

agency responsible for adopting rules regulating Government securities traders. First, notwithstanding the assurances contained in the committee report, I am concerned over the potential conflict of Treasury's role as issuer of the debt and as regulatory of the dealers.

More fundamentally, though, I do not believe Treasury is the agency that should have the lead in policing this market. Quite frankly, despite the department's apparent support for S. 1416, I am skeptical whether the administration has a genuine commitment to the fundamental policy underlying this bill: that is, to bring this market under closer and better Government regulation. The record is clear that the administration is not an enthusiastic partner in this legislative enterprise. In sum, I question Treasury's interest in promulgating tough rules and its commitment to their aggressive enforcement. On balance, I believe the House approach, which creates a new self-regulatory board composed of industry, investors and public members and operating under the oversight of the Federal Reserve Board, is likely to lead to better protection of investors and dealers in Government securities.

Mr. SIMPSON. Mr. President, I move adoption of the committee substitute.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute was agreed to.

The committee amendment in the nature of a substitute was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Banking Committee be discharged from further consideration of H.R. 2032, the House companion bill, and that the Senate proceed to its immediate consideration.

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

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2032) to amend the Securities and Exchange Act of 1934 to provide improved protection for investors in the Government securities market, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. SIMPSON. Mr. President, I move to strike all after the enacting clause of H.R. 2032 and to substitute the text of S. 1416 as reported and as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 2032), as amended, was passed.

The title was amended so as to read "A bill entitled the Government Securities Act of 1986."

Mr. SIMPSON. Mr. President, I move to reconsider the vote.

Mr. BYRD. Mr. President, I move to lay the motion to reconsider on the table.

The motion to lay on the table was agreed to.

#### BILL INDEFINITELY POSTPONED—S. 1416

Mr. SIMPSON. Mr. President, I ask unanimous consent that S. 1416 be indefinitely postponed.

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

#### STAR PRINT OF REPORT NO. 99-426

Mr. SIMPSON. I ask unanimous consent that report No. 99-426 be star printed to reflect the changes which I send to the desk.

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

#### MAINE CENTRAL RAILROAD DISPUTE SETTLEMENT

Mr. BYRD. Mr. President, on behalf of Mr. MITCHELL, Mr. COHEN, Mr. DODD, Mr. METZENBAUM, Mr. KERRY, Mr. SIMON, Mr. SPECTER, Mr. HEINZ, and Mr. D'AMATO, I introduce a joint resolution, Senate Joint Resolution 415. I ask that it be read twice and held at the desk pending further disposition.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The joint resolution to provide for a settlement to the Maine Central Railroad Co. and Portland Terminal Co. labor-management dispute will be considered as having been read the first time by title and the second time at length and will be held at the desk pending further consideration.

#### MAINE CENTRAL RAILROAD DISPUTE

Mr. MITCHELL. Mr. President, I am today introducing legislation to bring about a settlement of the Maine Central Railroad labor dispute. Joining me in this action are Senators COHEN, DODD, METZENBAUM, KERRY, SIMON, SPECTER, HEINZ, and D'AMATO. The legislation also will be introduced in the House of Representatives by House Commerce and Transportation Subcommittee Chairman JAMES FLORIO of New Jersey, and Representatives McKERNAN and SNOWE of Maine. Significantly, the Maine congressional delegation is unanimous in proposing this action as the best alternative for putting to rest a labor dispute which has stricken Maine for over 6 months, and at various times has threatened to spread into a national railroad strike.

The Maine Central Railroad strike began on March 3, 1986 and quickly encompassed the Boston & Maine and Delaware & Hudson Railroads, which also are owned by Guilford Transportation Industries [GTI]. On May 16, as soon as the strike spread to the Conrail system, President Reagan imposed a 60-day cooling-off period, and empaneled an emergency board to investigate the sources of the dispute.

On June 20, the Presidential Emergency Board [EB 209] issued recommendations for settlement of the dispute. The recommendations reflected Guilford's last pre-strike offer to the union. The terms of the settlement would include severance pay of \$26,000 for currently-employed maintenance of way workers who might be laid-off in the future; negotiation of work rule changes; negotiation of a comprehensive system production maintenance crew agreement; and agreement to be bound by the outcome of national negotiations involving rates of pay and health and welfare programs.

The union has repeatedly offered to accept the emergency board recommendations. Guilford has refused to do so, on the grounds that its financial position has changed since the strike began, and that it no longer can afford them.

On July 21, the President's cooling-off period expired. With no settlement yet in sight, the Maine congressional delegation at that time introduced legislation to extend the cooling-off period by another 60 days, so as to preserve the collective bargaining process and allow negotiations to continue. It also mandated a second independent panel, a three-person congressional advisory board appointed by the National Mediation Board, to investigate the dispute, especially regarding Guilford's financial circumstances since March 3. On August 21, President Reagan signed this legislation, House Joint Resolution 683, into law.



On September 8, the congressional advisory board issued its report to Congress. The board found Guilford's continued rejection of the emergency board recommendations for financial reasons to be unconvincing, and declared that "Indeed the entire record warrants the conclusion that Guilford's refusal to accept the EB 209 report rests largely on nonfinancial considerations." The board states that "It is clear that the [Maine Central] is a profitable railroad" and that the emergency board recommendations are "reasonable and well-balanced."

