

the South China Sea. And whatever the risks of confrontation, I think the United States was right to declare its willingness to use military force to escort shipping in the South China Sea. If China were to interfere with those shipping lanes—blocking the flow of oil to Japan, for example—the global economy would be thrown into crisis.

Americans also need to use the right historical model. China is not bent on international conquest. Beijing may wish to dominate the region, but it does not wish to raise the Chinese flag over Jakarta or Tokyo. Rather, it is like Germany in the run-up to World War I, yearning for greater importance and testing to see what it can get away with. There could be a major war with China, but if so, it will be because of ignorance and miscalculation—in substantial part on the western rim of the Pacific.●

#### MEASURE READ FOR FIRST TIME—S. 1500

Mr. SANTORUM. Mr. President, I understand S. 1500, introduced today by Senator BROWN, is at the desk and I ask for its first reading.

The PRESIDING OFFICER. The Senator is correct. The clerk will read the bill for the first time.

The bill clerk read as follows:

A bill (S. 1500) to establish the Cache La Poudre River National Water Heritage Area in the State of Colorado, and for other purposes.

Mr. SANTORUM. Mr. President, I now ask for its second reading, and I object to my own request on behalf of Senators on the Democratic side of the aisle.

The PRESIDING OFFICER. An objection is heard.

#### INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1996— CONFERENCE REPORT

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Senate proceed to the conference report accompanying H.R. 1655, the intelligence authorization bill.

The PRESIDING OFFICER. The report will be stated.

The bill clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1655) to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of December 20, 1995.)

Mr. SPECTER. Mr. President, I am pleased today to present to the Senate the conference report on the Intelligence Authorization Act for fiscal year 1996. This legislation addresses a

number of critical issues identified through the oversight process and lays the groundwork for legislation the committee plans to introduce early next year to ensure the intelligence community is organized to effectively address the Nation's critical intelligence needs today and in the future.

Getting this authorization bill to this point in the process has not been easy, but it would have been impossible were it not for the unflagging efforts and cooperation of the vice chairman, Senator ROBERT KERREY. It has been a pleasure working with the Senator from Nebraska over the past year and I look forward to a productive year ahead. In addition, I want to commend our colleagues on the House Permanent Select Committee on Intelligence, particularly Chairman LARRY COMBEST and the ranking minority member, NORMAN DICKS, for their cooperation and willingness to work with us to produce this bill. We had some tough issues to address and their good faith and determination to seek areas of agreement were critical to the success of our efforts. Finally, I want to recognize the other members of the Senate Select Committee on Intelligence, some of whom have served on this committee for quite some time over the years and whose expertise, interest, and insights have served the committee and its chairman well.

The conference report and statement of managers you have before you today contains a number of significant provisions. Several of the sections address counterintelligence issues highlighted by the Aldrich Ames case. For example, the bill closes a loophole that allowed an employee convicted of espionage to receive money the U.S. Government contributed to his or her thrift savings plan, even though the money contributed to the plan by the employee was forfeited. Similarly, the bill allows a spouse who fully cooperates in an espionage investigation to receive spousal pension benefits, thus removing a disincentive provided by current law. Perhaps most significant in this regard is the provision that will allow the Federal Bureau of Investigation to obtain certain limited information from credit bureaus as part of a duly authorized counterintelligence or international terrorism investigation. Following the money trail is a critical part of these kinds of investigations. The FBI has the authority under current law to look at bank account information of individuals who are part of such an investigation. In order to use this authority, however, the FBI must identify the banks at which the individual maintains accounts. This is often done today through the intrusive and laborious process of going through that individual's trash. This provision allows the FBI to get that information, along with basic identifying information, from a consumer credit report if it meets certain specified requirements. Access to the entire consumer

credit report still will require a court order.

This conference report also contains a number of provisions that reflect the changes wrought by the end of the cold war and the reexamination of the role and mission of the intelligence community [IC]. One of the key issues in this context is personnel. The committee has been concerned for some time now that the IC has not done an adequate job of removing poor performers, creating headroom for those who excel, and ensuring that the community has the right mix of skills to accomplish its current and future missions. It is particularly critical that the IC carefully manage the significant downsizing it is currently experiencing. This report calls on the DCI to develop personnel procedures for the committee to consider that include elements for termination based on relative performance and on tie in class.

Another trend in the IC in the post-cold-war environment is the declassification of secrets about which there are no longer national security concerns. The conference report contains significantly greater flexibility for the DCI and we have been assured that the funds now authorized for this activity are adequate to ensure that declassification will proceed expeditiously without sacrificing the care needed to weed out the true secrets.

