "at "or" at the end of subparagraph (B);

(2) striking out the period at the end of subparagraph (C) and inserting in lieu thereof "election cycle";

(3) adding at the end the following new subparagraphs:

"(D) to any candidate for the office of Member of Congress, Delegate or Resident Commissioner to the, the House of Representatives and the authorized political committees of such candidate with respect to-

"(i) a general or special election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress (including any primary election, convention, or caucus relating to such general or special election) which exceed $25,000 when added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such runoff election; or

"(ii) to any candidate for the office of Senator and the authorized political committees of such candidate with respect to-

"(A) an election, in which is made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such general or special election which exceed $25,000 when added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such general or special election; or

"(B) to any candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress which exceed $25,000 when added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such runoff election; or

"(C) to any candidate for the office of Senator and the authorized political committees of such candidate with respect to-

"(1) a general or special election for such office (including any primary election, convention, or caucus relating to such general or special election) which, when added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such general or special election exceeds an amount equal to 30 percent of the amount provided in section 315(i); or

"(2) in such runoff election, an amount equal to 30 percent of the amount provided in section 315(i), for runoff elections; or

"(D) to any State committee of a political party, including any subordinate committee of a State committee, which, when added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such State committee exceeds an amount equal to-

"(i) 2 cents multiplied by the voting age population of the State of such State committee, or

"(ii) $25,000, whichever is greater. The limitation of this subparagraph shall apply separately with respect to each general or special election cycle, covering a period from the day following the date of the last Federal general election held in that State through the date of the next regularly scheduled Federal general election.

Sec. 7. (a) Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by inserting after "election cycle" the following:

"(1) For purposes of subsection (a)(2)(E)(iii), such limitation shall be an amount equal to 67 percent of the aggregate of $400,000, plus-

"(1) in States having a voting age population of 4 million or less, 30 cents multiplied by the voting age population; or

"(2) in States having a voting age population over 4 million, 30 cents multiplied by 4 percent of the aggregate of $400,000, plus-

except that such amount shall not be less than $950,000, nor more than $5,500,000.

For purposes of subsection (a)(2)(E)(ii), such limitation shall be an amount equal to 20 percent of the aggregate of $400,000, plus-

"(1) in States having a voting age population of 4 million or less, 30 cents multiplied by the voting age population; or

"(2) in States having a voting age population over 4 million, 30 cents multiplied by 4 million plus 25 cents multiplied by the voting age population over 4 million; or

except that such amount shall not be less than $950,000, nor more than $5,500,000.

(2) Section 315(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(c)) is amended—

(A) striking out "section (b) and subsection (d)" in paragraph (1) and inserting in lieu thereof "subsections (b), (d), (i), and (j)";

(B) inserting "or subsections (b) and (d) and the term "base period" means the calendar year of the first election after the date of enactment of the Senatorial Election Campaign Act of 1987, for subsections (i) and (j)" before the period at the end of paragraph (2)(B).

Section 317 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended—

(1) in paragraph (1), by striking out "(2) and inserting in lieu thereof "(2), (3), (4), and (5);"

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

"(4) No national committee of a political party may accept contributions from multicandidate political committees and separate segregated funds, during any two-year election cycle, which, in the aggregate, equal an amount greater than 30 percent of the total expenditures which may be made during such election cycle by that committee on behalf of candidates for Senator, Representative, Delegate, or Resident Commissioner pursuant to the provisions of paragraphs (3).

"(5) No national committee of a political party may accept contributions from multicandidate political committees and separate segregated funds, during any two-year election cycle, which, in the aggregate, equal an amount in excess of an amount equal to 2 cents multiplied by the voting age population of the United States.

"(6) The limitations contained in paragraphs (2) and (3) shall apply to any expenditure through general public political advertising, whenever made, which clearly identifies by name an individual who is, or is seeking nomination to be, a candidate in the general election for Federal office of President, Vice President, Senator, Representative, Delegate, or Resident Commissioner pursuant to the provisions of paragraph (3).

"(7) "No national committee of a political party may accept contributions from multicandidate political committees and separate segregated funds, during any two-year election cycle, which, in the aggregate, equal an amount greater than 30 percent of the total expenditures which may be made during such election cycle by that committee on behalf of candidates for Senator, Representative, Delegate, or Resident Commissioner pursuant to the provisions of paragraph (3)."

INTERMEDIARY OR CONDUIT

Sec. 7. (a) Section 315(a)(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(8)) is amended to read as follows:

"(8) For purposes of this subsection—

"(A) contributions made by a person, either directly or indirectly, to or on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as contributions from such person to such candidate;

"(B) contributions made by a person either directly or indirectly, to or on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as contributions from such person to such candidate;

"(C) contributions made by a person either directly or indirectly, to or on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as contributions from such person to such candidate;

"(D) contributions made by a person either directly or indirectly, to or on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as contributions from such person to such candidate;
payable to the conduit or intermediary rather than to the intended recipient; or

(II) the conduit or intermediary is a polit­
ical committee, other than an authorized com­
mittee, within the meaning of section 301(a), (a) or an officer, employee or other agent of such a political committee, or an officer, employee or other agent of a candidate within the meaning of section 301(7), acting in its behalf; and

(C) the limitations imposed by this para­
graph shall not apply:

(i) bona fide joint fundraising efforts conducted solely for the purpose of sponsor­ship of a fundraising reception, dinner, or other event, in accordance with the regula­tions prescribed by the Commission by (I) two or more candidates, (II) two or more national, State, or local committees of a political party within the meaning of section 301(c) acting on their own behalf, or (III) a special committee formed by (a) two or more candidates or (b) one or more candi­dates and one or more national, State, or local committees of a political party acting on their own behalf;

(ii) fundraising efforts for the benefit of a candidate which are conducted by another candidate within the meaning of section 301(2);

In all cases where contributions are made by a person either directly or indirectly to or on behalf of a particular candidate through an intermediary or conduit, the interme­diary or conduit shall report the original source and the intended recipient of such contribution to the Commission and to the intended recipient;

INDEPENDENT EXPENDITURES

Sec. 8. (a) Section 301(17) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 (17)) is amended by deleting the end thereof and there­
ning the following: "An expenditure shall con­stitute an expenditure in coordination, con­sultation, or concert with a candidate and shall not constitute an 'independent ex­penditure' where—

(A) there is any arrangement, coordina­tion, or direction with respect to the ex­penditure between the candidate or the can­didate's agent and the person (including any officer, director, employee or agent of such person) making the expenditure;

(B) in the same election cycle, the person making the expenditure (including any officer, director, employee or agent of such person) has com­municated or consulted at any time during the same elec­tion cycle about the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for Federal office, within the meaning of section 301(7), acting in its behalf; and

(C) the limitations imposed by this para­
graph shall not apply:

(i) any officer, director, employee or agent of a party committee that has made or in­tends to make expenditures or contribu­tions pursuant to subsections (a), (d), or (h) of section 315 in connection with the can­didate's campaign; or

(F) the expenditure is based on informa­tion provided to the person making the ex­penditure through

(e)(i) a broadcast com­munication on any television station, the point of order made by the distin­guished Senator from Texas [Mr. Gramm] and that may result in one or more rollcall votes.

CLOTURE MOTION

Mr. BYRD. Mr. President, I send to the desk a cloture motion.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accord­ance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the com­mittee substitute for S. 3, the Federal Election Campaign Act of 1971 to pro­vide for a voluntary system of spending limits and partial public financing of Senate general election campaigns, to limit contribu­tions by multicandidate political commit­tees, and for other purposes.

Sec. 11. Section 309(a)(5)(C) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)), as amended by section 7 of this Act, is further amended by adding at the end thereof the following paragraph:

(F) (I) striking out "or" at the end of clause (k);

(ii) striking out the period at the end of clause (ii) and inserting in lieu thereof "or";

(iii) adding at the end thereof the follow­ing:

(iii) with respect to a candidate for the office of United States Senator for his autho­rized political committees, any extension of credit for goods or services relating to ad­vertising on broadcasting stations, in news­papers or other media mail (including direct mail fund solicitations) or other similar types of general public political advertise­ments, if such extension of credit is—

(D) in an amount of more than $1,000; and

(E) for a period of more than 60 days after the date on which such goods or ser­vices are furnished, which date in the case of advertising by direct mail (including direct mail fund solicitation) shall be the date of the mailing;"

SEVERABILITY

Sec. 13. If any provision of this Act or any amendment made by this Act, or the appli­cation of any such provision to any person or circumstance is held invalid, the validity of any other such provision and the applica­tion of such provision to other persons and circumstances shall not be affected thereby.
SENATORIAL ELECTION CAMPAIGN ACT

Mr. BYRD. Mr. President, I wonder if we could agree, before the distinguished Senator from Texas makes his point of order—and I intend to yield the floor so that he can make it—could we agree to have the distinguished Republican leader on the floor, could we agree to have a time for debate with respect to this amendment, say, if we could agree to have debate for 1 hour and then let the Senator be recognized to make his point of order so we could have some debate? I have to be off the floor at 4 o'clock. I have to go over and talk with the Leader about another matter. I would like to be free at least to do that until 4:30.

If we could make it 1 hour of debate on this amendment, with the time to be equally divided between the distinguished Republican leader and Mr. BOREN, or their designees, after which hour Mr. GRAMM would be recognized to make his point of order.

Mr. DOLE. There would be no disposition of the amendment? You are just talking about debate on the amendment?

Mr. BYRD. No, no disposition of the amendment. Just debate on it.

Mr. DOLE. That would accommodate your schedule?

Mr. BYRD. Yes. I really wanted to go over to talk to the Speaker at 4 o'clock about the budget. That is what I want to do. But I do not want to be absent and I do not want to keep him waiting.

Mr. GRAMM. Will the distinguished majority leader yield?

Mr. BOREN. Yes.

Mr. GRAMM. If it would make no difference to the distinguished majority leader and others, it would help me, in terms of my schedule, if I could simply raise the point of order and have the distinguished majority leader move to waive the point of order and then set a time certain when we would vote on that, so I would not have to wait around another hour to raise it. If no one objected to that, I would be happy to do it that way. But I would accept the majority leader's suggestion if mine is not acceptable.

Mr. BYRD. I will be glad to meet the distinguished Senator halfway. Would it be agreeable to have the Senator make his point of order at this time and have, say, 1 hour and 15 minutes and let me be recognized at that time to either put in a quorum call or make a motion to waive?

Mr. GRAMM. Would the distinguished leader yield further?

Mr. BYRD. Yes.

Mr. GRAMM. I do not require any debate on my side on the point of order. I was simply proposing that I be recognized to make a point of order, that the distinguished majority leader move to waive the Budget Act, and then we would vote on the amendment; so that the distinguished majority leader was ready to vote on it. I do not anticipate any debate. I can make my point in 2 minutes and require no further time.

Mr. BYRD. I was seeking to have unanimous consent for debate on this amendment, so that it would be explained fully and, at the same time, protect myself while going over to the House and, at the same time, accommodating the distinguished Senator.

Mr. President, if the distinguished Senator from Texas would allow me to follow the course of the first proposal that I made, I would like to make that request, if I might. I will make it and then let me be recognized to reserve the right to object, he may.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed with debate, to be equally divided on both sides, controlled by Mr. DOLE, or his designees, and Mr. BOREN, or his designees, to extend until the hour of 4:45 p.m. today, at which time the distinguished Senator from Texas would be recognized to make his point of order; provided further, that, in the meantime, during the debate, no motions or actions be in order, other than the call of the quorum, to be charged appropriately. So this protects the Senator.

Mr. GRAMM. Mr. President, if the distinguished majority leader will yield, may I be certain that in this amendment, the money and campaigns is one of the reasons why more and more members of the Senate in this country in an average election cycle, it is clear that something is badly wrong.

When Members of the Senate have to spend an increasing amount of their time raising money and more money in order for us to have campaign reform, instead of devoting their time to solving the problems of this country, there is obviously something badly wrong.

When we see what is happening, when we see that in just the past 10 years the average cost of running a successful campaign for the U.S. Senate in this country in an average election cycle has gone from $600,000 to $3 million in this latest election cycle, we see that it is something that is seriously wrong.

As we have pointed out again and again, what is happening to the election process in this country is not a Democratic problem. It is not a Republican problem. It is an American problem. It is a threat to the integrity of the election process itself.

We have seen what is happening, when we see that in just the past 10 years the average cost of running a successful campaign for the U.S. Senate in this country in an average election cycle has gone from $600,000 to $3 million in this latest election cycle, it is clear that something is badly wrong.

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Supreme Court decisions if we are to have limits. We must be some incentive to induce candidates to accept voluntary spending under the Buckley versus S. 2, who have been opposing S. 2, have emphasized their desire to try to reduce the amount of public financing in the system, we have more than cut in half, under this proposal, the amount of partial public financing that would be required. That constitutes the most important element of the compromise which we are offering to the other side. We have more than cut in half the amount of public financing that would have been involved under our original proposal.

To summarize it, Mr. President: Under the original proposal, while primarily financed through private contributions under S. 2, in the general election a candidate, once nominated and financed through the public checkoff system, had all private contributions of $250 or less, 75 percent from the home State of that candidate, in order to qualify for Federal funds out of the voluntary income tax checkoff system.

Once that threshold was met, and the threshold was approximately 20 percent of the total spending limit in the general election, then the funds from the checkoff system, the public funds, would be used to make up the balance. In other words, that 80 percent under the original proposal, once the threshold was met, 20 percent was raised from private contributions principally in the home State of the candidate, than the balance of the funds up to the spending limit would come from the public fund created through the checkoff system; in other words, approximately 10 percent of total spending would come from private contributions, private contributions of $250 or less, 75 percent from the home State of that candidate, in order to qualify for Federal funds out of the voluntary income tax checkoff system.

Under this new proposal, once the 20-percent threshold is met, the balance of the funds would be allocated on a matching basis. Under this proposal, we would require the candidate to raise an additional dollar of private contributions, small amounts, before that candidate could get $1 of matching funds from the public voluntary income tax checkoff fund.

So, you would have to raise the dollar for a dollar. That would mean that of that final 80 percent, approximately half of it would come, then, from individual, private contributions to be matched by the public payment out of the checkoff fund.

We would be reducing the amount of public funds to a maximum possible percentage of 40 percent in the general election. Only contributions by individuals, small contributions by individuals, would be matched by the public fund. It would still be lawful to expand PAC moneys up to an aggregate PAC limit, the very same limit that funds that can be accepted by a candidate could not be matched from the public checkoff fund. If a candidate decided after raising the 20-percent threshold to spend another 20 percent within the limits of the law of PAC funds, only 60 percent would be left.

That would be matched dollar for dollar. In that example, public funds would only be 30 percent. So the bottom line is this: We are ready to reach a reasonable compromise. We are not going to let some preannounced position on a specific provision of the bill stand in the way of reaching a reasonable compromise and we are trying to move to meet the other side halfway. We have moved a giant step in reducing the amount of public funds to less than 50 percent, less than half of that we have in the first proposal.

At the same time, this compromise preserves the two essentials of reform. First, if we are to have true campaign reform, we must find a way to limit campaign spending, we must find a way to stop the ever-growing amount of money that is being spent on campaign purposes in the elections of those years. This particular substitute amendment does that. It still has a mechanism to bring about voluntary spending limits and still has enough incentives built into the bill for the matching system set up in the general election. $1 of private contributions to be raised by $1 of the checkoff fund only for those candidates who accept voluntary spending limits.

It also has tax incentives to be effective in terms of limited spending. Second, it still contains the very same provisions as in the original bill in terms of limiting the aggregate amount of PAC funds or special-interest funds that may be accepted by a candidate. Without those two essentials, there can be no reform.

We are anxious to do our part to meet the other side halfway. We hope they will now respond by moving from their original positions to move toward us so we can begin to form a consensus in the interest of this Nation on a bipartisan basis to deal with a critical American problem.

I commend the majority leader for his willingness to set aside any kind of partisan feelings to reach out to the other side to try to forge this sort of compromise for the benefit of this country. We must not allow party politics to stand in the way of doing something to clean up the election process itself, to stop the scandal of the increasing amount of money that has to be raised and spent in order for people to render a public service. We must do something about it.
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I commend the majority leader for his willingness to take the first step to reach out to the other side with a reasonable proposal. My hope is that those on the other side of the aisle will accept this offer, will meet us halfway in this proposal, will vote for it, and will not hold us up and write this provision into law and do something very positive for the future of this country and our political system.

Mr. BYRD. Mr. President, will the distinguished Senator yield me some time?

Mr. BOREN. I shall be happy to yield to the majority leader as much time as he requires.

Mr. BYRD. Will he yield me 7 minutes?

Mr. BOREN. I yield the majority leader 7 minutes.

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

Mr. BYRD. Mr. President, my statements will be very short and simple.

We are here because our campaign financing system is a disgrace, and is eroding trust and confidence in our democratic system of government. The perception is widespread that the Congress and the campaign spending is at the surface of the problem. A few others in both parties say the answer is not legislation, but the Supreme Court has said that spending limits, but the Supreme Court has said that spending limits are only constitutional if including effective spending limits—notably including effective spending limits—is the very core of reform.

We also are willing to make this much movement because we sincerely want the legislation that emerges from the Senate on this subject to be bipartisan. This legislation is not new and never has been an attempt to hurt the Republican Party, as some have charged.

Mr. President, this amendment speaks for itself. It shows that we who support campaign finance reform are willing to meet those who have expressed criticisms of the bill before us more than halfway. I am very hopeful that those Senators who will choose to move toward us as we have been willing to move toward them. Because, if they do, the 100th Congress can take a truly historical step in enacting effective campaign finance reform legislation that will help mightily to restore confidence in the very core of reform.

The people of this Nation are watching what we do here. Too many in this city underestimate the intelligence and perceptivity of the people out there who are watching. The people will know who supports real reform and who does not support real, genuine, effective, meaningful campaign finance reform. They will know who is putting up a smoke screen and who is serious. Nothing less than the public's perception of the integrity of this body—and, indeed, of our Democratic Government—is what is at stake. It will be a true tragedy if we let party politics get in the way of what we need to be doing on this subject—if we cannot work together to achieve what the people want us to achieve: real reform.

I hope those who have opposed this campaign finance reform bill will support this amendment.

Mr. President, I ask unanimous consent that an editorial from today's Washington Post entitled "Drowning in Money" be printed in the Record at this point.

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

DROWNING IN MONEY

Knowing they'd lose if it came to a vote, Republicans have used the threat and blocked the Senate from proceeding with campaign finance reform. They say the sticking point is the public financing bill would provide for Senate campaigns—that the democratic bill is a grabby effort by a lazy majority to perpetuate itself in office at public expense; that the present system is the cozy trade of clout for cash the critics portray; that public finance will create a Senate not more responsive to the public will but less so.

This is a false issue. A comparable public financing scheme has been in effect at the presidential level for three elections now. The answers have been almost always positive. During this time, almost $3 million for the average Senate seat, more than $90 million in all; he seemed to have survived it. Bob Dole has indicated he will take it in his presidential campaign. Why at one level is it a cleansing influence, at the other to be deplored? Which side of this no doubt moral issue is the minority leader on?

The current congressional financing system is at the very edge of rot. Sensible modification of both parties is under way. The cost of office leaps ahead in every election cycle, more than doubling in 10 years: $3 million for the average Senate seat, more if the seat is contested; $500,000 for a seat in the House. The democratic process drowns in amounts like these; the members have been driven to the PACs, which are only too happy to oblige. The answer is spending limits, but the Supreme Court has said that spending limits are only constitutional if they are part of a quid pro quo. That is why public spending is in this bill. You don't have to take the money, but if you do, you have to abide by the terms on which it is doled out. Do the Republicans propose? They would bid the price of office up to the moon.

Some Republicans have suggested, instead of caps on spending, shifts in the sources and mix of funds. The idea is to let the PACs give less, individuals and parties more. A good beginning—the individual limit of $1,000 per election has not been changed since 1974 and is much eroded by inflation— but not enough; these alternatives skate on the surface of the problem. A few others in both parties say the answer is not legislation but a constitutional amendment that would permit spending limits without the threat of overriding it. Most of the constitutional amendments take forever, and we wince at the idea of making Swiss cheese of the First Amendment. There is the public versus private financing, as the Republicans would have it. The real-world issue is whether and how to limit the rule of megadollars in our politics. Mr. Dole's vote should pave the way for the public bill, the bicameral bill, the alternative that will also limit spending and take the Senate
off the present race course: that is what the Republicans must help provide.

Mr. President, I yield back any time that I may have remaining to the distinguished Senator from Oklahoma.

Mr. McCONNELL. Will the Senator from Oklahoma yield for a question?

Mr. BOREN. Will this be on the time of the Senator from Kentucky?

Mr. McCONNELL. Frankly, it makes no difference to the Senator from Kentucky. He will be happy to use his time.

Mr. BOREN. I will be happy to yield on his time.

Mr. McCONNELL. I just wanted to ask the Senator from Oklahoma, as he well knows in the original version of S. 2 as reported out by the committee, if one chose as a matter of principle, let us say, to not opt for public funding and to fund his campaign privately, there would be a specified version of S. 2 a provision for what we call, for lack of a better term, a second entitlement from the Treasury.

For example, in the State of Oklahoma, should the Senator's opponent in 1987 have to raise $1,113,700, opt for public funding, once he exceeded the general election spending level of $1,113,700 the Senator in this hypothetical would get a second check from the Treasury. It would be equal in amount to $1,113,700. And so my question to my friend is, is that second entitlement payment still triggered by the approach of the level of spending of the candidate who chooses to fund his campaign privately?

Mr. BOREN. Mr. President, the Senator is correct. In other words, as far as raising the money initially, we are not asking the Treasury to raise all of the money after the candidate has met the threshold. Let us take, a State where the limit is $1 million to take an example. You raise the $1 million privately, 75 percent within your own State, contributions of $250 or less. After that, if the candidate involved continues to raise individual contributions as opposed to spending PAC money, those individual contributions will be matched dollar for dollar. The actual mechanism is if the candidate raised $20,000 in his State from small contributions, then $20,000 will come out of the fund. So when you get through with that first $1 million under our example, 60 percent of it will have been raised through private contributions and a maximum of 40 percent would come from the public checkoff fund.

Now, let us suppose then that the opponent, who has not accepted the voluntary spending limit, breaks through the barrier and the opponent goes on and spends $2 million. At that point, the additional funds would come to the person accepting the spending limit from the voluntary public checkoff fund. This is their enforcement mechanism to try to ensure fairness so people will not attempt to buy elections. If I want to be a good citizen, if I want to fight the election out on the issues and on the qualifications for office, instead of on the basis of who can raise the most money to buy the election, I should not be penalized for trying to be a responsible candidate. If the other side wants to buy the election, then, yes, funds would come in from the public checkoff system, from people who voluntarily check the box so that funds would come out of that public fund to equalize the race so that the candidate who wanted to be responsible, who wanted to run on his merits, who wanted to run on the issues, instead of running on the basis of buying the election, by raising an enormous amount of money and spending an enormous amount of money, that fund remains a yes, to preserve the integrity of the election process. That is exactly right.

Mr. McCONNELL. I thank my friend from Oklahoma. As he knows, one of our shared concerns—we do have a few shared concerns in this Chamber—is the so-called millionaire's loophole. It exists under current law. It would exist under S. 2. It would exist under the amended version of S. 2. It would exist under McConnell-Packwood. It exists because it is a constitutional problem. One of the things I fear about even the most recent version of S. 2 is that it makes it even more difficult for the candidate who is not wealthy to compete with the millionaire candidate. Certainly the second entitlement from the Treasury would be a deterrent to one who is only a little bit wealthy, but to someone who has vast wealth—and we have some of our colleagues sitting in this body today who have vast wealth and who have spent that vast wealth in behalf of their ambitions to come to the Senate—this would simply provide a limit to those candidates who choose to fund his campaign partially privately and partially publicly but would not be much of a deterrent to the really wealthy candidate who is prepared to dip into his pocket to go the whole way. And so, unfortunately, none of the versions we have discussed will deal with that problem. If there were a way to construct a constitutional amendment, as we probably should construct it, to deal with that problem, the Senator from Kentucky would certainly be more than happy to join in support of such a constitutional amendment.

With all due respect to the majority leader and the Senator from Oklahoma, the amended version of S. 2 is largely a cosmetic alteration of the taxpayer financing feature existing in the earlier version. The expense paid on the taxpayers' backs will be changed from about $117 million per election to about $76 million per election, a 35-percent reduction in the taxpayers' money going into campaigns.

I do not think that is a significant alteration of the problem. Most of the Senators certainly on this side of the aisle—and I think a great many of the other Senators on that side of the aisle, at least quietly—do not favor the use of taxpayers' funds for the funding of political races.

Beyond that, as many of us have said frequently in the debate over the last few months, is it appropriate to limit participation? When you put a cap on spending, when you put a cap on participation, when you put a cap on the ability of one to go out and get as much support as his skill and ability will enlist, it seems to me that is not reform.

It appears to me, with all due respect to my friend from Oklahoma, that we still are in fundamental disagreement about what adds up to reform. To the Senator from Kentucky, reform means disclosure of soft money, reform means possibly the limitation of soft money. It means greater disclosure of independent expenditures. It means doing something about the special interests. The Senator from Oregon and myself proposed a bill that would eliminate PAC contributions to candidates. We would be happy to carry that over to parties as well. If the issue is special-interest influence, if the issue is undemocratic influence, if the issue is that somehow we have fallen into the clutches of special interests in this town, we can eliminate those contributions and we can do it in this debate, but unfortunately S. 2 does not do that.

In conclusion, Mr. President, I appreciate the effort of the Senator from Oklahoma, the spirit of compromise, but it seems to me that the amended version of S. 2 retains the worst elements of the earlier version and that is public funding and spending limits. And so I must respectfully suggest that this is not a compromise that has gone far enough. I yield the floor.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

The Senator from Oklahoma.

Mr. BOREN. How much time remains on this side?

The PRESIDING OFFICER. Thirteen and a half minutes.

Mr. BOREN. Thirteen and a half minutes?

The PRESIDING OFFICER. Thirteen and a half minutes remain for the side of the proponents.

Mr. BOREN. I yield myself 8 minutes.

The PRESIDING OFFICER. The Senator is recognized for 8 minutes.
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raised by the distinguished Senator from Kentucky and I express my dis­

ap­point­ment that Senator from Kentucky does not feel that this par­

ticul­lar compromise can be accepted. As we have said, we have gone more than half way. If the true objection was the checkoff system, to private public financing, we have reduced by more than half the amount of public financing that would be involved in the general election. We have left the primary system totally under private financing.

I would hope that if this cannot be accepted, there would be proposals on the other side which would take a giant step toward meeting us—we have attempted to take a large step toward meeting the objections on that side—so we will not let this opportunity for true reform slip through our fingers once again. Every year that we wait, the problem simply becomes more and more serious.

Several matters have been raised and I want to address them. The first is the millionaire's loophole. There seems to be the implication that Senate bill 2 and the substitute offered today do not deal with the so-called millionaire's loophole, the ability of a candidate who is very wealthy in his or her own right to spend a lot of money in order to get elected, whereas the opponent does not have the funds and this advantage. This bill does deal with a very meaningful way with the so-called millionaire's loophole. First of all, we provide that any candidate who participates in the system, who accepts the voluntary spending limits, who gets the lower advertising rate, who is eligible for the matching fund out of the checkoff system, will first of all agree not to spend more than $20,000 of his own money.

This is in great contrast to the proposal of the Senator from Kentucky and the Senator from Oregon. They allow an individual to spend $250,000 of his own money before any particular provision triggers or any particular protection triggers.

So I submit that if we are concerned about doing something about preventing those with enormous amounts of personal wealth from using their own money to buy an office, our proposal is much more effective than theirs.

Second, we should look at what happens if the candidate exceeds the amount of money that is allowed.

First of all, under our provision, if a millionaire exceeds the voluntary spending limit, then the opponent who does not have the access to that personal wealth will be eligible for funds out of the checkoff system, an impartial checkoff system, to combat that amount of money.

The substitute offered, on the other hand, in the McConnell-Packwood proposal is to allow the candidate who is up against the millionaire candidate to raise the individual contributor limit on funds from $1,000 exempt from $1,000 up to $10,000. In other words, they compound the problem.

The only way of dealing with it, if the millionaire spends over $250,000 of his own money, in addition to the $250,000, is to allow him or her to raise the contributions so that people can give $10,000 to a candidate instead of only $1,000.

In my opinion, that creates what I would call a double loophole, so far as big money influence is concerned. We are just compounding the problem of allowing other millionaries, who can now give only $1,000 to a candidate, to now give that candidate $10,000. How does that enhance the ability of the average citizen at the grassroots, who cannot afford to make such contributions, to participate on a fair and equal basis in the election process? I say it does not; it is the same as the term of S. 2 are much more effective in dealing with this problem.

Let me indicate that I think we are getting at the basis of what is really the reason for the dispute on the other side of the aisle. It is not really public financing. We have talked here about reducing the amount of public financing. It is really, spending limits. The objection to public financing I think, has been thrown up as a smoke screen. The real reason some on the other side are not for this proposal is that it achieves spending limits.

I was interested to read an article this morning in the Louisville Courier Journal quoting our distinguished colleague, for whom I have great respect. We have worked together on a number of issues. He said that the Senate Republicans met late yesterday and agreed to blind themselves as a Caucus to vote against any new version that would impose spending limits—spending limits.

I must say that I was very discouraged by that, because, as long as the problem was simply a mechanism of getting spending under control, concerning about the amount of public financing involved, I felt certain that we could move to reach an agreement, that we could move to have a consensus. There cannot be any real reform without some kind of spending limits. We must limit the influence of special interests and the amount that is being spent on campaigns.

This Senator is not overjoyed with the idea of putting any public funds into the election process, but it becomes necessary, and I think it is important for the American people to understand that.

In the past, we had laws that limited the amount of money you could spend getting elected to Congress or to State offices across this country, and we let it continue for the reason that any candidate could not buy the election by being able to have more money himself or herself or raise more money. We had to keep a level playing field to elect people on the people rather than on the basis of how successful they were in raising huge amounts of money, often from those who had an interest in legislation pending. Congress was supposed to be.

Then the Supreme Court came along, in the case of Buckley versus Valeo, and said it is now unconstitutional, in the opinion of the Court, to impose spending limits. So we had to come up with some new mechanism to find a way to constraining total spending.

The example before us, which has been upheld by the courts, was the example of the Presidential system, which has worked very well and kept the cost of running for President from escalating at all.

It stayed more or less the same since this system was put in place. That is, you can have voluntary spending limits. Why would a candidate accept spending limits, if he or she is concerned about an opponent not abiding by spending limits?

Well, we put in a system under which there is a matching fund. Only candidates who accept the voluntary spending rule will qualify to obtain matching public funds. We have to come up with a bundle of carrots, with incentives, to induce a candidate to accept a voluntary spending limit. That is the only way, under the Court decision. It is a Court decision I do not happen to like, but it is the Court decision. It is now the law of the land; and, like it or not, we have to deal with it, and we have to come up with a system that will enable us to impose spending limits through a voluntary system. However, with a voluntary system, you have to have some inducement, a mechanism, to get a candidate to accept that limit; and to get him to accept that inducement, even overriding his fear that his opponent will outspend him.

So, that is what this debate is really about. Is it good for America to allow candidates to spend on campaigns absolutely without limit? That is what is so discouraging to me.

I do not believe that a majority of people in this country, in either political party, think it is good for America, for the cost of campaigns to continue to escalate at such an alarming rate. If you took a poll of the American people, I do not believe that you would have more than a tiny fraction of the American people say that it is a good thing that the cost of running for the Presidency has gone from $600,000 to $3 million in just 10 years. I do not think you could get many people in the United States of America to say that they think it is a good thing that if just the present rate of increase continues, 12 years from now it will cost an average of $15 million in a small
State to run for a seat in the U.S. Senate.

I think they would agree with the feelings of the high school students I mentioned on the first day of this debate.

I asked them: "Are you interested in serving your country, perhaps running for office, running for the U.S. Senate someday?" A number of hands went up. They were 12 years away from running for the Senate. When I asked them how many, I told them to think about how they would raise the $15 million, which, at the current rate of increase, it would take for them to run for the U.S. Senate. I wish my colleagues could have seen the looks on their faces. We cannot afford to dash their idealism and their hopes to serve.

What can anyone be afraid of, to get an equal chance to raise money with equal limits? Yes, they have to be high enough to help you bring your case to this court. What is the easiest and most effective way for the American people to participate in making a contribution to their favorite candidate?

So what my friend from Oklahoma is resisting is let us limit participation in the political system. Let us say to candidate X in Oklahoma, "No matter how much support you've got out there, this is all you can get, this is all you can run."

The Supreme Court decision has been cited by many with disdain. What the Supreme Court said about limiting spending was that it was a violation of the first amendment, and the Supreme Court was right on point. I repeat what the Supreme Court said, that a limit on spending on behalf of a candidate was a violation of the first amendment.

We revere the first amendment in this country. The Supreme Court interpreted this right appropriately, and it is not good for America to put a limit on participation.

We cannot allow the so-called millionaire loophole to exist that would allow a person to raise $50 million, $100 million. Some think it is great that it has gone from $600,000 to $3 million. I suppose they think it would be better to raise $15 million. Is it enough to allow us to raise $100 million to run for the U.S. Senate, so that we could spend nearly all our time raising money and none of our time solving the problems of the country?

Let us compete on qualifications and ideas, on a fair and equal basis, before the American people. Let us tell the people what we believe and what you hope to do if elected. But how much is enough to allow us to think it would be better to rise to $15 million. Is it enough to allow us to think it is great that it has gone from $600,000 to $3 million? I suppose they think it would be better to raise $15 million. Is it enough to allow us to raise $100 million to run for the U.S. Senate, so that we could spend nearly all our time raising money and none of our time solving the problems of the country?

Let us compete on qualifications and ideas, on a fair and equal basis, before the American people. Let us tell the people what we want to do if elected to office. Let us tell them our proposals for solving the national problems. Let us not make the major element of competition for public office the raising of the most money, rather than those people who would be most dedicated to serving the country and most able, because of their ideas, to make a clear contribution to the future of this country. Yes, we want competition in politics, on ideas and ideals, and not on money, money, and more money, to auction off the high offices of this land to the highest bidder.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. The Senator has just under 24 minutes.

Mr. McCONNELL. Mr. President, in part I believe I agree with my friend from Oklahoma. The issue is spending, but spending put another way is participation. The question is, is it good for America to limit participation in campaigns?

The American people are busy. Most of the American people have jobs. They are involved in the Girl Scouts, the Boy Scouts, a variety of other endeavors.

What the American people have to do if elected for the U.S. Senate, his answer to the schoolchildren ought to be it will be difficult to run for the U.S. Senate: you have to get a lot of support to get support for you, and nobody is going to send you a check from the Federal Government, you have to go out and have to have a lot of support to pull it off. It is not easy to be elected to the U.S. Senate. That is what the Senator from Oklahoma should say to his schoolchildren. They can get support like anyone else can.

Mr. President, I did not intend to make another speech at this point, but since I am controlling the time on our side I would like to yield 6 minutes to the Senator from Arizona.

Mr. MCCAIN. Thank you very much, Mr. President.

I thank my colleague from Kentucky in his earnest labor on this very crucial issue to the American people.

Mr. President, when this debate started, I was very confused about something and that was what my colleague from Oklahoma, Senator Boren, stated in the initial debate that Senator Barry Goldwater is not and will not be distinguished and revered friend, Senator Boren, I believe, should have known that, support a bill that required taxpayers to foot the bill for political campaigns.

I hope that my distinguished, and I mean distinguished and revered, friend, Senator Boren, will retract his statements from the record which indicate that Senator Barry Goldwater would never support public financing—raising the public till to the tune of a quarter of a billion dollars every couple of years in order to finance political campaigns.

I just finished talking to Senator Barry Goldwater on the telephone. Senator Goldwater said he was misinformed as to what the content of S. 2 was. Senator Goldwater said that he was misinformed as to what the content of S. 2 was. Senator Goldwater said he could and would support S. 2.

I understand that my colleague from Alaska, Senator Stevens, has already received a telegram to that effect.

Let me mention, Mr. President, now that we are talking about special interests, last Sunday a special interest group decided to get into Arizona politics. One is from Washington, DC. They took a full page ad out in the largest newspaper in my State, stating they would not support an individual who is not a candidate.

I was very confused about that. And I must say in all candor that I want Barry Goldwater to know Barry Goldwater would never support public financing—raising the public till to the tune of a quarter of a billion dollars every couple of years in order to finance political campaigns.

I hope that my distinguished, and I mean distinguished and revered, friend, Senator Boren, will retract his statements from the record which indicate that Senator Barry Goldwater was in support of S. 2 because Senator Barry Goldwater will not be in support of that legislation.

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dent, let us do away with political action committees. If we want an honest bill out of this U.S. Senate then, Mr. President, let's deal with an amendment which would take a couple of days ago which does away with all political action committee participation, both to individuals or to parties.

I think that is the way, Mr. President, to address the concern of the American people, who believe either rightly or wrongly that political action committees corrupt the political process and exert undue influence on the legislative process.

Let me add again, Mr. President, if I could, there is no mention in this or any other of the stack of editorials that I have seen that even mention that it is the American people who S. 2 is asking to foot the bill for this legislation, the American taxpayer.

I know full well that, if a bill of this nature passes the Senate, then we will have public financing for the House of Representatives as well. That is a political reality around this issue. In my opinion and in the opinion of many Americans, it is an outrage.

That is a political reality around this Oklahoma that is not the view of my distinguished colleague from Oklahoma that is not the view of Senator Goldwater. The difference between his support and nonsupport of this bill is public financing.

Mr. BOREN. Mr. President, will the Senator yield?

Mr. MCCAIN. I will yield when I have time.

I very much appreciate the response of my distinguished friend from Oklahoma. Public financing is not a smoke screen. I say to my colleague and distinguished colleague from Oklahoma that is not the view of Senator Goldwater. The difference between his support and nonsupport of this bill is public financing.

Mr. BOREN. Mr. President, will the Senator yield?

Mr. MCCAIN. I will yield when I have time.

The important thing is to eliminate the campaign is a costly procedure, and fiscally, to receive public money. As well, it specifies if a non-participating opponent twice exceeds that state's spending limit, the limit is taken off for the participating candidate. This helps insure that the budgeting ceiling on what the program ultimately costs.

I am sure you share with me the strong feeling that with the tone of and money pumped into the 1986 elections, moving to this system is a small price to pay to preserve and secure the integrity of the election process and to restore public faith in the Congress.

I hope that after looking over the summary of the bill and the other enclosed material, that you can give your support to the legislation.

I greatly valued our partnership on this issue in the 99th Congress. Knowing your concern for this institution, I look forward to having your help again.

Sincerely,

DAVID L. BOREN
U.S. Senator

Mr. BOREN. Mr. President, in the letter, I say:

However, the only practical way to do so, without appearing to be against the Buckley vs. Valeo Supreme Court decision, is to tie the limits to a system of voluntary, partial public financing.

I go on to say that to have eligibility to receive public money, I would require that:

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

Who yields time?

Mr. BOREN. Mr. President, I think I was running short on time, but I would yield myself 1 minute to complete my answer.

So I did explain to Senator Goldwater how the system works. Senator Goldwater wrote back to me a letter of March 7, 1987, which I ask unanimous consent to have printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. SENATE

HON. BARRY GOLDBERGER,
Scottsdale, AZ.

DEAR BARRY: As we discussed late last year before you left the Senate, the fight to clean up the Congressional election process could greatly benefit from your continued interest and commitment.

I wanted to send you some material on a bill I introduced the first day back in the 105th Congress. I hope that you can take a close look at the details of S. 2—the "Senatorial Election Campaign Act of 1987". It is an attempt as an expansion of the bill we pushed together last year.

Like you, I have felt the real solution to problems in campaign finance is to have overall spending limits. However, the only practical way to do so, without appearing to go against the Buckley vs. Valeo Supreme Court decision, is to tie the limits to a system of voluntary, partial public financing. An attempt to amend the Constitution could take years.

Some bills in the past, S. 2 has a provision to require several, small, in-state contributions as an eligibility requirement to receive the public money. As well, it specifies if a non-participating opponent twice exceeds that state's spending limit, the limit is taken off for the participating candidate. This helps insure that the budgeting ceiling on what the program ultimately costs.

I am sure you share with me the strong feeling that with the tone of and money pumped into the 1986 elections, moving to this system is a small price to pay to preserve and secure the integrity of the election process and to restore public faith in the Congress.

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U.S. SENATE

HON. DAVID BOREN,
U.S. Senator,
Scottsdale, AZ.

DEAR DAVE: I have had a good opportunity to read your proposed legislation, and frankly, I like it a little better than what we pushed last year.

The important thing is to eliminate the growing, dreadful use of money, money to get elected. It is a costly procedure, and I think any kind of a law that would prohibit, or limit, expenditures on certain items, such as television and other advertising, would be welcome.

As I sit on the outside now, and look back at my time of campaigning, I almost get sick at the amount of money I had to spend to achieve what I did.
Mr. BOREN. Would he agree that, given what I just read from Senator Goldwater’s letter—

The PRESIDING OFFICER. The Senator’s 1 minute has expired.

Mr. McCONNELL. I yield 1 minute of my time to the Senator from Oklahoma.

Mr. BOREN. I thank the Senator from Kentucky for his understanding and generosity in this matter.

I would just ask, having just read those comments from Senator Goldwater, knowing his concern about total spending, does the Senator think Senator Goldwater would agree to a provision to say that any burden, which includes spending limits—let us set aside the issue of public financing—should be opposed? I would think, from what everything Senator Goldwater said, he would like to see spending limits if we could get them.

Mr. McCAIN. I agree. But Senator Goldwater would not, obviously, because of what he told me, favor that proposal in conjunction with public financing, and he cannot support the bill because of the public financing aspect.

Mr. BOREN. He would not be philosophically opposed to spending limits if they could be acquired otherwise?

Mr. McCAIN. That is my understanding.

Mr. McCONNELL. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Kentucky has about 11 minutes remaining.

Mr. McCONNELL. I understand the Senator from Maine has a statement. I would like to yield the Senator from Maine 4 minutes. The Senator from Oklahoma is out of time, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCONNELL. I yield 4 minutes to the Senator from Maine off of my time.

Mr. MITCHELL. Mr. President, that is very gracious of the Senator from Kentucky. I appreciate it.

I am pleased to support this substitute amendment.

For the last several days, there has been considerable debate on the Senate floor about the merits of the proposal reported out of the Senate Rules Committee. In my judgment S. 2 is a good bill that will restore confidence in our election system by removing the taint of undue influence.

S. 2 is a carefully constructed proposal that represents many months of hard work to produce a balanced bill. It is reasonable in cost and bipartisan in effect.

Nevertheless, there remains considerable opposition to the bill. Listening to the speeches on the Senate floor, I get the impression that there is a consensus that change is in order—that our present system of campaign finance is not serving the national interest. Opponents have some problems with the approach in S. 2.

If that is the case, we should attempt to reach a compromise. This issue is too important, and we have come too far, to simply give up. We should make the extra effort to settle our differences.

The substitute amendment offered today is an attempt to reach common ground. It is an attempt to respond to the arguments that have been presented on the Senate floor over the last several days—to answer those arguments and move toward passage of a bill that is vitally needed.

The principal difference between this amendment and the committee bill is that the amendment changes the S. 2 grant mechanism for public funds into a matching mechanism whereby small individual contributions of $250 or less would be matched. To qualify for matching funds, a candidate would first have to show that he or she has broad public support by raising enough private, small, individual contributions to meet a threshold. In most States that threshold would be around 20 percent of the expenditure limit.

That means that, at the most, the public portion of the funding would be 40 percent of the expenditure limit for the general election.

That would be the maximum amount. In practice, the public spending portion would undoubtedly be far lower because many contributions—all PAC contributions, individual contributions in excess of $250, and party contributions—would not be matched.

This change in S. 2 responds to the two principle arguments of the opponents of the bill. First, it ensures a continuing—indeed it places a premium on—an active and important role for small contributions in the election process. Time after time over the last few days we have heard the complaint that S. 2 would take the electorate out of the process because there would be no need to raise funds from one’s constituents.

That complaint was lacking in merit because S. 2 would still have required that more than half of the total expenditure limit—in both primary and general election—be raised in private contributions. Nevertheless, this substitute being offered today responds to the argument. It would limit the public financing portion to a maximum of less than 25 percent of the total expenditure limits. In most cases the limit would be less than 20 percent. This would occur because, in both S. 2 and the substitute, all primary spending would be raised from private funds, as under current law.

The second complaint that has been made against S. 2 is that we cannot afford the cost of public financing. In
my judgment, that argument is without merit. According to the Congressional Budget Office, S. 2 would cost $38 million a year to fund Senate election campaigns. That is $36 million to restore some dignity to our election process.

In an attempt to address that argument, the substitute amendment reduces by at least one-half the amount of public funds. Actually, the cost of the substitute would be less than one-half the cost of S. 2 because candidates will be relying to a greater extent on contributions from individuals and political committees that are not matchable.

Thus, the cost of this substitute would be less than $19 million a year. Is there a Member of this body who really believes that this country cannot afford $19 million a year to clean up our system of campaign finance, I want to hear it. This Nation spends $19 million every 33 minutes to fund the Defense Department. Surely it can spend the same amount in 1 year to clean up our system of campaigns. We did this while we were the minority party in the Senate and we have continued now that we are the majority party.

Why? Because public financing is in the national interest.

There has been what we call around here extended debate on this bill. That is, an attempt to keep talking to prevent enactment of campaign finance reform even though a majority support its enactment. Why? Not because the Members of this body are not in agreement that the current system is out of control and badly in need of change. Rather, because each of us perceives this issue through the prism of our personal interest or what we believe to be the interest of the political party of which we are members. Because the stakes are so great, there is a fear of change.

But the stakes demands more. We must put aside our self interest and act for the common good. We have an opportunity in this 100th Congress to restore public confidence in the election process. We must not again let that opportunity slip away.

Mr. President, in the few minutes that the Senator from Kentucky has graciously yielded to me, I simply wish to say that this substitute amendment is a sincere effort to address the objections to S. 2 that have been raised on the floor in the debate of recent days. As we have just heard expressed by the Senator from Arizona, the principal concern is what he described as the raid on the Treasury by the asking of the American taxpayers to contribute to the cost of elections.

In an attempt to address that argument squarely, the substitute amendment reduces the amount of public funds that would be involved. Actually, the cost of the substitute would be less than one-half the cost of S. 2 because candidates will be relying to a greater extent on contributions from individuals and political committees that are not matchable. Thus, the cost of this substitute would be less than $19 million a year.

Is there a Member of this Senate who really believed that the United States cannot afford $19 million a year to clean up our system of campaign financing? This Nation spends $19 million every 33 minutes to fund the Defense Department. In the 4 years since the Senate began debating this issue this afternoon, the Defense Department has spent about $150 million. We all support a strong defense and we recognize the need for it. It is simply an effort to put this into perspective.

This is an effort, a genuine effort, in good faith to meet the objections raised concerning the amount of money being spent. The reality is that the central problem in our political system today is the rapidly rising, already excessive cost of political campaigns and the enormous demands that places on candidates to meet that funding requirement, the disproportionate influence of the entire process, which demeans all participants. It demeans the candidates, it demeans those who are bagedgered and harassed for contributions.

The substitute also meets the other concern raised by the opponents—a good faith concern—that they do not want to shut the average citizens out of the process. So, by saying that you are going to reduce the amount of public financing to make it a matching system for private contributions throughout the campaign process, the substitute meets the two objections raised by the opponents; that is, the amount of money spent and the participation by average citizens.

The substitute's adoption means that average citizens could participate throughout the process, that the amount of public financing would be extremely small and would serve principally as an inducement to participation in voluntary agreements to limit spending. That is the heart of this reform.

Campaign finance reform without spending limits is not campaign finance reform. That should be clear.

Above all else, that should be clear, because the central problem is and remains the dramatic, rapidly rising, already excessive cost of American political campaigns, and all the otherills which have been addressed here flow directly from that central reality.

So I hope, Mr. President, that our colleagues will consider this as a good faith effort and try to work for a common objective, and I again express my sincere gratitude to the Senator from Kentucky for granting that time to me.

SENATOR PAYNE. The PRESIDING OFFICER. The Senator from Kentucky.
Mr. McCONNELL. There is, indeed, a serious disagreement on whether the limitation on participation is reform. It is the view of the Senator from Kentucky that limitation on participation is not reform but a step backward. This is a conservative estimate—assuming that, in every election cycle, the incumbent does not have an opponent and that there are two opponents competing in the primary opposite the incumbent, a rather conservative estimate, the spending limits in the primaries across America every cycle will be $101,151,000. Then, in the general election, Mr. President, assume a Republican candidate and a Democratic candidate, and, yes, an independent candidate. Again, this is a conservative estimate because I think under S. 2 there will be more than one independent candidate because independent candidates are entitled to get their hands into the Treasury as well. Under S. 2 an independent candidate who can raise the threshold amount, postprimary, will get on a dollar-for-dollar basis up to one-half of the entitlement that the Republican or Democratic candidate would get.

But assuming, Mr. President, just one independent candidate—and in Kentucky we often have more than one—just one independent candidate for general election, that is a general election spending limit of $102,509,000; a goodly portion of that coming from the Treasury. But that is the overall limit in the election.

There is also under S. 2 a provision for the responding to an independent's expenditures. So that if one is attacked by an independent's expenditures, he can dip into the Treasury to respond to that independent's expenditures.

Assuming that we had the same number of dollars spent in an independent's expenditures in the next cycle as we had in 1986, that would be another $4.4 million.

Mr. President, I stand corrected on one figure that I used earlier. The $102 million figure would just be for the Republican and Democratic candidates and independent candidates, assuming just one in each of 33 races, would be another $51 million, so we are talking $101 million in the primary, $102 million for the principal candidates in the general election, $51 million for one independent candidate in the general election, $4 million in independent expenditure response funds, and $10 million in compliance.

Now, what does that all add up to, Mr. President, in terms of overall spending under S. 2? Overall spending, under S. 2, both public and private funds, would come out to right at $270 million compared to $211 million spent in the 1986 Senate election cycle.

What you have, Mr. President, is a 28-percent increase in spending under S. 2.

As part of that $270 million in overall allowable spending, $76 million would come from the Treasury. S. 2's amended version lowers from our version of $117 million cost down to $76 million cost from the Treasury. But the overall spending limit, if that is the issue, would actually, in all likelihood, go up 28 percent.

Clearly, S. 2, in its original version, its committee version or its amended version, does not even get a good handle on what it is designed to get a handle on, and that is the limitation on spending.

Clearly, it seems to me, the conclusion to be drawn is that that is not a business we ought to get into in the first place; that is, a limitation on participation.

A candidate's ability to gather support should not be limited and, for most reasons, the form of support that is easiest to give is a small contribution.

So yes, indeed, the issue is spending limits. It is public financing, also, but it is spending limits. It is participation limits.

Is that reform, Mr. President? I think not. And that is a central difference of opinion, as the Senator from Oklahoma has correctly stated, between the version that he advocates and the version that we advocate, on this side of the aisle.

Mr. President, I yield the floor.

Mr. McCONNELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator has one-half minute remaining.

Mr. McCONNELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk pro­

The PRESIDING OFFICER. The Senator has one-half minute remaining.

Mr. McCONNELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk pro­ceeded to call the roll.

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

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

Mr. BYRD. Mr. President, I am going to object to the distinguished Senator from Texas. Here he is. I was just going to say I was going to protect him, but I was going to express the hope that he would not have me protect him too long. Mr. GRAMM. I appreciate the protection of the distinguished majority leader.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the hour of 4:45 having arrived, the Senator from Texas is recognized for the purpose of raising a point of order.

Mr. GRAMM. Mr. President, the bill that is currently before us provides for a new entitlement. The entitlement is an entitlement of candidates who are nominees of either of the two major parties or the nominees of any smaller political parties if they are able to reach a qualifying threshold of fundraising. This creates new budget authority and new entitlement authority in years for which a budget resolution has not been adopted.

The purpose of this budget point of order is to prevent Congress from creating new entitlements—in this case, entitlement for itself—in years before a budget is adopted and therefore affect the deficit in that year.

On the basis of the fact that the bill currently before us creates $76 million in new budget authority and new entitlement authority in fiscal year 1988, and on the basis of the fact that there has been no budget resolution adopted for that year, Mr. President, I make a point of order against the bill as reported on the grounds that it violates section 303(a) of the Budget Act by creating new entitlement authority for a fiscal year for which a budget resolution has not been adopted.

Mr. BYRD. Mr. President, I move, pursuant to section 904, to waive section 303 of the Budget Act for consideration of the bill S. 2 and any relevant amendments thereto. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION
We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the Committee substitute for the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns, to limit contributions by multi­candidate political committees, and for other purposes.

MOTION TO WAIVE

Mr. BYRD. Mr. President, what is the question before the Senate?

The CHIEF DELEGATE TO THE STANDING COMMITTEE. The question is on agreeing to the motion to waive the Budget Act.

Mr. GRAMM. Mr. President, is this motion debatable?

The PRESIDING OFFICER. The motion is debatable.

Mr. GRAMM. Mr. President, I shall be brief. I want Members to understand exactly what we are voting on here.

We are voting on whether or not to waive the Budget Act, and waive a point of order that exists under the Budget Act, in order to create a new entitlement, an entitlement for people to run for the U.S. Senate, an entitlement for those Members of this body who seek reelection under this law and, in the process of creating that entitlement in an outyear, adding to the deficit in a year for which a budget has not been adopted.

The House did not write a budget that in any way accommodated this new spending. So the issue here could not be clearer: if you want to waive the Budget Act, create a new entitlement, and increase the deficit, if you want to vote in favor of taxpayer funding of elections, then you want to waive the Budget Act. However, if you think that we should not waive the Budget Act so that Members of the Senate can run for reelection at the taxpayers' expense, then you want to vote against this budget waiver. I urge my colleagues to vote no.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the motion. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. EXON. Mr. President, on this vote I have a pair with the Senator from Rhode Island [Mr. Pell]. Were he present and voting, he would be voting "aye." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. Brown], the Senator from Tennessee [Mr. Gore], the Senator from Vermont [Mr. Leahy], and the Senator from Rhode Island [Mr. Pell] are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. Gore] would vote "aye." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. DOLE. I announce that the Senator from Oregon [Mr. Hatfield], the Senator from Pennsylvania [Mr. Harkin], the Senator from Oregon [Mr. Packwood], the Senator from New Hampshire [Mr. Rudman], the Senator from Wyoming [Mr. Simpson], the Senator from Vermont [Mr. Stafford], and the Senator from South Carolina [Mr. Thurmond] are necessarily absent.

On this vote, the Senator from Vermont [Mr. Stafford] is paired with the Senator from Pennsylvania [Mr. Harkin].

If present and voting, the Senator from Vermont would vote "yea" and the Senator from Pennsylvania would vote "nay."

I further announce that, if present and voting, the Senator from South Carolina [Mr. Thurmond] and the Senator from Wyoming [Mr. Simpson] would each vote "nay."

The PRESIDING OFFICER. The question is what motion to waive the Budget Act?

Mr. DOLE. The question is on agreeing to the motion. The yeas and nays are recorded as follows:

([Rollcall Vote No. 149 Leg.])

YEAS—46

Adams  Dinkins  Michel  Mikulski
Baucus  Dodd  Mitchell  Moynihan
Bentsen  Ford  Moynihan  Murkowski
Bingaman  Fowlow  Nunn  Murray
Boren  Graham  Reid  Pasteur
Bradley  Harkin  Riely  Rockefeller
Bumpers iconoy  Rockefeller  Sarasin
Burdick  Johnston  Sanford  Sasse
Chafee  Kerry  Simon  Sasse
Chiles  Lautenberg  Simon  Sarasin
Conrad  Levin  Stehman  Sasse
Cranston  Matsunaga  Wirth  Stennis
Daschle  Melcher  Wirth  Stennis
DeConcini  Muknown  Wirth  Stennis

NAYS—42

Armstrong  Hatch  Nickles  Pressler
Bond  Rehigkeit  Proxmire  Pell
Boxer  Hefflin  Quayle  Pringer
Cochran  Helms  Quayle  Preston
Cohen  Hollings  Roth  Pringer
D'Mato  Humphrey  Shelby  Specter
Davids  Karmen  Specter  Specter
Dole  Kasten  Stevens  Specter
Domenici  Kasten  Stennis  Specter
Durdenberger  Lugar  Trifile  Stehman
Evans  McCain  Wallor  Wirth
Graham  McCain  Wirth  Wirth
Grassley  McConnell  Weicker  Wirth

PRESENT AND GIVING A LIVE PAIR AS PREVIOUSLY RECORDED—1

Exon, against.

NOT VOTING—11

Biden  Leary  Simpson
Gore  Packwood  Stafford
hatfield  Pell  Thurmond
Heinz  Rudman

So the motion to waive was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The point of order, therefore, falls.

Mr. BYRD. Mr. President, may I have the advice of the Senate?

The PRESIDING OFFICER. All conversation will cease or be conducted in respect of cloakrooms. The Senate will be in order. The majority leader.

SCHEDULE

Mr. BYRD. Mr. President, if I may state the schedule so Senators will be aware, I have introduced two cloture motions. The Senate cannot go out from Tuesday to Wednesday without the approval of the other body. However, I would like to go out from today over until Monday.

I would like on Monday to just meet pro forma. This would qualify both cloture motions for votes on Tuesday. I would like by unanimous consent to agree that the second cloture vote would occur on Wednesday. I can achieve that by coming in, but I would rather us not come in and have the pro forma over to Monday, no business, just in and out for the purpose of meeting the requirements of rule XXII on the first cloture vote, also with the consent that Senators may submit amendments on Monday, by 1 o'clock. Those amendments would be received just as though the Senate were in session so that they would have their rights preserved under rule XXII in respect to amendment in the event of cloture having been invoked on Tuesday.

We would come in pro forma on Monday, but my consent would provide that Senators may submit their first-degree amendments under rule XXII on Monday if they file them in a timely fashion by 1 o'clock, as they would have to under the rule anyhow. So all Senators' rights would be preserved.

The Senate will go over until Monday pro forma, no business, no speeches, just in and out, and the pro forma meeting on Monday would qualify the cloture motion to be voted on Tuesday, and I would want consent of the Senate that we would have the second cloture vote automatically occur in Wednesday rather than on Tuesday following the first vote if the first vote did not succeed.

So all of this by coming in tomorrow and by coming in Monday without consent.

So it is a bargain I would think.

Mr. HARKIN. Mr. President, what time on Tuesday would the cloture vote occur?

Mr. BYRD. The question is what time on Tuesday would the cloture vote occur. It would be certainly following the conferences so it would be 2 o'clock or later, but we could agree as of now that it would be not earlier than 2 o'clock, so as to accommodate both conferences.

Mr. HARKIN. I thank the Senator. Mr. DOLE. Mr. President, has the majority leader made the request?

Mr. BYRD. No. I have not.

UNANIMOUS-CONSENT AGREEMENT

Mr. President, I will propound the request.

Mr. President, I ask unanimous consent that when the Senate completes
its business today it stand in adjournment until the hour of 12 noon on Monday, provided further, that on Monday beginning at 12 noon there be a pro forma session only, no business, no debate, the Senate comes in and immediately goes out; provided further, that at the hour of noon on Tuesday, the Senate then adjourn over until Tuesday at the hour of 10 a.m.: provided further, that the time between 10 o'clock and 12 noon be equally divided between the two leaders or their designees, that at the hour of noon on Tuesday, the Senate stand in recess until the hour of 2 p.m. on Tuesday, and that the vote on cloture occur at the hour of 5 o'clock, on Tuesday, that at the conclusion of business on Tuesday the Senate adjourn over until Wednesday until an hour to be agreed upon later but that a second cloture motion mature on Wednesday next.

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

Mr. DOLE. Mr. President, reserving the right to object.

Mr. MURKOWSKI. Mr. President, will the majority leader yield for a question on clarification?

The PRESIDING OFFICER. The minority leader, the Senator from Kansas.

Mr. DOLE. Mr. President, I want to reserve the right to object, and I will yield to the Senator from Alaska for the purpose of asking the question, but I would just say as I understand or as I know the majority leader can accomplish this in two or three other ways coming in pro forma tomorrow and pro forma on Monday and file his second cloture motion on Monday, which will ripen on Wednesday in any event, so I will have no objection, but I first want to make certain that no one on this side may have a problem.

Mr. MURKOWSKI. I thank the minority leader.

I am wondering if the majority leader could indicate on Wednesday when he might anticipate the cloture vote?

Mr. BYRD. I naturally want to win that vote if I can.

I do not think I should put myself in a box today as to when the Wednesday vote will occur when I do not have to. We can decide that on Tuesday and I could come in on Tuesday at whatever hour will be most convenient for the carrying of the cloture vote, if that is possible.

Mr. MURKOWSKI. I would simply convey, if there is a possibility that it could be made in the afternoon on Wednesday and the 5 o'clock vote on Tuesday could be 3 o'clock, from the standpoint of the junior Senator from Alaska, it would be greatly appreciated. I just leave that message with the Senator.

Mr. BYRD. I thank the distinguished Senator.

I did not mean to give the Senator a flippant answer in what I said. It is just that I would rather not, at this point, attempt to set the hour for the vote on cloture.

Mr. DOLE. Reserving the right to object, just one additional question. Would it be the intention of the majority leader, if cloture is not invoked on Tuesday and you are adjourning then until Wednesday, would it be the intention of the majority leader to stay on S. 2 on Wednesday or to move to some other legislation?

Mr. BYRD. I cannot say at this point. It might be an advantage overall to the Senate to take up a conference report or some such. There is the conference report on the homeless relief legislation which we hope will be coming forth, and it is possible we could have a conference report on the budget.

Mr. DOLE. I am thinking in terms of the trade bill or DOD. Is there any intention to move to any other legislation other than the conference reports?

Mr. BYRD. No, it is not my intention to go to the trade bill or the Department of Defense authorization bill on Tuesday or Wednesday.

The PRESIDING OFFICER. Is there further objection?

Mr. BYRD. Will the Chair withhold for just a minute?

Mr. President, it has been called to my attention that I did not include in the overall unanimous-consent package the provisions that would protect Senators' rights to submit their amendments on Monday as the interim day prior to the vote on Tuesday on cloture, nor did I include a provision that would protect Senators' rights to file their amendments on Tuesday.

The PRESIDING OFFICER. The Senator will suspend for just a second. The Senate will be in order so that we can hear the unanimous-consent request being propounded by the majority leader. Senators please pay attention to the majority leader.

The majority leader.

Mr. BYRD. Mr. President, I did not include in my overall consent request a provision that would protect Senators' rights to offer first-degree amendments on Monday anent the cloture vote on Tuesday and, again, protect their rights on Tuesday anent the cloture vote that will occur on Wednesday. So I make that request so that Senators will be fully protected and may offer their amendments in the first degree on Monday by 1 o'clock, looking to the cloture vote on Tuesday, and on Tuesday by 1 o'clock, looking to the cloture vote on Wednesday.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request as modified by the majority leader? If not, the unanimous-consent request is agreed to.

Mr. BYRD. Mr. President, I thank all Senators and I thank the distinguished Republican leader.

I have no desire to stay in further, unless some of my colleagues would like to make some statements in morning business or statements in regard to the pending measure.

What is the wish of the Senate?

Mr. D'AMATO. I ask unanimous consent that I be permitted to proffer as if in morning business for not to exceed 5 minutes.

MORNING BUSINESS

Mr. BYRD. Mr. President, if the Senator will withhold, I ask unanimous consent that the Senate now proceed to morning business for not to exceed 1 hour, and that Senators may speak therein for not to exceed 5 minutes.

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

Mr. D'AMATO addressed the Chair. The PRESIDING OFFICER. The Senator from New York.

Mr. BYRD. Mr. President, will the Senator yield to me?

Mr. D'AMATO. Certainly.

Mr. BYRD. Mr. President, there are a good many Senators on the floor. It is conceivable that there could be rollcall votes, may I advise my colleagues and both cloakrooms, there could be, could be rollcall votes on Tuesday between the hours of 10 and 12 and between the hours of 2 and 5 when the cloture vote is to occur. So I would not want Senators to labor under the misunderstanding that there would be no rollcall votes on Tuesday prior to the hour of 5 o'clock.

I thank the Senator for his courtesy.

HAMADEI EXTRACTION

Mr. D'AMATO. Mr. President, I am deeply disappointed at the report that, despite the personal entreaties of President Reagan, the West German Government is apparently inclined not to extradite Mohammed Hamadei to the United States. This report appears to confirm what has long been suspected: That the matter has not been raised at the highest levels of the German Government. It was only after suspicion that prompted me and 64 of my colleagues to cosponsor a resolution expressing our deep concern and outrage, and for Senator Dole and myself to reiterate our concern to the President before his departure for Venice.

The victims of the hijacking of TWA flight No. 847 were predominantly
American. More important, Robert Stethem, the victim of brutal cold-blooded murder in the course of that incident, was an American citizen and a United States serviceman. The German connection to these events is incidental—one might say almost accidental. The crime was not committed on German soil. On the basis of these facts, other circumstances, and international law, the United States is the most appropriate venue for trial of those thought to be responsible.

Some may be satisfied merely if the West German Government does not deal with the terrorists and decides to prosecute Hamadei on charges of hijacking and conspiracy to murder. I believe, however, that this would be setting a precedent that will pay bloody dividends in the future. That is why I so strongly urge, and I believe my colleagues will join me, that the administration continue the most strenuous efforts by all means at its disposal to secure the extradition of Hamadei for trial in the United States.

I believe the West German Government cannot but be aware of the deep feelings this matter stirs in the U.S. Congress and among the American people. It must certainly realize that any deals made with any terrorist individually or organizations, or any failure to bring Hamadei to justice, may well have an adverse impact on the good relations between our countries. The precedent created by any such failure would be repugnant to the cause of the rule of law and would be deplored by civilized people everywhere.

Mr. President, I cannot help but believe that we have not been nearly as vigorous as we should in seeking Hamadei's extradition to the United States for trial here for the crime of murder. I must say to you, I am deeply disappointed that the State Department has not raised this to the level that I believe it merits.

It is my very, very serious intention to keep pressing this matter because I believe that the German Government has not been dealing fairly with us in connection with this matter.

I refer to the inquiries that we made previously, and to the fact that the West German Ambassador indicated to me, personally, and by way of letter, that this matter was being handled in a judicial forum. That is not the case. We sought for this to be handled judicially, to have a judicial decision in the German process and this is nothing more than a political decision, not the rule of law being undertaken.

I think that the results will shake that strong bond, that strong relationship, that we have.

Again, I reiterate, in the fullness of time, I think it is a blow to the rule of law and it will encourage these kinds of terrorists' activities in the future.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin.

THE CASE FOR CAMPAIGN FINANCE REFORM

Mr. PROXMIRE. Mr. President, I support the effort of Senators Byrd and Boren to reform our campaign finance laws.

This bill has a number of virtues. It places limits on campaign spending, a feature the American people will welcome. The American people will suffer the system of public campaign financing, using the tax checkoff approach, which makes the limits on campaign spending constitutional. It reduces the influence of special interests by cutting back on the current authorization of special provisions. And best of all, this bill will pass the Senate if allowed to come to vote.

The debate to this point demonstrates that these virtues are not universally admired. Campaign finance reform goes to the very essence of a democracy—who wins elections. It raises fundamental questions about relations between our major parties, between these parties and other fringe parties, between incumbents and challengers, and between powerful interest groups. And if these questions were not complicated enough, underneath them are first amendment issues which is the cost of public financing.

Opponents of public financing have made its cost a major issue in this debate. They have argued that this cost—$20 to $300 million a year—would increase the deficit. They have characterized this cost as food stamps for politicians. They contend that this spending bill will increase the deficit.

Mr. President, nothing could be further from the truth. The average taxpayer will never make a bigger investment, will never take a more positive step to reduce the deficit, than to dedicate $1 of his taxes toward public financing of Senate campaigns.

Why do I say this? Take a look at how the present system works and the answer is simple.

Who contributes to campaigns? Some of the money comes from friends and supporters who know and truly believe in the candidate. Some comes from those who like the stand a candidate takes on an issue. But if we take a clear-eyed look at the system, most of the money comes from those who have an economic interest at stake.

This money is not really a contribution at all. It is a bribe. In the same directory of a major political action committee was quoted as saying that when he made a contribution he bought legislation. Most who make these contributions are more circumspect. But their discretion does not change the fact that these contributions are made with a quid pro quo in mind. That quid pro quo is: I will make a contribution and in return you will be expected to support legislation I favor.

When an election approaches, these special interests put together a list of votes they consider important and see how incumbents voted on those issues. If the incumbent voted right, they can count on it. But if they want to see a candidate win, they have to take some money merely as a gesture of good will.

If these contributions are investments, how do they bear fruit? Look for the loopholes to be widened. Look for some language or a little special provision in an appropriation bill. Look for some regulatory relief in an authorization bill. You do not have to look that hard to find these provisions as legislation moves through the Senate.

Mr. President, I do not want to overstate my case. Much of the money we appropriate is truly necessary. Many of the special provisions in the tax law are there for a good reason. Many of the Members of Congress would vote the way they do without regard to campaign contributions. Special interests are inevitable in a democracy. This bill will not mean that the deficit will be eliminated or that special interests will suddenly disappear.

But remember the cost of public financing—$200 to $300 million a year. This Senator asserts that we could save the deficit by at least 10 times that amount—$2 to $3 billion a year—if Members were not beholden to special interests for campaign contributions. And consumers would probably save 10 times that amount—$20 to $30 billion a year—if our economy could rid itself of the expensive special provisions built into the law by those same interests.

These provisions cannot be justified by any reasonable criterion of sound public policy. The General Accounting Office studies them and recommends that they be done away with. The Congressional Budget Office says they are inefficient. Professors of public administration analyze them, and wonder how they survive.

They endure because they are not that costly—$75 million here, $140 million there—and because the benefiting interests are well-organized. These days well-organized means that they...
have a political action committee. And that committee is always active in contributing money to those who serve on the committees which have jurisdiction over that benefit.

Public financing would break this link. This Senator believes that it would be much easier to eliminate these provisions if they were not protected by a thicket of campaign contributions. Their elimination would more than offset the cost of public financing of congressional campaigns.

Mr. President, public financing can be reasonably opposed on philosophical grounds. Perhaps the tax system should never be used to finance a political campaign, although this bill will certainly be willing to take a look at that approach.

But do not argue that public financing will increase the deficit. It will do exactly the opposite.

Mr. President, I suggest the absence of a quorum and yield the floor.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

PERMISSION FOR COMMITTEES TO FILE REPORTS

Mr. BYRD. Mr. President, I ask unanimous consent that committees may report legislation or executive business on Friday and Monday between the hours of 10 a.m. and 3 p.m. each day.

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

DIVISION OF TIME ON TUESDAY AFTERNOON

Mr. BYRD. Mr. President, I ask unanimous consent that the time on Tuesday between the hours of 2 p.m. and 5 p.m. be equally divided and controlled by the distinguished Republican leader and the majority leader.

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

EXECUTIVE CALENDAR

Mr. BYRD. Mr. President, I hope and expect, beginning next week, to be in a position to see some movement on nominations on the Executive Calendar, especially nominations that have been on the Executive Calendar for a month or more.

The inquiry of the distinguished Republican leader if Calendar Orders numbered 197 and 198, under the Judiciary, are cleared on his side.

