

The use of intelligence is another area.

One of the key responsibilities of the Director of Central Intelligence is to provide unbiased intelligence to the President and to the Congress. Thus, it is very critical that we examine Mr. Lake's record as a consumer of such intelligence.

How did he translate intelligence into policy at the NSC? Did he ignore intelligence estimates, spin them to fit administration policy, or raise the standards of evidence?

We have concluded our investigation surrounding the administration's use of intelligence in shaping policy toward China, and there are some serious inconsistencies. We are prepared to discuss these with Mr. Lake in the closed session of the committee.

Mr. President, given the allegations mentioned in every newspaper about Chinese involvement in DNC fundraising, this is an area for some serious questioning about potential influences on policy, and it should be.

For example, there are still documents we wish to review as to the role intelligence played in our policy toward the Government of Haiti. The administration has consistently refused to transmit this information to Congress. Senator KERREY and I have requested these documents, and we are still awaiting the National Security Council's response.

We are also reviewing United States knowledge and assessment of recent events in Iraq and their impact on our policy there and how Mr. Lake used this knowledge in formulating that policy. We are pursuing similar questions in areas relating to Cuba, Somalia, Bosnia, and Pakistan.

Ethics violations is another area we are pursuing.

While the Justice Department has reached a settlement with Mr. Lake regarding his failure to sell energy stocks that were deemed to create a conflict of interest for him, resulting in a payment of a \$5,000 fine by Mr. Lake, the Committee on Intelligence has been investigating this matter further.

Although Mr. Lake claims that the failure to sell stocks was a simple oversight, Justice Department investigators interviewed by the committee documented 14 occasions over a 2-year period on which Mr. Lake was reminded that he still owned the stocks. It was only after a White House ethics officer discovered the stocks on his financial disclosure form for a third time that Mr. Lake did divest himself of the investments. Thus, a key question is whether this violation represents financial mismanagement on the part of Mr. Lake or a complete disregard for the seriousness of the ethics standards applied to all Federal employees.

Additionally, what example does this set for the intelligence community professionals who must be held to the highest standards of personal conduct?

The Intelligence Committee is also investigating the thoroughness of the

Justice Department's investigation into Mr. Lake's stocks, particularly those energy-related stocks which created a conflict of interest and subsequent fine. Given that Mr. Lake garnered a profit of over \$25,000 on these investments, I have trouble, as other members of the committee do, understanding the Justice Department's arbitrary fine of \$5,000, which is the maximum allowed, I understand, for a potential misdemeanor offense.

If the case, on the other hand, had been referred to the Justice Department's civil division, a much greater fine of up to \$50,000 per offense could have been imposed. Why wasn't this course taken? We do not know, but we will pursue it.

Iran-Bosnia and the "no instructions" policy.

A key criterion for a Director of Central Intelligence is the extent to which he or she can gain the confidence of the Congress in keeping Members fully and currently informed of intelligence community actions. Mr. Lake's role in the execution of the secret "no instructions" policy toward Croatia allowing Iranian arms to flow into Bosnia and the decision, Mr. President, not to inform Congress of this action has called into question Mr. Lake's ability to be forthright with the Congress.

The distinguished former chairman of the Intelligence Committee, my colleague and an expert in the area, Senator SPECTER, has raised serious questions regarding this matter which we intend to explore fully during our hearings.

While Mr. Lake has admitted that it was wrong not to inform Congress of the "no instructions" policy, there remains a number of inconsistencies in testimony before both Houses of Congress as to the extent of the policy decision and its implementation. The Intelligence Committee is working with other congressional committees to review pertinent testimony and decide on an appropriate panel of witnesses to pursue this matter during Mr. Lake's confirmation hearings. The Senate confirmation hearings will represent the first time that Mr. Lake will testify under oath on his role in the development and execution of this policy.

As to the FBI background investigation, there has been no resolution regarding requests made by me and a large number of my colleagues to review Mr. Lake's complete FBI background file. Negotiations between White House Counsel Charles Ruff, Senator KERREY, and I are continuing.

A significant number of my colleagues have written the distinguished majority leader stating that they need to review the complete background investigation before they would be prepared to vote on this nomination. Our thorough review of Mr. Lake's background investigation, I believe, is key to a fundamental understanding of Mr. Lake's character and integrity, as it would be for anyone else.