The conference report also contains the provision from the Senate bill requiring a report on the financial management of the National Reconnaissance Organization. Like so much of the IC budget—about 85 percent, in fact—the NRO budget is under the Department of Defense rather than the Director of Central Intelligence. From what we have learned to date about the problems with NRO accounting practices and management, this bifurcated chain of authority contributed to a situation in which no one adequately supervised the use, for example, of prior year, or carry forward, funds. This committee will continue to monitor NRO's financial management situation until it is satisfied that controls are in place and there is full accountability.

The budget for the IC remains classified, but I can tell you that the funding authorized in the conference report, which incorporates a classified annex, is slightly below last year's level and the administration's request. This is the sixth straight year the budget has been reduced, for a cumulative reduction of 17 percent. The conference did recommend a reallocation of funding to emphasize areas of critical importance. For example, notwithstanding the rhetorical priority placed on critical intelligence topics such as proliferation, terrorism, and counternarcotics, the committee identified areas where insufficient funds have been programmed for new capabilities, or where activities are funded in the name of high-priority targets which make little or no contribution to the issue. In the classified annex accompanying the report,

the conferees recommend a number of initiatives to enhance U.S. capabilities in the areas of proliferation, terrorism, and counternarcotics. Similarly, the IC's capabilities for processing information have lagged behind the collection capabilities and the conference report attempts to address that by shifting funds.

In conclusion, I want to acknowledge the work of the staff of the committee in putting this legislation together and in assisting the committee in its day-to-day oversight of this Nation's intelligence activities. I urge my colleagues to support this bill.

Mr. KERREY. Mr. President, I join with the chairman in strongly recommending that the Senate adopt this conference report on the fiscal year 1996 Intelligence Authorization Act.

This bill continues the efforts of this committee to ensure that the intelligence community is making the changes necessary to adapt to today's world. As our troops enter Bosnia for their peacekeeping mission and policymakers work to ensure there continues to be a peace to keep, we are reminded once again of the importance of a flexible, efficient, and effective intelligence capability to support both national and military needs. It is a very different world from that which challenged the intelligence community during most of its post World War II existence. This conference report reflects the changing role and mission of intelligence. To ensure we can meet the growing demand for timely, actionable intelligence, for example, this bill shifts greater resources into the processing of intelligence, which has failed to keep pace with the collection of information. Similarly, as the threats from proliferation of weapons of mass destruction, international terrorism, organized crime, and international narcotics trafficking take on ever greater importance, the committee has included budgetary recommendations to increase funding in these areas.

The conference report includes all of the provisions contained in the Senate bill, although several of the provisions reflect some changes. In addition, the conference report includes a provision specifying that the Director of Central Intelligence can use up to \$25 million for declassifying records over 25 years old, pursuant to a recent Executive order. The House bill had imposed a much tighter limit on the availability of funds for this purpose. The conferees agreed to a revised provision that will allow the DCI to begin this process in a manner that is more likely to produce timely results without compromising national security.

This year has seen great controversy concerning the intelligence community. Some of the problems we are all familiar with include the CIA's relationship with assets in Guatemala who may have participated in or covered up murders, the continuing damage caused by Aldrich Ames' treachery, CIA's withholding from its customers

the full details of source information on Soviet and Russian reports, and the National Reconnaissance office's accumulation of funds in forward funding accounts vastly in excess of what they require. These failures and mistakes remind us all of the need for vigilant oversight of intelligence activities, a responsibility which Chairman Specter and I and our colleagues on the committee take very seriously.

These controversies also remind us that intelligence is becoming less of a secret business; there is a conscious process of declassification now ongoing, which is healthy; the actions of our Government should be as transparent as possible, consistent with protecting the lives of the Nation and our people. But there is also a tendency to attack necessary secrecy by means of leaks as if, with the demise of the Soviet Union, the need to protect sources and methods has evaporated and the leaking and publication of classified information is therefore harmless. Mr. President, terrorism, the spread of nuclear and chemical weapons in the world, the Russian and Chinese nuclear forces, international crime and drug trafficking, the intentions of factions in Bosnia to attack our troops—these are not harmless threats, and it is most harmful to reveal the American intelligence sources and techniques employed against those threats. In our oversight tasks we walk a fine line between correcting problems and deficiencies and telling the public as much as we can about the, on the one hand, and protecting necessary secrets, on the other.