Mr. DOLE. They are, Mr. President.

EXECUTIVE SESSION

Mr. BYRD. I ask unanimous consent that the Senate go into executive session to consider the two nominations referred to; and that they be considered and confirmed en bloc that the President be notified of their confirmation; and that the motion to reconsider be laid on the table and the Senate go into legislative session.

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

The nominations considered and confirmed en bloc are as follows:

THE JUDICIARY

Haldane Robert Mayer, of Virginia, to be U.S. circuit judge for the Federal circuit.


IN SUPPORT OF THE NOMINATION OF JUDGE HALDANE ROBERT MAYER

Mr. WARNER. Mr. President, it is my great pleasure to rise today on behalf of a distinguished Virginia, Judge Haldane Robert Mayer, whom the Senate has today confirmed as a judge for the Federal Circuit Court of Appeals in Washington.

Judge Mayer began his academic career at the West Point Academy, where he graduated in 1963 with a bachelor of science degree.

Judge Mayer graduated first in his class from the Marshall-Wythe School of Law at the College of William and Mary in Williamsburg, VA where he was editor-in-chief of the Law Review.

Judge Mayer is also a graduate of the Judge Advocate General's School at the University of Virginia.

In addition to a brilliant academic record, Judge Mayer has distinguished himself in the military, serving in Vietnam as a Ranger Battalion adviser in combat operations, and as an electronics engineer in the Army's research and development program.

Judge Mayer attended law school during an unpaid leave of absence, and returned to active duty in the Judge Advocate General's Corps after graduation.

He was honorably discharged from the Army in 1975, and retired in 1985 with the rank of lieutenant colonel.

From 1975 to 1977, Judge Mayer practiced law with the firm of McGuire, Woods & Battle in Charlottesville, VA.

In 1977, he was chosen by Chief Justice of the United States, Warren E. Burger to be his special assistant.

Judge Mayer served as senior counsel to the Chief Justice for approximately 3 1/2 years before joining the law firm of Baker & McKenzie in Washington, DC in 1980.

After 18 months as Deputy Special Counsel of the Merit Systems Protection Board, Judge Mayer was appointed to the U.S. claims court bench in 1982, for a term of 15 years.

Since that time, he has been a respected and revered member of the bench, and will most certainly continue his service in the judiciary as a judge for the Federal Circuit Court of Appeals in the same outstanding fashion.

Mr. President, it is my extreme pleasure to join my colleagues in supporting the confirmation of Judge Mayer. I am confident that the country will be well served by his presence on the Federal bench.

LEGISLATIVE SESSION

The Senate returned to legislative session.

STAR PRINT—S. 1159

Mr. BYRD. Mr. President, I ask unanimous consent that there be a star print of S. 1159, a bill to establish the National Aviation Authority, the text of which I send to the desk.

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

AUTHORIZATION FOR PRODUCTION OF DOCUMENTS BY SENATE COMMITTEE

Mr. BYRD. Mr. President, I send to the desk a Senate resolution on behalf of myself and Mr. DOLE, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A Senate resolution (S. Res. 231) to authorize the production of documents by the Senate Permanent Subcommittee on Investigations.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BYRD. Mr. President, the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs began an inquiry last summer into the operations of door-to-door magazine and cleaning products sales organizations. This past April 6, 1987, it held a public hearing at which one of the witnesses was the attorney general of the State of New York, Robert Abrams.

The New York attorney general's office was simply written to the subcommittee indicating that it is conducting its own investigation of the door-to-door sales business in New York and requesting that the subcommittee provide it with copies of certain documents which the subcommittee has obtained. The Senate's purpose in doing so would be to facilitate the New
York investigation and avoid unnecessary duplication of effort.

This resolution would authorize the chairman and ranking minority member of the subcommittee, the Senator from Georgia [Mr. Nunn] and the Senator from Delaware [Mr. Biden], to conduct an investigation on request from the New York attorney general and any other law enforcement authority. Mr. President, I move adoption of the resolution.

Mr. President, the investigation by an appropriate author to law enforcement authorities the Senate will take such action as will the possession of the Senate are needed in the process, be taken from such control or possession but by permission of the Senate; the Senate has for its own investigatory purposes requested access to records obtained by the Subcommittee; the Senate, no evidence under the control or in the possession of the Senates can, by the administrative or judicial process, be taken from such control or possession but by permission of the Senate; whereas, the Office of the Attorney General for the State of New York has for its own investigatory purposes requested access to records obtained by the Subcommittee; whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the administrative or judicial process, be taken from such control or possession but by permission of the Senate; whereas, it appears that documents, papers, and records under the control or in the possession of the Senate are needed in an investigation by an appropriate authority, the Senate will take such action as will promote the ends of justice consistent with the privileges and rights of the Senate: Now, therefore, be it

Resolved, That the Chairman and Ranking Minority Member of the Permanent Subcommittee on Investigations, acting jointly, are Authorized to conduct an inquiry into the operations of door-to-door magazine and cleaning products sales organizations;

Resolved, That the Office of the Attorney General for the State of New York has for its own investigatory purposes requested access to records obtained by the Subcommittee; whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the administrative or judicial process, be taken from such control or possession but by permission of the Senate; whereas, it appears that documents, papers, and records under the control or in the possession of the Senate are needed in an investigation by an appropriate authority, the Senate will take such action as will promote the ends of justice consistent with the privileges and rights of the Senate: Now, therefore, be it

Resolved, That the Chairman and Ranking Minority Member of the Permanent Subcommittee on Investigations, acting jointly, are Authorized to conduct an inquiry into the operations of door-to-door magazine and cleaning products sales organizations;

Resolved, That the Office of the Attorney General for the State of New York has for its own investigatory purposes requested access to records obtained by the Subcommittee; whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the administrative or judicial process, be taken from such control or possession but by permission of the Senate; whereas, it appears that documents, papers, and records under the control or in the possession of the Senate are needed in an investigation by an appropriate authority, the Senate will take such action as will promote the ends of justice consistent with the privileges and rights of the Senate: Now, therefore, be it

Resolved, That the Chairman and Ranking Minority Member of the Permanent Subcommittee on Investigations, acting jointly, are Authorized to conduct an inquiry into the operations of door-to-door magazine and cleaning products sales operations.

Mr. BYRD. I move to consider the motion to lay on the table. Mr. DOLE. I move to lay that motion on the table. The motion to lay on the table was agreed to.

THE NATIONAL PROFESSIONAL LIABILITY REFORM ACT OF 1987

Mr. HECHT. Mr. President, I rise today to join in cosponsoring the National Professional Liability Reform Act of 1987. This bill, which is similar to legislation that I cosponsored in the 99th Congress, would provide Federal incentive payments to States that adopt tort and other reforms which have proven effective in controlling the medical liability insurance problem.

Almost 1 full year ago I conducted a series of hearings in my home State of Nevada to document the harmful effects of the liability insurance crisis. During these hearings, I heard from physicians and hospital administrators, both of whom presented graphic examples of the liability insurance problem as it affects the medical community. Moreover, Mr. President, by the practice of defensive medicine, it is a weighty cost to be paid to the malpractice system. And, of course, the increased costs associated with this practice are in turn passed on to the health care consumer. Further, Mr. President, the medical liability insurance problem is, indeed, possible to address, as the quality and availability of health care for our country continue to be threatened.

Mr. President, one policy goal of the Reagan administration and the Congress over the past few years has been to stifle the increase in health care costs. Relevant to this topic, a particularly troublesome fact with which I became acquainted during my aforementioned Nevada field hearings, is that a significant portion of today's health care costs may be attributed to the practice, by physicians, of defensive medicine. It is unfortunate, true, that all doctors must engage, to some extent, in the practice of defensive medicine as a result of our present malpractice compensation system. And, of course, the increased costs associated with this practice are in turn passed on to the health care consumer. Further, Mr. President, I move to lay that motion to consider the motion to lay on the table. Mr. DOLE. I move to lay that motion on the table. The motion to lay on the table was agreed to.

Mr. President, the experience in States which have implemented reforms similar to those set forth in this act indicates that it is, indeed, possible to reduce unnecessary expenditures related to health care liability claims, while at the same time providing more rapid and efficient compensation for individuals injured by malpractice. For this reason, and particularly because the Federal Government has a distinct financial interest, I would urge my colleagues to join in cosponsoring this timely initiative. With this legislation's enactment, incentives will be provided to States in order that they may undertake reforms to address the problem of today's medical malpractice insurance situation.

WITHDRAWAL OF PROPOSED MAVERICK MISSILE SALE

Mr. HELMS. Mr. President, this morning the administration decided to withdraw its formal proposal to sell 1,600 Maverick "D" missiles to Saudi Arabia. This was in my judgment a wise decision on the part of the White House, as there clearly was widespread bipartisan support for the resolutions of disapproval in both Houses of Congress.

I was glad to hear that the decision had been made to withdraw this sale. As I made clear in yesterday's hearing in the Foreign Relations Committee, I believe this sale to be indefensible at this time, and I stress, at this time.

Mr. President, the administration's selling arms to Middle Eastern nations still technically at war with Israel is traditionally one of the more difficult items to come before Congress.

On one hand, it is in the American interest to maintain a good relationship with moderate Arab countries, and to assure that they are not threatened militarily by more radical neighbors. It is also many times in Israel's interest for us to maintain this relationship.

On the other hand, it is in the American interest to have a secure Israel. To the extent we provide weapons which represent a threat to Israel, we become to turn off the incentive for Israel to provide us with military assistance necessary to deter any such threat.

Saudi Arabia is an important ally for our country. Its oil reserves, our strong trading ties and the fact that the Saudis are the keeper of the two holiest shrines of Islam makes Saudi Arabia important.

It is absolutely vital to the interests of the United States that we maintain a cordial relationship with the Saudis, and it is just as vital to us that the Saudis be able to provide for their legitimate defensive needs. Indeed, it is also in the interest of Israel to have a stable Saudi Arabia allied with the West.

So it is in the interest of neither the United States nor Israel for Congress to reject every Saudi arms deal to come down the pipe. Each should be examined on its own merits.

In examining this particular proposal, I am very concerned about continued Saudi support for the PLO and Syria. Our State Department's refusal to stand up to the Saudi's funding of these major sources of terrorism seems to me inconsistent with the anti-terrorism pronouncements coming out of the Venice summit.

I am also concerned about the continual refusal by the Saudis to honor our requests for basing rights despite this fact that our taxpayers spend $40 billion a year keeping the Persian Gulf open to oil tankers—many of them carrying oil from Saudi Arabia.

Mr. President, we should all be concerned about our basic policy in the Middle East. The main threat to the moderate Arab states and Israel is the Soviet Union, and its radical clients. Yet our State Department is trying to bring the Soviets further into Middle Eastern affairs through its persistent efforts to convene an international conference.
As opposed to the State Department's efforts on the international cooperation in the Middle East needs to be based firmly upon what is—and what is not—in the American interest. In light of the concerns listed above, especially the continuing Saudi support for the PLO, I do not believe the sale of Maverick “D” missiles to Saudi Arabia is in the American interest.

The evidence of Saudi support for the PLO is clear and convincing. At the Baghdad Conference of 1976, the oil producing Arab countries made a commitment to bankroll the PLO. Specifically, Saudi Arabia pledged $85.5 million a year; Algeria, $21 million; Iraq, $44.6 million; UAE, $34.3 million; Qatar, $19 million; Kuwait, $47.1 million, and Libya; $47.1 million.

But of all these countries, Saudi Arabia appears to stand alone in consistently fulfilling its commitment to fund the PLO. According to an official of the PLO's Press Office, a senior Saudi official met with PLO leaders this past summer in London. The PLO's partial leader, Yasir Arafat, said the Saudis indicated they were prepared to meet all its commitments.

According to the report from the 17th session of the Palestinian National Council, held in November 1984, “Saudi Arabia...met all its commitments for 1983 and 1984. The other countries which had promised to help did not pay anything in 1983 and 1984.”

What does the PLO do with this Saudi contribution? At yesterday's hearing, Assistant Secretary Murphy reiterated his belief that the Saudis intended these payments to go for nonmilitary and humanitarian uses. However, there is strong evidence that Saudi support has gone for military purposes.

According to this same report, payments received from “the Saudi Arabian kingdom” during their 1983/84 fiscal year were put into the account of the national fund's income, as the chairman of the executive committee of the PLO put them directly into the account of the financial administration of the army.

A PLO document found in Lebanon recording the minutes of a July 1981 meeting of the PLO military council reported that “Saudi Arabia promised to fulfill all our request for the supply of arms and ammunition.” A May 1982 article by London correspondent Colin Legum reported that Saudi Arabia had agreed to grant the PLO a $250 million loan to pay for new weapons from Soviet bloc countries.

The PLO is perhaps the most vicious terrorist organization there in the world. It should come as no surprise that its leaders have a history of aiding and abetting the Sandinistas.

Kamehameha Day

Mr. MATSUMAGA. Mr. President, today, the people of the State of Hawaii are celebrating Kamehameha Day, honoring King Kamehameha I, the monarch who united the Hawaiian Islands into a single nation after a bitter 10-year war in the late 18th century.

In Hawaii, this State holiday is marked by parades and luaus or feasts, while in the Nation's Capitol, Kamehameha Day will be observed this Sunday, June 14, of the congressionally chartered Hawaii State Society will hold its annual ceremony in front of the great King's golden statue will be draped with fragrant, fresh flower leis flown in from Hawaii for the occasion, and authentic Hawaiian chants will be sung while hula dances will be performed by costumed musicians and dancers.

Kamehameha was a truly remarkable leader who, as a lawmaker, tempered justice with mercy, and dignified labor by working side by side with his people. He is a consummate diplomat who placed high priority in protecting and developing his country's human and natural resources. He was also preeminent for his self-denial and his regard for the welfare of his people, which he had become his personal claim. He loved peace more than war and the good of his country more than his many victories in war.

A man of deep convictions, Kamehameha is credited with preserving and strengthening the Hawaiian way of life, while having a great appreciation of the advantages to be gained from friendly relations with foreigners. It was a great era of integration for crossing racial lines. He took into his court men of other cultures, and those that recognized wisdom he chose for his cabinet.

In his regard for the rights of others, and in his concern for social justice, he is a man of the people. He united the Thirteen Colonies and fought to establish a new, democratic nation: the United States of America. It is entirely appropriate, therefore, that his statue in Statuary Hall stand with George Washington, Thomas Jefferson, and other Founding Fathers of this great Nation.

The people of Hawaii happily share Kamehameha's achievements with our fellow Americans and with all people of the world. In his memory we say: Ke Alii, Hauleo La Hanu. To the King, Happy Birthday.

I urge my colleagues and their families to join the Hawaii congressional delegation and the Hawaii State Society for Sunday's celebration, which begins at 12:30 p.m. in Statuary Hall of the Capitol.

MESSAGES FROM THE HOUSE

At 12:41 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2547—An act to amend the Child Abuse Prevention and Treatment Act, the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and the Family Violence Prevention and Services...
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Act to extend through fiscal year 1991 the authorities established in such acts; and

H.R. 2112. An act to authorize appropriations for fiscal year 1988 for intelligence and intelligence-related activities of the U.S. Government, for the intelligence community staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes; to the Select Committee on Intelligence.

H.J. Res. 17. Joint resolution to designate the third week in June 1987 as "National Dairy Goat Awareness Week"; to the Committee on Armed Services.

H.J. Res. 181. Joint resolution commemo- rating the bicentennial of the Northwest Ordinance of 1787.

MEASURES REFERRED

The following bills and joint resolutions were read the first and second times by unanimous consent, and referred as indicated:

H.R. 812. An act to amend the Stevenson-Wyder Technology Innovation Act of 1980 to establish a National Quality Award, with the objective of encouraging American business and other organizations to practice effective quality control in the provision of their goods and services; to the Committee on Commerce, Science, and Transportation.

H.R. 1900. An act to amend the Child Abuse Prevention and Treatment Act, the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and the Family Violence Prevention and Services Act to extend through fiscal year 1991 the authorities established in such acts; to the Committee on Labor and Human Resources.

H.R. 2112. An act to authorize appropriations for fiscal year 1988 for intelligence and intelligence-related activities of the U.S. Government, for the intelligence community staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes; to the Select Committee on Intelligence.

H.J. Res. 17. Joint resolution to designate the third week in June 1987 as "National Dairy Goat Awareness Week"; to the Committee on the Judiciary.

H.J. Res. 181. Joint resolution commemo- rating the bicentennial of the Northwest Ordinance of 1787; to the Committee on the Judiciary.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, June 11, 1987, he had presented to the President of the United States the following enrolled bill:

S. 626. An act to prohibit the imposition of an entrance fee at the Statue of Liberty National Monument, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment:

S. 52: A bill to direct the cooperation of certain Federal entities in the implementation of the Continental Scientific Drilling Program (Rept. No. 100-67).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:


H.R. 191: A bill to authorize the establishment of a Peace Garden on a site to be selected by the Secretary of the Interior (Rept. No. 100-69).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. NUNN, from the Committee on Armed Services.

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 3033:

To be chief of staff


Mr. NUNN. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the Congressional Record and to save the expense of printing again.

Lt. Gen. Thomas F. Healy, U.S. Army, to be placed on the retired list in the grade of lieutenant general (Ref. 357).

In the Army Reserve there are 30 promotions to the grade of colonel and below (list begins with Kenneth N. Hall) (Ref. 358).

In the Army National Guard there are 59 promotions to the grade of colonel and below (list begins with Isaac A. Alvarado, Jr.) (Ref. 359).

Lt. Gen. Charles J. Cunningham, Jr., U.S. Force, to be placed on the retired list in the grade of lieutenant general (Ref. 377).

Lt. Gen. Leo Marques, U.S. Air Force, to be placed on the retired list in the grade of lieutenant general (Ref. 378).


Vice Adm. Powell F. Carter, Jr., U.S. Navy, to be reassigned in the grade of admiral (Ref. 393).

Vice Adm. Cecil J. Kempf, U.S. Navy, to be placed on the retired list in the grade of vice admiral (Ref. 383).

Vice Adm. John H. Pettetman, Jr., U.S. Navy, to be vice admiral (Ref. 384).

Rear Adm. James A. Zimble, U.S. Navy, to be vice admiral and to be Chief of the Bureau of Medicine and Surgery and Surgeon General (Ref. 385).

Joseph P. Smyth, U.S. Navy, to be rear admiral (lower half) (Ref. 386).

Rear Adm. John F. Hoffman, U.S. Army, to be major (Ref. 387).

In the Marine Corps there are 74 appointments to the grade of colonel (list begins with Col. Norman L. Counts) (Ref. 388).

In the Marine Corps (Ref. 389).

Rear Adm. John T. Parker, Jr., U.S. Navy, to be vice admiral (Ref. 395).

Becky L. Gering, U.S. Air Force, to be lieu- tenant colonel (Ref. 390).

In the Air Force there are 12 promotions to the grade of lieutenant colonel and below (list begins with Charles V. Adams) (Ref. 396).

In the Army there are 40 promotions to the grade of lieutenant colonel (list begins with John A. Bauer) (Ref. 399).

In the Army there are 42 promotions to the grade of major (list begins with Jeffrey Addicott) (Ref. 400).

In the Air Force there are 76 promotions to the grade of major (list begins with Robert J. Achterberg) (Ref. 401).

In the Air Force there are 198 promotions to the grade of lieutenant colonel (list begins with Paul C. Aanonsen) (Ref. 402).

In the Air Force there are 505 promotions to the grade of major (list begins with John L. Alonge) (Ref. 403).

In the Marine Corps there are 182 appointments to the grade of second lieutenant (list begins with Paul C. Aanonsen) (Ref. 404).

In the Navy there are 499 promotions to the grade of commander (list begins with Gregory Hugh Adkisson) (Ref. 405).

In the Navy there are 535 promotions to the grade of commander (list begins with Richard Lewis Aarnes) (Ref. 406).

Total: 2,466.

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

(The nominations ordered to lie on the Secretary's desk are printed in the Record of May 19, May 26, and June 2, 1987, at the end of the Senate proceedings.)

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. KASTEN:

S. 1353. A bill to amend the Internal Revenue Code of 1986 to exempt certain live- stock held for the purposes of breeding from the rules requiring capitalization of preproductive expenses and to
preclude farmers with gross receipts in excess of $5 million from using a cash method of accounting; to the Committee on Finance.

By Mr. CHILES:
S. 1354. A bill to amend the Internal Revenue Code of 1986 to exempt certain livestock breeding from the rules requiring capitalization of preproductive expenses and to preclude farmers with gross receipts in excess of $5,000,000 from using a cash method of accounting; to the Committee on Finance.

By Mr. BURDICK:
S. 1355. A bill to ensure energy security for the Nation by expanding the domestic petroleum reserve base; to the Committee on Finance.

The following concurrent resolutions to the Committee on the Judiciary.

By Mr. McCANY:
S. 1359. A bill to recognize the organization known as the Red River Valley Fighter Pilots Association; to the Committee on the Judiciary.

By Mr. BURDICK (for himself, Mr. IOUTE, Mr. EVANS, Mr. DASCHLE, and Mr. McCANY):
S. 1360. A bill to amend the Indian Financing Act of 1974, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. DECONCINI (for himself, Mr. D'AMATO, and Mr. WILSON):
S. 1361. A bill to amend the Controlled Substances Act to suppress the diversion and trafficking of precursor chemicals and essential chemicals utilized in the illicit manufacture of controlled substances; to the Committee on the Judiciary.

By Mr. PRYOR (for himself, Mr. BUMPERS, Mrs. KASSERKUM, Mr. RIEGLE, Mr. HOLLINGS, Mr. GLENN, Mr. HEINZ, Mr. BRADLEY, Mr. MITCHELL, Mr. BOREN, Mr. NUNN, Mr. SPEIGHT, Mr. GRASSLEY, Mr. LATTENBERG, Mr. DONNIGAN, Mr. CUMMINS, Mr. DIXON, Mr. SHEPSY, Ms. MIKULSKI, Mr. WARNER, Mr. CHILES, and Mr. MATUSCZAK):
S. J. Res. 158. A joint resolution designating September 30, 1987, as "National Nursing Home Residents' Rights Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KASTEN (for himself and Mr. QUAYLE):
S. 1355. A bill to amend the Internal Revenue Code of 1986 to exempt certain livestock breeding from the rules requiring capitalization of preproductive expenses and to preclude farmers with gross receipts in excess of $5,000,000 from using a cash method of accounting; to the Committee on Finance.

LIVESTOCK PRODUCERS TAX RECORDKEEPING RELIEF ACT

Mr. KASTEN. Mr. President, today my distinguished colleague from Indiana, Senator Quayle, and I are introducing the Livestock Producers Tax Recordkeeping Relief Act of 1987. This legislation would repeal the requirement that farmers capitalize the expense of raising their livestock.

The Tax Reform Act of 1986 contains a provision which originated in the House that established new rules for taxing income from livestock—for example, the sale of milk, cattle or beef, or horses. Instead of allowing farmers to deduct the expenses of raising livestock in the year they are incurred—but requires farmers to capitalize these costs in the basis of the asset. This is called capitalization. These costs can only be recovered through depreciation. The Tax Reform Act did allow farmers the option of continuing to expense their preproductive costs—that is, to deduct them in the tax year they are incurred—but requires farmers doing this to depreciate all assets related to the livestock business using straightline depreciation. Straightline depreciation is much less favorable than the method by which farm assets are otherwise depreciated. In some cases, this can cut tax benefits from first-year depreciation in half.

Farmers are thus left with a choice between a tax accounting procedure that will artificially inflate their taxable income and one that would impose a staggering recordkeeping burden on them.

To give my colleagues an idea of just how much recordkeeping we are talking about here, imagine a typical Wisconsin dairy farmer required to capitalize preproductive expenditures on his cows.

When the typical dairy farmer sees one of his cows coming into heat, he will have her inseminated artificially. The cows gestation period will be about 9 months, with an 80- to 90-percent success rate being considered adequate. During that time, expenses to feed and house the cow will be incurred. The calf, once born, may require special food, housing, vaccinations and other medical treatment, et cetera before coming into the milking string 2 years or more after conception.

The farmer, in order to be in compliance with the capitalization requirement, will have to keep records of all of this. As noted above, this will be a burden, but he will need to separate out after the fact the cost of such things as insemination.

Inseminations that do not result in conception:
- Stillborn calves—and caring for the cows that give birth to such calves;

Calves which die, or are born with deformities that prevents them from entering the milking string;

Mooes, obviously, and maybe need to separate out expenses for conceiving and raising male calves, which of course do not enter the milking string at any time. Beef producers and horses breeders would face a similar amount of recordkeeping in sorting out expenses incurred in the preproductive phase of an income producing asset from those that result in no income or a different kind of income.

To the dairy farmer, the daily requirement of the dairy farm to produce the liquid milk that society demands makes it little like naming a cow at the time of insemination, and keeping track of all the expenses incurred in raising that cow. The record wouldn't be any good if the cow named, say, Gertrude, Elsie, or Dorothy turned out to be a bull calf, obviously the names would need to be changed as well, or if she/he didn't quite make it to conception. I can well imagine some of the larger farmers in my State running out of names eventually, and maybe needing to put up an extra building to put the records in, too.

In short, the impact of the capitalization requirement will be to drown farmers in a tidal wave of paper—and the Government gets little more out of it than the farmers do. The Joint Committee on Taxation estimates that repealing the provision outright would cost the Government a mere $900 million over the next 4 years, making the bill a net revenue gainer. This provision was first proposed in the President's Treasury tax reform bill.
When the income tax was begun in the early years of this century, it was decided to include farm operations, deduct their business expenses in the tax year they were incurred—cash accounting. It was felt at the time that farmers were too unsophisticated to conveniently use the accrual method of accounting that most other businesses had to use.

A good case could be made that requiring family farmers to use accrual accounting would impose a significant burden on them. Clearly, however, this is not true for the very largest farms. Whether family run or not, any business with sales of over $5 million must clearly be run by very able, sophisticated businesspeople.

It is ludicrous to continue to allow the 400 largest farms in the country, with annual sales ranging from $8 million to $1.5 billion, to use cash accounting on the pretext that accrual accounting would be too complicated for them. All cash farmers allow these large farming-related businesses to do is to present to the Government a distorted picture of their financial situation—and to pay less than their fair share of taxes.

Mr. President, it is time we ended this situation. I was frankly disappointed that we did not end it when we considered the Tax Reform Act last year. In fact, the subject of cash accounting has never been voted on in either the House or Senate during consideration of the Tax Reform Act.

In short, Mr. President, the Kasten-Quayle legislation is oriented toward the family farmer. It eliminates a potentially enormous recordkeeping burden on small to midsized family farmers while requiring large, sophisticated agribusinesses to use regular business accounting procedures for tax purposes. It is an anti-tax measure that will not serve either the interests of farmers or the economy as a whole.

Congress and the lawyers at the Internal Revenue Service have learned back in 1985 that farmers have better ways to spend their time than to maintain overly detailed, intrusive records. It was that year that the Government mandated farmers to keep "contemporaneous" auto logs on all usage of farm trucks. There was such a wave of protest by farmers across the Nation, that Congress was forced to repeal this unreasonable provision.

But rather than learning its lesson, the bureaucracy has now drafted regulations to implement the Tax Reform Act that impose more unreasonable demands on livestock farmers. It’s one thing to beef up the revised tax law with new rules, but in this case, the Treasury Department’s ludicrous regulations have only stirred up a most bothersome stampede of protest by livestock producers.

The Tax Reform Act of 1986 provides that taxpayers must capitalize the pre-productive period of an asset if that period exceeds 2 years. The productive assets of livestock producers are, of course, their breeding animals, and according to the Treasury Department’s interpretation, their pre-productive period begins at conception and ends when the animals first give birth, whether the birth is natural or by artificial insemination. This provision wrongly takes no account of—and will be detrimental to—diversified farm operations.

The bill that Senator Kasten and I are introducing would rectify the provisions of the prior law that would result in the imposition of unreasonable capitalization and reporting requirements and the requirement to monitor them where both places an extreme burden of uncertainty on livestock producers, particularly cattle and horse producers.

Under prior law allowed for expensing of the costs associated with livestock production, current law requires distinguishing between the costs of the breeding stock and the rest of the herd. But separating out costs is impractical in a cattle operation. A livestock producer who previously could expense for his entire herd such costs as feed, veterinary services, insurance, electricity, building maintenance, and fuel, is now required to capitalize the portion of such costs attributable to the replacement stock. At a minimum, this new requirement will force livestock farmers to be highly subjective as they maintain their tax records. But this regulation is more than just cumbersome. It is also highly impractical.

Under the new regulation, costs must be attributed and recorded for an animal before it is born, which is to say before the farmer knows its sex. If the calf turns out to be a bull or the foal is instead a colt, all the time the farmer dutifully has spent keeping records is wasted.

Furthermore, farmers typically do not choose their replacement breeding stock until the animals reach breeding age, when their health and suitability for breeding can be fully evaluated. But in the meantime, records must be kept on all females in the herd, with estimates of the portion of the costs attributable to the replacement animals, until the farmer selects which heifers or fillies will actually be replacement stock. Here again, the time the producer has spent keeping records on the animals that are culled is wasted, and profit is lost—not to mention costs of attributed to the replacement animals will be highly subjective at best.

Under the new law, farmers may elect to expense the costs associated with the pre-productive period of replacement stock, but to do so, they are then required to use straight-line depreciation on all farm assets in use during the election period—not just those assets used in livestock production. This provision wrongly takes no account of—and will be detrimental to—diversified farm operations.

The bill that Senator Kasten and I are introducing would rectify the provisions that would result in the imposition of unreasonable capitalization and reporting requirements and the requirement to monitor them where both places an extreme burden of uncertainty on livestock producers, particularly cattle and horse producers.

In order to pay for restoring the old law to the books, our bill would limit...
Mr. CHILES. Mr. President, our bill will return simplicity and credibility to the tax laws by which farmers must comply, we specifically do not restore the provision for farm income, yet accrual accounting can be unnecessarily burdensome for small operations. The limit on cash accounting nets $1.5 billion over 4 years, while restoring the expensing provision for livestock production will lose $600 million in revenues. Our total package, therefore, will yield a net deficit reduction of $900 million over 4 years.

To ensure that we do nothing more than restore the common sense to the tax laws with which farmers must comply, we specifically do not restore the provision for embryo transplants. These transplants can result in significant tax avoidance. One of the quickest ways to advance new livestock research is to bring all information within the Department of Agriculture within the livestock industry and subject to section 465(d), shall—

1. Design, develop, implement, and manage automated systems for the collection, storage, retrieval, and dissemination of the results of biotechnology research and medical care to use the results for the benefit of health practitioners.

2. Perform research into advanced methods of computer-based information processing capable of representing and analyzing the vast number of biologically important molecules and compounds.

3. Enable persons engaged in biotechnology research and education to use systems developed under paragraph (1) and methods described in paragraph (2) and state funds as such may be practicable, efforts to gather biotechnology information on an international basis.

4. For the purpose of informing the Congress, and subject to section 485(c), shall—
   (a) design, develop, implement, and manage automated systems for the collection, storage, retrieval, analysis, and dissemination of knowledge concerning human molecular biology, biochemistry, and genetics.

5. Conduct biotechnology research and medical care to use the results for the benefit of health practitioners.

SEC. 3. ESTABLISHMENT OF NATIONAL CENTER FOR BIOTECHNOLOGY INFORMATION.

Part D of title IV of the Public Health Service Act is amended by adding at the end the following new subpart:

"Subpart 3—National Center for Biotechnology Information

"PURPOSE, ESTABLISHMENT, FUNCTIONS, AND FUNDING OF THE NATIONAL CENTER FOR BIOTECHNOLOGY INFORMATION, Amendments to act of 1987

"(a) In order to focus and expand the collection, storage, retrieval, and dissemination of the results of biotechnology research and medical care to use the results for the benefit of health practitioners, there is established the National Center for Biotechnology Information (hereinafter in this section referred to as the "Center") in the National Library of Medicine.

"(b) The Secretary, through the Center and subject to section 485(c), shall—

(1) design, develop, implement, and manage automated systems for the collection, storage, retrieval, analysis, and dissemination of knowledge concerning human molecular biology, biochemistry, and genetics;

(2) perform research into advanced methods of computer-based information processing capable of representing and analyzing the vast number of biologically important molecules and compounds;

(3) enable persons engaged in biotechnology research and education to use systems developed under paragraph (1) and methods described in paragraph (2) and state funds as such may be practicable, efforts to gather biotechnology information on an international basis.

(4) For the purpose of informing the Congress, and subject to section 485(c), shall—
   (a) design, develop, implement, and manage automated systems for the collection, storage, retrieval, analysis, and dissemination of knowledge concerning human molecular biology, biochemistry, and genetics.

SEC. 4. FUNDING OF NATIONAL CENTER FOR BIOTECHNOLOGY INFORMATION.

There shall be authorized to be appropriated—

(a) $900,000,000 for each of fiscal years 1988, 1989, 1990, and 1991.

(b) $900,000,000 for each of fiscal years 1992 and 1993.

(c) There are authorized to be appropriated not to exceed $10,000,000 for each of fiscal years 1988, 1989, 1990, 1991, and 1992. Funds appropriated under this subsection shall remain available until expended.

By Mr. DeConcini:

S. 1358. A bill to amend title II, United States Code, the Bankruptcy Code, to clarify the transfer provisions, to add certain chapters, and for other purposes;

"(a) There are authorized to be appropriated not to exceed $10,000,000 for each of fiscal years 1988, 1989, 1990, 1991, and 1992. Funds appropriated under this subsection shall remain available until expended.

"Mr. DeConcini. Mr. President, I am introducing legislation designed to correct an uncertainty cast upon sections 547 and 548 of the Bankruptcy Code by the fifth circuit's
The Durrett decision marked the first time in the more than four centuries since the law of fraudulent conveyances was first codified that a noncollusive, regularly conducted foreclosure sale was found to be a fraudulent conveyance within the meaning of the constructive fraud provisions of the Bankruptcy Code without regard to the intent of the parties. Durrett holds that a noncollusive foreclosure sale can indeed be set aside as fraudulent if the buyer fails to give what the court deems to be “fair consideration.” In reaching its decision, the court applied what is now section 548(a)(2) of the Bankruptcy Code, which makes a showing of the fraudulent intent unnecessary so long as three criteria are met. First, the transfer must take place while the transferor is insolvent. Second, that transfer must take place within a year of the transferor’s bankruptcy. And finally, the transfer price must be less than reasonably equivalent value. While none of these criteria rules out a showing of actual fraud, their development over the years clearly indicates that their only real purpose is to allow courts to set aside those transfers that are designed to put property outside the reach of creditors.

Durrett misapplies these traditional rules regarding constructive fraud, and places an intolerable burden on the reliability of land records and the freedom of people to enter into lawful contractual relationships. Durrett allows a bankruptcy trustee to move to strike down a foreclosure sale as a fraudulent transfer anywhere from 1 to 20 years after the foreclosure sale. In at least one jurisdiction, there may be no limit at all on the reachback period. These varying time limits are the results of section 544(b) of the Bankruptcy Code, which permits the use of State fraudulent conveyance laws to attack mortgage sales.

Some may question the need for this legislation because the Durrett opinion itself indicates that only a sale price less than 70 percent of court determined value will be treated as less than reasonably equivalent. But this figure really doesn’t provide any reliable guidance. Real estate valuation is far from an exact science. It involves a subjective evaluation of a number of factors, including the characteristics of a particular piece of property, and a prediction of how great inflationary pressures are likely to be in the future. A slight difference of opinion between the appraiser and the bankruptcy judge regarding the weight to be given one of these factors may result in the court arriving at a figure well in excess of what the property was really worth.

The impact of the Durrett rule extends beyond nonjudicial foreclosure sales. It has been applied to judicial foreclosure sales under the Bankruptcy Code to invalidate various contracts for deed, to foreclosures of security interests under article nine of the Uniform Commercial Code, and to termination of leases on default by the tenant.

Perhaps even more disturbing are at least two recent decisions that have struck down foreclosures as unlawful preferences under section 547 of the Bankruptcy Code. These decisions were based on the theory that a foreclosure is a transfer made in consideration of an antecedent debt and is subject to being set aside as an unlawful preference if it occurs during the reachback period. Reasonably equivalent value is not even considered in this instance. So every mortgage foreclosure sale becomes subject to attack. This theory is clearly wrong. A mortgage sale is made for contemporaneous consideration—a mortgage is exchanged for property—and because it could open the door to frivolous lawsuits challenging the validity of every mortgage foreclosure.

The law in this area must be clarified in order to prevent confusion, inequitable results, and continued misapplication of these provisions of the Bankruptcy Code. My bill accomplishes these goals by making it clear that a person who acquires an interest of a debtor through a noncollusive foreclosure proceeding has by definition given reasonably equivalent value; by providing that the termination of a lease or a contract pursuant to the terms of the lease or contract is not voidable under the Bankruptcy Code; and finally, by ensuring that an interest acquired at a foreclosure sale will be treated as having been acquired for new value, and not in consideration of an antecedent debt.

I see this bill as a starting point for discussion with the bankruptcy bar and other interested parties in shaping an effective solution which will not be overreaching or overbroad.

By Mr. WILSON.
S. 1357. A bill to amend section 3210 of title 39, United States Code, to prohibit congressional newsletters; to the Committee on Rules and Administration.

Prohibiting Congressional Newsletters

Mr. WILSON. Mr. President, I rise today to introduce legislation to eliminate Federal funding for congressional newsletters. While protecting our ability to correspond with constituents, this legislation would prevent Congress from sending newsletters under the congressional franking privilege.

Mr. President, we have been engaged in debate on this floor for some time now on the subject of election campaign rules. If this Congress is serious about revamping our Nation’s electoral laws, we should act now to clean up the disgrace in our own backyard. I ask that the Senate lend its support and eliminate the electoral abuses of the congressional franking system, which I think is, frankly, a disgrace.

Last year, on a vote of 95 to 2, the Senate approved an amendment I proposed to the budget that was designed to eliminate spending on unsolicited mass mailings. However, this nonbinding amendment has fostered no action at all by the appropriate authorizing committees.

Let me take just a minute to explain the substance of this simple amendment. This amendment eliminates the use of the franking privilege for mass mailings. Mass mail is defined as mailings of more than 500 pieces in which the content of the matter mailed is substantially identical, but with several exceptions. These exceptions I have included in this revised legislation in order to respond to the legitimate concerns expressed by a number of colleagues that, in the effort to end this abuse, we do not become overinclusive and prevent legitimate correspondence. This restriction includes unaddressed postal patron mailings, except if the sole purpose of such a mailing is to give notice of a town meeting. However, in no way can this amendment be construed to limit the substantive exchange of views between Members of the House and Senate and their constituents. That, clearly, is not the purpose.

So we have designed seven exceptions in this amendment that seek to permit an unchecked, legitimate exchange of views through correspondence with the total number of people with an interest in the issues, and updates on specific issues to constituents who have written previously on those issues. This bill would not prevent Members from mailing substantive letters on specific issues to chief officers and members of boards of directors of corporations or other organizations with an interest in the specific issues. In addition, this legislation sets no limits on mailings to colleagues in the Congress or to other elected or appointed Government officials. Informing the news media of our actions is not limited under this bill, as mailing of news releases are unlimited, except that no more than 500 releases may be sent to people not connected to the news media.

The two other exceptions are worth noting. Town meeting notices are not limited by this bill. Finally, in no way can this bill limit a Member in his ability to send to constituents materials not prepared by or relating to that
Member of Congress—for example, public service pamphlets prepared by a noncongressional organization to be distributed by a Member of Congress to constituents. In other words, Mr. President, given these extensive exceptions, the only type of mailing of more than 500 pieces which would be prohibited to Members of Congress would be those in which they have engaged in sending matter that frankly promotes themselves—newsletters.

According to recent estimates, less than 5 percent of the Senate’s postage budget is used to respond to letters sent to us by our constituents. In other words, our direct responses amount to 5 percent of our entire postal budget. Newsletters constitute at least 76 percent of the Congress’ postal budget. Yet, most newsletters wind up in the trash, unread and unwanted, I suspect. At 1987 spending levels, this translates into about $70 million that are used for extravagant, unwanted, and unwanted communications from persons to whom the author’s name recognition at home, especially during election years.

Predictably, mailing costs for the U.S. Congress have risen dramatically in election years. Only the passage of Gramm-Rudman has helped slow the increases. Our franking privilege cost the American taxpayer $95.7 million in 1986 after the automatic sequestration took place. To be sure, this total is about $15 million less than in 1984, the previous election year. However, in nonelection year 1987, postage costs will drop by only 5 percent, still about $5 million higher than during the previous nonelection year, 1986. Congressional spending on postage costs for fiscal year 1987 are estimated to hit at least $91.4 million.

Mr. President, if we need any evidence that there is a strange fluctuation and a dramatic rise in these postal costs during election years, that evidence is abundant and clear. I have a table which illustrates dramatically the congressional spending totals for the last 10 years, and I invite the attention of the Members-elect to its contents. The table shows the enormous increases from nonelection to election years.

In 1978, an election year, the cost was $47 million. The next year, a nonelection year, that cost dropped by about 10 million. In 1980, it rose from not quite $20 million the preceding election year, to $64.4 million. It then dropped about $20 million in 1981, a nonelection year. In 1982, an election year, it rose another $25 million over the previous high, to $97 million. Then, in 1983, a nonelection year, it dropped yet another $10 million. In 1984, a election year and another record, $111.1 million, to drop in the next year, a nonelection year, back to $66.7 million.

Last year, I am sure we would have had another new high had it not been for the sequestration under Gramm-Rudman. So it totaled only $55.7 million. This year, it is estimated that it will be $91.4 million.

Some would argue that the solution to this problem is to appropriate less money for the franking budget during debate on the legislative appropriations bill. I would be the first to vote for such an amendment. However, even if actual franking costs exceed the postal appropriation, the Congress is not forced to increase the franking budget to pay for the mailings. Instead, the Postal Service is required to absorb the loss. The Postal Service has already been operating at a loss, and if actual franking costs exceed the budget, it will eat the difference—costs which ultimately are passed on to taxpayers and postal users.

I should note, Mr. President, that included in both the recently passed House and Senate supplemental appropriation bills is a provision which expressly refuses to provide $3.4 million to reimburse the Postal Service for the cost of franked congressional mail, leaving the Postal Service to absorb the loss if Members’ mailing costs this year exceed the $91.4 million already appropriated.

I want to emphasize once again that passage of the amendment would in no way limit the ability of a Member of Congress to keep his or her constituents informed of the work we do here in Washington. After all, that is what Members of Congress are elected and re-elected to do. I want to make it clear that the intent of Congress is not as though there were not other means available. Events in Washington have never been reported by the media to the extent that we see now. Both Houses have their proceedings televised. We all return to our individual States and congressional districts regularly to meet with constituents.

Mr. President, the time has come to quit winking at this abuse. The time has come for Congress to become accountable for the franking privilege. We cannot justify congressional self-promotion at the taxpayers’ expense at any time, least of all one in which we are called upon to make spending cuts in what are arguably essential services. This clearly is not an urgent public priority. It is unconscionable to reduce spending in important programs to spend tens of millions of Federal dollars on what is essentially a self-promotion activity by Members of Congress.

Some may recall that when we voted to extend theGramm-Rudman bill for the announced purpose of shifting that expenditure to pay for research in AIDS and Alzheimer’s, I urge my colleagues to work for speedy passage of this legislation, and I also wanted to point out that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, section 3210(a)(9) of title 39, United States Code, is amended to read as follows:

(a) It is the intent of Congress that a Member of, or Member-elect to, Congress may not mail any mass mailing as franked mail.

(ii) For purposes of this paragraph, the term ‘mass mailing’ means a mailing of more than five hundred pieces in which the content of the matter mailed is substantially identical.

(iii) To colleagues in the Congress or to elected or appointed Government officials (whether Federal, State, or local).

(iv) Of news releases to the communications media;

(v) Which consist of news announcements on a specific issue individually addressed to the chief officer and any member of the board of directors of a corporation or organisation with an interest in the specific announcement;

(vi) Which consist of materials not prepared by or relating to a Member of, or Member-elect to, Congress; or

(1) The sole purpose of which is to give notice of a town meeting.

(C) The Select Committee on Ethics of the Senate and the House Commission on Congressional Mailing Standards shall prescribe for their respective Houses rules and regulations, and shall take other action as the Committee or the Commission considers necessary and proper for Members and Members-elect to comply with the provisions of this paragraph and applicable rules and regulations. The rules and regulations shall include provisions prescribing the time within which mailings shall be mailed at or delivered to any postal facility and the time during which mailings shall be mailed or delivered to comply with the provisions of this paragraph.

By Mr. GRAMM (for himself and Mr. Nickles):
RECORD, as follows:

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and I ask unanimous consent that the

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offset the domestic oil decline that has

duction from marginal wells is also

Credits. The bill provides a tax credit for

incentives, deregulation, and environ­

mentalf reform. These proposals pro­

ide direct incentives to increase the pro­

duction of oil by about 1½ million

by the end of this century.

Additionally this bill contains lan­

that would open up the Arctic

al Wildlife Refuge; action which if undertaken today would pro­

another 1½ million barrels of oil


Mr. President, I introduce this bill

ask unanimous consent that it be re­

ferred to the appropriate committee, and

I ask unanimous consent that the

and an outline of the bill be print­

in the RECORD.

There being no objection, the mate­

rial was ordered to be printed in the

RECORD, as follows:

The NATIONAL PETROLEUM SECURITY AcT of 1987—SUMMARY OF PROPOSALS

PRODUCTION INCENTIVES

Windfall Profit Tax. The bill repeals the Windfall Profit Tax (supported by the President).

Exploration and Marginal Production Tax Credits. The bill provides a tax credit for ex­

ploration and development of oil and gas. This credit equals 10% for the first $10 mil­

ion in expenses and 5% thereafter and

would be sunset in three years. A 10% tax credit on qualified costs for stimulating pro­

duction from marginal wells is also provid­

ed.

Alternative Minimum Tax Relief. The bill removes Intangible Drilling Costs (IDC) as a tax preference item for purposes of comput­

ing alternative minimum taxes (AMT). The bill also provides current expensing of domes­

tic Intangible Drilling Costs (IDC) for all producers.

Geological and Geophysical Costs. The bill provides for current expensing of geo­

logical and geophysical costs paid or in­

curred prior to drilling.

Transferability. The bill repeals the de­

pletion transfer rule (supported by the President).

Income Limitation. The bill increases the depletion limitations to 100% (supported by the President).

REGULATORY REFORM PROVISIONS

Federal Leasing. The bill amends the Min­

eral Lands Leasing Act of 1920 to open the coastal plain of the Arctic National Wildlife Refuge (ANWR) to public leasing (supported by the President).

Natural Gas Prices. The bill amends the

Natural Gas Policy Act to decontrol all na­

tural gas pipelines from the wellhead (supported by the President).

Transportation of Natural Gas. The bill requires the Federal Energy Regulatory Com­

mission to mandate the transportation of natural gas without discrimination as to class of shipper or recipient (supported by the President).

Cooperative Exemption. The bill permits a limited antitrust exemption to independent pro­

ducers to contract for the pooling of nat­

ural gas for sale.

Oil Pipelines. The bill repeals federal rate regulation of those oil pipelines that oper­

ate in a competitive market (supported by the President).

Strategic Petroleum Reserve. The bill re­

quires that 50% of the purchases for the Strategic Petroleum Reserve be from domes­

estic suppliers. Oil would be acquired at prices no less favorable to the U.S. than comparable foreign oil (supported by the President).

ENVIRONMENTAL PROVISIONS

Underground Tanks. The bill clarifies Solid Waste Disposal Act requirements im­

posed on underground storage tanks and specifies that petroleum well cellars, sum­

ples, drip collection devices, hydraulic lift reser­

vors and oil water separators are not "tanks" (supported by the President).

Recycling Activities. The bill expresses the sense of the Congress that recycling ac­tiv­

ities designed to conserve resources should not be curtailed when there is no data to demonstrate that such recycling practices pose any threat to human health and the envi­

ronment (supported by the President).

Land Treatment Sites. The bill expresses the sense of the Congress that any land treatment of petroleum waste should be en­

couraged so long as such treatment trans­

forms the waste into an environmentally ac­

ceptable form which does not pose any threat to human health and the environ­

ment (supported by the President).

Underground Injection Control Program. The bill revises certain requirements for un­

derground injection systems in order to fa­

cilitate the use of such systems.

S. 1385

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 Petrole­

um Security Act of 1987".

CONGRESSIONAL RECORD-SENATE

15457

SEC. 1. WINDFALL PROFIT TAX PROVISIONS.

(a) Chapter 45 of the Internal Revenue Code of 1986 (referred to in this title as the "Code") is repealed.

(b) Sections 6505C, and 6506, 6232, 6430, and 7241 of the Code are repealed.

(2) (A) Sections (a) of section 164 of the Code is amended by striking paragraph (4), and redesignating the subsequent para­

graphs as paragraphs (4) and (5), respectively.

(b) The following provisions of the Code are each amended by striking "44, or 45" each place it appears and inserting "or 44":

(i) section 6211(a),

(ii) section 6211(b)(2),

(iii) section 6212(a),

(iv) section 6213(a),

(v) section 6213(g),

(vi) section 6214(c),

(vii) section 6214(d),

(viii) section 6161(b)(1),

(ix) section 6344(a)(1), and

(x) section 7422(c).

(c) Subsection (e) of section 6211 of the Code is amended by striking "44, and 45" and inserting "and 44".

(d) Subsection (b) of section 6211 of the Code is amended by striking paragraphs (5) and (6).

(E) Paragraph (1) of section 6212(b) of the Code is amended—

(i) by striking "chapter 44, or chapter 45" and inserting "or chapter 44", and

(ii) by striking "chapter 44, chapter 45, and this chapter" and inserting "chapter 44, and this chapter".

(F) Paragraph (1) of section 6212(c) of the Code is amended—

(i) by striking "of chapter 42 tax" and inserting "of chapter 42 tax", and

(ii) by striking "of chapter 45 tax for the same taxable period".

(G) Section 6302 of the Code is amended by striking "(I) For" and inserting "For", and by striking paragraph (2).

(H) Section 6501 of the Code is amended by striking subsection (m).

(I) Section 6511 of the Code is amended by striking subsection (b) and redesignating subsection (b) as subsection (h).

(J) Subsection (a) of section 6512 of the Code is amended—

(i) by striking "of tax imposed by chapter 41" and inserting "or of tax imposed by chapter 41", and

(ii) by striking ", or of tax imposed by chapter 45 for the same taxable period".

(K) Subsection (e) of section 6512(b) of the Code is amended—

(i) by striking "of tax imposed by chapter 41" and inserting "of tax imposed by chapter 41", and

(ii) by striking "of tax imposed by chapter 45 for the same taxable period".

(L) Section 6611 of the Code is amended by striking subsection (b) and redesignating subsections (i) as subsections (h) and (i), respectively.

(M) Section 6724 of the Code is amended—

(i) by striking clause (i) in paragraph (1)(B) and redesignating clauses (ii) through (ix), respectively, and
"(ii) AMOUNT.—The term 'eligible crude oil' means domestic crude oil which is—

"(A) from a stripper well property within which crude oil was produced for the taxable year and the extraction of which is approved by the Secretary of the Treasury, or

"(B) heavy oil, or

"(C) oil recovered after the date of the enactment of this Act from a recovery well within which the extraction of crude oil is approved by the Secretary of the Treasury, or

"(D) oil which is produced from a well located in the United States from which the extraction of crude oil is approved by the Secretary of the Treasury, or

"(E) United States crude oil which is produced from a well located in the United States which is not a well located in an area covered by paragraph (7)."

"(3) CRUDE OIL PRODUCTION CREDIT.—The term 'crude oil production credit' means the credit allowed under this section for any taxable year to any producer of qualifying crude oil, which is—

"(A) a credit under section 30 of this Act, or

"(B) a credit under section 6232 of the Code.

"(4) TERTIARY RECOVERY METHOD.—The term 'tertiary recovery method' means the method by which the taxable year had a weighted average gravity of 26 degrees API or less (corrected to 60 degrees Fahrenheit).

"(5) COAL.—The term 'coal' means brown coal, bituminous coal, lignite, anthracite, coking coal, and all other types of coal.

"(6) OIL.—The term 'oil' includes liquid natural gas.

"(7) PROPERTY.—The term 'property' means a well, recovery well, lease, property, or other interest in or use of property which is described in subparagraph (B) of paragraph (1).

"(8) RECONSTRUCTION.—The term 'reconstruction' means the reconstruction of an oil or gas well.

"(9) WAREHOUSE.—The term 'warehouse' includes any eligible warehouse in which the storage or use of oil is approved by the Secretary of the Treasury.

"(10) SUCCEEDING TAXABLE YEAR.—The term 'succeeding taxable year' means the taxable year following the taxable year to which the credit under this section was allowed.

"(11) AMOUNT OF CREDIT.—The term 'amount of credit' means the amount of the credit determined under section 43(b).

"(12) LIMITATION BASED ON AMOUNT OF TAX.—

"(i) LIABILITY FOR TAX.—The credit allowable under subsection (a) for any taxable year shall not exceed the greater of—

"(A) the taxpayer's tentative minimum tax liability under section 55(b) for such taxable year, and

"(B) the sum of the credits allowable against such tax liability under sections 43 and 44.

"(ii) APPLICATION OF THE CREDIT.—Each of the following amounts shall be reduced by the amount of the credit determined under paragraph (1):

"(A) the taxpayer's tentative minimum tax under section 55(b) for the taxable year,

"(B) the taxpayer's regular tax liability for any taxable year to which the credit may be carried, and

"(C) the taxpayer's tentative minimum tax liability under section 55(b) for any taxable year following the taxable year to which the credit was allowed.

"(13) REGULATIONS.—The regulations prescribed under this section shall be consistent with the regulations prescribed under section 43 of this Act and shall be in effect for any taxable year after the date of the enactment of this Act.

"(14) STATUTE OF LIMITATIONS.—The statute of limitations for the credit shall be extended to the extent necessary to conform to the extension of the time for filing the return provided in this section, if the credit is allowed for any taxable year after the date of the enactment of this Act.

"(15) TREATMENT OF REMITTER AND REREMITTER.—In the event that the owner of an oil well is not the producer of the oil, the amounts of the credits allowed under this section with respect to such oil shall be treated in the same manner as if the owner were the producer of such oil.
The amendments made by this section shall apply to expenditures paid or incurred after December 31, 1986.

SEC. 184. EXPENDING GEOLoGICAL AND GEOPHYSICAL COSTS.

(a) Section 38(a)(2) and 57(b)(2) of the Code are hereby repealed.

(b) The repeal made by this section shall apply to costs paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 185. EXPENDING GEOLOGIC AND GEOPHYSICAL COSTS.

(a) Part VI of subchapter B of chapter 1 of the Code is amended by adding at the end thereof the following new section:

"SEC. 197. GEOLOGICAL AND GEOPHYSICAL COSTS."

(b) The table of sections for part VI of subchapter B of chapter 1 of the Code is amended by adding at the end thereof the following new item:

"SEC. 197. GEOLOGICAL AND GEOPHYSICAL COSTS."

(c) The amendments made by this section shall Apply to costs paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 186. EXPENDING INTANGIBLE DRILLING AND DEVELOPMENT COSTS.

(a) Section 291(b) of the Code is repealed.

(b) Section 263(c) of the Code is amended by striking "or 291".

(c) The repeal and amendment made by this section shall apply to costs paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 187. INCREASE IN NET INCOME LIMITATION.

(a) Section 613A(a) of the Code is amended by adding ", except that in the case of an oil or gas well, the allowance shall not exceed 100 percent of the words "50 percent."

(b) Section 613A(c)(7)(C) of the Code is amended by adding "or 100 percent in the case of an oil or gas well after the words "50 percent."

(c) Section 613A(d)(1) of the Code is amended by striking "shall not exceed 65 percent" and inserting in lieu thereof "shall not exceed 100 percent."

(d) The taxpayer shall have the right to revoke the election provided in section 614(b)(2) by attaching a statement to the income tax return filed for the first taxable year after the enactment of this Act.

(e) The amendments made by this section shall apply to years beginning after the date of the enactment of this Act.

SEC. 188. REPEAL OF THE TRANSFER RULE.

(a) Section 613A(c) of the Code is amended by adding ",(1) striking paragraphs (9) and (10); (2) redesigning paragraphs (11), (12), and (13) as paragraphs (9), (10), and (11) respectively; and (3) striking subparagraphs (C) and (D) of paragraph (11), as redesignated.

(b) The amendments made by this section shall apply to production after the date of the enactment of this Act.

TITLE II—FEDERAL LEASING REFORM PROVISIONS

SEC. 201. LEASING OF THE ARCTIC NATIONAL WILDLIFE REFUGE.

The Mineral Lands Leasing Act of 1920, 41 Stat. 437, as amended, is further amended by adding a new Subchapter X at the end of Chapter 3A—Leases and Prospecting Permits, 30 U.S.C. 181, to read as follows:

"SUBCHAPTER X—COASTAL PLAIN LEASING

"AUTHORIZATION FOR LEASING OF THE COASTAL

PLAIN

"SEC. 288. (a)(1) The Congress hereby authorizes and directs the Secretary of the Interior through whatever agency of the Department of the Interior may be appropriate to make such arrangements with the State of Alaska or such other public entity as the Congress shall determine to carry out the provisions of the previous paragraph.

(2) Notwithstanding any provisions of the Mineral Lands Leasing Act of 1920 and other existing Federal laws concerning leasing, exploration and development on public lands, and grants such new legislative authority as is necessary to enable the Secretary to authorize and permit all such activities as are required to achieve the following objectives: development and production of the oil and gas resources on the public lands within the Coastal Plain, and include, but are not limited to, the authorization and granting of rights-of-way, permits, leases, use permits and such other authorizations as are necessary to facilitate exploration, development, production and transportation of the oil and gas resources of the public lands within the Coastal Plain.

(3) The Coastal Plain leasing program required by subsection (a) shall include the following elements:

(A) The first lease sale shall be conducted within twelve months of the date of enactment of this Act.

(B) The Secretary is authorized to grant to the highest responsible qualified bidder or bidders by competitive bidding, under regulations promulgated in advance, oil and gas leases on unleased public lands within the Coastal Plain. Such regulations may provide for the deposit of cash bids in an interest-bearing account until the Secretary announces his decision on whether to accept the bids, with the interest earned thereon to be paid to the Treasury. The bids shall be accepted to the successful and to the unsuccessful bidders as to bids that are rejected. The bidding shall be conducted as determined by the Secretary and in such manner that the bids that are accepted are to the benefit of the public and to the advantage of the public as a whole by increasing the value of the public lands.

(C) The Secretary shall conduct the leasing program for public lands within the Coastal Plain by a lease tract consisting of a compact area and not exceeding more than two thousand five hundred and
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sixty (2,560) acres, as the Secretary may in his discretion determine.

"(d) Each lease shall be issued for an initial period of up to ten years and shall be extended for so long thereafter as oil and gas are produced in quantities sufficient to enable the lessee to continue to operate the lease or unit area to which the lease is committed or as drilling or reworking operations as approved by the Secretary are conducted.

"(e) In the conduct of competitive lease sales pursuant to the authority provided by this Act, the Secretary shall seek to maximize the value of the lease to the Treasury but doing so shall make reasonable efforts to conduct lease sales in a manner which will enable independent oil and gas producers, acting alone or in combination with other independent producers, to have a competitive opportunity to successfully bid on lease grants under the authority of this Act.

"(4) This Act shall be considered the primary land management authorization for all activities associated with exploration, development, and production of oil and gas on public lands within the Coastal Plain. No land management review shall be required for such explorations, developments, or productions

"(5) Activities undertaken pursuant to this section shall include or provide for such conditions, restrictions, and prohibitions as the Secretary shall consider necessary or appropriate to mitigate reasonably foreseeable significant adverse effects on fish and wildlife and their habitat pursuant to subsection 288(a) of this Act.

"(6) The Secretary is authorized to permit, subject to reasonable rules and regulations, on public lands within the Coastal Plain all activities described in subsection 288(a) which are conducted by the owners of private lands within and/or adjacent to the public lands within the Coastal Plain.

"(7) All receipts from the sales, rentals, bonuses, and royalties on leases issued pursuant to this Act shall be deposited into the Treasury and allocated in accordance with applicable law.

"OTHER LEASING PROVISIONS AND CONSIDERATIONS

"(b)(1) Prior to conducting a competitive oil and gas lease sale pursuant to subsection 288(a), the Secretary shall promulgate such stipulations, rules, and regulations as he determines are necessary and appropriate to ensure that planning, development, production, and transportation activities undertaken in the public lands within the Coastal Plain are conducted in a manner to achieve the reasonable protection of the fish and wildlife resources, environment and subsistence uses which utilize the public lands within the Coastal Plain.

"(2) The 'Coastal Plain Resource Assessment' (April 1987) prepared by the Secretary pursuant to section 1002(b) of the Alaska National Interest Lands Conservation Act of 1980 (Public Law 96-487).

"(3) Nothing in this Act shall be construed to affect the application of the National Environmental Policy Act of 1969 to phases of oil and gas development, production, and transportation conducted subsequent to initial leasing and exploration.

"(4) The Secretary shall have the general authority of the Secretary as described in subsection 288(a) of this Act, all Federal and State environmental laws and regulations, to approve oil and gas explorations and permitting shall continue to be applied.

"(5) The term 'Secretary' means the Secretary of the Interior; and


TITLE III—OIL REEFULATORY REFORM PROVISIONS

SEC. 302. STRATEGIC PETROLEUM RESERVE PETROLEUM ACQUISITION.

Section 160 of the Energy Policy and Conservation Act (42 U.S.C. 6240) is amended by adding after subsection (e) the following new subsection:

"(f) The Secretary shall assure that at least 50 percent, by volume, of the petroleum products acquired for storage in the Strategic Petroleum Reserve during each fiscal year, exclusive of crude oil produced from the Naval Petroleum Reserves or received in kind as royalties from production of Federal lands, are derived from domestic crude oil production, provided that these domestic petroleum products can be acquired at delivered prices that are no less favorable to the United States than the price of comparable foreign petroleum products available to the Reserves, exclusive of duty.

"(2) If, during the acquisition of domestic petroleum products for the Strategic Petroleum Reserve, the Secretary determines that the requirement in paragraph (1) of this section cannot be met, the Secretary shall use any other petroleum products available for acquisition totaling more than 50 percent of the petroleum products acquired for storage in the Reserve for the fiscal year.

"(3) The Secretary may issue the regulations and directives necessary to carry out this subsection.

SEC. 302. REGULATION OF PIPELINES TRANSPORTING OIL.

(a) The Department of Energy Organization Act (42 U.S.C. 7101-7352) is amended by adding the following new section 408:

"SEC. 308. REGULATION OF PIPELINES TRANSPORTING OIL.

(a) DEFINITIONS. As used in this section—

"(1) the term 'pipeline' means any fully interconnected pipeline system owned by one person or subject to Commission regulatory jurisdiction or which would be subject to Commission regulatory jurisdiction except for this section;

"(2) the term 'existing pipeline' means a pipeline brought into service before the effective date of this Act;

"(3) the term 'new pipeline' means a pipeline brought into service after the effective date of this Act;

"(4) the term 'person' means an individual, firm, partnership, association, corporation, joint venture or other legal or business entity;

"(5) the term 'Secretary' means the Secretary of Energy or the Secretary's designee;

"(6) the term 'Regional' means the Energy Regulatory Division of the Department or the Secretary's designees;

"(7) the term 'Commission' means the Federal Energy Regulatory Commission;

"(8) the term 'Commission regulatory jurisdiction' means those functions and authorities transferred by sections 306 and 402(b) of the Department of Energy Organization Act (42 U.S.C. 7155, 7172(b));

"(9) the term 'adjudication' means an agency hearing to be determined on the record as governed by section 554 of title 5, United States Code; and

"(10) the term 'Act' means the Oil Pipeline Regulatory Reform Act of 1987.

(b) INITIAL CONSIDERATION OF PIPELINE REGULATORY STATUS.

(1) PETITION BY THE ATTORNEY GENERAL.

"(A) Within sixty days of the effective date of this Act, the Attorney General may petition the Secretary for an adjudication of whether regulation of a pipeline is in the public interest. Upon receipt of such a petition, the Secretary shall conduct such adjudication in accordance with subsection (b)(2).

"(B) Commission regulatory jurisdiction over an existing pipeline that is not the subject of a petition filed under subsection (b)(1) shall terminate one hundred and twenty days after the effective date of this Act, unless before then a joint resolution is enacted directing the Secretary to conduct such adjudication of whether regulation of such a pipeline is in the public interest. Upon enactment of such a joint resolution, the Secretary shall conduct the adjudication in accordance with subsection (b)(2).

"(2) ADJUDICATION BY THE SECRETARY.

"(A) The Secretary shall find that regulation of a pipeline is in the public interest only if it is determined that regulation is necessary to constrain the exercise of substantial market power in a significant portion of the markets in which the pipeline operates. Unless the Secretary finds that regulation of a pipeline is in the public interest, the Secretary shall find that regulation of the pipeline is not in the public interest.

"(B) Any finding pursuant to subsection (b)(2)(A) shall be issued within one year.
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after the petition of an adjudication is filed with the Secretary or the enactment of the joint resolution directing an adjudication unless the Secretary, in the event of unusual circumstances necessitating the delay, and shall specify the date certain by which the Secretary will issue the finding, in no event shall Commission regulatory jurisdiction be subject to the provisions of section 408 of this Act, there:

(2) Section 404(a) of the Department of Energy Organization Act (42 U.S.C. 1714(a)), is amended by striking out "section 403" and by inserting in its place "sections 403 and 408".

(3) Section 1 of the Department of Energy Organization Act (42 U.S.C. 7101) (the Table of Contents) is amended by adding the following new item to the table of contents:

"Sec. 406. Regulation of pipelines transporting oil."

(c) All laws of the United States relating to unlawful restraints and monopolies and to combinations, contracts, or agreements in restraint of trade shall continue to be applicable to the transportation by pipeline of crude oil or refined oil products.

TITLE IV—NATURAL GAS REGULATORY REFORM PROVISIONS

SEC. 401. OPEN ACCESS TO TRANSPORTATION—NONDISCRIMINATORY AUTHORIZATIONS.

Section 311(a) of the Natural Gas Policy Act of 1978 (15 U.S.C. 3371(a)) is amended by—

(1) amending paragraph (3) to read as follows:

"(3) no agency of the Federal Government may regulate any pipeline to transport natural gas on behalf of any person;"

(2) redesigning subparagraph (1)(B) as (1)(C);

(3) deleting subparagraph (2)(A);

(4) redesigning subparagraphs (2)(B)(i), (2)(B)(ii), (2)(B)(iii), and (2)(B)(iv) in subparagraphs (3)(A), (3)(B), (3)(C), and (3)(D), respectively, and

(5) by adding a new paragraph (4) to read as follows:

"(4) NONDISCRIMINATION—"

"(A) A pipeline transporting gas pursuant to this subsection shall do so without discrimination.

(B) A pipeline receiving gas pursuant to this subsection shall provide transportation service pursuant to this subsection without discrimination."
after the date of enactment of the Natural Gas Policy Act Amendments of 1987, if the renegotiated contract expressly provides the provisions of subtitle A shall not apply.

SEC. 402. REMOVAL OFBellissima Price Controls on Natural Gas.—Beginning April 1, 1988, the provisions of subtitle A shall cease to apply to the first sale of any natural gas.

SEC. 403. REPEAL OF COMMISSION JURISDICTION OVER FIRST SALES OF NATURAL GAS. (a) Section 601(a)(x)(B) of the Natural Gas Policy Act of 1978 (15 U.S.C. 3411(a)(x)(B)) is amended to read as follows :
"(B) COMMITTED OR DEDICATED NATURAL GAS.—For purposes of section 1(b), of the Natural Gas Act, the jurisdiction of the Commission under such section shall not apply to natural gas which was committed or dedicated to interstate commerce as of the day before the date of enactment of the Natural Gas Policy Act Amendments of 1978 solely by reason of any first sale of such natural gas."

(b) Section 315 of the Natural Gas Policy Act of 1978 (15 U.S.C. 3375) is repealed, and the item relating to section 315 is stricken from the table of contents of that Act.

SEC. 404. EFFECT OF AREA RATE CLAUSES. (a) Title III of the Natural Gas Policy Act of 1978 (15 U.S.C. 3375) is amended by adding the following new section:

"SEC. 315. EFFECT OF AREA RATE CLAUSES.—With respect to gas that would be subject to a maximum lawful price under section 314 or 106(a) of this Act except for section 121(g), the last price paid for the gas while it was subject to a maximum lawful price under section 104 or 106(a) shall be considered a federally established rate or price for purposes of an area rate clause. This section shall apply only to a contract that has an indefinite price escalator clause other than an area rate clause, and that was executed at a time when the inclusion of any indefinite price escalator clause other than an area rate clause was proscribed by Federal regulation."

(b) The table of contents of the Natural Gas Policy Act of 1978 (15 U.S.C. 3201 note) is amended by adding after the item relating to subsequent as follows:

"Sec. 315. Effect of area rate clauses."

SEC. 405. LIMITED ANTITRUST EXEMPTION FOR INDEPENDENT PRODUCER COOPERATIVES. (a) There shall be available as a defense to any civil or criminal action brought under the Federal antitrust laws as that term is defined in section 2(3) of the Natural Gas Policy Act of 1978, or any similar State law, with respect to actions taken to develop cooperative associations of independent producers or actions taken by such cooperative associations to carry out any voluntary agreement or plan of action to market natural gas released for sale pursuant to subsections (e) and (f) of section 131 of the Natural Gas Policy Act of 1978 provided that——
(1) such action is necessary to market natural gas; and
(2) such action is not taken for the purpose of reducing competition.

(b) For the purposes of this section, the term "independent producer" has the same meaning as that term is defined in section 492(b) of the Internal Revenue Code of 1986.

TITLE V—ENVIRONMENTAL PROVISIONS

SEC. 501. UNDERGROUND STORAGE TANKS. Section 9001(1) of the Solid Waste Disposal Act is amended by inserting at the end of the section parenthesis (H) by inserting "well cells, sumps, or drip collection devices" and "lines" and by striking out "or" at the end of the sentence.

SEC. 502. RECYCLING ACTIVITIES. It is the sense of Congress that the "mixed" and "derived from" rules in 40 CFR 261.3 were promulgated to address intentional dilution of hazardous wastes—a mismanagement practice designed to avoid regulation. These rules should not be involved to curtail recycling activities in the petroleum industry designed to conserve resources or minimize waste. Congress hereby requests the information to demonstrate that such recycling practices pose any threat to human health and the environment.

SEC. 503. LAND TREATMENT SITES. It is the sense of Congress that——
(1) the Administrator of the Environmental Protection Agency should encourage continued use of land treatment for petroleum waste to the extent consistent with protection of human health and the environment;
(2) protection of human health and the environment from air emissions at land treatment units under the Solid Waste Disposal Act should be improved solely through promulgation of standards under section 3004(n) of such Act;
(3) land treatment should be determined to be protective of human health and the environment under subsections (d), (e), and (g) of section 3004 of the Solid Waste Disposal Act where an owner or operator demonstrates there will be no statistically significant increase of hazardous constituents over background to groundwater arising from placement of hazardous waste at the land treatment unit; and
(4) land treatment of petroleum waste should be a method of treatment which meets the requirements of section 3004(m) of the Solid Waste Disposal Act.