Finally, the committee is reviewing information provided by Mr. Lake in

response to questions propounded by the committee earlier. We require some clarifications to Mr. Lake's answers, and therefore additional questions have been put forward that must be addressed.

There are some areas where we are requesting additional supporting documentation to Mr. Lake's answers, such as his financial disclosures and issues associated with a potential conflict of interest, and we will request for the committee a review of material that was redacted for various reasons.

I thank you, Mr. President, for this opportunity to provide the Senate with a status of the Lake confirmation process and an opportunity for me to lay out some of the concerns that I and some of my colleagues have about this nomination. We intend to work through each of these issues in a fair and a thorough manner and look forward to questioning Mr. Lake and others beginning next Tuesday, March 11.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE NOTICE OF THE CONTINUATION OF THE IRAN EMERGENCY—MESSAGE FROM THE PRESIDENT—PM 20

The Presiding Officer laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iran emergency declared on March 15, 1995, pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701-1706) is to continue in effect beyond March 15, 1997, to the *Federal Register* for publication. This emergency is separate from that declared on November 14,

1979, in connection with the Iranian hostage crisis and therefore requires separate renewal of emergency authorities.

The factors that led me to declare a national emergency with respect to Iran on March 15, 1995, have not been resolved. The actions and policies of the Government of Iran, including its support for international terrorism, efforts to undermine the Middle East peace process, and its acquisition of weapons of mass destruction and the means to deliver them, continue to threaten the national security, foreign policy, and economy of the United States. Accordingly, I have determined that it is necessary to maintain in force the broad authorities that are in place by virtue of the March 15, 1995, declaration of emergency.

WILLIAM J. CLINTON.

THE WHITE HOUSE, March 5, 1997.

MEASURE PLACED ON THE CALENDAR

The following measures were read the second time and placed on the calendar:

S.J. Res. 22. Joint resolution to express the sense of the Congress concerning the appointment by the Attorney General for the appointment of an independent counsel to investigate allegations of illegal fundraising in the 1996 presidential election campaign.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1310. A communication from the Office of Regulatory Management and Information, U.S. Environmental Protection Agency, transmitting, pursuant to law, four rules including a rule entitled "Approval and Promulgation of Implementation Plans" (FRL5696-8, 5696-6, 5697-7, 5697-3) received on March 3, 1997; to the Committee on Environment and Public Works.

EC-1311. A communication from the Chairman of the Prospective Payment Assessment Commission, transmitting, pursuant to law, the report of recommendations concerning Medicare payment policies; to the Committee on Finance.

EC-1312. A communication from the Director of the Office of Regulations Management, Department of Veterans' Affairs, transmitting, pursuant to law, a rule entitled "Veterans' Education" (RIN2900-AI53) received on March 4, 1997; to the Committee on Veterans' Affairs.

EC-1313. A communication from the Director of the U.S. Trade and Development Agency, transmitting, pursuant to law, the report under the Freedom of Information Act for calendar year 1996; to the Committee on the Judiciary.

EC-1314. A communication from the Executive Director of the Federal Retirement Thrift Investment Board, transmitting, pursuant to law, the report under the Freedom of Information Act for calendar year 1996; to the Committee on the Judiciary.

EC-1315. A communication from the U.S. Office of Special Counsel, transmitting, pursuant to law, the report under the Freedom

of Information Act for calendar year 1996; to the Committee on the Judiciary.

EC-1316. A communication from the Acting Director of the Office of Federal Housing Enterprise Oversight, transmitting, pursuant to law, the report under the Freedom of Information Act for calendar year 1996; to the Committee on the Judiciary.

EC-1317. A communication from the Assistant Secretary (Management) and Chief Financial Officer, Department of the Treasury, transmitting, pursuant to law, the report under the Freedom of Information Act for calendar year 1996; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following report of committee was submitted on March 4, 1997:

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Res. 19: A resolution expressing the sense of the Senate regarding United States opposition to the prison sentence of Tibetan ethnomusicologist Ngawang Choephel by the Government of the People's Republic of China.