This has been a challenging year for the intelligence community. In the midst of significant downsizing, questions about its mission, and what seemed at times to be daily revelations of scandals, the intelligence professionals continued to collect, analyze, and disseminate information to meet the needs of policymakers and the military. All of us can take pride in the quality and dedication of the Americans serving their country in the intelligence community, and I hope the headlines of the moment will not dissuade dedicated, talented young patriots from seeking careers in intelligence. In the coming months the committee will be making decisions about legislation to ensure that the intelligence community is structured to maximize the effectiveness of the efforts of these hard working men and women. The bill before you today is a significant step in that direction and I urge your support.

Mr. PRESSLER. Mr. President, I want to take a moment prior to Senate enactment of the conference report to H.R. 1655, the Intelligence Authorization bill to express my views regarding several provisions that I fear could weaken U.S. sanctions laws and weapons non-proliferation policy.

The proliferation of weapons of mass destruction is the leading security issue facing the United States and its

allies. The President himself said so in a speech last year. There is a direct connection between the imposition of sanctions under U.S. and international laws and the volume of weapons trafficking. Strong enforcement of sanctions laws is a critical element of U.S. and international non-proliferation policy. The likelihood of punishment must be high. The commitment of our nation as the principle leader in international non-proliferation efforts must be taken seriously. Our resolve must be unquestioned. To do otherwise would send the worst signal, particularly to terrorist states and rogue groups. In that kind of environment, the very security of the United States may be in question.

It is for that reason that I must express my concerns with H.R. 1655, and more to the point, section 303 of the bill, which would create a new Title IX in the National Security Act. This new title would give the President unprecedented authority to stay the imposition of sanctions related to the proliferation of weapons of mass destruction, their delivery systems, as well as other advanced conventional, chemical or biological weapons. This waiver authority could be exercised if the President determines that the imposition of sanctions "would seriously risk the compromise of an ongoing criminal investigation directly related to the activities giving rise to the sanction or an intelligence source or method directly related to the activities giving rise to the sanction."

I am very concerned that with this provision, diplomatic and political pressure may make it impossible for the United States to do the right thing and sanction major offenders.

For the last several years, the proliferation of weapons of mass destruction and the delivery systems of such weapons appears to be intensifying. All this year, we have heard reports that the People's Republic of China has engaged in the proliferation of ballistic missile systems to Pakistan and possibly even Iran—activities that would be sanctionable under the Missile Technology Control Regime, MTCR. China also is reported to be actively involved in the expansion of Pakistan's nuclear program, as well as Iran's drive for nuclear technology.

The fact that all of this reported activity can occur without as much as a threat of sanctions from the United States has led me to believe that we may need to make our sanctions laws tougher. In fact, I am the author of a law that gives the President presumptive authority to impose sanctions against parties that export questionable materials to terrorist countries. This law, which went into effect last year, was designed to give the President the ability to impose sanctions in cases where he simply had reason to believe that weapons of mass destruction or their means of delivery had fallen in the hands of terrorist countries. He need not wait for actual proof. If he

waited, it may be too late. Equally important, the law compels the sanctioned country to come forward to demonstrate that no violation actually took place.

This law, in short, broadens the President's authority to enforce non-proliferation policy. The conference report to H.R. 1655 goes in the opposite direction—it broadens the President's authority to weaken non-proliferation policy.

Mr. President, I recognize that the trafficking of weapons of mass destruction and their related delivery systems takes place out of sight. I also very much respect that fact that intelligence sources and methods designed to monitor a nation's weapons activities are almost always, if not entirely, at risk of discovery. The consequences of such discovery certainly are life-threatening to say the least. Virtually all prosecutions and sanctions are developed from intelligence sources and methods. Therefore, I am very concerned that the conference report would provide the President with a very tempting waiver option—an option that would give the President the opportunity to make a political decision to forego prosecution or to avoid imposition of sanctions, but base it on "sources and methods." In other words, the President would have the opportunity to place political expediency or other factors above our nation's non-proliferation laws. I believe that kind of discretion is a serious mistake.

I raised these concerns to the distinguished Chairman of the Intelligence Committee, Senator SPECTER. I know a number of my colleagues in the House and the Senate expressed similar views. Both the final bill language and the joint explanatory statement of the conference committee attempt to address these concerns. First, the conferees required that Title IX would be in effect for just one year. This limitation was placed to afford the Congress the opportunity to monitor closely the use of this new authority. Second, the conferees make clear that this authority is to be used for its stated purpose—to preserve sources and methods, as well as ongoing criminal investigations when seriously at risk—and "not as a pretext for some other reason not to impose sanctions such as economic or foreign policy reasons."

I appreciate the effort made by the conferees to restrict the President's ability to exercise this waiver authority to the purposes stated in the legislation. I also appreciate the conferees' insistence that this provision only be in effect for one year. Despite these efforts, I still believe we are setting a dangerous precedent and opening a Pandora's box that could be difficult to close.

Consider two facts: first, intelligence sources and methods are virtually the only means that allow a President to proceed with sanctions; and second, only the President is in the best position to determine whether or not a

source or method is at risk if sanctions are imposed.

These facts lead this senator to conclude that the new Title IX is based on a flawed premise—that Congress has the ability to ensure that the President will not abuse this new discretionary authority to waive sanctions. I say it is flawed because only the President is in a position to determine whether or not a source or method is at risk. This risk determination is subjective—a judgment call. And, again, given that the basis for sanctions comes from sources and methods, the President is given the latitude to consider numerous economic, political or foreign policy implications, but on paper base his conclusion on sources and methods. What methods and resources do we in Congress have to second guess the President should he make a "sources and methods" risk determination? Would the Congress even want to second guess the President, given the fact that doing so could be even more dangerous to that intelligence source or method?

The fact is our sources and methods are almost always at risk, to say the least, but until today, our priority always has been the enforcement of our non-proliferation laws.

I am hopeful that in the next year, Congress will closely monitor the President's use of this waiver authority. I urge my colleagues not just to consider the President's ability to comply with the conditions set by the conferees, but also our own ability to ensure that these conditions are in fact followed by the President.

As the world's sole superpower, all nations concerned with the threat of nuclear proliferation look to the United States to lead by example. Vigorous U.S. enforcement of nuclear non-proliferation laws and agreements is crucial to the security of all people. I am very concerned that the conference report sets a bad precedent that could undermine vigorous enforcement in the year ahead, and even beyond if Congress allows the law to continue. I intend to follow this matter very closely in the year ahead. It is my hope that tough, consistent enforcement of our non-proliferation laws will not be sacrificed.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the conference report be deemed agreed to; that the motion to reconsider be laid on the table; and that a statement on behalf of Senator SPECTER be placed at the appropriate place in the RECORD.

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

So the conference was deemed agreed to.

#### COMMENDING THE CIA'S STATUTORY INSPECTOR GENERAL

Mr. SANTORUM. I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 201 submitted earlier today by Senator SPECTER and Senator

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A resolution (S. Res. 201) commending the CIA's statutory Inspector General on his 5-year anniversary in office.

The Senate proceeded to consider the resolution.

Mr. WARNER. Mr. President, it is with great pleasure that I join my former colleagues on the Senate Intelligence Committee in co-sponsoring a resolution commending the fine work of the CIA's Inspector General, Fred Hitz, and congratulating Fred on his 5-year anniversary as the first Senate-confirmed Inspector General at the CIA. I had the honor of working with Fred's father many years ago, and I would like to say that Fred is admirably carrying on his family's very fine tradition of public service.

During the majority of my tenure on the Intelligence Committee and, in particular, during my service as Vice Chairman of the Committee from 1993 until January of this year, I enjoyed the benefit of Fred Hitz's wise counsel. Fred's integrity, objectivity, and fine investigative skills have served the CIA well as the Agency has confronted a number of serious problems in recent years.

Of special note, the Inspector General's comprehensive investigation of the Aldrich Ames spy case provided the Intelligence Committee, and indeed, the Nation, with the details of Ames 9-years of treachery, and insight into the problems at the CIA which allowed Ames' activities to go undetected for so long. The Committee relied heavily on the fine work performed by Fred Hitz's office in making its recommendations for how to correct the problems which the Ames case brought to light. Hopefully, the combined efforts of the CIA's IG and the Senate Intelligence Committee will serve to severely lessen the likelihood that this nation will be faced with another Ames case in the future.

Under Fred Hitz's leadership, the CIA's Inspector General's office has become an effective, objective and independent institution upon which the Members of Congress have come to rely.

I congratulate Fred on reaching this milestone in his illustrious career, and I look forward to many more years of working together on intelligence issues which are so vital to the national security of the United States.

Mr. SPECTER. Mr. President, I rise to introduce a resolution on behalf of myself, Senator KERREY of Nebraska, Senator GLENN, Senator BRYAN, Senator ROBB, Senator JOHNSTON, Senator CHAFEE, Senator BAUCUS, Senator WARNER, Senator KERRY of Massachusetts, Senator SHELBY, Senator GRAHAM of Florida, Senator KYL, Senator LUGAR, Senator INHOFE, Senator BYRD, and Senator DEWINE commending the Central Intelligence Agency's statutory Inspector General on his 5-year anniversary in office.