SEC. 504. UNDERGROUND INJECTION CONTROL PROGRAM. Sections 1421(b)(2)(A), 1422(c)(1), and 1423(a)(1) of the Safe Drinking Water Act (42 U.S.C. 300h(b)(2)(A), 42 U.S.C. 300h-1(c)(1), and 42 U.S.C. 300h-4(a)(1)) are amended——
(1) by inserting "utilized or" after "brine or other fluids which are"; and
(2) by inserting "and storage operations after "oil or natural gas production."

Mr. NICKLES. Mr. President, I am pleased to introduce the National Energy Security Act of 1987. Enactment of the provisions of this bill is critical to improving the dismal state of this Nation's oil and gas industry, and to reverse the damage inflicted on the domestic oil industry by the rapid and unregulated manipulation of the world market price during the past 18 months.

The Committee on Energy and Natural Resources has held several hearings this year on the implications of the reduced world oil prices for the United States. It is clear from these hearings that the drop in world oil prices has created a tremendous loss in domestic oil production, and that the availability in the price has made it difficult for many U.S. oil and gas producers to increase exploration and development activities. Moreover, these hearings have also made it clear that the rapidly growing amount of oil imports is a very serious national security and economic welfare matter for the entire Nation.

The Department of Energy's recent "Report on Energy Security" projected that the U.S. level of foreign oil dependence could rise to 45 percent by 1990 and 57 percent by 1995. As I again brought to DOE's attention at the hearing, I expect that the United States will be 60-percent dependent on foreign oil by 1990 and 60 percent by 1995.

Clearly, if any of these projections are realized, the United States will be seriously vulnerable to a major oil supply interruption. As you recall, just prior to the 1973 Arab oil embargo, the United States was only dependent on foreign oil for one-third of its net petroleum needs.

The recent attack on the U.S.S. Stark brings into focus the dangers of a national policy that ignores our growing dependency on oil supplies from the Middle East. In 1986, we imported more than twice as much oil from Arab OPEC countries as we did in 1985. It will not help solve our import dependency problems by increasing U.S. imports only from friendly and stable trading partners such as Great Britain, Canada, Mexico, and Venezuela. Oil is a worldwide commodity, and we must be prepared to curtail recycling activities in the petroleum industry designed to conserve resources or minimize waste. Congress hereby requests the information to demonstrate that such recycling practices pose any threat to human health and the environment.

At a time when we are increasing our dependency on foreign oil, we should be doing everything possible to ensure that we don't put our domestic industry out of business. We need to repeal unreasonable regulatory restraints, like we did the Fuel Use Act only a few weeks ago. That action is going to help consumers. And enacting the National Energy Security Act of 1987 makes sound domestic energy policy.
rule with respect to percentage depletion.

No other industry is saddled with a so-called windfall profit tax which was designed simply to take away revenue earned by this industry. It may be good politics to bash big oil in some States, but it makes bad policy. Who suffers for this lack of congressional foresight? Consumers in all 50 States.

These three energy tax changes are included in the National Energy Security Act of 1987. The National Energy Security Act also contains several additional provisions that will improve the investment climate for domestic oil production. These additional provisions include: excluding intangible drilling costs from the alternative minimum tax; allowing expensing of geological and geophysical costs; and providing for exploration and marginal production tax credits.

I am particularly concerned that the Congress has made intangible drilling costs subject to the alternative minimum tax. It makes no sense as a matter of tax policy. It may make sense in an effort to treat intangible drilling costs as preferences. IDC's are the most fundamental deduction available to the independent oil and gas producer. IDC's are out of pocket, actual expenses paid by the businessmen drilling the well. IDC's include labor, fuel, repairs, hauling, and supplies that are necessary to drill the wells and prepare them for production.

Placing these expenses into the alternative minimum tax has created nonsensical Federal energy policy. There are independent producers in my State who have already had to stop drilling activities because for every additional foot they drill, they do not get any deduction on their Federal taxes. Thus, the recent change in the Tax Code reducing the 100-percent net income offset for IDC's on the alternative minimum tax as totally inappropriate because it penalizes capital formation for oil and gas drilling.

The National Energy Security Act of 1987 also contains the administration's oil pipeline deregulation proposal. I am currently reviewing this language and may reintroduce an oil pipeline deregulation bill at a later date.

I urge my colleagues to join in support of the National Energy Security Act and enact these much needed reforms in Federal law that will improve the ability of the domestic oil and gas industry to attract the national needs of our Nation despite OPEC manipulations of the world oil price.

By Mr. BURDICK:


RIVERDALE, NORTH DAKOTA, SCHOOL REHABILITATION ACT

Mr. BURDICK. Mr. President, all of us in the Senate from time to time have encountered instances when our constituents have been given the run around by the Federal bureaucracy. This is no different, but they do regretfully occur. The legislation I have just introduced will remedy one of the most serious examples of this bureaucratic blundering that I have ever encountered. I am referring, Mr. President, to the condition of the school at Riverdale, ND, which was transferred to the people of that community by the Corps of Engineers on July 26, 1986.

Mr. President, the people of Riverdale sought for years to become a self-governing community and to remove the stigma of living in a town owned by the Federal Government. The Congress granted them their wish, and when Riverdale became an incorporated community, the title to all public property, including the Riverdale School, was transferred over by the Corps of Engineers to local control. Unfortunately, Mr. President, the corps was transferring damaged goods. The Riverdale School, which was built in 1947, had received no maintenance or repair by the Federal Government in almost 30 years.

For 30 years this facility just weathered the extremes of Dakota winters and summers. The wood frame structure is now in such a dilapidated state that I seriously question its safety. Mr. President, None of its electrical wiring has ever been replaced. Lead pipes run through the building. The walls of the school are crumbling.

When I asked the Corps of Engineers how a school building could have been turned over for local management in such a condition, I was told by the Omaha district of the Corps of Engineers that they were not responsible for the condition of the building. They had turned over maintenance responsibility to the Department of Education back in the mid 1980's. Naturally, the Education Department said they were not responsible for the condition of the building either.

Lost in the flurry of debate between the Omaha district office of the corps and the Education Department was the plain simple truth that the Federal Government was clearly responsible for the condition of that building, that the Federal Government had been negligent in its responsibility to maintain the facilities, and that the Federal Government was responsible.

Mr. President, I am pleased to say that the Corps of Engineer's headquarters officials in Washington, and General Hatch in particular, have been sensitive to this problem.

We have discussed the school's condition many times. The legislation I have introduced will give the corps the necessary authority to rehabilitate the Riverdale school, the authority to conduct the repairs which they should have performed in good conscience before even proposing to transfer the facility out of Federal hands. They are the most competent agency to do the job.

Mr. President, I ask unanimous consent that a copy of the Riverdale, ND, School Rehabilitation Act be inserted into the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1356

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

The Section entitled "TRANSFER OF FEDERAL TOWNSITES" in the Supplemental Appropriations Act, 1985, Title I, Chapter IV (Public Law 99-138, 99 Stat. 571) as amended by Section 1123 of the Water Resources Development Act, 1986 (Public Law 99-662, 100 Stat. 4242-43) is further amended as follows:...

and in addition, $5,000,000 to remain available until expended, for the repair and rehabilitation of the existing school building at Riverdale, North Dakota, in order to bring said building up to current State standards for continued safe operation, subject to the Riverdale Public School District No. 89 (Mercer and McLean Counties) North Dakota providing the necessary real estate interests and agreeing to accept the improvements as full and complete fulfillment of responsibilities of the United States following completion of the project."

By Mr. McCAIN:

S. 1359. A bill to recognize the organization known as the Red River Valley Fighter Pilots Association; to the Committee on the Judiciary.

RED RIVER FIGHTER PILOTS ASSOCIATION

Mr. McCAIN. Mr. President, today I am introducing a bill that would provide a Federal charter to the organization known as the Red River Valley Fighter Pilots Association.

For the past two decades, the Red River Valley Fighter Pilots Association has been devoted to serving veterans and their families. Comprised of over 4,500 members, the "River Rats," as they are commonly known, was founded by men who flew along the Red River Valley in Viet Nam. The group originally assembled in 1967 for the purpose of increasing aircrew efficiency and reducing combat losses. But these individuals not only shared aerial tactics information, they also created a strong network of support that fostered camaraderie and service to our nation's needs of our Nation despite OPEC manipulations of the world oil price.
erating an awareness of the plight of the prisoner of war, and those missing in action or killed in action. Through their concern for families of POW’s, MIA’s and KIA’s, they have used their talents and interests in many areas. Their program is one of the most recent and volatile in their most important philanthropic endeavors. Over 400 students have already been recipients of financial assistance, and children of any aircraft crew member in Southeast Asia in the MIA/KIA category, as well as children of those who participated in the ill-fated rescue attempt in Iran and the raid on Libya are eligible for these scholarships.

In addition to their scholarship program, the Red River Valley Fighter Pilots Association provides counseling to veterans and their families. Also, many of the members continue to act as consultants for aerial fighter tactics. Their experience in Viet Nam has been instrumental in developing an understanding of the challenges they faced and the obstacles they had to overcome. This dedication is indicative of the strong commitment this association has made to the continued service to their country.

Mr. President, the charitable efforts of the Red River Valley Fighter Pilots Association have already served the families of over 2,400 servicemen reported missing in action. These survivors of the most recent and volatile aerial combat war remain strongly committed to the memory of the American soldiers left behind. Though their actions cannot completely alleviate the pain that has resulted from such a perilous war, they will never cease their services to veterans and families in need. I strongly urge my colleagues to support this legislation. Our small part in granting the Red River Valley Fighter Pilots Association a wish will enable their continued honorable service for a great many years.

By Mr. BURDICK (for himself, Mr. INOUYE, Mr. EVANS, Mr. DASCHEL, and Mr. McCAIN):

S. 1360. A bill to amend the Indian Financing Act of 1974, and for other purposes; to the Select Committee on Indian Affairs.

INDIAN FINANCING ACT AMENDMENTS

Mr. BURDICK. Mr. President, I am pleased to introduce today amendments to the Indian Financing Act of 1974. These amendments would improve the availability of future financing for American Indian economic growth.

In the past banks and other financial institutions have generally been reluctant to invest their funds on Indian reservations. The Indian Financing Act Loan Guarantee Program was created to overcome the obstacles to conventional bank financing for business projects on Indian reservations. It provides a form of credit support which addresses the legitimate concerns of private lenders based on trust property constraints, the sovereign immunities enjoyed by a tribe when acting in a business capacity and the willingness of the tribe to have the tribal jurisdiction over commercial transactions on the reservation.

By relying on the evaluation and commitment of private lenders before making a guarantee commitment, the Federal Government provides support for Indian business development in a manner which is most appropriate. It would be very unfortunate if the tremendous interest in private enterprise development now being demonstrated in Indian country were not to be supported with a relatively modest level of Federal commitment represented in these amendments to the Indian Financing Act.

Mr. President, the Indian Financing Act amendments that we propose today would address a number of limitations of the current act. The limitation on the amount of loans to individual Indians would increase from $350,000 to $500,000. This is a more realistic ceiling than the previous $500,000 figure as it reflects the amount of capital needed to start a business today and is comparable to other Government efforts such as the Small Business Administration’s (SBA) loan guarantee program.

We also propose to raise the loan guarantee authorization from $200,000,000 to $500,000,000. In recent years guaranteed loans have replaced direct loans as the primary emphasis on Bureau of Indian Affairs (BIA) investment financing. Consequently the $200,000,000 limit must be raised to meet the growing demand for issuing new guaranteed loans. Unless this limit is raised, the BIA will be prevented from issuing further loan guarantees.

Mr. President, another amendment would provide that a loan guaranteed under the act, including security given for the loan, may be sold or assigned by the lender to any “person.” As you know, under section 1 of title 1, United States Code, the term “person” used in acts of Congress includes “corporations, companies, associations, firms, joint-stock companies, and joint stock companies, as well as individuals.” The current act now limits the sale or assignments of guaranteed to “financial institutions” regulated by a government. This limitation on use of existing secondary market for Indian financing guaranteed loans—similar to SBA and other loan guarantee programs—directly impacts the financing available to Indians since banks have less of an incentive to originate Indian Financing Act loans.

Finally, we are proposing a clarification with respect to the availability of Indian Financing Act guarantees for tribal bond issues to finance business ventures which would not be exempt from interest taxation.

Mr. President, this program is becoming a cornerstone of economic development for the American Indian people. It is heartbreaking to see the Indian business community moving away from reliance on Federal loans and subsidies for its success and instead turning to banks and other customary lending institutions for financing. We feel strongly that this proposal further the U.S. Government’s longstanding policy of self-determination and self-sufficiency in Indian affairs.

Mr. President, I ask that this bill be printed in the Record immediately following these remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1360

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

STATEMENT OF PURPOSE

Section 1. Section 201 of the Indian Financing Act of 1974 (25 U.S.C. 1481) is amended by adding at the end thereof the following sentence: “For purposes of this title (but not for any purpose under title III), the term ‘loan’ includes a bond issue of a tribe or an economic enterprise which is wholly owned by Indians.”

LIMITATIONS ON AMOUNT OF LOANS TO INDIVIDUAL INDIANS OR ECONOMIC ENTERPRISES

Sec. 2. Section 204 of the Indian Financing Act of 1974 (25 U.S.C. 1484) is amended by striking out “$500,000” and inserting in lieu thereof “$500,000.”

ASSIGNMENT OF LOANS

Sec. 3. Section 205 of the Indian Financing Act of 1974 (25 U.S.C. 1485) is amended to read as follows:

“Sec. 205. Any loan guaranteed under this title, including the security given for such loan, may be sold or assigned by the lender to any person.”

AGGREGATE LOANS LIMITATION

Sec. 4. Section 217 of the Indian Financing Act of 1974 (25 U.S.C. 1497) is amended by striking out “$200,000,000” in subsection (b) and inserting in lieu thereof “$500,000,000.”

AUTHORIZATION OF APPROPRIATIONS FOR LOSSES ON LOANS

Sec. 5. Subsection (e) of section 217 of the Indian Financing Act of 1974 (25 U.S.C. 1497(e)) is amended by striking out the last sentence and inserting in lieu thereof the following: “All amounts appropriated under the authority of this section shall remain available until expended. In the event that insufficient funds are available to make payments required because of losses on loans guaranteed or insured under this title, the Secretary shall promptly submit to the Congress a request for additional appropriations to make such payments.”

By Mr. DeCONCINI (for himself, Mr. D’AMATO, and Mr. WILSON):

S. 1361. A bill to amend the Controlled Substances Act to suppress the
diversion and trafficking of precursor chemicals and essential chemicals utilized in the illicit manufacture of controlled substances; to the Committee on the Judiciary.

CHEMICAL DIVERSION AND TRAFFICKING ACT of 1987—Mr. DECONCINI. Mr. President, recently in New York City, undercover narcotics officers busted a cocaine producing laboratory operating on the fifth floor of a populated eight floor apartment building. When agents raided the lab, they not only found a supply of highly flammable ether with candles burning through the room. A time bomb just waiting to go off—and with it—the lives of many innocent victims.

In 1986, a total of 509 clandestine laboratories in the United States were seized by the Drug Enforcement Administration. In 1982, 197 labs were seized. This is an increase of over 150 percent in just 4 years. These labs are used to produce cocaine, heroin, PCP, methamphetamine, LSD, and many other illegal drugs. Agents confiscated more than 1,000 firearms during these raids. The labs were also equipped with explosives and were protected with body traps.

The largest cocaine processing facility ever seized was a laboratory complex in Colombia in March 1984. It was discovered as the result of the investigation of a shipment of 76 barrels of ether purchased by Colombian traffickers in the United States. Over 10,000 barrels of chemicals were seized at that lab.

Because of our efforts to control the supply of essential chemicals to cocaine laboratories in South America, an ever increasing number of South American cocaine traffickers are moving their cocaine labs to the United States. This is happening because of the ease with which they can obtain the chemicals necessary to produce cocaine.

The Drug Enforcement Administration has maintained an active voluntary program with the U.S. chemical industry. It involves monitoring the sales of precursor and essential chemicals from legitimate industry to detect suspicious sales which may be destined for the illicit market.

Precursor chemicals are chemicals used in the chemical process of manufacturing the drug and which are incorporated into the final product. An example is piperidine, which is used in the manufacture of PCP. An essential chemical is a substance that may be used in the manufacturing process as solvent, re-agent or catalyst. Examples of these are ethyl ether, used to process cocaine, and acetic anhydride, used to process heroin.

Despite our voluntary program that DEA has operated and its work with foreign law enforcement agencies, the extent of diversion and trafficking in these chemicals has continued to grow. As the problem has grown in magnitude, so have the complexity and difficulty of monitoring and investigating this traffic.

A single unscrupulous businessman can have an enormous impact. Recent convictions before the DEA have dramatically reduced and prosecuted the principals in three chemical companies in the Western United States. The evidence developed in these cases revealed that these companies had supplied literally hundreds of illicit laboratories, many of which had been seized by DEA or State authorities.

The major problem that exists is curtailing availability of these chemicals while at the same time ensuring their availability for legitimate use.

Today, my good friends and colleagues, Senators ALFONSE D'AMATO and PETE WILSON join me in introducing a piece of legislation that I believe is long overdue in our continuing war on drugs.

The Chemical Diversion and Trafficking Act of 1987 establishes a system of recordkeeping and identification requirements for each listed chemical. The bill was drafted by the Justice Department and the Drug Enforcement Administration. It requires manufacturers, distributors, importers, and exporters to maintain records concerning types and quantities of chemicals sold and to whom they were sold. These records would have to be kept for 5 years and would be subject to inspection by DEA. Additionally, the purchaser of a chemical listed in the proposed legislation would be required to provide identification as well as certification of lawful use to the chemical supplier.

Because of the extensive international traffic in precursor and essential chemicals, the bill would also require that the chemicals listed only be imported or exported pursuant to permit or declaration being approved in advance by DEA. This is similar to the system currently in use for controlled drugs.

The act also establishes penalties for trafficking in listed precursor and essential chemicals as well as penalties for violations of the record keeping and reporting requirements. The bill establishes criminal penalties for knowing and intentional trafficking in drug manufacturing equipment. It also establishes a requirement for the reporting of sales or other transfer of commercial tableting and encapsulating machines.

Past voluntary efforts have provided little success in dealing with the production of these deadly poisons. This bill will not eliminate illegal drugs, but it will send a message to foreign countries that we take this problem seriously and we expect the same from them.

Mr. President, I ask unanimous consent that the full text of the bill as well as a section-by-section analysis be included at this point in the Record.
is in connection with the distribution, importation, or exportation of substances to a third person, the Attorney General shall not relieve the distributor, importer, or exporter from compliance with paragraph (1) or (2); (C) any distribution, importation, or exportation of a precursor chemical or essential chemical listed under section 310(d), with knowledge that the recordkeeping or reporting requirements of section 310(d)(1) have not been complied with, or with knowledge that the recordkeeping or reporting requirements of section 310(a) have not been complied with, or with intent to cause the evasion of the recordkeeping or reporting requirements of section 310(a) shall be considered knowing or having reasonable cause to believe, that they will be used to manufacture a controlled substance except as provided for by this title.

(4) possesses any precursor chemical or essential chemical listed under section 310(d), with knowledge that the recordkeeping or reporting requirements of section 310(d)(1) have not been complied with, or with intent to cause the evasion of the recordkeeping or reporting requirements of section 310(a) shall be considered knowing or having reasonable cause to believe, that they will be used to manufacture a controlled substance except as provided for by this title.

(5) possesses any precursor chemical or essential chemical listed under section 310(d), with knowledge that the recordkeeping or reporting requirements of section 310(a) have not been complied with, or with intent to cause the evasion of the recordkeeping or reporting requirements of section 310(a) shall be considered knowing or having reasonable cause to believe, that they will be used to manufacture a controlled substance except as provided for by this title.

SEC. 4. FORFEITURE. (a) Section 511(a) of the Controlled Substances Act (21 U.S.C. 881) is amended by adding a new paragraph (9) as follows:

"(9) All chemicals listed under section 310(d) of all drug manufacturing equipment, all tabletting or encapsulating machines, and all gelatin capsules, which have been improperly used, possessed, distributed, or intended to be distributed, in violation of this title, as well as all conveyances and equipment, including aircraft, vehicles, vessels, which are used, or are intended for use, to transport, or in any way facilitate the transportation, distribution, receipt, possession, or concealment of precursor chemicals and essential chemicals,"
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drug manufacturing equipment, tabletting or encapsulating machines, or gelatin capsules, in violation of title II, except as provided for under subparagraphs (A) and (B) of paragraph (4)."

SEC. 5. DEFINITIONS.
Section 102 (21 U.S.C. 802) of the Controlled Substances Act is amended—
(1) in paragraph (11), by inserting after "a controlled substance" both places it appears the following: "or a precursor chemical or essential chemical listed under section 310(d);"
(2) in paragraph (8), by inserting "or a precursor chemical or essential chemical" after "a controlled substance"; and
(3) by adding at the end thereof the following new paragraphs:
"(33) The term 'precursor chemical' means a substance that may be used in the chemical process of manufacturing controlled substances and which is incorporated into the final product and is therefore critical to its manufacture.
"(34) The term 'essential chemical' means a substance that may be used in the chemical process of manufacturing controlled substances as a solvent, reagent, or catalyst."

SEC. 6. TECHNICAL AMENDMENTS.
(a) Section 506(a) (21 U.S.C. 876(a) of the Controlled Substances Act is amended by deleting the item relating to section 841(d) and inserting the following in lieu thereof:
"310. Precursor chemicals and essential chemicals."

(b) The tables of sections for part C of the Controlled Substances Act is amended by deleting the item relating to section 310 and inserting the following in lieu thereof:
"310. Precursor chemicals and essential chemicals."

SEC. 7. ACTIVE DOG TRACKING PROGRAM.
The Attorney General shall maintain an active dog program, both domestic and international, to curtail the diversion of precursor chemicals and essential chemicals used in the illicit manufacture of controlled substances. This program shall include appropriate controls on the purchase, sale, import, and export of these chemicals and development of cooperative efforts with foreign drug control authorities.

SEC. 8. EFFECTIVE DATE.
This Act shall take effect 120 days after the date of enactment of this Act.

Sect. 1—Title.
Sec. 2. This is the section that provides the basic framework of the control mechanisms of the "Chemical Diversion and Trafficking Act of 1987" by amending Section 310 of the Controlled Substances Act (21 U.S.C. 830) to provide the following:
Section 310(a)(1) makes mandatory the making of reports and the making of records by any person who distributes, purchases, imports or exports a listed precursor or essential chemical. It also requires that the records be kept separately and be readily retrievable and available for inspection for five years. The Attorney General is authorized to designate by regulation the required records and reports, including establishing a minimum threshold for each substance. If the Attorney General determines that records need not be made. Failure to make required reports or keep required records would be punishable under 21 U.S.C. 842 or 843, or under Section 314(d) for knowing or intentionally violating.
Subparagraphs (A) and (B) provide details as to the extent of the information the Attorney General may require. This primarily involves names, addresses, dates, type of chemical, quantity and other relevant information concerning distribution, import or export.

Subsection 310(a)(2) establishes an identification requirement similar to the identification requirement in existing drug diversion legislation. However, there is an additional requirement of certification by the purchaser that the substance is not for unlawful purposes. The exact form of the certification would be established by regulation. But, it is expected that it will include, at a minimum, a certification for unlawful purposes and that the purchaser has not made purchases from other sources in order to avoid record-keeping and reporting requirements.

Subsection (a)(3) provides an exemption for agents, employees, common carriers, and those exempted by the Attorney General. This, again, is the same as currently exists for piperidine and, in some cases, controlled drugs. Additionally, it clarifies that these exemptions do not apply to drug products lawfully marketed under the Federal Food, Drug and Cosmetic Act containing these listed chemicals.

Section 310(b) establishes an import/export permit requirement for listed precursors and a declaration requirement for essential chemicals. The Attorney General will set the grounds that can be used to deny permits or declarations.

Subsection (c) establishes a mechanism and criteria for adding or deleting chemicals from the lists.

Subsection (d) establishes two lists. One list is for precursors and the other for essential chemicals.

Subsection (e) establishes confidentiality of information and exemption from release under Freedom of Information Act for enforcement purposes.

Subsection (f) defines "customs territory" and "import". Other definitions are included elsewhere in the Controlled Substances Act.

Subsection (g) provides for required identification for tabletting and encapsulating machines, as well as for certification of lawful use by the purchaser.

Subsection (h) establishes a reporting requirement for the distribution, sale, import or export of tabletting or encapsulating machines.

Sec. 3. This section has three primary purposes.
Section 3(a) amends Section 401(d)(1) (21 U.S.C. 841(d)(1)) of the Controlled Substances Act to establish criminal penalties for possession of listed chemicals with intent to illicitly manufacture controlled substances.
Section 3(b) amends Section 401(d)(2) (21 U.S.C. 841(d)(2)) of the Controlled Substances Act to establish criminal penalties for possession of precursor or essential chemicals with knowledge that they will be used in illicit manufacture.
Section 3(c) establishes a penalty for knowingly or intentionally manufacturing, distributing, importing, or exporting precursor or essential chemicals except as provided by this Act or other law. If it also sets the procedure of these chemicals illegal when they are possessed with knowledge that the record-keeping and reporting requirements have not been adhered to. Finally, it prohibits the receipt or distribution of a reportable amount of a listed chemical in small units with the intent of evading record-keeping or reporting requirements.

Subsection (h) of this section amends Section 402(a)(9) (21 U.S.C. 842(a)(9)) of the Controlled Substances Act to establish for all listed chemicals the penalties for distribution or sale when there is a violation of identification or certification requirements.

Subsection (b) deletes Section 402(c)(2)(C) (21 U.S.C. 842(c)(2)(C)), concerning piperidine.

Sec. 5. This section establishes prohibited acts under Section 403(a) (21 U.S.C. 843(a)) for violations involving listed chemicals as well as for manufacture, distribution, import or export of drug manufacturing equipment, tabletting or encapsulating machines, or gelatin capsules with intent to establish for all listed chemicals the penalties for distribution or sale when there is a violation of identification or certification requirements.

Sec. 6. Adds to the penalties for violations of the Act, a provision for enjoining violators from further activity involving listed chemicals for a period of at least ten years.

Sec. 7. Authority to seize and forfeit chemicals, drug manufacturing equipment, and gelatin capsules under Sec. 511 (21 U.S.C. 881).

Sec. 8. Establishes intent of Congress that the Attorney General will maintain an active program against the diversion and trafficking of chemicals both domestically and worldwide.

Subsection (a) amends the definitions of "distribute" and "deliver" to include delivery of a listed precursor or essential chemical. Also establishing definitions for "precursor chemicals" and "essential chemicals".

Subsection (b) amends Section 506(a) (21 U.S.C. 876(a)) authorizing the Attorney General to issue subpenas with respect to "precursor chemicals" and "essential chemicals".

Subsection (c) amends the table of sections for the Controlled Substances Act.

Mr. D’AMATO. I am proud to join my good friends and colleagues, Senators DeConcini and Wilson, in introducing the Chemical Diversion and Control Act.

Three days ago, at a hearing of the Senate Caucus on International Narcotics Control that I chaired with Senator DeConcini in New York, the DEA presented very convincing evidence of the need for this legislation.

The DEA needs this legislation to enable it to track down the criminal operators of illegal drug labs. Drug traffickers, who are completely lacking in any concern for human life, are storing highly volatile and explosive either and acetone through this Nation.

In New York State, cocaine labs were first discovered in rural areas, such as Montgomery County, where a cocaine laboratory exploded in April 1986.

Increasingly, these labs are being found in densely populated neighborhoods. DEA has seized six active cocaine labs and four lab sites in New York City in the last year alone.

One of the most alarming is the increasing number of lab explosions that have occurred recently.

On March 20, 1987, three storefront businesses in the Fordham section of the Bronx were seriously damaged by...
vent the spread of these killers. Designer drugs have been responsible for over 100 deaths in California alone.

- Fina.

The following is a brief summary of this bill's provisions. A more detailed explanation is included in the section-by-section analysis accompanying the Chemical Diversion and Trafficking Act, which I am introducing into the CONGRESSIONAL RECORD today.

The summary is as follows:

1. Recordkeeping and identification of buyers.
   Anyone who manufactures, distributes, sells, imports or exports the chemicals listed in the Act must keep records, for five years, of what was sold and to whom it was sold. The person must also provide identification, and must certify that the purpose is not for unlawful purposes, and this information must be maintained by the seller.

2. Possession of controlled substances.
   A. Possession of listed chemicals with intent to illicitly manufacture controlled substances; or with knowledge that the recordkeeping or reporting requirements have not been adhered to.
   B. Possession of drug manufacturing equipment with intent to manufacture a controlled substance.
   C. Knowingly or intentionally manufacturing, distributing, importing, or exporting listed chemicals, except as provided in the Act.
   D. Providing false information.
   E. Failure to keep records or make reports.

3. Penalties.
   A. Up to 5 years and $15,000 fine for knowing or intentional violations.
   B. Up to $25,000 fine for civil violations, primarily failure to keep required records.
   C. Forfeiture of equipment and chemicals used to make narcotics.
   D. Injunction against violators' conducting business with these chemicals for at least ten years.

4. Export/import controls.
   The Act establishes a system similar to the one now used for controlled drugs.
   Listed precursor chemicals can only be imported or exported under a permit issued by the Attorney General. Essential chemicals can only be imported and exported pursuant to an advance declaration.

5. Chemicals covered and the drugs they are used to make.
   A. Precursor Chemicals: N-Acetyltryptamine; N-Acetylsalicylic Acid; Anfeline Acid (methylamphetamine); Ergotamine (LYS); Ergotamine (methylamphetamine); Ethylamine (methylamphetamine); Pseudoephedrine (methylamphetamine); Ephedrine (methylamphetamine); Benzyl cyanide (methylamphetamine).
   - Essential Chemicals: Acetic anhydride (heroin); Potassium permanganate (cocaine); Acetone (heroin); Ethyl ether (cocaine).

By Mr. PRYOR (for himself, Mr. BUMPERS, Mrs. KASSEBAUM, Mr. RIEGEL, Mr. HOLLINGS, Mr. GORE, Mr. MITCHELL, Mr. BROWN, Mr. BOREN, Mr. NUNN, Mr. SPECTER, Mr. GORE, Mr. LUTENBERG, Mr. DOLE, Mr. COCHRAN, Mr. DIXON, Mr. SHELBY, Ms. Mikulski, Mr. WARNER, Mr. CHILES, and Mr. MATSUINAGA):

S. J. Res. 158. Joint resolution designating September 30, 1987, as "National Nursing Home Residents' Rights Day". To the Committee on the Judiciary.

By Mr. PRYOR, Mr. President, today I am introducing legislation to establish September 30, 1987, as 'National Nursing Home Residents' Rights Day'. A number of my colleagues (Senators BUMPERS, KASSEBAUM, RIEGEL, HOLLINGS, GLENN, HEINZ, BRADLEY, MITCHELL, BOREN, NUNN, SPECTER, GORE, LUTENBERG, DOLE, COCHRAN, DIXON, SHELBY, MR. MITCH, MIKULSKI, WARNER, and MATSUINAGA) have joined me in this effort, and I hope we will see prompt enactment of this measure.

In previous years on National Nursing Home Residents' Day, individuals and organizations in cities, towns, and nursing homes throughout the country have honored nursing home residents as important members of their communities and for the significant contributions they have made toward the growth and development of our nation. These activities have resulted in greater community support and involvement in the lives of nursing home residents, and increased interest in the quality of life and the quality of care in nursing homes.

This year nursing home residents and their relatives have good cause for celebration. In response to the increasing demand for nursing home care, there has been a renewal of interest in furthering comprehensive nursing home reform legislation, and a consensus is building among consumer groups, providers, and public policymakers with respect to the form that legislation should take. It appears that there is good reason to hope that this consensus-building effort will result in legislative action in the coming months.

Mr. President, this is an important day for nursing home residents; I hope that it will prove to be a landmark year, as well, for this very special population. This year we have changed the name of this special day to National Nursing Home Residents' Rights Day to accentuate the importance of the preservation of the dignity and individual freedom of residents in nursing homes. I urge my colleagues...
to join me in working for the enactment of legislation to honor the rights of the residents in these facilities throughout the country.

ADDITIONAL COSPONSORS

S. 38
At the request of Mr. Mowynihan, the names of the Senator from North Carolina [Mr. DeConcini], the Senator from Hawaii [Mr. Inouye], and the Senator from California [Mr. Cranston] were added as cosponsors of S. 38, a bill to increase the authorization of appropriations for the Magnet School Program for fiscal year 1987 to meet the growing needs of existing Magnet School Programs, and for the establishment of new Magnet School Programs.

S. 74
At the request of Mr. Gramm, the names of the Senator from Colorado [Mr. Domenici] and the Senator from Alabama [Mr. Hefflin] were added as cosponsors of S. 74, a bill to amend the Internal Revenue Code of 1986 to allow a charitable contribution deduction for certain amounts paid to or for the benefit of an institution of higher education.

S. 192
At the request of Mr. Riagle, the name of the Senator from Washington [Mr. Adams] was added as a cosponsor of S. 192, a bill to amend title 3, United States Code, and the Uniform Time Act of 1966 to establish a single poll closing time in the Continental United States for Presidential general elections.

S. 220
At the request of Mr. Symms, the name of the Senator from Alabama [Mr. Hefflin] was added as a cosponsor of S. 220, a bill to require the voice and vote of the United States in opposition to any resolution by international financial institutions for the production of commodities or minerals in surplus, and for other purposes.

S. 473
At the request of Mrs. Kashebaum, the name of the Senator from Arizona [Mr. DeConcini] was added as a cosponsor of S. 473, a bill to regulate interstate commerce by providing for uniform standards of liability for harm arising out of general aviation accidents.

S. 541
At the request of Mr. Pryor, the names of the Senator from Indiana [Mr. Quayle], the Senator from Oregon [Mr. Hatfield], the Senator from California [Mr. Wilson], and the Senator from Florida [Mr. Graham] were added as cosponsors of S. 541, a bill to amend title 39, United States Code, to extend to certain officers and employees of the U.S. Postal Service the same procedural and appeal rights with respect to certain adverse person

nel actions as are afforded under title 5, United States Code, to Federal employees in the executive service.

S. 604
At the request of Mr. Pryor, the name of the Senator from Oklahoma [Mr. Boren] was added as a cosponsor of S. 604, a bill to promote and protect taxpayer rights, and for other purposes.

S. 721
At the request of Mr. Inouye, the name of the Senator from Washington [Mr. Adams] was added as a cosponsor of S. 721, a bill to provide for and promote the economic development of Indian tribes by furnishing the necessary capital, financial services, and technical assistance to Indian owned business enterprises and to stimulate the development of the private sector of Indian tribal economies.

S. 736
At the request of Mr. Harkin, the name of the Senator from Arkansas [Mr. Bumpers] was added as a cosponsor of S. 736, a bill to prohibit the performance of certain functions at arsenals and manufacturing facilities of the Department of Defense from being converted to performance by private contractors.

S. 776
At the request of Ms. Mikulski, the name of the Senator from Arizona [Mr. DeConcini] was added as a cosponsor of S. 776, a bill to amend title XIX of the Social Security Act to protect the welfare of spouses of institutionalized individuals under the Medicaid Program.

S. 784
At the request of Mrs. Kashebaum, the name of the Senator from Vermont [Mr. Stafford] was added as a cosponsor of S. 784, a bill to provide that receipts and disbursements of the highway trust fund and the airport and airway trust fund shall not be included in the totals of the budget of the U.S. Government as submitted by the President or the congressional budget.

S. 839
At the request of Mr. Johnston, the name of the Senator from Idaho [Mr. Symms] was added as a cosponsor of S. 839, a bill to authorize the Secretary of Energy to enter into incentive agreements with certain States and affected Indian tribes concerning the storage and disposal of high-level radioactive waste and spent nuclear fuel, and for other purposes.