The congressional advisory board also stated that "In the absence of agreement between the parties disposing of this dispute no later than September 13, 1986, the Congress should enact legislation directing the parties to accept and apply the recommendations of EB 209. Should the parties be unable to agree as to all necessary details in applying the recommendations \* \* \* any unsettled issues should be submitted to final and binding arbitration before an arbitrator designated by the NMB."

The second cooling-off period expires on September 18. Negotiations between the parties have broken down and are at an impasse. They are no closer to a resolution of this dispute than they were 6 months ago.

Once the cooling-off period expires on September 18, both parties will become entitled to resort to self-help. Guilford has made clear its intention to unilaterally impose a 20 percent wage cut and work rule changes. The union has made clear its determination to resist implementation of such terms by striking. The inevitable result would be a national railroad strike, with a disastrous impact on the economy of not just Maine, but all of New England and other regions of the country.

I introduce this legislation with some reluctance. In any labor dispute, it is preferable to allow the parties to work out their differences themselves through the collective bargaining process. In this case, however, congressional inaction means a national railroad strike, and under these circumstances, the public interest in averting a tragic disruption of interstate commerce overrides the narrow interests of either party.

Congressional intervention thus far in the Maine Central Railroad dispute has been cautious, marginal, and incremental. In extending the cooling-off period last month, we took great pains to allow the parties additional room to reach agreement on their own. The result has been nil.

The congressional advisory board reviewed the Presidential Emergency Board's recommendations and found them to be reasonable and well-balanced. The board also found that they are within the Maine Central Rail-

road's financial capacity. The emergency board recommendations have been twice endorsed as providing a reasonable settlement to the dispute. They have been accepted by the union, and they indeed reflect the railroad's own last pre-strike offer.

Congress has no choice. We have an obligation to protect the flow of interstate commerce, and cannot allow a national railroad strike to occur. This legislation enacts the emergency board recommendations, and provides a reasonable resolution to a tragic dispute that has lingered too long. ●

#### PIPELINE SAFETY

Mr. SIMPSON. Mr. President, I ask unanimous consent that when the Senate receives from the House H.R. 2092, the pipeline safety bill, it be held at the desk pending further disposition.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

#### ORDERS FOR WEDNESDAY

RECESS UNTIL 9:30 A.M.

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:30 a.m. on Wednesday, September 17, 1986.

#### RECOGNITION OF CERTAIN SENATORS

Following the recognition of the two leaders under the standing order, I ask unanimous consent that the following Senators be recognized for special orders for not to exceed 5 minutes each: Senators HAWKINS, PROXMIRE, MURKOWSKI, SASSER, TRIBLE, BROYHILL, CHAFFE, and LEVIN.

#### ROUTINE MORNING BUSINESS

Mr. SIMPSON. Following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond 10:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

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

#### PROGRAM

Mr. SIMPSON. Mr. President, at 10:30 a.m., it is the majority leader's intention to turn to H.R. 5205, the Department of Transportation Appropriations bill; with the hope that the cloture vote on the Rehnquist nomination be postponed until later in the day of Wednesday.

It is the majority leader's intention to complete action on the Rehnquist nomination tomorrow. Following disposition of the Rehnquist nomination, it will then be the intention of the majority leader to consider the nomina-

tion of Antonin Scalia to be an Associate Justice of the U.S. Supreme Court.

Therefore, votes can be expected throughout the day on Wednesday, and a late night session is anticipated.

Mr. President, I ask the distinguished minority leader if he has any further business to transact.

Mr. BYRD. Mr. President, I thank the distinguished assistant Republican leader. I do not have any further business.

#### RECESS UNTIL 9:30 A.M. TOMORROW

Mr. SIMPSON. Mr. President, therefore, in accordance with the order previously entered, I move that the Senate stand in recess until 9:30 a.m., on Wednesday, September 17, 1986.

The motion was agreed to; and at 10:28 p.m., the Senate recessed, to reconvene on Wednesday, September 17, at 9:30 a.m.

#### NOMINATIONS

Executive nominations received by the Senate September 16, 1986:

##### DEPARTMENT OF STATE

Everett E. Bierman, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Papua New Guinea, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to Solomon Islands.

##### ENVIRONMENTAL PROTECTION AGENCY

Vaun A. Newill, of New Jersey, to be an Assistant Administrator of the Environmental Protection Agency, vice Bernard D. Goldstein, resigned.

##### SELECTIVE SERVICE SYSTEM

William A. Clinkscales, of Virginia, to be Director of Selective Service, vice Thomas K. Turnage.

##### IN THE AIR FORCE

The following-named officer, under provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

##### To be lieutenant general

Lt. Gen. James R. Brown, 565-38-3216FR, U.S. Air Force.

The following-named officer, under provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

##### To be lieutenant general

Maj. Gen. Robert C. Oaks, 528-42-8163FR, U.S. Air Force.

##### IN THE NAVY

The following-named rear admirals (lower half) of the U.S. Navy for promotion to the permanent grade of rear admiral, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law: