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REFERENCE: Vol. 136 No. 75

TITLE: TONGASS TIMBER REFORM ACT

SPEAKER: Mr. ADAMS; Mr. BUMPERS; Mr. CHAFEE; Mr. CRANSTON; Mr. GARN; Mr. JOHNSTON; Mr. METZENBAUM; Mr. MURKOWSKI; Mr. ROTH; Mr. STEVENS

TEXT: [\*S7849] The PRESIDING OFFICER. The pending business is H.R. 987, the Tongass National Forest wilderness bill, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 987) to amend the Alaska National Interest Lands Conservation Act, to designate certain lands in the Tongass National Forest as wilderness, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Garn amendment No. 2017, to authorize the exchange of subsurface land owned by the Federal Government in the Greens Creek Area for lands owned by the Sealaska Corporation.

AMENDMENT NO. 2017

Mr. JOHNSTON. Mr. President, I was just given a letter, dated June 13, from the Sierra Club, which states as follows:

Yesterday during debate on the Garn amendment to the Tongass Timber Reform Act, the Sierra Club's position was misrepresented. We would like to set the record straight.

The Sierra Club urges the Senate to table the Garn amendment. The Sierra Club believes there should be a committee hearing to review thoroughly all facets of this complicated issue. This amendment should not jeopardize the swift passage of important Tongass legislation now before the Senate.

This legislation goes a long way toward resolving the environmental and fiscal problems besetting the Tongass. The letter goes on to say that the Garn amendment is a complicated amendment which ought to be heard in committee.

Mr. President, I ask unanimous consent that this letter be printed in the Record. I apologize. I think it was perhaps I who said yesterday the Sierra Club had signed on to what I believed to be the Garn amendment.

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

Sierra Club,  
Washington, DC, June 13, 1990.

Dear Senator: Yesterday during debate on the Garn amendment to the Tongass Timber Reform Act, the Sierra Club's position was misrepresented. We would like to set the record straight.

The Sierra Club urges the Senate to table the Garn amendment. The Sierra Club believes there should be a committee hearing to review thoroughly all facets of this complicated issue. This amendment should not jeopardize the swift passage of important Tongass legislation now before the Senate. This legislation goes a long way toward resolving the environmental and fiscal problems besetting the Tongass.

The Garn amendment is too complex, of sufficient magnitude in its own right, and certainly very contentious. It is also an issue very much in flux at this point.

The Sierra Club has a long history of involvement in this issue. We do not oppose a land exchange that gives land surrounding the Greens Creek silver mine to Sealaska Corporation. However, in getting land with considerable mineral potential within Admiralty Island National Monument, Sealaska and other corporations should relinquish title to land they now own within the Monument.

The Garn amendment does not fully achieve this goal of consolidating land ownership within Admiralty Island National Monument. Nor are there any second degree amendments that consummate such a consolidation.

In time there is no doubt an exchange can be configured to accomplish the objective of land consolidation and to ensure there is a proper return to the federal government. But we should learn first, then act.

Sincerely,  
Mike Matz,  
Washington Director, Alaska Program.

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

The PRESIDING OFFICER. The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. 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. METZENBAUM. Mr. President, I rise to indicate my opposition to the Garn amendment, the so-called Greens Creek amendment, to the Tongass National Forest reform legislation.

I strongly support the Tongass Timber Reform Act, as amended. I voted to report the bill from the Senate Energy Committee on March 7 of this year. Senator Johnston, as chairman of the Energy Committee, deserves a lot of credit for building a consensus to move the bill through committees and for bringing it to the floor for a vote, and I commend him for his able and diligent efforts.

The Energy Committee reported the bill after developing a full hearing record on management of the Tongass in which all views are aired. Some Senators wanted more lands to be designated as wilderness. Others wanted more land left open to commercial uses. Compromises were made. That is how the process works. We held hearings. We developed a record in the committee report.

Senator Bradley and I expressed our support for even greater protection of more old growth forest as wilderness, more buffer zone protection for more streams in the Tongass. I am pleased to note the chairman has offered an amendment to add back to the bill buffer zone protections that [\*S7850] were in an earlier form of the bill that had 53 cosponsors. That is good, very good. We have aired our differences in committee.

I parenthetically note that since the time the matter was considered in committee, I have left the committee and gone on to another committee. But I am proud of my participation and I am particularly proud of the leadership of the chairman in connection with this matter.

In that committee, we developed a record. We now come to the full Senate to allow each Senator to make an informed choice about management of America's unique temperate rain forest, the Tongass. However, we have before us an amendment called the Greens Creek land exchange. I strongly oppose this amendment on both procedural and substantive grounds. There has been no hearing on this exchange. And, as a matter of fact, before we came to the floor yesterday, we were talking about an exchange of 12,000 acres for 18,000 acres.

And then, when we got to the floor we learned that there was to be an exchange of 32,000 acres for 33,000 acres, a substantially different proposal than that which had been talked about previously.

But, regardless, that is not the main issue, the number of acres. The main issue has to do with the value of a certain portion of that acreage. Looking at the very great potential wealth of the land at issue, there should be, there must be a hearing. I know Senator Johnston agrees there should be a hearing. It is my understanding that the Sierra Club has indicated that they agree there should be a hearing and they have been very much involved in this legislation.

We need to answer some very basic questions. What is the land worth that the Government would receive? There are literally millions of acres in Alaska, so merely getting acreage for acreage means nothing, unless we know what kind of acreage we are getting, because we know what kind of acreage we are giving up.

What are the subsurface rights we are exchanging worth? Are we being fair to the public or is this just another special deal? A similar exchange, the exact details of which continue to change, was proposed to this Congress on March 9, 1990, in S. 2273. Subsequently a House bill to the same effect was introduced. No hearings have been held on either bill. An exchange involving the same parties was attempted by legislation 4 years ago, in 1986. It was a very different deal, we are told. We know this. No witness has testified on the proposed Greens Creek exchange, not one. The committee knows nothing about the specifics, nothing about value. But it is being proposed to the Senate as an amendment to the Tongass timber reform bill.

Given the lack of a record, I did my own research to determine what the United States would be giving and what it would be getting under the proposed exchange. I am shocked by what I found. I must confess that what I found had to do with facts that existed prior to the amendment that was offered yesterday, which was a changed amendment. But in all candor, the substance, the reality, the impact is not different because, although there is a proposal to add more acreage to be given to the Government, that is not particularly important. The extra acreage that the Government would be giving up, frankly I have no knowledge about that additional acreage. I do not know whether it is valuable or not valuable. No one in the U.S. Senate that I know of knows about it, unless those who are proposing it know about it. Certainly the chairman of the committee, and certainly, I, who have had an interest in the subject, have had no information on it. We have not been informed.

What we have here is that which would appear to be another example of a wasteful Government giveaway. The proposed exchange previously provided, and really in substance provides, that the United States is going to get a certain number of acres from the Sealaska Corp. And the subsurface rights to 18,839 acres of land near Greens Creek on Admiralty Island in the Tongass Forest will be given back, will be given to Sealaska.

Why should we give Sealaska Greens Creek when we do not have any idea what it is worth? More to the point, why does Sealaska want it? And why is Kennecott Corp. interested in it? Why is the Hecla Corp. interested in it? Why is Mitsubishi interested in it?

I will tell my colleagues why, in one word: Gold. "There is gold in them there hills." There is gold and there is silver and there are other valuable minerals including zinc and lead.

Although we do not know what those 18,000 acres are worth, those 18,000 acres surround a place called Greens Creek Mine. We have a pretty good idea of what the Greens Creek Mine is worth.

Mr. President, I am going to go back to a chart to indicate what we are talking about so Members of the Senate will have some understanding of the significance of this exchange.

What we are talking about has to do with this land in green, plus some additional land that I know nothing about, because it has only been added to the package as of yesterday. We know this, that on this map, in this area which is called the Greens Creek Mine, there are 357 acres. That is all that is in this area. We know in the 11 months in 1989 -- I do not have the figures for the 12th month -- that area produced about 92 million dollars' worth of valuable minerals: silver, \$34 million; gold, \$15 million; zinc, \$34 million; lead, \$9 million. For 11 months, \$92 million. Assume \$100 million for the year.

Whether or not that will last for 10 years or 15 years or 25 years or whether there will be additional veins open, we do not know. But certainly it is reasonable to assume it is worth something in the area \$1 billion to \$1.5 billion and maybe as much as \$5 billion.

The exchange we are talking about is the Greens Creek exchange. We are talking about giving up this land, all of this land here that is pictured in green. All of this land is going to be given to the Sealaska Corp., which in turn is then going to turn it over to Kennecott Copper and to Hecla Corp., and to Mitsubishi. They are going to develop it and we will get into those details in a bit.

The question is, What are the veins worth? Are there gold mines going this way? Are there silver mines going this way? Is it reasonable to assume that the vein stops at the property line? Of course not. We know already that here is an area that is separate and apart from this other area where the mines are. It is certainly not unreasonable to assume that in between there, there are valuable deposits.

Does that vein run all the way out here, or this way? No one knows. I do not know. But Sealaska, in this legislation, is proposing that we give it away. The Federal Government owns it -- we give it away.

We are talking about giving away all the land surrounding the hole in the doughnut. We are talking about an exchange that is about 50 times the size of the hole in the doughnut and we are not certain what is in that. But the 18,000 acres sought by Sealaska Corp. and Kennecott Corp. and Hecla and Mitsubishi surround one of the most successful silver mines in North America.

The U.S. Bureau of Mines says that Alaska's nonfuel mineral output was doubled in 1989, due to the output of the newly opened Greens Creek Mine on Admiralty Island. This one mine doubled the total of the mineral output value of everything in all of Alaska.

In its first 11 months it produced 6,411,469 ounces of silver with an average value of \$5.5 an ounce, or a value of \$34 million. It produced 38,813 ounces of gold with an average value of \$381 an ounce, valued at \$15 million. It produced 23,000 tons of zinc valued at \$34 million, and it produced 11,622 tons of lead valued at \$9.3 million.

That makes the total of \$92 million for 11 months, or the \$100 million that I previously mentioned.

These figures were obtained from the U.S. Department of the Interior, Bureau of Mines. The figures represent the metal values in ore mined and delivered to the mine mill plus tonnage stockpiled; in other words, ore mined but awaiting milling. But this was not a surprise.

The Greens Creek Mine Co. provided U.S. Forest Service geologists with ore [\*S7851] samples at the time of the mining claim validity determination in the summer of 1987. Mining company data at that time established total ore reserves; that is, proven deposits of 3,534,947 tons with the following content:

Silver, 23.77 ounces a ton; gold, 0.18 ounces a ton; zinc, 9.69 percent, and lead, 3.88 percent.

Average mining recovery is 88.2 percent, meaning that Greens Creek could expect to get about 90 percent of the metal content out of the ore. At the time, Greens Creek figured the average value per ton at \$214.43. This value changes with the price of the metals. The mine has an expected life of 10 years minimum.

So if you have it 15 years, 25 years, one does not know what the expected life would be, but early reports suggest that the ore is getting greater and richer as they follow the ore veins.

The U.S. Geological Survey has reviewed the available geology, geophysics, geochemistry, mineral deposit information and exploration history of Admiralty Island and while they are not yet ready to give us a complete analysis, they tell me that they expect that the 18,000-acre tract contains "large amounts of undiscovered metallic mineral resources."

It is no secret why Sealaska, Kennecott, Hecla and their partners are interested in the 18,000 acres. Sealaska intends to hold it as a passive owner and enter into a 5-year exploration agreement with the Greens Creek joint venture. Sealaska would hope to receive about a 5-percent royalty from the output of the 18,000 acres from the Greens Creek joint venture.

So who are these joint venturers who would stand to make 95 percent of the profit of the mine?

The Greens Creek Mine Co. is a joint venture composed of some pretty big commercial operators. I trust they know a good thing when they see it. It is not Sealaska that is really going to be the major beneficiary. The major beneficiaries of this claim are the ones who have been lobbying around here.

The Kennecott Corp. which has a 53.1 percent interest, a big Utah company is a subsidiary of the RTZ Corp. PLC of England. RTZ is one of the world's largest natural resource companies and one of the largest companies in the United Kingdom with a capitalization at December 31, 1989, of \$9.2 billion. Last year RTZ acquired the bulk of the minerals business of the British Petroleum Co., Ltd., at a cost of \$3.5 billion. The Greens Creek Mine in Alaska was included in the acquisition, as was the Bingham Canyon Copper Mine operated by Kennecott in Utah. The Greens Creek Mining Co., a wholly owned subsidiary of Kennecott Corp. -- a Utah corporation -- is the operator of the ongoing mine.

There are others in this deal, others who are going to share in the 95 percent.

Another of the joint venturers is Hecla Mining Co., with a 28-percent interest. Hecla, an Idaho corporation, is a diversified mining company with assets totaling \$222 million. Hecla -- and this is important -- listed its 28 percent interest in Greens Creek as third among its "principal assets and sources of revenue" in its form 10-K filed for the year ended December 31, 1989, with the U.S. Securities and Exchange Commission.

The remaining 18.9 percent interest in the mine is owned by two corporations -- by CSX Energy, Inc., which has 12.6 percent interest, a wholly owned subsidiary of CSX Corp. -- the \$13 billion transportation, natural resources, and real estate development conglomerate based in Virginia. The last partner is Exalas Resources Corp. They have a 6.3-percent interest. That is a subsidiary of the Mitsubishi Corp.

This powerful joint venture intends to lease the 18,000 acres from Sealaska.

So many will be talking about this being a Sealaska deal. Quit kidding yourself. This is not a Sealaska deal. This is a 95-percent deal for four major corporations: Kennecott, Hecla, CSX, and Exalas Resources Corp.

They are the ones who are going to get the 95 percent.

As long as we mention Sealaska, which seems to be the thrust of what we are talking about, which is only going to get 5 percent and out of that 5 percent then proposes to pay 10 percent to the Federal Government, we are going to take a look and see who Sealaska is.

We are told this exchange would help out Sealaska. My distinguished friends from Alaska say this is something that is helping the natives of Alaska. I am one who is as concerned about the Natives of Alaska as I think any Member of the Senate, and they talk about Sealaska being a little old Alaskan native company. Let us take a look and see who Sealaska really is.

It is true Sealaska is a native corporation. It is one of 13 such corporations established by Congress under the Alaska Native Claims Settlement Act in 1971. But Sealaska is no piddling little native company trying to help a few Alaskan Natives.

As a matter of fact, the real beneficiaries of it are the officers and the directors of the corporation. Sealaska is a diversified holding company with annual sales of \$275 million in 1989; that is, sales in excess of \$5 million a week.

Through subsidiaries, Sealaska operates fresh and frozen seafood processors, wholesales timber and logs, and wholesales sand and gravel. Sealaska holds interests in Alaska United Drilling, Inc., which is oil well drilling, Klawock Island Dock Co., Inc., a log transfer facility, and owns a 49-percent interest in Swecker Salmon Farm, Inc. That is not in Alaska but in Olympia, Washington, which operates a fish farm.

Sealaska owns 100 percent of the stock of Ocean Beauty Seafoods, Inc., a Seattle, WA-based seafood processing company. It also owns 100 percent of Washington Fish and Oyster Co., Inc., in Seattle, a seafood processing company. In addition, it owns Sealaska Timber Corp., which is also involved in timber development and marketing, and 100 percent of Fairbanks Sand & Gravel, which operates as a wholesaler of sand, gravel, and concrete.

Sealaska markets seafood under the brand name Ocean Beauty Seafood and sells to seafood and timber brokers and other business concerns in Alaska, Washington, and Oregon, the Far East and Europe.

Sealaska has total assets of \$279 million and it has a net worth of \$141 million.

This is a somewhat modest account, frankly, of Sealaska's wealth because as Sealaska explains in its annual report, it already owns 274,000 acres of land in the Tongass but carries the land and related timber and subsurface resources received there from at zero in its financial statements. So its net worth is substantially higher than that.

Mr. JOHNSTON. Will the Senator yield?

Mr. METZENBAUM. For a question?

Mr. JOHNSTON. Yes. Just on the subject of Sealaska, the Senator is not suggesting that Sealaska is doing anything other than what we wished it to do under the Native Claims Settlement Act, which is to prosper, to represent its 16,000-odd stockholders well and seek to make their investments produce more income?

Mr. METZENBAUM. As a matter of fact, I am raising a question. Sealaska, I think, has 15,000 Native owners, and I think they are trying to do a good job. But I think before I conclude my colleague will agree that Sealaska is taking care of some of its executives and officers far better than many corporations take care of their executives and officers, and I am about to get into that at the moment.

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

Mr. METZENBAUM. For a question.

Mr. STEVENS. For a question.

I might say to my friend I have another meeting. I have to be off the floor. I would like to stay and participate. I wish to ask the Senator from Ohio one question.

I am the author of the exchange provision. That really requires an exchange of lands in Alaska before they are acquired by condemnation. I am sure the Senator knows that. We are land poor. The Federal Government is land poor in Alaska. I did not want to see the situation develop that Federal agencies would start to condemn lands that were in private ownership, whether they are surface or subsurface, before there had been an attempt to exchange.

[\*S7852] In working out that exchange provision at the time, it was the decision that we would not put a value-for-value exchange provision in the Alaska Native Land Claims Settlement Act because of the fact that many of the values that were set aside were the environmental values. What is the value of a park? What is the value of this Cube Cove on Admiralty Island? To try to establish a value just in terms of the timber or just in terms of the minerals misses the point that we are supposed to be protecting portions of this area that have value that is not capable of being calculated. What is the value of having Admiralty Island and keeping it now preserved without any further cutting?

My friend from Ohio, I hope, will answer the question in terms of his opposition to the exchange of sub-surfaces. The subsurface exchange is absolutely essential in order that there can be a sale of the surface value, because I am certain the Senator from Ohio knows the subsurface of Cube Cove is owned by one corporation, the surface by another. This is the exchange of the subsurface value which will then lead to the agreement to not cut the timber on the surface.

Does my friend from Ohio insist that we go in now to what we were asked not to go into, and that is to try to determine what is the value, the aesthetic value of the preservation of Admiralty Island? That seems to be, Mr. President, what my friend from Ohio is saying, that in order to go ahead with this exchange, we have to write into this 1971 act something that is not there, and that is a value-for-value concept on these exchanges. Is that the position of the Senator from Ohio, that he wants Congress now to put a value-for-value concept into the exchanges in Alaska?

Mr. METZENBAUM. Let me make it very clear to my friend from Alaska. When we talk about exchanges having environmental considerations, when we are talking about timber, when we are talking about the beauty of the land, the Senator from Alaska knows that that is one of the reasons I have been supportive of the Tongass bill and other legislation having to do with Alaska, because I consider myself an environmentalist. I am concerned about preserving tremendously wonderful assets that are in the environment -- the trees, the lakes, the grounds in Alaska. But in this instance we are not talking just about beauty. We are talking about dollars. We are talking about the subsurface rights. We are talking about the fact of that which may be worth billions of dollars in subsurface rights in gold and silver and lead and zinc.

That is a different kind of beauty. It is not a beauty that has to do with what you see. It is a beauty having to do with value; it is a beauty that is used to balance the budget.

What I am trying to say here is that, yes, we might want to consider an exchange depending upon the fair value, but I want all of the people of this country, including the people in Alaska, to be treated fairly. What we are talking about is giving away this unbelievably valuable asset -- I say unbelievably valuable because no one knows what its real value is, but my guess is that Kennecott and Helca and Mitsubishi know what the value is. They know what it is, and we are being asked to give away the subsurface rights for some land that may or may not have a value.

Now, that is fine, but let us be certain that the people of this country get a fair deal. That is exactly what my position is and will continue to be, and that is that when we give away valuable land, we are not just talking about trees; we are not just talking about water. We are talking about gold and silver and zinc and lead. It is absolutely irrefutable that between those two orange spots, there has to be some veins of ore that have value. How far out they go into those green areas, I do not know.

Mr. STEVENS. Will the Senator yield for another question?

Mr. METZENBAUM. If the Senator does not mind, I am just making my opening statement. I want to be courteous.

Mr. STEVENS. I just want to ask my question. Then I will leave the Senator alone.

Mr. METZENBAUM. If the Senator makes it a short question and not a speech, I will be glad to take it.

Mr. STEVENS. In order, Mr. President, to ask a question, I find it necessary to make a speech sometimes, but this question will be short.

Does the Senator know that there were claims on this land that is covered by the exchange that were disapproved because there was no proof of any discovered mineral value despite the rather extensive drilling program that took place on those claims, that these claims were turned down because the companies did not prove that they had found mineral value; it is a totally a speculative area?

Mr. METZENBAUM. I know nothing at all about that. I have not been informed to that effect by the timber service, by the geological service, by the authors. I have not been informed to that effect by anyone. But whether they were or they were not turned down in yesteryear, the fact is we know what the facts are this year, in 1989.

Let me proceed.

In recent years, Sealaska also realized -- and I want to again point out that Sealaska I am only mentioning because so many others have mentioned them. They are only going to get 5 percent and they are offering to pay the United States 10 percent. It is these other people, they are the ones getting the benefits of this bill -- 95 percent. Sealaska realized proceeds of \$45,214,000 from the sale of net operating losses of \$140 million, \$29 million in fiscal year 1989 alone. I do not know how that works out, but they still seem to have a great net worth. Whether that is bookkeeping or not, I do not know. I know that last year Sealaska made money but paid no Federal income tax and paid no tax in 1987 or 1988 either.

We are not talking about a small group of Natives getting together to eke out a living. We are talking about making a swap of American land to a major American corporation.

Now, it is true that Sealaska's capital stock is owned by 15,500 Alaskan Natives, as I just said to my colleagues from Louisiana, and it is also true that the company distributed \$6.5 million last year. But it should also be pointed out that they distributed \$6.5 million to the Natives but they paid \$4.2 million, two-thirds of the total amount distributed to the Natives, to just its officers and directors in salaries, in fees, and bonuses. On top of that, the officers and directors received securities, property, insurance payments, and reimbursement, personal benefits, and contributions to the corporate 401-K plan. The three top earning officers of Sealaska's Ocean Beauty Seafoods subsidiary alone made \$1 million between them last year. And it just so happens that the three officers of that company are all members of one family: The vice chairman of Ocean Beauty Seafoods, Victor W. Horgan, Sr., made \$431,671 last year.

I have no idea whether that family is an Alaskan family or not an Alaskan family. The president and chief executive officer of Ocean Beauty, who also happens to be his son, Timothy H. Horgan, made \$325,558. That is not too shabby.

The executive vice president and operations officer of Ocean Beauty, another son, Victor, made \$234,598. Other officers of Sealaska and its subsidiaries had reported base salaries ranging from \$72,800 to \$155,000, with directors' fees, commissions, and bonuses, total compensation, for Sealaska's officers ranged from \$102,781 to \$191,343. These were not Alaskan Native benefits. These were corporate officers. As I pointed out, \$6 million went to the natives, \$4 million went to the corporate executives.

Sealaska's corporate generosity extended also to its 20 directors. This is shocking. Each director averaged \$41,726 each for serving on the board of directors.

Having been involved somewhat in the corporate world before I came to the Senate, I know that the salaries and the pay to corporate directors has gone up. But I would venture to say that the \$41,726 average pay to the directors is far, far in excess of the average pay to any similar company doing \$275 million a year in business in a year. That is the kind of money that maybe General Motors might pay, maybe some of the other top corporations -- but \$41,762?

[\*S7853] So I suggest -- and I do not know all the facts, that Sealaska -- which again I want to point out is only going to get 5 percent of the benefits of this deal -- it is not really being operated solely for the Natives, which I think all of us had hoped when we passed that legislation, natives legislation; but it is being operated by some executive, of those who are the officers and the directors.

I do not begrudge Sealaska its wealth. As a matter of fact, I think it is great that 15,000 Natives own it. But I think they ought to get whatever benefits there are from it, and not just some of its top officers. As if is the way it is set up, it should be treated fairly, but it should not be entitled to a giveaway of the assets belonging to all of the American people. There is not any reason that I know why we should have special legislation to give Sealaska Corp. 18,000 acres of subsurface rights, Alaskan subsurface rights, which in turn they will then lease out, only get back 5 percent of the net, and 95 percent will go to the four major corporations.

Mr. President, I think I may have some additional comments to make. But I think at this point I will yield the floor.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, I have listened to the Senator from Ohio and many of the statements that he has made about the percentages owned by various corporations. If he had been on the floor when I made my opening statement yesterday he would have heard all of those same facts presented. But there is a difference in tone here.

We have not heard much about the value of this exchange. The Senator from Ohio is a friend of mine. I hope he still is when I finish my remarks. But he is our most

distinguished populist in this body. What he is doing today is what he has done very successfully many, many times, and very skillfully; diverting away from the major issue to attack big corporations, reverse Robin Hood or something, I guess. And it is effective. It sounds good.

We have these poor little Alaska Natives up there being abused by these big bad corporations. Over and over again, "big is bad."

It is very difficult for a Senator from Ohio to understand what it is like to be a public land State. I very much wish at this very moment that two-thirds of Ohio was owned by the Federal Government so that I could stand up here and talk about the American peoples' land and what it would do to the tax base of Ohio, what the county commissioners would do if they only had one-third of the land to tax, and the mayors, the city councils, the Governor, and how you provide roads, police, and fire protection without that tax revenue.

Yes, Utah is a public land State. Two-thirds of my entire State is owned by the Federal Government. The Governor is responsible for a third of it. We have some counties in there, in my State, but between State and Federal ownership 96 percent is owned by the Federal Government and the State. So the poor county commissioners have 4 percent of the total land and buildings to tax to provide municipal and county services.

So yes, I get kind of sick and tired sometimes of what I hear on this floor from those States who do not have that kind of implication, and who stand here over and over again and talk about the American peoples' land. I will guarantee you we would be happy to give that land back for the tax base, or I would love to have the eastern or midwestern part of this country two-thirds owned by the Federal Government and see if those same speeches would be given.

How could you provide jobs in your State when you have to deal with the GSA's, BLM and the Forest Service, when your elected representatives do not have any say over how two-thirds of your State is run. Every time you want to open a development, this is what you deal with. You hear about the big, bad corporations. Well, we heard about big Kennecott.

I do not know whether the Senator from Ohio knows it or not. Kennecott used to be the biggest employer in the State of Utah, the biggest private employer, the biggest taxpayer in terms of property taxes, income taxes from their employees. It was a valuable asset to my State when two-third of it are off limits. You try to make a living off the one-third of it that is left. Kennecott is big, bad? They went out of business. They closed down. Salt Lake County was devastated because of the lack of tax revenue, and it impacted the entire State.

Fortunately, after a year and a half being totally shut down -- not an academic case of this big, rich, bad Kennecott that is trying to rip off some Alaska Natives as we hear on the floor today, take away from the American taxpayers, baloney. They were nonexistent.

The whole Kennecott Copper Mine was closed down. Nobody was working out there except a few maintenance people.

After all of that, and the economic disaster that it caused in my State, they were able to reopen with dramatic wage concessions made by the unions, profit-sharing plan, and they came back. They are back in operation; I think with 2,500, 3,000 employees, a fraction of what they had before.

So I think it ought to show in the record this big, bad Kennecott that we are hearing about today and these other companies. I think it ought to be state for the record; what it means to this State, to my State, and this Senator was elected to represent the State of Utah, to try to create jobs in my State, create a viable economy. I will do that. But I do not have to sit here on the floor and listen to this Robin Hood story about robbing from the rich, and public land State, from a Senator or any Senator who lives in a State who does not have this problem.

Boy, I would love to be out here doing the reverse, the Senator from Ohio trying to create a viable economic situation in his State, which he does and does well, and he represents his State well.

This Senator is trying to do the same thing, and I ask some consideration from those Senators who do not have two-thirds of their State owned by the Federal Government. I ask that they have a little understanding of that situation and not play political games with it, not play "Mr. Populist," because again, I will not make an apology, my friend from Ohio, for trying to help my citizens have jobs and keep a company that stopped its existence and was totally closed down. The Senator would do the same thing in his State.

I will not be interrupted. I listened to the Senator's whole statement. He did not listen to my statement yesterday; he did not give me the courtesy of listening to my opening statement on why I thought this was a good trade.

So I have gone off the subject, as well, of the value of this trade, to another subject. I think it is time this Senate started listening to some of us who are in Western public land States, and the impact it has when we try to keep jobs and when we want to keep our young children home.

Most of our college graduates in Utah have to leave. They cannot find adequate jobs there. We have a fine educational system, but a lot go to other places, like Ohio. One of the reasons for that is two-thirds of our State is tied up by the Federal Government. We cannot develop it. We cannot create jobs. We cannot mine it. We cannot harvest the timber. We cannot graze without the permission of some bureaucrat in the Federal Government.

That is what I am asking for, my friend from Ohio, today, some understanding of that problem. I retract what I said about wishing Ohio had two-thirds ownership by the Federal Government. I would not impose that on my friend. I would not want him to have

to deal with that particular problem, or what my colleagues from Alaska have to deal with. We only have two-thirds in Utah. The Senator from Alaska has 90 percent or something.

So we get branded as anti-environmentalist, and all sorts of things, trying to rip off the Federal Government, to take advantage of the American taxpayers' land. That is not what we are trying to do.

We were elected by our States -- I was not elected to represent anybody but Utah, and I am going to do that to [\*S7854] the best of my ability. If it gets me labeled as anti-environmentalist, or whatever, I am going to fight for jobs in my State, just like the Senator from Ohio does, and as I have said, does very well.

Let us look at the context in which this debate is occurring and the difficulties we have, how nice it would be to have all private land. If somebody wants to open a mine and create 250 jobs, be our guest, as long as you meet the environmental concerns, and so on. It is impossible for me to describe how I have spent 23 years in public life trying to solve this problem of having all that land removed from the tax rolls, trying to produce local government services without the benefit of those tax revenues, and the Senator has resources in his State and he cannot develop them because somebody from some other State says, "I do not like that; I do not like that." And they can use the facilities of the Federal Government to prevent that.

We have 29 counties in my State. Twenty-five of them, or 24, have less than 10,000 population. One county is bigger than Connecticut, Rhode Island, and Delaware put together and has less than 10,000 people in it. Ninety percent of it is Federal and State owned. So can you develop the resources? No, you cannot do that. The royalties go the Federal Government, for the most part. You are hamstrung.

The town I was born in had 5,000 people in 1932, when I was born, and it still has 5,000 people. There are no young people there any more. They cannot stay there and make a living, because they have a little town and all around is Federal land, BLM, or Forest Service, or Park Service, or whatever.

What an accident of history for the West to have been so owned by the Federal Government. Eastern Europe is a lot more free today than the Western United States is. Absolutely unbelievable. So let us have a little understanding in this body and from my friends of the difficulties of constantly trying to create jobs.

We have discrimination against Western coal, too. We have clean, low-sulfur coal, but it is rather interesting that you cannot export it to the East. Our coal is cleaner before it is scrubbed than eastern coal is after, but because of economic considerations, you cannot mix it; you have to burn West Virginia coal or Ohio coal or something else, even if you have to put it all in the scrubbers. But do not let that clean Western coal in.

Let us look at the context of this debate and look at what those of us from Utah and Alaska are trying to do. You better believe it, I am standing here trying to help Kennecott to be able to dig some silver and some gold up there and make a profit. I hope the Alaskan Natives get some of it, too. We are hoping to solve some environmental problems by not cutting some timber on Admiralty Island, which I think is a heck of a good tradeoff, but again, I make no apology for that.

This is a good exchange. It ought to go forward. It will not take the time to go back to my desk and get the Alaska Conservation, the other environmentalists, and all those letters -- I will put them in the Record -- of all the people who support this.

I remind my colleagues, getting back on the specific issue, that this exchange is subject to final agreement being drafted in writing and being approved by the Secretary of Agriculture. I also remind my colleagues that the Federal Government maintains the surface rights, so all of the conditions under which they drill a deep mine have to be agreed to. All the protections are there. We are not talking about strip mining; we are not talking about open mines. We are talking about deep mines.

I suggest that if we attack all the big corporations in this country, we are not going to have very many jobs; we are not going to have a very strong economy. One of the reasons the Japanese are so successful is they have a cooperative relationship between business and government. They work together in the interests of Japan.

What do we have in this body? Always a conflict; always an adversarial relationship. Let us knock big business; let us stand up and advocate the little guy and the American taxpayer. It sounds so good. It gets votes at election time. But does it create jobs? Does it make us competitive?

I do not understand why we have this constant adversarial relationship between business and government. We ought to be corporate America, like corporate Japan. We could beat their socks off. They are not brighter than we are; they are not smarter; they are not more intelligent. They are more pragmatic; they are more realistic. They are more nationalistic about protecting their own interests. That is the main reason for the trade deficit.

Having said all of this, I am not just an advocate of business. I am not saying they always do things right, that at times they do not have excessive profits. Of course, all that is true. That is true. But it is time we started looking at the bottom line. Alaska needs jobs. They need a lot of jobs up there. We need the minerals that come out of there. And Kennecott Copper Corp. in my State -- certainly, with the dramatic reduction in employment over the years and the impact that has had on my State's economy, certainly I want Kennecott Copper to be successful. I make no apology for that.