S. 887
At the request of Mr. Bumpers, his name was added as a cosponsor of S. 887, a bill to extend the authorization of appropriations for and to strengthen the provisions of the Older Americans Act of 1965, and for other purposes.

S. 934
At the request of Mr. Cranston, the name of the Senator from Maryland [Ms. Mikulski] was added as a cosponsor of S. 934, a bill to authorize payments to States to assist in improving the quality of child-care services.

S. 980
At the request of Mr. Hefflin, the names of the Senator from Arkansas [Mr. Bumpers], the Senator from Mississippi [Mr. Stennis], the Senator from Ohio [Mr. Metzenbaum], the Senator from Arizona [Mr. DeConcini], and the Senator from Arkansas [Mr. Pryor] were added as cosponsors of S. 980, a bill to establish a specialized corps of judges necessary for certain Federal proceedings required to be conducted, and for other purposes.

S. 970
At the request of Mr. Harkin, the names of the Senator from Hawaii [Mr. Inouye], the Senator from Tennessee [Mr. Gore], the Senator from Iowa [Mr. Gramm], the Senator from North Dakota [Mr. Bumpers], and the Senator from North Dakota [Mr. Conrad] were added as cosponsors of S. 970, a bill to authorize a research program for the modification of plants for the development and production of new marketable industrial and commercial products, and for other purposes.

S. 997
At the request of Mr. Pell, the name of the Senator from Minnesota [Mr. Bumpers] was added as a cosponsor of S. 997, a bill to require the Director of the National Institute on Aging to provide for the conduct of clinical trials on the efficacy of the use of tranylcypromine in the treatment of Alzheimer's disease.

S. 998
At the request of Mr. DeConcini, the name of the Senator from North Carolina [Mr. Sanford] was added as a cosponsor of S. 998, a bill entitled the "Micro Enterprise Loans for the Poor Act."

S. 1059
At the request of Mr. Moynihan, the name of the Senator from North Carolina [Mr. Sarand] was added as a cosponsor of S. 1059, a bill to terminate the application of certain Veterans' Administration regulations relating to transportation of claimants and beneficiaries in connection with Veterans' Administration medical care.

S. 1069
At the request of Mr. Boschworth, the name of the Senator from Minnesota [Mr. Durenberger] was added as a cosponsor of S. 1069, a bill to amend the Automobile Information Disclosure Act to provide information as to whether or not certain motor vehicles are capable of using gasohol.
S. 1081
At the request of Mr. BINGAMAN, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 1081, a bill to establish a coordinated national nutrition monitoring and related programs, and a coordinated comprehensive plan for the assessment of the nutritional and dietary status of the U.S. population and the nutritional quality of the U.S. food supply, with provision for the conduct of scientific research and development in support of such program and plan.

S. 1109
At the request of Mr. HARKIN, the names of the Senator from Indiana [Mr. LUGAR], the Senator from South Dakota [Mr. PRESSLER], and the Senator from North Dakota [Mr. BURROCK] was added as cosponsors of S. 1109, a bill to amend the Federal Food, Drug, and Cosmetic Act to require certain labeling of foods which contain tropical fats.

S. 1162
At the request of Ms. MIKULSKI, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 1162, a bill to amend chapter 89 of title 5, United States Code, to provide authority for the direct payment or reimbursement to certain health care professionals; to clarify certain provisions of such chapter with respect to coordination with State and local law; and for other purposes.

S. 1181
At the request of Mr. PRYOR, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1181, a bill to amend the Federal Salary Act of 1967 and title 5 of the United States Code to provide that the authority to determine levels of pay for administrative law judges be transferred to the commissions on executive, legislative, and judicial salaries.

S. 1187
At the request of Mr. PRYOR, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 1187, a bill to amend the Internal Revenue Code of 1954 to conform the treatment of residential lot interest expenses to current law treatment of second home interest expense.

S. 1224
At the request of Mr. KASTEN, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 1224, a bill to provide for 3 years duty free treatment of certain power-driven weaving machines and parts thereof.

S. 1240
At the request of Mr. GRAHAM, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1240, a bill to amend title XVIII of the Social Security Act to provide coverage for certain preventive care items and services under part B and to provide a discount in premiums under such part for certain individuals certified as maintaining healthy lifestyle.

S. 1241
At the request of Mr. GRAHAM, the name of the Senator from Connecticut [Mr. DOON] was added as a cosponsor of S. 1241, a bill to amend title IV of the Older Americans Act of 1965 to establish demonstration projects for community care preventive health services.

S. 1340
At the request of Mr. PRYOR, the name of the Senator from Louisiana [Mr. BREAU] was added as a cosponsor of S. 1340, a bill to provide for computing the amount of the deductions allowed to rural mail carriers for use of their automobiles.

S. 1344
At the request of Mr. SASSER, the names of the Senator from Iowa [Mr. HARKIN] and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of S. 1344, a bill to amend the Small Business Act to enhance the ability of small businesses to compete for international export markets, and for other purposes.

S. Joint Resolution 24
At the request of Mr. PELL, the names of the Senator from Oklahoma [Mr. NICKLES] and the Senator from Georgia [Mr. NUNN] were added as cosponsors of Senate Joint Resolution 24, a joint resolution to authorize and request the President to call a White House Conference on Library and Information Services to be held not later than 1989, and for other purposes.

S. Joint Resolution 28
At the request of Mr. LAUTENBERG, his name was added as a cosponsor of Senate Joint Resolution 28, supra.

S. Joint Resolution 72
At the request of Mr. GORE, the names of the Senator from West Virginia [Mr. BYRD], the Senator from West Virginia [Mr. FITCH], the Senator from Georgia [Mr. FOWLER], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Arizona [Mr. MCCAIN], the Senator from Iowa [Mr. GRASSLEY], the Senator from Idaho [Mr. McCURDY], and the Senator from Utah [Mr. GARN] were added as cosponsors of Senate Joint Resolution 72, a joint resolution to designate the week of October 11, 1987, through October 17, 1987, as "National Job Skills Week."

S. Joint Resolution 87
At the request of Mr. RIEGLE, the names of the Senator from Florida [Mr. GRAHAM] and the Senator from Washington [Mr. AMSA] were added as cosponsors of Senate Joint Resolution 87, a joint resolution to designate November 17, 1987, as "National Community Education Day."

S. Joint Resolution 101
At the request of Mr. CRANSTON, the names of the Senator from South Carolina [Mr. THURMOND], the Senator from Mississippi [Mr. STENNIS], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Montana [Mr. BAUCUS], the Senator from New York [Mr. D'AMATO], the Senator from West Virginia [Mr. BILTZ], the Senator from Oregon [Mr. PACKWOOD], the Senator from Colorado [Mr. ARMSTRONG], the Senator from Mississippi [Mr. COCHRAN], the Senator from Missouri [Mr. McCLURE], and the Senator from Nebraska [Mr. KARNES] were added as cosponsors of Senate Joint Resolution 101, a joint resolution designating June 19, 1987, as "American Gospel Arts Day.

S. Joint Resolution 109
At the request of Mr. DUSENBERGER, the names of the Senator from Illinois [Mr. DIXON], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Georgia [Mr. FOWLER], and the Senator from Alaska [Mr. MIKHAKOV] were added as cosponsors of Senate Joint Resolution 109, a joint resolution to designate the week beginning October 4, 1987, as "National School Yearbook Week."

S. Joint Resolution 120
At the request of Mr. SYMMES, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of Senate Joint Resolution 120, a joint resolution to void certain agreements relating to the site of the Soviet Union's Embassy in the District of Columbia.

S. Joint Resolution 122
At the request of Mr. METZENBAUM, the names of the Senator from Michigan [Mr. LEVIN], the Senator from Minnesota [Mr. DUSENBERGER], the Senator from North Carolina [Mr. HELMS], the Senator from Illinois [Mr. DIXON], the Senator from Illinois [Mr. SIMON], and the Senator from Nevada [Mr. HENCH] were added as cosponsors of Senate Joint Resolution 122, a joint resolution to designate the period commencing on October 18, 1987, and ending on October 24, 1987, as "Gaucher's Disease Awareness Week."

S. Joint Resolution 128
At the request of Mr. DODD, the names of the Senator from Iowa [Mr. HARKIN], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Nebraska [Mr. EXON], the Senator from Michigan [Mr. RIEGLE], the Senator from North Carolina [Mr. SANFORD], the Senator from Illinois [Mr. SIMON], and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of Senate Joint Resolution 128, a joint resolution prohibiting the sale to Honduras of certain defense articles and related defense services.

S. Joint Resolution 136
At the request of Mr. HUMPHREY, the Senator from Mississippi [Mr. STENNIS] was added as a cosponsor of
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SENATE JOINT RESOLUTION 136, a joint resolution to designate the week of December 13, 1987, through December 19, 1987, as “National Drunk and Drugged Driving Awareness Week”.

SENATE JOINT RESOLUTION 142
At the request of Mr. WEICKER, the names of the Senator from Rhode Island [Mr. Fyatz] and the Senator from Texas [Mr. GRAMM] were added as cosponsors of Senate Joint Resolution 142, a joint resolution to designate the day of October 1, 1987, as “National Medical Research Day”.

SENATE JOINT RESOLUTION 148
At the request of Mr. D’AMATO, the names of the Senator from Tennessee [Mr. Gore] and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of Senate Joint Resolution 148, a joint resolution designating the week of September 20, 1987, through September 26, 1987, as “Emergency Medical Services Week.”

SENATE JOINT RESOLUTION 153
At the request of Mr. PACKWOOD, the names of the Senator from Arizona [Mr. McCAIN] and the Senator from Alaska [Mr. MURkowski] were added as cosponsors of Senate Joint Resolution 153, a joint resolution prohibiting the enhancement or upgrade in the sensitivity of technology of, or the capability of, Maverick missiles for Saudi Arabia.

SENATE JOINT RESOLUTION 154
At the request of Mr. FELL, the name of the Senator from Hawaii [Mr. MatsuNAGA] was added as a co-sponsor of Senate Joint Resolution 154, a joint resolution to designate the period commencing on November 16, 1987, and ending on November 22, 1987, as “National Arts Week”.

SENATE CONCURRENT RESOLUTION 20
At the request of Mr. Gore, the name of the Senator from Hawaii [Mr. Matsunaga] was added as a co-sponsor of Senate Concurrent Resolution 20, a concurrent resolution to express the sense of Congress that funding for the vocational education program should not be eliminated.

SENATE CONCURRENT RESOLUTION 23
At the request of Mr. CRANSTON, the names of the Senator from Illinois [Mr. SIMON] and the Senator from Utah [Mr. GARN] were added as co-sponsors of Senate Concurrent Resolution 23, a concurrent resolution to express the sense of Congress regarding the inability of American citizens to maintain regular contact with relatives in the Soviet Union.

SENATE CONCURRENT RESOLUTION 29
At the request of Mr. DECONCINI, the name of the Senator from Alaska [Mr. Murkowski] was added as a co-sponsor of Senate Concurrent Resolution 29, a concurrent resolution expressing the sense of Congress regarding the inability of American citizens to maintain regular contact with relatives in the Soviet Union.

SENATE CONCURRENT RESOLUTION 43
At the request of Mr. STEVENS, the names of the Senator from North Dakota [Mr. CONRAD], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Utah [Mr. GARN], and the Senator from Rhode Island [Mr. CHAFE] were added as co-sponsors of Senate Concurrent Resolution 43, a concurrent resolution to encourage State and local governments and local educational agencies to provide quality daily physical education programs for all children from kindergarten through grade 12.

SENATE RESOLUTION 231—AUTHORIZING THE PRODUCTION OF CERTAIN DOCUMENTS BY THE SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Mr. BYRD (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 231
Whereas, the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs has been conducting an inquiry into the operations of door-to-door magazine and cleaning products sales organizations;
Whereas, the Office of the Attorney General of the State of New York has for its own investigatory purposes requested access to records obtained by the Subcommittee;
Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the administrative or judicial process, be taken from such control or possession but by permission of the Senate;
Whereas, when it appears that documents, papers, and records under the control or in the possession of the Senate are needed in an investigation by an appropriate authority, the Senate will take such action as will promote its own investigatory purposes, subject to the privileges and rights of the Senate; Now, therefore, be it
Resolved, That the Chairman and Ranking Minority Member of the Permanent Subcommittee on Investigations, acting jointly, are authorized to provide upon request to law enforcement authorities records of the Subcommittee’s investigation of door-to-door sales operations.

SENATE RESOLUTION 232—RELATING TO THE DENIAL OF FREEDOM OF RELIGION AND OTHER HUMAN RIGHTS IN LITHUANIA
Mr. RIEGLE (for himself and Mr. D’AMATO) submitted the following resolution; which was referred to the Committee on Foreign Relations:
S. Res. 232
Whereas 1987 marks the 600th anniversary of the Christianization of Lithuania, when the Lithuania nation embraced Roman Catholicism;
Whereas freedom of religion is a fundamental right and liberty guaranteed by the Universal Declaration of Human Rights, the International Covenants on Human Rights, and the Final Act of the Conference on Security and Cooperation in Europe;
Whereas the Soviet Union has violated the Universal Declaration of Human Rights, the International Covenants on Human Rights, and the Final Act of the Conference on Security and Cooperation in Europe by engaging in the ongoing denial of religious liberty and other human rights in Soviet-occupied Lithuania and elsewhere;
Whereas Lithuanian children are legally prohibited from attending church without their parents, and from participating in church activities, parents are actively discouraged from teaching their faith to their own children at home and banned from teaching religion to other children, priests are forbidden to give religious instruction to any children, and children who are religious believers are discriminated against by teachers and school officials;
Whereas adult lay believers in Lithuania are victimized by job discrimination, their access to religious literature is actively restricted, and they are subject to various forms of harassment such as searches, interrogations, and arbitrary arrest;
Whereas religious orders are legally prohibited from Lithuania and Lithuanian admission to any seminary is strictly regulated, and administration of that seminary is subject to government interference;
Whereas priests in Lithuania who conscientiously perform their pastoral duties are subject to persecution, and those who protest Soviet mistreatment of religious believers and petition the state for redress of their grievances, such as Father Alfonsas Swarinskas and Father Sigitis Tamkevicius, founders of the Catholic Committee for the Defense of Believers’ Rights, are subject to imprisonment;
Whereas Soviet authorities have seized numerous churches against the religious community’s will and converted them to other uses;
Whereas Soviet authorities restrict the domestic production and importation of religious literature and materials to small quantities, and subject the publishers of religious literature and underground human rights publications such as the “Chronicle of the Catholic Church in Lithuania” to arrest and imprisonment; and
Whereas the Soviet Union has consistently and effortlessly sought to prevent Lithuanians from visiting Lithuania and has taken other steps to limit Lithuania’s celebration of the 600th anniversary of its Christianization. Now, therefore, be it
Resolved, That the Senate deplores Soviet denial of religious liberty and other human rights in Lithuania and elsewhere, and on the occasion of the 600th anniversary of Christianity in Lithuania—
(1) sends its greetings to the Lithuanian people as they mark this solemn occasion in the life of their nation;
(2) voices its support for those Lithuanians who are persecuted for attempting to exercise their freedom of religion;
(3) urges the President, the Secretary of State, and the U.S. delegation to the Vienna Review Meeting of the Conference on Security and Cooperation in Europe to continue to speak out forcefully against violations of religious liberty everywhere and specifically in Lithuania during this anniversary year, and to solicit the support of our allies in this effort; and
...
(4) calls upon the Soviet Union to abide by the Universal Declaration of Human Rights, the International Covenants on Human Rights, and the Final Act of the Conference on Security and Cooperation in Europe, including the provisions on religious liberty.

Mr. RIEGLE. Mr. President, today, I am pleased to be joined by my colleagues from New York, Mr. D'AMATO, in submitting a resolution marking the 900th anniversary of Christianity in Soviet-occupied Lithuania.

As proclaimed by the Chicago-based Lithuanian Christianity Jubilee Committee, this anniversary celebration seeks to acknowledge Christianity as the great spiritual treasure of the Lithuanian nation and its decisive role in Lithuanian nationhood. It presents an opportunity to renew our solidarity with oppressed Lithuanian believers in their struggle for religious freedom, to call the attention of the world to their plight, and to win greater moral support for persecuted Christians in Lithuania.

In keeping with those objectives, the resolution I am submitting today reaffirms the Senate's support for the Lithuanian people in their struggle for religious liberty. Second, it urges the President, the Secretary of State, and the U.S. delegation to the Vienna CSCE Review Meeting to continue to speak out forcefully against violations of religious liberty in Lithuania and throughout the Soviet Union, and to solicit the support of our allies in that effort. Finally, the resolution calls upon the Soviet Union to honor its pledge to guarantee religious freedom as a signatory to numerous international agreements.

The Soviet authorities have sought to diminish Lithuania's celebration of the 900th anniversary of its Christianization, and have taken steps to prevent Mr. Byrd's resolution (S. 2) from visiting the faithful in Lithuania. They have forbidden Catholic lay believers to travel to Rome to participate in the papal celebration of the anniversary on June 28, 1987, and have banned all travel to Lithuania by foreigners, including Americans of Lithuanian descent, during the month of June. Lithuanian clergy have been warned that any anniversary activities not approved in advance by the Soviet Government and not restricted to churchgoers may result in reprisals.

Mr. President, the Lithuanian people's efforts to celebrate this 900th anniversary of Christianity in their country deserve our support. I urge my colleagues to join me in expressing solidarity with their cause by cosponsoring this resolution.
means for deciding which candidate(s) shall be certified as a nominee(s) for the Federal office sought;

"(15) the term 'runoff election period' means the period beginning on the day following the date of the last primary election for such office and ending on the date of the runoff election for such office;

"(16) the term 'Secretary of the Treasury' means the Secretary of the Treasury of the United States;

"(17) the term 'voting age population' means the resident population of the United States who are 18 years of age or older, as certified pursuant to section 315(e).

"ELIGIBILITY TO RECEIVE PAYMENTS

"Sec. 502. (a) To be eligible to receive payments under this title a candidate shall, within 7 days after qualifying for such ballot, register in a State which has a primary election under the law of the State involved, or, in the case of a special election for the office of United States Senator, in a State which has a primary election, as determined by the Commission—

"(1) certify to the Commission under penalty of perjury that during the period beginning on the day on which the vacancy occurs in that office, and ending on the date of such certification, such candidate and the authorized committees of such candidate have not received contributions in an amount at least equal to $2,750,000, whichever is greater, up to an amount that is not more than $650,000;

"(2) if the term 'Secretary of the Treasury' means the Secretary of the Treasury of the United States, deposit all payments received and will not expend for runoff elections, if any, more than 20 percent of the maximum amount of the limitation applicable to such candidate as determined under subsection (b), except as provided in subsection (d); and

"(3) if the term 'Secretary of the Treasury' means the Secretary of the Treasury of the United States involved, or, in the case of a special election for the office of United States Senator, in a State which has a primary election, as determined by the Commission, deposit all payments received and will not expend for runoff elections, if any, more than 20 percent of the maximum amount of the limitation applicable to such candidate as determined under subsection (b), except as provided in subsection (d).

"(b) For the purposes of subsection (a)(1) and paragraph (2) of section 504(a), in determining the amount of contributions received by a candidate and the candidate's authorized committees—

"(1) no contribution other than a gift of money made by a written instrument which has been deposited in an authorized committee or the personal funds of such candidate, or the personal funds of the candidate and the candidate's authorized committees in an amount at least equal to $2,750,000, whichever is greater, up to an amount that is not more than $650,000;

"(2) no contribution made through an intermediary or conduit referred to in section 504(a)(4)(A), (B), or (C); and

"(3) no contribution received from any person other than an individual shall be included in the amount received by a candidate from an individual pursuant to section 503(b) or more than $2,750,000, whichever amount is less, unless such amount is increased pursuant to section 506(g);

"(c) No candidate who is otherwise eligible to receive payments for a general election under this title may receive any such payments for such general election which in the aggregate exceed $950,000;

"(d) The limitations on expenditures in subsections (b), (d), and (e) shall be subject to the provisions of subsections (b) and (c) of section 504.

"(e) No candidate who is otherwise eligible to receive payments for a general election under this title may receive any such payments for a runoff election, if any, more than an amount which in the aggregate exceeds 20 percent of the maximum amount of the limitation applicable to such candidate as determined under subsection (b), except as provided in subsection (g).

"(f) For purposes of this section, the amounts set forth in subsections (b), (d), and (e) of this section shall be increased at the beginning of each calendar year based on the increase in the price index as determined under section 315(c), except that for purposes of determining such increase the term 'base period', as used in section 315(c), means the calendar year of the first election after the date of enactment of the Senatorial Election Campaign Act of 1987.

"(2) Notwithstanding the provisions of subsection (b), in any State with no more than one transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, no candidate in such State who receives a payment for use in a general election under this title shall make expenditures for such general election which in the aggregate exceed the higher of—

"(A) $950,000; or

"(B) $4,000,000 plus 45 cents multiplied by the voting age population over 4 million in States having a voting age population of 4 million or less, 55 cents multiplied by the voting age population over 4 million, unless such amount is increased pursuant to the provisions of subsection (d) of section 315.

"(3) The limitation set forth in subsection (b) shall not apply to expenditures by a candidate or a candidate's authorized committees to defray the costs of legal and accounting services provided to the candidate and not spent for runoff elections.
services provided solely to insure compliance with this Act; provided however that—

"(A) the Fund contains only contributions (including contributions from the United States Government) and expenditures from individuals, committees, or political parties which, when added to all other contributions and matching payments, exceed the limitations on expenditures (received in accordance with subsection (c)) and contributions and, and reporting requirements of this Act.

"(B) the aggregate total of contributions and expenditures from the Fund will not exceed 10 percent of the amount on expenditures for the general election determined pursuant to section 503(b) and (c); and

"(C) no transfers may be made from the Fund to any other accounts of the candidate, the campaign of that candidate, or the general election aggregate expenditures from the Fund in excess of the limitations provided in subsection (d).

"(1) contributions matched under subsection (A) of section 503(b) by the Commission for a waiver of such limitations up to any additional amounts as the Commission may authorize in accordance with section 9006(a)(2);

"(2) contributions made to the United States Treasury in an amount equal to the amount of the limitation determined under section 503(b) for such election.

"(2) A candidate who is not a candidate of a major party shall be entitled to matching payments under section 506 equal to the amount of contributions received by such candidate and such candidate's authorized committees if any candidate in the same general election not eligible to receive payments under this title either raises aggregate contributions or makes aggregate expenditures for such election which exceed the amount of the limitation determined under section 503(b) for such election, provided that in determining the amount of such contributions—

"(i) the provisions of section 503(b) shall apply; and

"(ii) contributions matched under subparagraph (A) of this paragraph or required to be reported by section 502(a)(1) shall not be eligible to be matched under this paragraph; and

"the total amount of payments to which a candidate is entitled under this subsection shall not exceed the amount of the limitation determined under section 503(b) applicable to such candidate;

"(3) all eligible candidates shall be entitled to—

"(A) the broadcast media rates provided under section 315(b) of the Communications Act of 1934;

"(B) payments under section 506 equal to the aggregate total amount of independent expenditures made or obligated to be made, in the general election involved by any person in opposition to, or on behalf of an opponent of, such eligible candidate, as reported by such person or determined by the Commission under subsection (f) or (g) of section 304.

"(c) A candidate who receives payments under this section shall be entitled to use such payments to defray any legitimate expenses in the general election without regard to the provisions of section 503(b).

"(d) Payments received by a candidate under this section shall be used to defray the expenses incurred in respect to the general election period for such candidate. Such payments shall not be used (1) to make payments, directly or indirectly, to such candidate or to any member of the immediate family of such candidate, (2) to make any expenditure other than expenditures which constitute a violation of any law of the United States or of the State in which the expenditure is made, or to repay a loan to any person except to the extent the proceeds of such loan were used to further the general election of such candidate.

"(e) Except as provided in paragraph (2), a candidate eligible to receive payments pursuant to this title shall be entitled to matching payments equal to the amount of contributions eligible to be matched which are in excess of $250.

"(2) Pursuant to the priorities provided in paragraph (3) of subsection (e), upon receipt
of a certification from the Commission under section 505, the Secretary shall promptly refund to the Secretary any payments made to any candidate in excess of the payments received pursuant to section 504.

(b) If the Commission determines that any portion of the payments made to a candidate under section 503(b) exceed the aggregate payments to which such candidate was entitled, the Commission shall so notify such candidate, and such candidate shall pay to the Secretary an amount equal to three times the amount of the excess expenditure up to an amount not in excess of the payments received pursuant to section 504.

(f) Any amount received by an eligible candidate under this title may be retained for a period not exceeding sixty days after the date of the general election for the liquidation of all obligations to pay general election campaign expenses incurred during this general election period. At the end of such sixty-day period any unexpended funds received under this title shall be promptly repaid to the Secretary.

(g) No account or audit of the Fund shall be made by the Commission under this section with respect to an election more than three years after the date of the election.

(h) All payments received under this section shall be deposited in the Senate Fund.

"Criminal Penalties"

"Sec. 507a. (a) No candidate shall knowingly or willfully accept payments under this title in excess of the aggregate payments to which such candidate is entitled or knowingly or willfully use such payments for personal purposes, or knowingly or willfully make expenditures from his personal funds, or the personal funds of his immediate family, in excess of the limitations provided in this title.

(b) Any person who violates the provisions of subsection (a) shall be fined not more than $10,000 or imprisoned not more than 5 years, or both. Any officer or member of any political committee who knowingly consents to any expenditure in violation of the limitations provided in this title shall be fined not more than $25,000, or imprisoned not more than 5 years, or both.

(c)(1) It is unlawful for any person who receives any payment under this title, or to whom any portion of any such payment is transferred, knowingly and willfully to use, or authorize the use of, such payment or such portion except as provided in section 504(d).

Any person who violates the provisions of paragraph (1) shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

(c)(2) It is unlawful for any person knowingly and willfully—

(A) to furnish any false, fictitious, or fraudulent evidence, books, or information, or to make any certification, verification notice, or report, to the Commission under this title, or to include in any evidence, books, or records any false, fictitious, or fraudulent representation of a material fact, or to falsify or conceal any evidence, books, or information relevant to a certification by the such candidate, shall pay to the Secretary for deposit in the Fund, an amount equal to 125 percent of the kickback or payment received.

"Judicial Review"

"Sec. 508. (a) Any agency action by the Commission made under the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within thirty days after the agency action by the Commission for which review is sought.

(b) The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 5101 of title 5, United States Code, by the Commission.

"Participation by Commission in Judicial Proceedings"

"Sec. 509. (a) The Commission is authorized to appear in and defend against any action instituted under this section and under section 508 either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and any compensation of any attorney whom the Commission may employ without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5.

(b) The Commission is authorized through attorneys and counsel described in
substitute such rules and regulations in accord- 
mission of such books, records, and informa-
Senate functions and duties imposed on it by this 
conducted such examinations and investiga-
tion. 
obtained in the Fund. 
FUNd and any other account main-
tained in the Fund. Each report submitted pursuant to this sec-
shall be printed as a Senate document. The Commis-
sion is authorized to pre-
scribe such rules and regulations in accord-
with the provisions of subsection (c), to conduct such examinations and investiga-
tions, and to require the keeping and sub-
mision of such books, records, and informa-
tion, as it deems necessary to carry out the functions and duties imposed on it by this title.

(c) Thirty days before prescribing any rules or regulation under subsection (b), the Commission shall transmit to the Senate a statement setting forth the proposed rule or regulation and containing a detailed explana-
and justification of such rule or regul-

"AUTHORIZATION OF APPROPRIATIONS"

"Sec. 511. There are authorized to be ap-
portioned to the Commission for the pur-
pose of carrying out functions under this title, such sums as may be necessary","\n
SEFTE FUND

Sec. 3. Section 6096(a) of the Internal Revenue Code of 1988 is amended—
(1) by striking out "$1" each place it ap-
ppears in that subsection and inserting in lieu thereof "$2"; and
(2) by striking out "$2" each place it ap-
ppears in that subsection and inserting in lieu thereof "$4.50.

BROADCAST RATES

Sec. 4. Section 315(b)(1) of the Communi-
cation Act of 1934 (47 U.S.C. 315(b)(1)) is amended by striking the semicolon and in-
serting in lieu thereof the following: "; Pro-
vided. That in the case of candidates for United States Senator in a general election, as such term is defined in section 501(8) of the Federal Election Campaign Act of 1971, this provision shall apply only if such can-
didate has been certified by the Federal Elec-
tion Commission as eligible to receive pay-
ments under title V of such Act:"

REPORTING REQUIREMENTS

Sec. 5. (a) Section 304 of the Federal Elec-
Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end thereof the follow-
ning new subsections:

"(c) The day after the date on which a candidate for the United States Senate qualifies for the ballot for a general election, shall file with the Commission a certification under section 501(8), each such candidate in such election shall file with the Commission a declaration of whether or not such candi-
date intends to make expenditures in excess of the amount of the limitation on expendi-
tures for such election, as determined under section 503(b), and such candidate shall certify, pursuant to the provisions of subsection (i), such eligibility to the Secretary of the Treasury for payment of the amount to which such candidate is entitled."

"(d) Each report under subsection (a) shall be filed with the Commission and Sec-
to make such expenditures, as the case may be, in a general election, as such term is defined in section 501(8), that the independent expenditures are actually intended to help elect or defeat. If any such inde-
hed or obligated first exceeds $10,000. Thereaf-
ter, independent expenditures referred to in such paragraph made by the same person in the same election shall be reported, within 24 hours after, each time the aggregate amount of such expenditures incurred or 
to that amount, shall be filed with the Commission.
“(A) there is any arrangement, coordination, or direction with respect to the expendi­tures, including any officer, director, employee or agent of such person;

(B) in the same two-year election cycle, one or more individual or person in connection with any election for Federal office (including any officer, director, employee or agent of such person) or has been, with respect to such expenditures—

(1) authorized or directed such other person to raise or expend funds on behalf of such other person; or

(2) renders any form of compensation or reimbursement from such other person or an agent of such other person;

(C) one of the persons making expendi­tures includes references, however inciden­tally, to clearly identified Federal as well as non-Federal candidates for public office; or

(D) one of the persons making expendi­tures and such other person making expendi­tures each retain the professional services of the same individual or person in connection with such expenditures.

(b)(1) Every political committee, as defined in section 304 of the Federal Election Campaign Act of 1971, shall file with the Commiss­ion reports of funds received into and dis­bursed in connection with such expenditures, including any officer, director, employee or agent of such person, and reports of expenditures, including any officer, director, employee or agent of such person, and reports of expenditures, made by such committee, with respect to such expenditures—

(1) authorized or directed such other person to raise or expend funds on behalf of such other person; or

(2) renders any form of compensation or reimbursement from such other person or an agent of such other person;

(3) includes references, however inciden­tally, to clearly identified Federal as well as non-Federal candidates for public office; or

(4) renders any form of compensation or reimbursement from such other person or an agent of such other person;

(5) renders any form of compensation or reimbursement from such other person or an agent of such other person;

(6) renders any form of compensation or reimbursement from such other person or an agent of such other person;

(b)(2) reports required to be filed by this subsection shall be filed for the same time­periods required for political committees other than authorized committees of candidates for public office, for the reporting period and calendar year, and inserting in lieu thereof—

(c) For purposes of this section, the receipt of contributions or making of expenditures shall be determined by the Commiss­ion on the basis of reports filed with such Commis­sion, or of the same individual or person in connection with such expendi­tures.

(d) Every political committee, as defined in section 304 of the Federal Election Campaign Act of 1971, shall file with the Commiss­ion reports of funds received into and dis­bursed in connection with such expenditures, including any officer, director, employee or agent of such person, and reports of expenditures, including any officer, director, employee or agent of such person, and reports of expenditures, made by such committee, with respect to such expenditures—

(1) authorized or directed such other person to raise or expend funds on behalf of such other person; or

(2) renders any form of compensation or reimbursement from such other person or an agent of such other person;

(3) includes references, however inciden­tally, to clearly identified Federal as well as non-Federal candidates for public office; or

(4) renders any form of compensation or reimbursement from such other person or an agent of such other person;

(5) renders any form of compensation or reimbursement from such other person or an agent of such other person;

(6) renders any form of compensation or reimbursement from such other person or an agent of such other person;
(3) adding at the end the following new subsection:

"(D) any candidate for the office of Member of, or Delegate or Resident Commissioner to, the House of Representatives and the political committees of such candidate with respect to—

"(1) a general or special election for the office of a Member of the House of Representatives, or Delegate or Resident Commissioner to, the Congress (including any primary election, convention, or caucus relating to such general or special election), and in paragraph (2), at least two candidates qualify for the ballot in the general or special election involved and at least two candidates qualify for the ballot in a primary election relating to such general or special election), when added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such runoff election;

"(2) a runoff election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress which excludes added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such runoff election;

"(E) any candidate for the office of Senator and the authorized political committees of such candidate with respect to—

"(1) a general or special election for such office (including any primary election, convention, or caucus relating to such general or special election) which, when added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such runoff election, (convention, or caucus relating to such general or special election) exceeds an amount equal to 30 percent of the amount provided in section 315(i); or

"(ii) a runoff election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress which excludes added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such runoff election, an amount equal to 30 percent of the limitation on expenditures provided in section 315(c), or

"(F) any State committee of a political party, including any subordinate committee of a State committee, which, when added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such State committee, exceeds an amount equal to 2 cents multiplied by the voting age population of the State of such State committee;

"(G) $25,000, whichever is greater. The limitation of this subparagraph shall apply separately with respect to each two-year Federal election cycle, beginning a period from the day follow-

ing the date of the last Federal general elec-
tion held in that State through the date of the next regularly scheduled Federal general election.

(B)(i) Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end thereof the following:

"(j) For purposes of subsection (x2E)(i), such limitation shall be an amount equal to 67 percent of the aggregate of $400,000, plus—

"(1) in States having a voting age popula-
tion of 4 million or less, 30 cents multiplied by the voting age population; or

"(2) in States having a voting age popula-
tion over 4 million, 30 cents multiplied by 4 million plus 25 cents multiplied by the voting age population over 4 million; except that such amount shall not be less than and (7) before more than $5,500,000.

"(j) For purposes of subsection (x2E)(ii), such limitation shall be an amount equal to 30 percent of the aggregate of $400,000, plus—

"(1) in States having a voting age popula-
tion of 4 million or less, 30 cents multiplied by the voting age population; or

"(2) in States having a voting age popula-
tion over 4 million, 30 cents multiplied by 4 million plus 25 cents multiplied by the voting age population over 4 million; except that such amount shall not be less than $15,000,000.

"(k) Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end thereof the following:

"(A) striking out "subsection (b) and sub-
section (d)" in paragraph (1), and inserting in lieu thereof "subsections (b), (d), (i), and (J)"; and

"(B) inserting "for subsections (b) and (d) and the term 'base period' means the calen-
dar year of the first election after the date of enactment of the Senatorial Election Campaign Act of 1967, for subsections (i) and (j); and

"(C) the limitations imposed by this para-
graph shall not apply to—

"(i) bona fide joint fundraising efforts conducted solely for the purpose of sponsor-
ship of a fundraising reception, dinner, or other event in accordance with rules and regulations prescribed by the Commission by (I) two or more candidates, (II) two or more national, State, or local committees of a political party within the meaning of section 301(4) acting on their own behalf, or (III) a special committee formed by (a) two or more candidates or (b) one or more candid-
dates and one or more national, State, or local committees of a political party acting on their own behalf;

"(ii) funds raised for the benefit of a candidate which are conducted by another candidate within the meaning of section 301(2).

In all cases where contributions are made by a person either directly or indirectly or on behalf of a particular candidate through an intermediary or conduit, the interme-
diary or conduit shall report the original source and the intended recipient of such contribution to the Commission and to the intended recipient.

INDEPENDENT EXPENDITURES

Sec. 8. (a) Section 301(17) of the Federal Election Campaign Act of 1971 (2 U.S.C. 301(17)) is amended by adding at the end thereof the following:—

"(e) an expenditure shall constitute an expenditure in coordination, consultation, or concert with a candidate and shall not constitute an 'independent expend-
titure' where—

"(A) there is any arrangement, coordina-
tion, consultation, or concert with a candidate and the intended recipient of such expenditure between the candidate or the can-
didate's agent and the person (including any officer, director, employee or agent of such person) making the expenditure;
“(B) in the same election cycle, the person making the expenditure (including any officer, director, employee or agent of such person) has communicated, advised, or counseled the candidate or the candidate’s agent; or

“(C) in the same election cycle, the person making the expenditure (including any officer, director, employee or agent of such person) has communicated, advised, or counseled the candidate or the candidate’s agent about the candidate’s plans, projects, or needs relating to the candidate’s pursuit of nomination for election, or election to Federal office, in the same election cycle, including any advice relating to the candidate’s decision to seek Federal office;

“(D) any person whose professional services have been retained by a political party committee or a political committee that has made or intends to make expenditures or contributions pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate’s plans, projects, or needs relating to the candidate’s pursuit of nomination for election, or election to Federal office, in the same election cycle, including any services relating to the candidate’s decision to seek Federal office;

“(E) the person making the expenditure (including any officer, director, employee or agent of such person) has communicated, advised, or counseled the candidate or the candidate’s agent at any time on the candidate’s plans, projects, or needs relating to the candidate’s pursuit of nomination for election, or election to Federal office, in the same election cycle, including any advice relating to the candidate’s decision to seek Federal office;

“(F) the expenditure is based on information provided to the person making the expenditure directly or indirectly by the candidate or the candidate’s agents about the candidate’s plans, projects, or needs, provided that the candidate or the candidate’s agent is aware that the other person has made or is planning to make expenditures expressly advocating the candidate’s election.”

INDEPENDENT EXPENDITURE BROADCAST DISCLOSURE

Sec. 9. Section 318(a)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(a)(3)) is amended by deleting the period at the end thereof and inserting in lieu thereof the following: “; except that whenever any person makes an independent expenditure through (A) a broadcast communication on any television station, the broadcast communication shall include a statement of the name of such person, the name of any affiliated or related organization, or (B) a newspaper, magazine, or outdoor advertising facility, direct mailing or other type of general public political advertising, if such extension of credit is—

“(i) with respect to a candidate for the office of United States Senator and his authorized political committees, any extension of credit for goods or services relating to advertising in newspapers or magazines, by direct mail (including direct mail fund solicitations) or other similar types of general public political advertising, if such extension of credit is—

“(I) in an amount of more than $1,000; and

“(II) for a period of more than 60 days after the date on which such goods or services are furnished, which date in the case of advertising by direct mail (including direct mail solicitation) shall be the date of the mailing.”

SEVERABILITY

Sec. 13. If any provision of this Act or any amendment made by this Act, or the application of any such provision to any person or circumstance is held invalid, the validity of any other such provision and the application of such provision to other persons and circumstances shall not be affected thereby.

EFFECTIVE DATE

Sec. 14. (a) Except as provided in subsection (b), this Act and the amendments made by this Act shall become effective for any election in 1989 or thereafter.

(b) The amendments made by section 3, section 7, section 8, and section 9 shall become effective on the date of enactment of this Act.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled to consider the following civilian radioactive waste disposal related bills: S. 1007, S. 1114, S. 1211 and S. 1266.

This hearing will take place on July 16, 1987 at 9:30 AM in room SD-366 in the Senate Dirksen Office Building in Washington, DC.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

For further information, please contact Mary Louise Wagner at 202-224-7598.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, June 11, 1987, to receive testimony on the military implications of the administration's plan for United States military forces to protect 're­flagged' Kuwaiti oil tankers and to receive testimony on H.R. 2533, a bill to require a report by the Secretary of Defense on the administration's plan.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, June 11, 1987, to continue hearings concerning oil and gas leasing in the Coastal Plain of the Arctic National Wildlife Refuge, Alaska.

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

ADDITIONAL STATEMENTS

OUTSTANDING MILITARY REPRESENTATIVES FROM COLORADO

Mr. WIRTH. Mr. President, I would like to commend several young Americans who, through their outstanding military service to both our country and the State of Colorado, have recently been recognized at two important ceremonies in the State of Colorado.

The first of these ceremonies was a military awards luncheon in Colorado Springs, CO, on May 13, 1987. This presentation was the highlight of Armed Forces Week, sponsored by the Colorado Springs Chamber of Commerce.

Sgt. Gregory D. West, a member of an elite guard at the North American Aerospace Defense Command, was
named top service person in the E1 through E4 category. Sergeant West was also Airman of the Year in 1986 at Peterson Air Force Base in Colorado Springs, CO. Others receiving top honors in the E1 through E4 division were: A1C. Dirk O. McDowell, Academy Airman of the Year in 1986; Pvt.2 L. Joseph C. Smith, McChord Air Command NCO of the Year in 1986; and T. L. Benefield, Headquarters E5 through E6 division. Also receiving top honors in the E5 through E6 category were: Sgt. Marlon Merritt, runner-up to Division Support Command NCO last year, T. Sgt. Michael Size-more, the Air Force Academy’s NCO of the Year in 1986; and T. Sgt. Diana L. Benefield, Headquarters NCO of the Year last year.

SFC Charles K. Moneypenny was named top serviceman in the E7 through E9 category. Moneypenny is an honor graduate of the Army Drill Sergeant School, and is presently stationed at Fort Carson in Colorado Springs, CO. Others receiving top honors in the E7 through E9 division were: M. Sgt. George W. Meadows Jr., Senior NCO of the Year in 1986 at the Air Force Academy; Sr. M. P. Cheyney III, the Senior NCO of the Year at Peterson AFB in 1986; and Sr. M. Sgt. Ronald E. Bennett, Senior NCO at the Space Command Center last year.

At the second ceremony, the 1987 commencement at the Air Force Academy in Colorado Springs, six cadets received top graduation honors in recognition of their high achievements in both academics and military performance. The Air Force Academy provides a balanced program of military training, academics, athletics, and character development. Recognized as one of the finest colleges in the Nation, the academy has produced 27 Rhodes Scholars in its 33-year history.

Cadet 1c. Jeffery M. Rhodes of Denver, CO, was named the outstanding cadet in military performance and outstanding group commander for the class of 1987. Rhodes' selection was based on exceptional leadership qualities, and the achievements of his group and overall control of his command.

Cadet 1c. Eric A. Boe was named recipient of the Civil Air Patrol Honor Roll Award. Cadet Boe’s first active duty assignment will be at Shepard Air Force Base in Texas. He will join the prestigious Euro-NATO Joint Jet Pilot Training Program and will earn his silver wings after a year of intensive training.

Cadet 1c. Hoang Nhu Tran was named top academic performer for the class of 1987, graduating with an over-all grade point average of 3.83. Cadet Tran is a Rhodes Scholar and the recipient of the Loyalty, Integrity, and Courage Award for the cadet who best exemplifies the highest ideals in those areas for the class of 1987.

Cadet 1c. Mark R. Arlinghaus has been named the outstanding cadet in the E7 category. Arlinghaus was selected for the honor based on his leadership qualities, his squadron’s achievements while under his direction, and his overall command performance.

Cadet 1c. Terrence A. Brown and Cadet 1c. Dale A. Holland were recognized as outstanding wing commanders. Both cadets have received special recognition for their exemplary leadership abilities during the 1986-87 academic year. Both Brown and Holland will have their names inscribed on the Glenn H. Curtiss Trophy, which is kept on display in the Arnold Hall lobby.

Mr. President, all of these outstanding young people deserve our congratulations and our gratitude for a job well done. I am certain that we will hear more from them in the years to come.

Let me also take the time to note that, among the 988 new graduates of the Air Force Academy, 45 of them are from Colorado. I ask that their names, the names of the communities that produced them, be included in the Record at this point.

The graduates from Colorado Springs are: James Earl Abbott Jr., son of Capt. and Mrs. James E. Abbott; Brett Eugene Berg, son of Maj. and Mrs. Eugene Berg; Michael Patrick Bettner, son of Mrs. Maurine Bettner; Jeffrey Carter Clliatt, son of Col. and Mrs. Edward R. Clliatt; Miles Davidson Dahlby, son of Mr. David M. Dahlby; Steven Craig Dufaud, son of retired Air Force Lt. Col. and Mrs. Paul Dufaud; Sharon Anne Hullinger, daughter of retired Air Force Lt. Col. and Mrs. W. Hullinger; Brenda Set-suko Lewis, daughter of retired Air Force SMSgt and Mrs. Joe Lewis; Rodolfo Lobet, son of Mr. Rodolfo Lobet; Timothy John Matson, son of Mrs. Dianne B. Burdekin and Mr. Earl E. Matson; Carolyn Ann Moore, daughter of retired Air Force T.Sgt. and Mrs. Janet Moore; Bums Hubeit McClintock, son of Mrs. Christine McClintock; Roger Stewart Pierce, son of Mrs. Liese Lotte Pierce; Don Lee Redford, son of retired Air Force SMSgt and Mrs. Ivan Redford; Michael Joseph Russel, son of Mr. and Mrs. Robert Russel; Stephen E. Turner Jr., son of Mr. and Mrs. Stephen E. Turner Sr.; and Ezra Gene Vance, son of Mrs. Robert Vance.

The graduates from Denver are: Rhett Leroy Butler, son of retired Air Force M.Sgt. and Mrs. G. R. Butler; Robert Vance Clewis, son of T.Sgt. and Mrs. Robert Clewis; Scott Alan Haines, son of Mr. and Mrs. William Haines; Kevin Charles Martin, son of Mrs. Glende Lea Martin; Michele Rene Morris, daughter of Mrs. Glenn Morris; and Thomas Joseph Rotello, son of Mr. and Mrs. Rocco Rotello.

From Aurora, the graduates are: Floyd Wilson Dunstan, son of Mr. and Mrs. Floyd Dunstan; John Fontaine Erskine Jr., son of Mr. John Erskine; and Robert Michael Morse, son of Mrs. Linda C. Morse.

The two graduates from Greeley are: William Joseph Lamb, son of Mrs. Myrtle Lamb; and John Virell Teague, son of Mr. and Mrs. John V. Teague.

From Longmont the Air Force Academy graduates are: Rex Carlton Helby, son of Mr. and Mrs. Edward Helby; and Steve Michael Kokora, son of Mr. Gerald Kokora and Mrs. Pete Peters of Boulder.

Graduates from additional Colorado communities include: Cholene Danielle Espinoza, daughter of Mrs. Sharilyn R. Johnston of Arvada; Richard Joseph Warnke, son of Dr. and Mrs. Robert Warner of Littleton; Kent William Borchelt, son of Mr. and Mrs. William R. Borchelt of Evergreen; Daryl Thomas Brondum, son of Mr. and Mrs. Shirley A.F. Brondum of Widefield; Paul Beatty Jr., son of Dr. and Mrs. P.B. Howell of Lakewood; Dee Ann Michelle Fouts, daughter of Mr. and Mrs. D.L. Fouts of Pueblo; Carlton Ashley Glitzke, son of Mr. and Mrs. Carl Glitzke of Manitou Springs; Tricia Ann Heller, daughter of Mr. and Mrs. William Howell of Broomfield; Gregory Copeland Johnston, son of Lt. Col. and Mrs. John M. Johnston of Fort Collins; Dale Allen Holland, son of Mr. and Mrs. David Holland of Hooper; Patricia Mary Riccillo, daughter of Mr. John A. Ricello of Grand Junction; Kerk Allen Schneider, son of Mr. and Mrs. Charles Schneider of Pine; William Edward Paige III, son of Dr. and Mrs. Peter L. Durante of Englewood; and Timothy Paul Paige Jr., son of Mr. and Mrs. Timothy Paige of Lakewood.

THE ORDER OF DAEDALIANS

Mr. GARN. Mr. President, after the Armistice in 1918, World War I pilots of the military services discussed the creation of an organization that would perpetuate the spirit of patriotism, love of country, and the high ideals of self-sacrifice which place service to the Nation above personal safety or position. In addition, they wanted to perpetuate the memories, sad and pleasant, of their service in World War I which bound them together in that critical hour of their Nation’s need.

On March 26, 1934, a representative group of World War I pilots established a national fraternity of military pilots and named it the Order of Daedalians after the mythological charac-
June 11, 1987

CONGRESSIONAL RECORD—SENATE

NAUM MEIMAN

Mr. SIMON. Mr. President, Naum Meiman is still struggling to come to grips with the loss of his beloved wife, Inna. Inna was allowed to leave the Soviet Union in hope of receiving critical medical treatment for spinal cancer. However, her release did not take place soon enough, because a short while after her arrival in the United States, Inna died. Naum was not allowed to accompany his wife during her difficult treatment, nor was he able to attend her funeral.

The Soviet Union has continued to cause Naum heartache. He has been an active member of the Helsinki Watch Movement for many years. Because of his political activism, Naum has been subjected to unnecessary harassment and religious persecution.

Naum's only wish is to emigrate to Israel. I strongly urge the Soviet Union to allow Naum an exit visa.

SOUTHEAST ASIA REFUGEE PROGRAM

Mr. HATFIELD. Mr. President, next week will be a very important week for those of us who believe the U.S. Government should recommit itself immediately to a serious refugee program in Southeast Asia. Secretary Shultz will be meeting with ASEAN Foreign Ministers to discuss many issues, foremost of which in my view is the hardening of attitudes of first-asylum and resettlement countries toward the region's 400,000 refugees.

The timing of this conference coincides with last weekend's shelling of site II, a huge camp of Cambodian and Vietnamese refugees living along the Thai-Cambodian border, which resulted in yet more deaths and injuries to civilians. And despite the continued great needs of the Southeast Asian refugees, rumors are circulating that ASEAN countries will declare all refugees in the region "displace persons" and end the special protections which have been provided in the past. I have every reason to believe that the United States will not tolerate such an indifference to the needs of such diverse populations of people, nor permit the abandonment of thousands of people to whom the United States has a moral obligation.

Mr. President, the United States can exercise new and creative leadership by committing to Thailand and the other first-asylum countries a willingness to help share in the burden of Southeast Asia refugee camps by maintaining current appropriations and current resettlement levels for the rest of this decade. This is the foundation of S. 814, the Indochinese Refugee Resettlement and Protection Act, which enjoys the cosponsorship of Senators and the endorsement of countless organizations and citizens throughout America. And the word on the bill is just getting out so I anticipate even broader support in the coming months. Time was tight for an editorial which appeared two Saturdays ago in the Minneapolis Star and Tribune entitled "To help Thailand help refugees," which states the problem and the solution in terms I wholeheartedly endorse, be printed in the Record.

The article follows:

TO HELP THAILAND HELP REFUGEES

The U.S. State Department reports the well-publicized initiative that 1,400 Hmong refugees held by Thai authorities in a remote prison camp have received vital medical and food supplies. That should relieve anxiety among Twin City residents who have been critical of the treatment of the refugees in the camp. But the refugees need more than temporary relief from starvation and disease. They deserve humane living conditions, access to legal and consular services, and freedom from fear of forced repatriation. The United States has an important and a special role to play in ensuring that Thailand meets those basic needs.

Like all front-line nations, Thailand bears a refugee burden it did not create and cannot control. More than 300,000 Cambodians, Vietnamese and Lao refugees remain in Thailand. In an apparent effort to discourage further Hmong migration from Laos, the Thai authorities have forced over 1,400 people held at the remote Nan Pun camp. Refugee officials have been denied access to the camp on grounds that the Nan Pun Hmong are not a valid "first-asylum" group. And the Hmong's only option, the Thais say, is to return to Laos.泰国 again strives to make that option more appealing by providing inadequate care at Nan Pun. The Thais also have forcibly repatriated more than 100,000 Hmong.

A first rule of international refugee agreements is that all who seek should be provided "first asylum." In a recent speech, Ambassador Jonathan Moore, U.S. coordinator for refugee affairs, explained first asylum: "When a flood of humanity surges across a border, the United States has an irrefutable moral obligation to permit the abandonment of thousands of people to whom the United States has a moral obligation. Thais that the United States will not tolerate such an indifference to the needs of such diverse populations of people and permit the abandonment of thousands of people to whom the United States has a moral obligation.

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I have an irritation and a dilemma which have distracted me into this speech, so to speak. For a long time it has bothered me to hear people talking about how important it is to keep their favorite cause out of politics, as if we can’t let humanitarian assistance to refugees be dominated by foreign policy interests.” And both in my political experience before coming to the Institute and in my reflection while here I have come to be extremely wary of single issue, special interest groups—but what do I do now that I’m involved with one? Even though I know what is meant about politics corrupting goodness and the value of concentrated advocacy, I have decided to view politics as a necessary way of getting from here to there and to be more comfortable approaching public policy as the reconciliation of a variety of contending needs.

I’ve been trying to work out in my own mind what refugee policy should be, if there is such a thing, and more particularly what role it plays within larger international contexts, what the relationship is—reciprocity—between refugees and foreign policy. But before laying out even some elementary propositions, I would like to say that we’re talking about let’s first explore the anatomy, the topography, of refugee phenomena in the world, and review responses and the work of the International community, including the United States, to deal with them. In doing this, we can start to test two principles which I have in mind what refugee policy should be, if there is such a thing. One, that commitments are subject to the political interest of nations; and the other, that humanitarian assistance to refugees is meant about politics corrupting goodness and the value of concentrated advocacy. I have decided to view politics as a necessary way of getting from here to there and to be more comfortable approaching public policy as the reconciliation of a variety of contending needs.

II

Currently, there are over 10 million refugees across the globe—and millions more who are displaced persons, or refugees in name only, like circumstances.” For example, in Mozambique approximately 5 million people, one-third of the entire country, have been placed at risk by a civil war which is currently tearing that country apart, yet only one-tenth of that population is outside of Mozambique; Malawi is host to some 150,000 Mozambican refugees, with expectations there will be over 200,000 by this year’s end; the Republic of South Africa has within its borders over 200,000. All of the countries surrounding Mozambique are impacted, as are those countries which abut Angola. In Ethiopia, warfare, repressive government policies such as forced resettlement, and tribal persecution have forced well over one million people into exile. There are some 450,000 Ethiopian refugees residing in Sudan. Sudan is host to some 650,000 refugees from Ethiopia, plus several hundred thousand more from Uganda and Chad. In Africa especially, refugee movements driven by insurgency warfare have been exacerbated by drought, famine, and economic frailty.

The big news is that the preferred generator of refugees has been the invasion by the Soviet Union of Afghanistan. Almost one-third of that country’s pre-1979 population has sought asylum, some 2.6 million of its citizens in Pakistan and almost 2 million in Iran—almost twice the number of refugees as in all of Africa. In Southeast Asia, the turmoil following the Vietnam War has sent 1.3 million refugees out of Vietnam, Laos and Cambodia. The flow of boat people leaving Vietnam continues today, averaging some 20,000 people annually, and smaller numbers of refugees continue to leave Cambodias and Laos. Thailand is the most heavily impacted country in the region with some 190,000 refugees in first asylum, and a population of some 260,000 Cambodian “displaced persons” living in the Thai-Cambodian border fleeing from and warring against an occupying power.

The longest existing refugee situation in the world is that of the Palestinians in the Middle East, refugees since 1948. There are now more than two million refugees residing in Lebanon, Israel, Jordan and Syria, and over 2 million more who seek to flee yet do not yet succeed in escaping violence, some seething, some captive in their own land, now starting a third generation.

Refugees from Eastern Europe and the Soviet Union including Jewish emigres continue to seek asylum and are received through well-established procedures in both Western Europe and in the other major resettlement countries: Australia, Canada, New Zealand, Israel and the United States. Since 1975, 185,000 of these people have sought a new life in this country. The flow continues, held in check by restrictive emigration policies of the Communist Bloc countries and the post-Cold War situation in Southeast Asia and the Near East—Iran, Iraq, Ethiopia and other parts of Africa—seek asylum. Meanwhile, the question of how to process their requests and what to do with those rejected from asylum status is becoming increasingly difficult and politically disruptive.

In Central America, the total number of recognized refugees is acknowledged to be in the neighborhood of 300,000, fleeing persecution and war, economic and social dislocation, insurgency-intricited in various ways. It has been said that refugees are “human rights violations made visible.” They live in dislocations, dependent lives of circumstances with bleak futures. Most remain victims of violence—in the countries they have fled and the wars they sometimes bring with them. Some are refugees from genocides and their own inherent factionalism. They usually go to countries which are experiencing empowerment and an average per capita GNP for the primary nations of first asylum is $822.

An ambitious international system of multilateral and bilateral refugee agreements is a huge far-flung array of collaborators administerers crucial assistance to refugees. These services include life-sustaining support, food, water, shelter, medical, and industries; health aid, education, protection and security, development and impact assistance, representation and negotiation to improve the average per capita GNP for the primary nations of first asylum is $822.

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Various parties, and people of similar origins and in similar conditions may be labeled differently, and yet still be fundamentally the same. However, to be more prescriptive than descriptive.

The most commonly held definition of a refugee is found in the United Nations 1951 Convention and its accompanying 1967 Protocol, which define a refugee as a person outside his or her country of habitual residence who cannot or will not return because of a well-founded fear of persecution on account of race, religion, nationality, membership of a particular social group, or political opinion.

This is the definition that the United States adheres to when considering an individual for admission to the U.S. as a refugee. Other definitions are considerably more inclusive. For example, the Organization of African Unity extends beyond the “well-founded fear of persecution” criterion to include every person who is controlled by external aggression, occupation, foreign domination or events seriously disturbing public order in either part of the whole of his country of origin or nationality, compelled to seek refuge in another place outside his or her country of nationality.

The definition is important, given the need to provide immediate assistance, and to continue to provide care and protection, no matter what the cause of the forced displacement. If one’s own laws facilitate this definition, allowing international assistance funds from the U.S. to flow flexibility. Our Migration and Refugee Assistance Act of 1966 provides the authority for assistance in place, as opposed to resettlement, without defining refugees specifically, but allowing for instance, contributions to the UNHCR for assistance to “refugees under his mandate or persons on behalf of whom he is exercising his good offices, and to other non-governmental forces urgent refugee and migration needs.”

The international refugee effort concentrates its efforts—not exclusively but primarily—in response to immediate and short-term needs. Most refugees want above all to return by their own free will, and to continue to provide care and support as appropriate, for instance, but allowing, for instance, for immediate food and medical supplies to needy local communities, particularly in resettlement efforts. How dynamic, how viable, how extensive this assistance for roughly 10 million refugees in place. Resettlement can be a solution for only about one percent of the world’s refugees.

Asylum countries around the world are currently among the poorest in their own right, and are often struggling under increasing pressures from increasing numbers of refugees. How dynamic, how viable, how extensive this assistance for roughly 10 million refugees in place. Resettlement can be a solution for only about one percent of the world’s refugees. The behavior of the receiving country is the most significant variable. The response of the international community—advanced by the UNHCR—is next, but usually is available and reliable. Receiving countries have security, political, economic and cultural interests and values which together will determine what their response will be. Often it is most generous and patient. Naturally, internal security and political stability goals will be dominant, but the level of help provided is very meager. What are the barriers and the limits to such assistance? What are the pressures and dangers of refugees and societies? Whether this is permanent are these “temporary” sanctuaries? Most refugees want above all to return to their homes, yet conditions of safety and stability enabling them to do so remain elusive.

Local integration—establishing new homes in the country of first asylum; and Third country resettlement—transporting and transplanting refugees to a distant country where there is the opportunity to create a new future, are the two main methods of assistance. How dynamic, how viable, how extensive are they?

Resettlement to a third country ideally allows for communities to form and to develop a new life. This is difficult for the strongest among us, extremely so for refugees who often lack the resources, education or adaptability for this move. A common perception is that resettlement a success requires a tremendous effort both on the part of the refugees and those receiving them. The process is difficult. It is expensive, and many cannot meet the restrictive eligibility requirements necessary to qualify for permanent admission to third countries. The risk that resettlement itself will be seen as a route for migration, a “magnet effect” which attracts other refugees.

First is not to say that resettlement does not remain a viable option for a limited few, a necessary component in the mix of solutions available. We will continue to resettle refugees, as will other countries who have generously opened their doors to refugees. About one-third of the world’s refugees are currently among the poorest in their own home country where there is the opportunity to create a new life. How dynamic, how viable, how extensive is resettlement a success requires a tremendous effort both on the part of the refugees and those receiving them. The process is difficult. It is expensive, and many cannot meet the restrictive eligibility requirements necessary to qualify for permanent admission to third countries. The risk that resettlement itself will be seen as a route for migration, a “magnet effect” which attracts other refugees.

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are intractable, and unlikely to disappear soon.

Some repatriation is taking place, and the UNHCR is taking the lead with attempts at economic development to rehabilitate refugees in the international community. As a goal, we believe that more situations where repatriation is possible must be encouraged and will occur naturally, and that voluntary repatriation is a natural and active phenomenon. Over a dozen different repatriations there are occurring now or have recently occurred, either spontaneously or assisted by the UNHCR or other organizations. Large numbers of refugees have repatriated to Ethiopia from Sudan, Somalia, and Djibouti; to Chad from the Central African Republic, Sudan and Cameroon; and to Uganda from Rwanda, Sudan, and Zaire. So there are ebbs as well as flows—although they are not symmetrical given the stubborn disruptions across major portions of the continent, and Africa is an exception in this respect to begin with.

What is key to recognize is that the three classical durable solutions, while important and valuable options in managing refugee situations, are today limited and insufficient in and of themselves. If we are really serious about solving refugee problems, we have repatriation as a state of fear and discouragement that they are willing to abandon everything, we must not only "manage" refugees once they arrive in first asylum and press all three durable solutions, but also find ways to achieve conditions which allow them to stop being refugees and prevent them from becoming refugees in the first place.

We have come to the final and fundamental two questions. Do nation-states, individually and in concert, have the imagination and resources to resolve the refugee question in and of themselves? In order to advance refugee policy not at the expense of but within the pluralism of foreign policy, what is required is a more influential role at the higher levels of macro-policy making and in the competition of forces which determines its shape. Refugees are just one facet in the multi-faceted competition among legitimate interests which must be coordinated and reconciled in the night, we must seek affinity and mutual affecting those conditions so as to bring relief to the world refugee situation, refugee interests should become more, not less, politically relevant and less isolated, if they are to influence the scale of foreign policy decision making in their favor. Specifically, this must be achieved in deliberations, and through horizontal and vertical relationships between regional and bilateral relationships in the State Department and with the NSC staff; in the consultation with other capitals and with multilateral agencies; in program design and budget planning across the executive branch; in intensive consultations with Congress; in the development of refugee policies, and in relations with voluntary agencies, churches, state governments, resettlement communities, and ethnic organizations. Accepting the narrow view or the narrow management of refugee interests is self-defeating in two ways: it denies reality and falsely inflates expectations, and it locks into a parochialism where you are constantly challenging your tail and losing ground.

To come back from where we started tonight, we have to worry about? What if we did not have to contend with conflicting policy interests, if foreign policy was in fact refugee policy? What if we could do everything in our power to help refugees and prevent them from becoming refugees, and stop them from becoming refugees? What if we could do that with foreknowledge, and responsible officials will be better prepared to deal with the results. Third, engagement with these humanitarian concerns will serve to enlighten policy makers generally at a level where critical decisions are made, presumably to the benefit of other interests as well.

Thank you.

[From the Bangkok Post, Apr. 3, 1987] U.S. SENATOR RAPS REFUGEE EXPULSION (By Pornpimol Kanchanlak)

WASHINGTON.—Thailand's recent expulsion of Palestinian refugees, in the wake of the Laotian fire at a US Senate sub-committee hearing at which a Republican senator suggested aid to Thailand be tied to Bangkok's treatment of the refugees, has angered human rights groups. Refugee officers at the US Embassy in Bangkok were also strongly criticized for not doing their job of refugee protection.

At a hearing of the Senate Foreign Relations Committee's sub-committee on foreign operations last week, the latest expulsion of 38 Palestinians from Thailand was the focus of attention. "Why did Senators not deal with this question?" Senator Jake to Lady Brett in response to her romantic projection of the future on the last page of the Sun Also Rises.

We have already confronted and accommodated many positions of refugee issues and foreign policy needs in getting to this stage of our discussion, but in addressing root causes, the interrelationship—what do we really mean?—is the critical one—is most tested. Refugee consequences tend to be the result rather than the cause of foreign policy. Refugee problems are of course most acute in the U.S. foreign policy. "Wouldn't it be pretty to think so?" said Jake to Lady Brett in response to her romantic projection of the future on the last page of the Sun Also Rises.

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June 11, 1987

CONGRESSIONAL RECORD—SENATE

Mr. HATFIELD. The first is an article from the front page of the April 3 article goes on to report on the Senator Hatfield, "U.S. Senator raps refugee expulsion." This article accurately relates a dialogue which took place at a March hearing of the Foreign Operations Subcommittee of the Appropriations Committee.

In reply, Mr. Kasten told Mr. Moore his statement, and like all of my colleagues, Senator Kasten, the former chairman of the subcommittee, said he was pleased with the performance of refugees. He suggested a letter of recommendation that need not be sent to the next year. This creates confusion.

Thailand had been burdened with a huge number of refugees for several years and had behaved admirably and patiently and worked hard with the US as well as the UNHCR, he said. Moore's compassion and attention it deserves. All of us who look at putting pressure on the US. "Thailand has security problems to worry about and discontent among its own displaced people."

In reply, Mr. Kasten told Mr. Moore he understood the problems of the refugees and the US. "Thailand is not the only country facing an influx of refugees, and my colleague, Senator Kasten, in his speech to a religious organization, was quoting saying his staff members had made visits to Thai refugee camps and had had some debate over whether aid to Thailand should now be conditioned to Thai refugee performance, all of us share his concern that no further pushbacks be made.

In the article the current chairman of the subcommittee, Senator Inouye, with whom I have joined in past efforts to improve protection of Vietnamese land people at Site II, again distinguished himself as a champion of refugee protection. I am deeply grateful for the leadership and expertise he has exhibited over the years, and I look forward to working with him this year to carry on one of America's proudest programs.

The Bangkok Post article goes on to discuss one of the underlying issues dividing the U.S. and Thailand on refugees—the carryover problem—and I welcome it to my colleagues' attention.

Finally, Ambassador Jonathan Moore, the US Coordinator for Refugee Affairs, delivered a thoughtful speech on April 6, 1987, at Harvard University. This speech evidences Ambassador Moore's compassion and intellect, and I hope it receives the attention it deserves.

Clearly this Sunday's observance poses one of the many differences of the many differences between Thailand and the US. Thailand starts the counting when the refugees leave Thailand while the US begins counting when the refugees set foot on US soil.

The problem is there is a time lag of six months between when refugees leave the training camp in Bataan, the Philippines. The result is only refugees who leave Thailand during the first six months of a fiscal year will be resettled in US during the same fiscal year. Refugees processed during the second half of each fiscal year will be carried over to the next year. This creates confusion.

The drop in the carryover figure indicated the delay of the INS processing procedure. Congressional and State Department sources told the Bangkok Post that they knew there had been efforts to tie the refugee issue to foreign assistance, but they were surprised to find out that the Appropriations Committee was so soon.

State Department officials and Mr. Hatfield strongly opposed the attempt, reasoning it would reduce the flexibility of the US in dealing with the refugee problem and that the problem stems from the lack of a feasible and reliable commitment on the part of the US itself.

The administration requests $314.5 million in 1988 fiscal year for the migration and refugee assistance programme, a decrease of about $10 million.

Of this amount, $28 million is being sought for refugee assistance in Thailand, including $1 million for anti-piracy efforts.

BALTIC FREEDOM DAY

Mr. RIEGLE. Mr. President, during the night of June 13–14, 1941, the secret police forces of the Soviet Union began a rampage of terror in the Baltic States of Lithuania, Latvia, and Estonia. In the span of a few hours, Soviet agents deported over 50,000 Baltic men, women, and children to barren Siberian destinations from which few ever returned. With such genocidal terror, the Soviet Union destroyed the hard-won independence of the Baltic States in an occupation that continues to this day.

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Western attention to stay the hand of the USSR.

In a letter to General Secretary Gorbachev, delivered to the Soviet Embassy today, I and 16 of my Senate colleagues have called upon the Soviet leadership to allow this important gathering to take place unhindered, and to honor the participants’ rights of free expression and assembly as guaranteed by the Constitution of the U.S.S.R. We have further called upon Mr. Gorbachev to promptly release three prominent Baltic prisoners of conscience: Balys Gajauskas of Lithuania, Gunars Astra of Latvia, and Mart Niklus of Estonia. The text of this letter is being broadcast today to the Baltic people by the “Voice of America.”

Through this action we have served notice to the Kremlin that its policies in Mr. President, I ask that the statement of the Latvian Helsinki Monitoring Group “Helsinki 86,” announcing their planned demonstration in Riga, Latvia, on Sunday, June 14, 1987, as well as the letter which I and 16 of my Senate colleagues have sent to General Secretary Gorbachev in this regard be printed in the Record.

The material follows:

HUMAN RIGHTS ACTIVISTS IN LATVIA ANNOUNCE PLANS TO HOLD DEMONSTRATION IN RIGA ON JUNE 14

[The following is a translation from Latvia of a statement released by the Latvian Helsinki Monitoring Group, “Helsinki 86”]

On the night of June 14-15, 1941, the first mass deportations of Latvians took place, forever altering their lives.

Men were separated from women and children. People were transported in cattle cars under dreadful conditions. Children and the elderly were the first to depart from this world, ending up in graves alongside the tracks, in a foreign land.

This act of genocide was undertaken under the direction of the Communist Party. Still, to this day, the Party has not seen it as necessary to apologize, not to mention provide compensation for moral and material losses. All that is heard are some kind of nebulous phrases about some kind of cult.

We, the group “Helsinki 86,” have decided to honor the victims of Latvia’s genocidal Sovietization, on June 15 at 3:00 PM, by placing flowers at the Monument of Freedom in Riga.

We invite all other Latvians who are not indifferent to our plight to honor the innocent victims with a minute of silence and the placement of flowers at the Monument of Freedom in Riga on the 14th of June.

Signed by

LIMARDS GRANTINS, "Helsinki 86"
ROLANDS BILABAUS
RAIMONDS BITIEKENS
GUNTIS ANDERSONS
MARTINS BAHRIS


Dear Mr. General Secretary: On this, the 47th anniversary of the incorporation of the formerly independent states of Estonia, Latvia, and Lithuania into the U.S.S.R., we write to express our deepest concern over the continued violation of human rights in the Baltic republics.

We are following with great interest the initiatives you have undertaken to reform Soviet society, and are hopeful that they indicate your desire for greater openness and freedom throughout the Soviet Union. However, we note that, despite your government’s professed commitment to protect the rights of its citizens, Baltic human rights activists remain imprisoned, freedom of expression is denied, and important aspects of Baltic history continue to be distorted or ignored.

In this regard we understand that the Helsinki ‘86 Monitoring Group has announced its intention to hold a legal and peaceful demonstration in Riga on June 14, 1987, to honor the Latvian victims of the massive deportations which occurred during and after World War II. In light of your government’s concern to present and honest accounting of the history of Soviet-Polish relations, we hope you can appreciate the desirability of the Baltic people’s wishes to publicly commemorate an important chapter in their own history, which has never been officially acknowledged by your government.

Permitting this ceremony to take place will demonstrate an appreciation of the great emotional significance which the events of June 14, 1941 hold for the Baltic people, and will send the clear signal that your government is truly interested in promoting freedom of expression and assembly, as guaranteed by the constitution of the USSR.

As a further indication of your government’s interest in guaranteeing these freedoms, we urge you to grant full and unconditional amnesty to three prominent prisoners of conscience from the Baltic republics: Balys Gajauskas of Lithuania, Gunars Astra of Latvia, and Mart Niklus of Estonia.