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 Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 392. A bill to provide an exception to the restrictions on eligibility for public benefits for certain legal aliens; to the Committee on Finance.

By Mr. DODD (for himself and Mr. LIEBERMAN):

S. 393. A bill to clarify the tax treatment of certain disability benefits received by former police officers or firefighters; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. LEAHY, Mr. COCHRAN, Mr. SPECTER, and Mr. FAIRCLOTH) (by request):

S. 394. A bill to partially restore compensation levels to their past equivalent in terms of real income and establish the procedure for adjusting future compensation of justices and judges of the United States; to the Committee on the Judiciary.

By Mr. BREAUX (for himself and Mr. BRYAN):

S. 395. A bill to amend the Internal Revenue Code of 1986 to simplify the method of payment of taxes on distilled spirits; to the Committee on Finance.

By Ms. MIKULSKI (for herself and Mr. SARBANES):

S. 396. A bill to amend titles 5 and 37, United States Code, to provide for the continuance of pay and the authority to make certain expenditures and obligations during lapses in appropriations; to the Committee on Governmental Affairs.

By Ms. MIKULSKI (for herself and Mr. LEAHY):

S. 397. A bill to amend chapters 83 and 84 of title 5, United States Code, to extend the civil service retirement provisions of such chapter which are applicable to law enforcement officers, to inspectors of the Immigration and Naturalization Service, inspectors and canine enforcement officers of the United States Customs Service, and revenue officers of the Internal Revenue Service; to the Committee on Governmental Affairs.

By Mrs. MURRAY:

S. 398. A bill to amend title 49, United States Code, to require the use of child re-

straint systems approved by the Secretary of Transportation on commercial aircraft, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MCCAIN:

S. 399. A bill to amend the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 to establish the United States Institute for Environmental Conflict Resolution to conduct environmental conflict resolution and training, and for other purposes; to the Committee on Environment and Public Works.

By Mr. GRASSLEY:

S. 400. A bill to amend rule 11 of the Federal Rules of Civil Procedure, relating to representations in court and sanctions for violating such rule, and for other purposes; to the Committee on the Judiciary.

By Mr. JEFFORDS:

S. 401. A bill to improve the control of outdoor advertising in areas adjacent to the Interstate System, the National Highway System, and certain other federally assisted highways, and for other purposes; to the Committee on Finance.

By Mr. GORTON (for himself and Mrs. MURRAY):

S. 402. A bill to approve a settlement agreement between the Bureau of Reclamation and the Oroville-Tonasket Irrigation District; to the Committee on Energy and Natural Resources.

By Mr. FEINGOLD:

S. 403. A bill to expand the definition of limited tax benefit for purposes of the Line Item Veto Act; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, as modified by the order of April 11, 1986, with instructions that if one Committee reports, the other Committees have thirty days to report or be discharged.

By Mr. BOND (for himself, Mr. CHAFEE, Mr. NICKLES, Mr. COCHRAN, Mr. GREGG, and Mr. SMITH):

S. 404. A bill to modify the budget process to provide for separate budget treatment of the dedicated tax revenues deposited in the Highway Trust Fund; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, as modified by the order of April 11, 1986, with instructions that if one Committee reports, the other Committees have thirty days to report or be discharged.

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. D'AMATO, Mr. ABRAHAM, Mr. BINGAMAN, Mrs. BOXER, Mr. DORGAN, Ms. MOSELEY-BRAUN, Mrs. MURRAY, Mr. DEWINE, Mr. CONRAD, Mr. ROCKEFELLER, and Mrs. FEINSTEIN):

S. 405. A bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit and to allow greater opportunity to elect the alternative incremental credit; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. ALLARD, Mr. BOND, Mr. LIEBERMAN, and Mr. BURNS):

S. 406. A bill to amend the Internal Revenue Code of 1986 to provide clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home; to the Committee on Finance.

By Mr. MCCAIN (for himself and Mr. BURNS):

S. 407. A bill to amend the Communications Act of 1934 to clarify the authority of the Federal Communications Commission to authorize foreign investment in United States broadcast and common carrier radio licenses; to the Committee on Commerce, Science, and Transportation.

By Mrs. BOXER (for herself and Mr. BINGAMAN):