These brave men represent principles of liberty and truth cherished by all Americans, and their continued incarceration and exile belie the spirit of change which you have begun in your country.

Your favorable action on behalf of these three individuals, as well as on allowing the peaceful ceremony in Riga to take place without interference, will be important indicators of your commitment to “glasnost.” We hope that this commitment is genuine and that it is demonstrated in the days and weeks to come.

Sincerely,


Mandatory Plant Closing Legislation Will Shut Down the American Jobs Machine

Mr. HUMPHREY. Mr. President, in a recent New York Times op-ed piece, Beryl W. Sprinkel, Chairman of the President’s Council of Economic Advisers, makes a convincing argument against mandatory plant closing legislation.

Specifically, Dr. Sprinkel’s data demonstrates the folly of emulating the European style plant closing/hiring/layoff laws. These laws, common throughout Europe, have failed; indeed, several countries attending next week’s economic conference have flat for well over a decade.

Contrast the European experience to that of the United States. Despite underlying three recessions since 1973, the U.S. economy has created some 25 million jobs, a phenomenal 38-percent growth over a 14-year time span.

There is no doubt that closings and layoffs are a hardship on workers. Nobody relishes the prospect of being unemployed. But in this country, unlike Europe, we have a relatively low unemployment rate.

The article follows:

WASHINGTON.—Many people who believe—wrongly—that America is creating primarily low-skill, dead-end jobs are devising schemes for job protection and Government intervention. Such schemes have been tried in Europe and have failed; indeed, several countries attending next week’s economic
summit conference are now busily attempting to reverse interventionist policies that have produced a new high in unemployment.

In contrast, our economy has been extremely successful in generating new employment. More than 18.6 million jobs have been added during the 66-month expansion. The proportion of the working-age population that is employed reached 61.7 percent in June, compared with 59.8 percent in June 1986. These occupations include managerial and professional jobs, finance and business services, and precision production.

Only 12 percent of the increase in employment has been in the lowest-paying, low-skill service occupations. The vast majority of the new jobs—some 92 percent—are full-time. The proportion of part-time workers who cannot find full-time jobs, although still high by historical standards, has fallen since 1982 and was about 5 percent of all people at work in 1986.

A 1987 study by Marvin H. Kosters and Murray R. Ross of the American Enterprise Institute found that employment shifts toward service industries had only a small effect on slowing increases in wages. Contrary to the belief that job shifts are leading to a decline in the middle class, they reported that differentials in workers' hourly earnings have narrowed in recent years.

The argument that we have been creating low-wage jobs has drawn its major support from a frequency cited report prepared for the Joint Economic Committee of Congress by Barry Bluestone and Bennett Harrison. This work has serious shortcomings, many of which Janet L. Norwood, Commissioner of Labor Statistics, has pointed out.

The report exaggerates the number of low-wage jobs because it counts everyone who worked at all during a given week, no matter how few weeks. The findings, moreover, are highly sensitive to the years examined. The report compares new employment created between 1973 and 1979 with that created between 1978 and 1983, including two recessions. The Bureau of Labor Statistics has updated the calculations to 1985, showing that even using Blue-stone-Harrison methods, the 80's have been years of strong growth and high-paying jobs.

Those who maintain that mostly new low-wage jobs have been created believe that excessive reliance on market forces and increasing competition from abroad are at fault and that Congressional action is required to help those who would otherwise get the bad jobs. They recommend measures for protection against international competition restrictions on plant closings and minimum-wage increases.

Such policies would benefit some groups of workers, but more likely those who are already highly paid. Many workers would be harmed because they would face reduced opportunities for jobs, training and advancement. Consumers would be harmed because price reductions and increased competition would confine our economy to sectors where we are relatively less efficient; it could curtail expansion where we are now efficient. Future growth in productivity and wages could be impaired, along with overall employment and output.

Employment has grown in America by 38 percent over the past 16 years; employment growth has been negligible in Western Europe. Similarly, our unemployment rate has fallen sharply since 1982, but in many European countries unemployment has risen during this period to levels well above earlier postwar peaks.

Many summit countries with high unemployment rates have been saddled with burdensome unemployment restrictions, including constraints on hiring and firing. To insure continued employment and productivity in America, we should further reduce market barriers rather than toy with new Government interference.

THE ACID RAIN PARTNERSHIP PROJECT

Mr. GLENN. Mr. President, I rise today to bring attention to a unique, year-long effort by citizens from Ohio and New Hampshire: the acid rain partnership project. My colleague from New Hampshire [Mr. RUDMAN] is joining me today in coming to the Senate floor to discuss the consensus recommendations of this project. The acid rain partnership project, by working through Americans at a grassroots level from all walks of life, has achieved something very unique and very affirmative on one of the most divisive issues of our day. The acid rain partnership found a middle of the road approach to addressing the acid rain problem in a way that is designed to meet the social and economic concerns which stand in the way of solutions.

Through a process of education and learning about the concerns of our colleagues a remarkable initiative was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our constituents which was undertaken by our colleagues which was undertaken by our colleagues who involved all affected parties in the acid rain debate.

The "acrid rain partnership" involved 200 citizens, half from Ohio and half from New Hampshire, who spent a year studying the problem of acid rain and learning about the concerns of their partner State. The members were drawn from diverse backgrounds including coal miners, maple sugar producers, farmers, utility employees, teachers, and others. They corresponded, studied together, visited key sites in their partner States, and finally, developed a strong document containing recommendations for Congress. Congress in turn must take this problem seriously, as they did, listen to all affected parties in the acid rain debate, as they attempted to do, and
finally have the courage to confront and solve the very real problem of acid rain.

For the Ohioans who visited the White Mountain National Forest and saw the red spruce which are discolored and sagging due to damage from acid rain, it was no longer possible to discount the concerns of their New Hampshire partners, for whom the natural beauty of the State is such a source of pride. For the New Hampshire members who spent several days with the miners' families in Ohio, the economic reality of the issue struck home. A sincere effort was made to understand both sides of the issue, and from that, a substantial body of policy recommendations emerged.

In their final report, the New Hampshire and Ohio acid rain partnership made the following recommendations:

First. A program to deal with acid deposition and related air pollutants should be developed by Congress now. Such a program must include an aggressive yet prudent phase-in of control measures and new technologies to reduce sulfur dioxide and nitrogen oxide emissions, as well as continued monitoring and evaluation of the program's effectiveness.

Second. This program should be constructed in a way which leaves high sulfur coal reserves competitive, even if this involves passing on to the public, in an equitable way, the costs of developing and implementing technologies which reduce sulfur and nitrogen emissions.

Third. An equitable distribution of costs for these undertakings should be developed that involves a significant public contribution balanced by equally significant cost sharing on the part of emitters.

Fourth. Urgent attention should be given to developing a system of incentives and rewards to encourage early and significant reduction of emissions.

Fifth. Conservation can play a key role in meeting our short-term needs. Programs need to be funded and developed which promote energy efficiency.

It has not been 1 year since the acid rain debate drags on in the Congress, still apparently snagged on opposing regional interests. Our constituents in New Hampshire and Ohio managed to transcend their differences and map out a plan of action. Not everyone will be able to endorse every point of the group's consensus report. However, I think we can all heartily endorse the honest process which enabled them to look each other in the eye, roll up their sleeves, and get down to the business of solving the problem.

It is my sincere hope that we will follow our constituents' example and pass responsible legislation in this session of Congress to control acid rain.

I ask that the acid rain partnership consensus report of delegates be referred to the Committee on Environment and Public Works for CONGRESSIONAL RECORD.

The report follows:

ACID RAIN PARTNERSHIP—CONSENSUS REPORT OF DELEGATES

We, the undersigned, are citizens of Ohio and New Hampshire. We were convened through the Acid Rain Partnership to examine the acid rain problem as it affects Ohio and New Hampshire. In doing so, we are drawn inexorably to the broader picture of air pollution, and to the problem that has no geographic or political boundary. Worldwide, literally millions of tons of pollutants are being shipped across state lines.

The acid rain problem is both a local and a global one. We want to deal with the acid deposition problem as it affects each of our states, to our citizens of New Hampshire and New York. We want to deal with the acid deposition problem in a mutually constructive way and to pay for what we believe needs to be done.

We would urge readers to avoid the game of criticism for criticism's sake or the promotion of a special interest. We would urge citizens to recognize that what is needed is an adequate way to deal with a real and difficult problem that has been thrust upon our State by forces beyond our control, and that is within the capability of the nation to manage and pay for successfully.

We have five principal recommendations, based on the consensus report elaborated on these five points, and proposes practical steps that should be taken to build broad support for this approach to resolving the acid deposition problem.

1. A program to deal with acid deposition and related air pollutants should be developed by Congress now, involving aggressive but prudent phase-in of control measures and new technologies to reduce sulfur dioxide and nitrogen oxide emissions, as well as continued monitoring and evaluation of the program's effectiveness.

2. This program should be constructed in a way which leaves high sulfur coal reserves competitive, even if this involves passing on to the public, in an equitable way, the costs of developing and implementing technologies which reduce sulfur and nitrogen emissions.

3. An equitable distribution of costs for these undertakings should be developed that involves a significant public contribution balanced by equally significant cost sharing on the part of emitters.

4. Urgent attention should be given to developing a system of incentives and rewards...
to encourage early and significant reduction of emissions.

5. Conservation can play a key role in meeting emission reductions. It is essential to solve the problem in such a way that targets for further reduction are necessary.

RECOMMENDATION 1: DEVELOPMENT OF EMISSION REDUCTION PROGRAM

1-A. Congressional legislation addressing the acid deposition problem is both necessary and appropriate. Congress should make a policy commitment now.

We accept that sulfur and nitrogen emissions are transported across state and national boundaries and can contribute to acid deposition in other states. Existing national laws do not adequately address the long range transport of air pollutants, and states alone cannot effectively control transport problems unless all participate.

The problem of acid deposition also has the potential to place unfair economic burdens on a considerable number of citizens. An individual state that passes a law reducing its own emissions does not have to consider the economic impact it may have on a utility or other state. Similarly, a state receiving acid deposition cannot protect its resources from another state's actions. Congressional action is essential to solving the problem in such a way that no one region or segment of society is unfairly burdened.

This commitment does not take away from the substantial progress already made under the Clean Air Act. Emission reductions have taken place, but we recognize that targets for further reduction are necessary.

1-B. Congress should establish a reasonable timetable for reductions of sulfur dioxide and nitrogen oxide emissions.

The timetable for reducing emissions must strike a balance between addressing environmental damage and preventing unfair new economic burdens. Our understanding of pollution control technologies leads us to believe that overall emission reductions could be achieved which would prevent unreasonable environmental damage.

Sulfur dioxide emissions reductions

Our Partnership dialogue has suggested a reduction goal of 10-12 million tons of sulfur dioxide, which is the range of reductions suggested by the findings of the National Academy of Sciences. We support a goal of this magnitude while recognizing the need for a continuing reassessment of program effectiveness, which may suggest mid-course adjustments.

Accordingly, we believe that this program should be implemented at the latest practical date, and that, after commencement of the program, a timetable should be established for sulfur dioxide reductions that would:

(a) Within five years, reduce annual emissions by five million tons from 1980 levels.

(b) Within 12 years reduce annual nitrogen oxide emissions from stationary sources by two million tons from 1980 levels.

(c) We recognize that the state of California has instituted much stricter standards for all vehicles, using existing technology. On-going research and evaluation should be conducted and national standards should be revised if necessary within seven years of implementation.

We are convinced that such a reduction program implemented in a timely manner, and in coordination with nitrogen oxide reductions, can address the environmental needs of states receiving acid deposition, while also considering economic and retraining options for future use of promising new technologies.

2-A. The Reagan-Mulroney agreement should be implemented immediately with a strict timetable for demonstrating new coal burning technologies in the near term. Further research and development is necessary in clean burner technology, a number of proven technologies now exist which will provide significant sulfur dioxide emission reductions in the near term. Coal washing, for instance, should be applied more extensively. Scrubbers, highly effective in sulfur dioxide removal, can be used on those power plants which are the best candidates, usually the larger, younger units with the highest emission rates.

This approach would achieve both the desired short-term reduction goals and the related social goals of providing safeguards to the sulfur coal industry.

2-B. The Reagan-Mulroney agreement should be implemented immediately with appropriate commitment of money and a strict timetable for demonstrating new coal burning technologies within five years as pledged.

Ohio citizens have made a significant commitment to clean coal technologies through establishment of a $100 million research program. The U.S. Department of Energy is implementing a $400 million Clean Coal Reserve program. A significant national commitment is needed now to bring these technologies from the research and development stage into commercial application within an expeditious time frame. The Reagan-Mulroney agreement in March 1986 recommended a $5 billion joint investment by the federal government and utilities for such commercial demonstrations. This program should be implemented by Congress and become law in 1987.

2-C. The emission reduction program should require appropriate levels of control of nitrogen oxides.
Evidence of the role of nitrogen oxides in causing forest stress and damage has mounted. Nitrogen oxides are a precursor to ozone, and so the damage done to lakes, forests, crops, and materials, and related jobs can be just as significant. No value can be placed on the quality of life.

Emission controls must be paid for. The prevailing mood in the country at the moment is to impose a cap on federal expenditures, and tax simplification. These sentiments will ultimately affect Congress's decisions about financing air control programs.

Yet there is another mood in the country. It is one reflected in numerous opinion polls in which citizens state their willingness to pay for pollution controls. The Partnership exchange affirms this willingness. The Federal and operation and development. One choice Congress must now make is to share the cost of acid rain control.

Good public policy will integrate the interests of utilities, industries, coal miners, environmentalists, consumers—all those upward and downward of the acid rain problem, so that disadvantages to any one sector are minimized. The costs are spread among the major parties.

We envision a federal Trust Fund as described in 3-B below, which draws on the following sources for its revenues: an emissions fee levied on emitters; a tax surcharge levied on consumers of electricity; and vehicular registration surcharges levied by state governments (to include motorcycles, power boats, and aircraft).

The emission reduction program should provide states flexibility in implementing to promote cost-effective reduction.

Flexibility should be provided to regulators, utilities, and other emitters to decide which technologies are cost effective for their specific sources. Each power plant or industry has its own unique circumstances which argue for site-by-site decisions for selecting the most cost-effective technology. Evaluation of cost-effectiveness is intended to include consideration of electric rate increases and socio-economic impacts. Old boilers are a concern that should be addressed, however, the Partnership realizes retrofitting old boilers frequently does not achieve cost efficiency, nor desirable socio-economic goals. Therefore, we also encourage advanced clean coal burning and lighting technology, coal washing, and conversion programs where they are most cost efficient.

The emission reduction program should anticipate the need to offset future emissions to maintain the overall progress and effectiveness in the program.

A national effort to promote energy conservation and use of renewable energy sources is proposed in Recommendation 5 would contribute significantly to offsetting the project growth in emissions.

RECOMMENDATION 3: PAYING FOR EMISSION REDUCTION

It is far easier to calculate the costs of control than the value of the damage associated with acid deposition. We recognize, however, that damage done to lakes, forests, crops, and materials, and related jobs can be just as significant. No value can be placed on the quality of life.

Emission controls must be paid for. The prevailing mood in the country at the moment is to impose a cap on federal expenditures, and tax simplification. These sentiments will ultimately affect Congress's decisions about financing air control programs.

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3-B. Money from the federal Trust Fund should be allocated by the EPA to the states. A Board of Trustees in each state would distribute funds for specified air pollution reduction purposes.

Administration of the Trust Fund has the following elements:

(1) Trust fund allocations to the states would be based on a formula which would relate to each state's proposed state implementation plan (SIP) cost and required emission reductions.

(2) A State Board of Trustees, representing a broad constituency interested in emission controls and effects, should decide how to distribute money.

(3) This money would be used to make loans or grants for development or installation of: coal washing facilities; advanced coal cleaning and lighting technologies; old boiler retrofits; scrubbers; retanning and job placement programs; and conservation programs.

(4) Emissions above a defined size would be subject to the principals according to EPA-set criteria, to achieve emission limits assigned by the State. Such proposals would be similar to an environmental impact statement in that they would address all costs and environmental and socio-economic benefits associated with implementation.

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The emission reduction program should anticipate the need to offset future emissions to maintain the overall progress and effectiveness in the program. A national effort to promote energy conservation and use of renewable energy sources is proposed in Recommendation 5 would contribute significantly to offsetting the project growth in emissions.
LUPUS AWARENESS MONTH

Mr. D'AMATO. Mr. President, I rise today in support of a joint resolution, designating October 1987 as "Lupus Awareness Month."

Lupus erythematosus, or lupus as it is commonly known, is a chronic and debilitating immune system disorder that afflicts over 500,000 Americans. This disease attacks females at an almost 9 to 1 ratio over males, with the onset occurring most often during the childhood years.

Lupus may begin with any number and combination of symptoms. These symptoms range from fever, joint pains, weight loss, anemia, kidney malfunction, seizures, and mental and emotional problems.

There is presently no cure for lupus. It can, however, in many cases, be treated and controlled. For most lupus patients, their symptoms can be reduced in severity, or eliminated entirely, through prompt diagnosis and treatment. It is therefore imperative that individuals learn to recognize the symptoms of lupus, and that those with lupus symptoms seek medical consultation, early diagnosis and treatment.

A national Lupus Awareness Month will play a vital role in disseminating information about this little-known and tragic disease. Increased awareness will lead not only to better treatment through early diagnosis, but will also point to the need for accelerated research into the causes of and cure for lupus. I urge my colleagues to join me in support of this important resolution.

SALUTE TO KENNETH GIBSON, FORMER MAYOR OF NEWARK, NJ

Mr. LAUTENBERG. Mr. President, I rise to salute a man who played an important role in shaping the city of Newark, NJ, Kenneth A. Gibson.

Kenneth Gibson was first elected to office in 1970—not a quiet year in the history of Newark. Once a thriving cultural and economic center, by the late 1960's, many middle and upper income residents had fled the city, and Newark had become a textbook case of what ailed urban America. Like other major American cities in the 1960's, Newark suffered from a myriad of economic and social ills. The city was plagued by poverty, unemployment, racial strife, and the cloud of official misconduct. The needs of the city's disadvantaged went unmet. Newark needed new leadership.

Ken Gibson had grown up in Newark, the son of a butcher and a seamstress. He worked his way through college and earned a degree from the New Jersey Institute of Technology, then known as the Newark College of Engineering. He worked as an engineer in the 1950's and 1960's for the New Jersey Department of Transportation, Newark Redevelopment and Housing Authority, and the Newark Bureau of Buildings. He gained experience working in the civil rights movement and Newark's business and industry council.

In 1966, Newark's black leaders urged Gibson to lead their challenge to the political machine and run against the incumbent Democratic Mayor Hugh J. Addonizio. While he didn't win, Gibson did force a runoff between the mayor and his opponent. This was quite a feat for a candidate who had entered the race just 6 weeks before the election and had raised only $2,000. Addonizio was reelected.

But by 1967, Newark's problems worsened and the stage was set for large-scale dissent. That year, the city was wracked by some of the worst riots in the history of the Nation. But Gibson didn't turn away from his city. In 1970, he ran again for mayor, even more determined to heal Newark's wounds and to turn the city around. This time Gibson won, leading a field of seven candidates in the primary and beating the incumbent in a runoff election in which a record 73 percent of registered voters turned out. That year Gibson was thrust into national spotlight as he became the first black mayor of Newark and the first black mayor of a large eastern city.

Gibson knew the problems troubling his city, and he knew the enormous task ahead. His first challenge was to restore public confidence in the city. His faith in Newark often led him to pronounce, "Wherever America's cities are going, Newark will get there first." Gibson became adept at mobilizing Federal resources to his city in the critical areas of housing, health care, and economic development. During Gibson's term, Newark saw the development of the Gateway complex, which has forged the nucleus of a reviving downtown business center. He saw Newark Airport grow and become an important gateway. The development of Rutgers University, the University of Medicine and Dentistry of New Jersey, the Institute of Technology and Essex County College made Newark an educational center.

Gibson's success earned him a term from 1976 to 1977 as the president of...
The U.S. Conference of Mayors, one of the leading voices on behalf of the Nation's cities, Gibson has consistently spoken out for a national urban policy. He has testified before Congress and has spoken before numerous National and State organizations. He ran twice in the Democratic primary for Governor of New Jersey, giving the voters a candidate who would represent the interests of New Jersey's large cities. In each of these elections, he received over 85,000 votes.

Ken Gibson once said:

"The cities are the heart of our nation, pumping blood of survival into the towns, townships, hamlets and rural areas of our nation, and they return the flow back to the heart. Collectively, we are the circle of life in this nation. We must work to enlighten those who have been misled into thinking in isolationist terms of urban, suburban or rural interests."

For his courage to steer Newark and America's cities into the future, Gibson was awarded the prestigious, Fiorello H. LaGuardia Award by the innovative New School for Social Research in New York. He was recognized by Time magazine as one of America's 200 outstanding young men, and cited by the Times of London newspaper as an example of the type of international political leadership which would be developed in the near future.

Mr. President, many of Mr. Gibson's friends will join to honor this man who dedicated 16 years of service to the citizens and city of Newark. This tribute, hosted by the mayor of Newark, Sharpe James, will be held on June 18, 1987. I am honored to be able to join Mr. Gibson's friends and supporters at this special event.

TRADE AND COMPETITIVENESS

Mr. WARNER. Mr. President, I would like to share with our colleagues in the Senate a letter I recently received from Mr. Hamish Maxwell, chairman and chief executive officer of Philip Morris Cos., Inc.

I am taking the unusual step of submitting this letter for the Record because it contains important information on trade and competitiveness and how one U.S. company views its position in the international marketplace.

While I do not necessarily endorse all that this writer states, I do endorse the notion that virtually every action of the Congress which effects business and commerce can ultimately affect international trade and competitiveness.

While Philip Morris enjoys a positive balance of trade based on its export of tobacco products, the information which Mr. Maxwell imparts could easily be characteristic of many U.S. companies doing business in global markets. For that reason, I commend the letter to the attention of my colleagues.

The letter follows:

Hon. John W. Warner, U.S. Senate, Washington, DC.

Dear Senator Warner: The current debate on trade legislation has encouraged me to share with you some pertinent facts about Philip Morris Cos. Inc., the tobacco industry in relation to international trade.

Philip Morris has a successful export business; does not request protection from imports to the United States and is principally concerned with additional market access overseas. Legislation which is not protectionist in character and which will encourage additional market access for U.S. exports, seems to us to represent the most positive approach to both enhancing trade generally and encouraging U.S. exports.

In the United States, Philip Morris produces cigarettes which set the standards of quality and consumer acceptability throughout the world. America's brands are much more popular in world markets than cigarettes from any other source. This alone makes our products unchallengeable. The United States runs its largest trade deficit, has a domestic cigarette market with an estimated value of retail of $15 billion annually. However, until recently, was virtually closed to U.S. tobacco products. The problem never has been a lack of Japanese demand for our tobacco products or the existence of import restrictions and policies that priced U.S. cigarettes beyond the reach of the average consumer.

As a result of vigorous efforts by U.S. cigarette manufacturers working closely with the Congress and the Executive Branch of the U.S. government, the government of Japan has altered its protectionist tobacco policies. Effective April 1, 1987, the tariff on cigarettes imported in Japan was abolished, thus making U.S. cigarettes price-competitive for the first time. The U.S. government has projected that with price competitiveness in the Japanese market, U.S. tobacco products could earn a share of that market. With each share of market valued at nearly $50 million dollars, achievement of a 20% share of that market could be worth almost $1 billion annually in U.S. exports. This clearly represents a significant reduction in the U.S. trade deficit with Japan.

Statistics for the first quarter of 1987 indicate that American products are making full use of the increased access to the Japanese cigarette market. According to figures compiled from census data and provided by the Tobacco Merchants Association, exports for the first quarter of 1987 have increased 282% in volume and 286% in value over the same period of 1986. Although a small part of this increase represented a build up of stocks prior to the April 1st tariff reduction, industry experts and economists concur that in the absence of trade restrictions, American exports to Japan will, at least, double in 1987.

The U.S. tobacco industry, as a whole, has a positive trade balance of more than $7 billion in 1986 and has produced positive trade balances of over $1 billion for every year since 1976. Philip Morris alone ranked 14th in 1986 among America's most export-oriented companies and is first in consumer packaged goods; most of our exports are cigarettes and tobacco.

The number of foreign markets that are open to cigarette imports from the U.S. is limited because many countries protect their domestic cigarette and tobacco industries. There is little doubt that our industry exports could multiply if more foreign markets were open.

In seeking to expand our export business we have received extraordinarily valuable support from this and past administrations and from the Congress. We are particularly grateful for your help in improving access to markets such as Japan and Taiwan. In spite of recent changes however, it remains virtually impossible to export to Korea.

It is in this context of trade that I respectfully request that you and the Congress not take one action detrimental to the interests of the tobacco industry and the 60 million Americans who enjoy our products.

Specifically, legislative initiatives have been introduced by my colleagues that would reduce advertising and promotions, make marketing expenditures nondeductible for tax purposes and restrict or prohibit smoking in public places. These initiatives, when taken in the United States, are observed and are likely to be copied in many foreign countries with further restrictions on tobacco.

The effects of such initiatives therefore are not simply domestic. They tend to hurt the reputation of our products abroad and discourage the future investment needed to assure the quality and efficiency required for a successful export business. They may well renew farm surplus problems by further reducing overseas demand for our tobacco.

Aside from their effect on trade competitiveness, I suggest that these initiatives could establish precedents which would allow similar measures to be applied to many other products and industries which are important to U.S. growth and competitiveness. Surely this would be undesirable.

We at Phillip Morris Companies Inc. will strive to ensure that our products maintain their competitive advantage. In that way, I hope that we will continue to contribute to an improving trade balance for the U.S.A.

Sincerely,

Hamish Maxwell.
past, left it up to the acquiring carrier to see to it that employees' rights and salaries are handled fairly. Generally, this has been an effective approach, however, with the recent wave of air carrier mergers, some air carriers have tried to cut corners in the interest of expediency of their employees. S. 943 will help assure that airline employees will not be the victims of deregulation.

Mr. President, the airline industry, according to a press release from the airline business, and the traveling public will all benefit from this legislation. I urge my Senate colleagues to support this important bill.

JACK EVANS: OIL FORECASTER AND ENTREPRENEUR

Mr. MATSUAGA. Mr. President, the Nation's energy future has long been a concern of mine, and one of my most valued advisers in this regard is a broad-gauged oil man of vision and ability, one who knows the world petroleum markets and the ways of Government here in Washington. I refer to John K. Evans, who has been my most valued adviser in this regard. I refer to John K. Evans, who has been a most successful private enterprise dependent refinery. “I'm not a consultant—I want a piece of the action,” he said to the Shriners hospitals here and in Washington, D.C., lobbying for the foreign trade zone.

“I know if we didn't get the permit in that (the Johnson) administration, we'd have to start all over with Nixon. We got the PTZ on the last day of Johnson's regime.” The Hawaiian Independent Refinery now produces almost 70,000 barrels a day, and, Evans said, “It shows what can be done in partnership between private enterprise and government.”

The oil business today isn't nearly as much fun, Evans mused. “Now it's the day of commodity trading—it's just speculation. Prices are based on psychology rather than what's going on in the marketplace. You no longer have control.”

The gimmick in this case was setting up a foreign trade zone. Showing his consummate deal-making ability and his recognition of the need to develop alternative, renewable energy sources. A philanthropist and entrepreneur currently promoting photovoltaic cells in Florida, Jack shows little evidence of slowing down although he has accomplished much in his lifetime: he now keeps busy by carrying on an extensive worldwide correspondence with people in all walks of life.

As one in the Government sector who was involved from the very beginning in assisting Jack Evans and Jim Gary, founder of Pacific Resources, Inc., in their visionary effort to install healthy business competition in the 50th State, I was pleased to read an account of a very interesting interview by a writer for the Pacific Business News as to how Hawaiian Independent Refinery, Inc. got started in 1968. Because this is an absorbing story of how a most successful private enterprise was established with Government assistance for the benefit of the consumer, I believe my colleagues and others will benefit from reading the article. I, therefore, ask that it be printed in the Congressional Record and that the text be made available to the committee staff and to the floor at our earliest convenience.

The oil business today isn't nearly as much fun, Evans mused. “Now it's the day of commodity trading—it's just speculation. Prices are based on psychology rather than what's going on in the marketplace. You no longer have control.”

I plan to cut costs at the expense of following my statement. I make this request as a means of expressing my deep appreciation, belated and inadequate as it may be, to Jack Evans and Jim Gary for all they have done for the people of Hawaii, whom I represent in the U.S. Senate. The article follows:

[From the Pacific Business News, Mar. 23, 1987]

EVANS RECALLS ORIGINS OF OIL REFINERY

(From Nancy Davlantes)

At age 80, Jack Evans is still making deals. When he recently retired in Jacksonville, Fla., this multimillionaire philanthropist was found working on deals in hydroplants in Maine and photovoltaic cells in Florida.

But his best accomplishment has to be the oil refinery that brought Evans to Hawaii almost 30 years ago, and led—against sizable odds—to the creation of the Hawaiian Independent Refinery Inc., a subsidiary of Pacific Resources Inc.

Still a major stockholder in and advisory director to PRI, Evans was in town recently to be honored by the Shriners Hospitals Philanthropic Society for his $1 million gift to the Shriners hospitals here and in Tampa, Fla.

Novels have been written with far less material than Evans' life story, from being orphaned at 10 years old in Wales where he was born and raised, and then to the U.S. as an illegal alien, to his career with Royal Dutch Shell, then the foreign operation of what would become Shell, to his current position as president of the University of Hawaii. It was his expertise in the oil business that led to his first visit to Hawaii, back in 1968, at the request of his good friend Stuart Udall, former U.S. Secretary of the Interior.

At that time he was en route to deal-making in Taiwan and Korea, but Udall asked Evans to see his friend, then-Gov. John Burns to advise him on the oil business here.

"When I came here," Evans recounted, "I was making big money trading. I told Udall, 'I'm not a consultant—I want a piece of the action.'"

His initial visit with Burns, he said, was a game of cat and mouse.

"I thought I'd give him a lot of malarkey about the oil business. I'll never forget that character. After keeping me waiting, he asked me 'What can I do for you?' I said to him, 'What do you want?'"

Evans said he had no idea what he wanted, other than he was anxious to inject competition into the oil business here.

"I told him there was only one way to do it," said Evans. "You'll never attract independent marketers here when there's no way to get oil in. You have to have an independent refinery.

"What do you need? asked Burns.

Land that's near water, said Evans, and so he was sent over to the Estate of James Campbell where he obtained an option on 110 acres at Campbell Industrial Park for six months.

After agreeing with Burns that the new refinery should be a Hawaiian company, Evans was put in touch with James Gary, then president of the Honolulu Gas Co.

Together they organized a coterie of investors and set about getting the necessary approvals—no small task, especially from the federal government.

"I knew we had to build a small refinery (less than 30,000 barrels a day)," Evans recalled. "The whole oil industry was against us. The independent producers fought it, and so did the big companies.

"Not only that, but the oil import program passed in 1959 established quotas for existing refineries on imported oil, and any refineries that were not importers of record got no quota."

But, said Evans, "there's always a gimmick."

The gimmick in this case was setting up a foreign trade zone at the refinery site, in effect establishing a foreign country not subject to the quotas.

A foreign trade zone (PTZ) would allow the new refinery to import crude from foreign sources and pipe its refined products back out to tankers. Since sales to the U.S. Department of Defense were also considered foreign sales, the refinery had an outlet for almost all the product it could make.

The idea was great, but getting the zone established was another matter.

The federal government, it turned out, was afraid that the PTZ idea would catch on, leading more refineries to apply for the same deal.

Nonetheless, Evans and his group pursued the idea. But first they had to prove they had the market, the technology, the engineering, and the money to put their project together before they'd get the approval.

"It seems you're putting a deal together," he said, "it's a question of what comes first, the chicken or the egg. You have to start somewhere."

So through his connections Shell gave the refinery, still in the planning stages, a contract to supply it crude with "enough volume to make us legitimate."

Evans spent most of the next four years in Washington, D.C., lobbying for the foreign trade zone.

"I knew if we didn't get the permit in that (the Johnson) administration, we'd have to start all over with Nixon. We got the PTZ on the last day of Johnson's regime."

The Hawaiian Independent Refinery now produces almost 70,000 barrels a day, and, Evans said, "It shows what can be done in partnership between private enterprise and government."

The oil business today isn't nearly as much fun, Evans mused. "Now it's the day of commodity trading—it's just speculation. Prices are based on psychology rather than what's going on in the marketplace. You no longer have control."

But the good times, too, he said, are to be very volatile for the next several years, "but the general feeling is that OPEC will keep the price from falling through the floor. But anybody's making half a billion. But by then the major reserves here will be depleted, and OPEC will be in the catbird's seat."

ORDER OF PROCEDURE

Mr. BYRD. I inquire of the distinguished Republican leader if he has anything to say for the Information of the Senate or just has anything to say?

Mr. DOLE. I thank the majority leader. I have nothing further to say.

SCHEDULE FOR TUESDAY, JUNE 16, 1987

Mr. BYRD. Mr. President, the Senate will shortly adjourn over until Monday for a pro forma session at 12 noon, with no business, no debate, and the Senate will immediately upon adjourning, go over until Tuesday next to convene at the hour of 10 a.m.
On Tuesday, there will be 2 hours prior to the regular luncheon conferences of the two parties, 2 hours between the hours of 10 a.m. and 12 noon, for debate or following the two leaders.

ORDER FOR MORNING BUSINESS ON TUESDAY AND RESUMPTION OF CONSIDERATION OF S. 2

Mr. BYRD. Mr. President, I ask unanimous consent that following the two leaders on Tuesday under the standing order, there be a period for the transaction of morning business to extend not beyond the hour of 11 a.m., at the conclusion of which morning business, the Senate will resume consideration of the unfinished business.

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

Mr. BYRD. Mr. President, the remaining time between that moment at the conclusion of morning business and the hour of 12 o'clock noon, the two leaders will control that time equally. Then the Senate will stand in recess for 2 hours.

The hours between 2 p.m. and 5 p.m. will be equally divided and controlled by the leaders or their designees and the debate will ensue on the pending amendment, which is an amendment to the committee substitute to S. 2. A vote on cloture will occur circa 5 p.m. on Tuesday, and on Wednesday there will be a second cloture vote on the amendment to the committee substitute to S. 2, the campaign financing reform bill.

There may be other business that would be called up during each of those 2 days by unanimous consent. I am thinking in terms of conference reports, hopefully, on homeless relief legislation and on the budget. There may be other unanimous-consent business that can be transacted. There may be executive business that can be transacted. I would like, as I have already indicated, to get to some of the nominations on the calendar. For the remainder of next week, I would see the campaign financing reform legislation. So there may be rollcall votes on Tuesday prior to 5 o'clock p.m. I underscore that statement.

Mr. DOLE. Will the majority leader yield?

Mr. BYRD. Yes.

Mr. DOLE. I thank the distinguished majority leader. On next Tuesday, the President will be having lunch with Republican Senators and the majority leader was gracious enough to permit us to use S-207 for that purpose. I want the Record to reflect that.

Mr. BYRD. Mr. President, the Republican leader is very kind to make reference to the Democratic leadership in that regard. It was felt that in the interests and the best security of the President, if he wants to come up and the Republican leadership wants that room in which to have lunch with the President on Tuesday, why, the Democrats will gladly give it up and we will have our little meeting in S. 211. Very well.

ADJOURNMENT UNTIL MONDAY, JUNE 15, 1987

Mr. BYRD. Mr. President, there being no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in adjournment until 12 noon on Monday next.

The motion was agreed to; and the Senate, at 5:59 p.m., adjourned until Monday, June 15, 1987, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 11, 1987:

THE JUDICIARY

Haldane Robert Mayer, of Virginia, to be U.S. circuit judge for the Federal circuit.