I stand up and say I want them to be successful, I want them to make a lot of money, because if they do, there will be a lot of people employed in my State, and they will be able to buy automobiles, and they will be able to buy washing machines, and they will pay taxes on their income, and Kennecott will pay taxes on their income. They will pay

local property taxes and local income taxes, and they will pay taxes to the Federal Government. That is the way the system works; that is what Eastern Europe is going to learn. It is too bad we cannot remember it in this country.

Yes, I want them to make a lot of money and pay a lot of taxes and to pay local property taxes, and I want our kids in Utah to be able to stay home and work for Kennecott and McDonnell Douglas and other companies. Maybe I did not learn how a capitalistic system works, but I think I did in college, and I think I learned it back here. And I want all of these American corporations to make a lot of money, pay a lot of taxes, and create a lot of jobs.

I will go back to what I said in my opening statement yesterday. This is a good amendment, one of those win-win situations all the way around that would be good for everybody, and if the Senator is worried about the valuation, I remind him, the final agreement has not been concluded and has to go back to the Secretary of Agriculture. I made that an explicit part of my amendment yesterday.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, first, I tell my friend from Utah I am still his friend. I do not mind. He can insult me, call me a populist. That is fine with me. I am comfortable.

Second, I tell him if Kennecott Copper is having problems in Utah and problems with jobs in Utah and, if I can be helpful, I want to be helpful because I am concerned about people being employed in Utah or any one of the other 49 States and possessions of the United States.

But we are not talking about that. We are talking about a giveaway of some lands that are owned by the people of the United States and making an exchange of those lands, lands that we really do not know their value and giving them away in exchange for some lands that we are told have a value of about \$3 an acre. Frankly, I have no idea whether they are worth \$3 an acre or \$20 an acre or \$200 an acre. Those are the figures the Forest Service gave us. That could be wrong.

My point is that whenever the U.S. Government is giving up something that it owns, and particularly something that we have every reason to believe is extremely valuable, then we ought not to be giving it away. We ought to know what we are giving away.

The reason that Kennecott Copper comes into this discussion is because this amendment has previously been discussed as being a Sealaska amendment. That is the corporation that is mentioned in the amendment. So you [\*S7855] have to look behind the Sealaska deal. When you look behind the Sealaska deal, you see that the United States is going to get 10 percent of what Sealaska gets, and Sealaska is going to get 5 percent royalty from

this combination of Kennecott, Hecla, and Mitsubishi and that one other company whose names slips by me.

Therefore, I am saying, look, I do not think that it is right to give away to any company, no matter what distress they are in, in Ohio, Utah, or New York or Louisiana, properties owned by the people of this country. We do not do that. We should not do that. All I am saying is let us see to it that the American taxpayer is adequately protected.

Mr. MURKOWSKI. Mr. President, will my colleague yield for a question?

Mr. METZENBAUM. Let me finish and then I will.

All I am saying is I want to be certain that the American people's interest is protected. Maybe the deal is right, I do not know. But I doubt it. But, conceivably, it might be right.

When you say that the Secretary of Agriculture is going to have to sign off, I have respect for the Secretary of Agriculture, but he is not going to know any more about this deal without having appraisals made, and, as the distinguished Senator from Alaska has said previously, it is awfully difficult to determine the value of land with subsurface properties. How do you find out what is down there without drilling? How do you make those tests? The Secretary of Agriculture is in pretty good position to tell you whether you can grow wheat, oats, or something else on the surface, but he does not know anything about how to go down below the ground and find out.

The Senator from Alaska and I were talking about the subject the other day, and I think he said it on the floor, the difficulty is how do you determine the value of the subsurface rights, and particularly how do you make that determination when it is in area immediately surrounding a particular location, 357 acres, which is very productive and valuable gold, silver, zinc, and lead properties.

I am glad to yield to the Senator from Utah for a question.

Mr. GARN. Mr. President, if the Senator will yield for a moment, I can say I agree completely with the statement the Senator from Ohio just made. I do not disagree with a single word he has just said in response to what I said.

Certainly, this Senator does not want to give away the taxpayers' money. If there is any proof of that, I have been here for nearly 16 years, and I guarantee the Senator that over the entire 16 years, there are only two or three Senators who have voted more conservatively than I have with the fiscal policy of this country, to the criticism of some. I am in the top 5 percent of the Senate in protecting the taxpayers' money. So the Senator better believe this Senator despite what I want to do for Kennecott.

Mr. METZENBAUM. I like the Senator too much to get into a discussion of that subject.

Mr. GARN. I understand. I do not want to deal with it.

Mr. METZENBAUM. I do not intend to make this into a personal discussion.

Mr. GARN. I am not. I am only saying I am speaking for myself. I have a record and reputation of voting conservatively on fiscal matters.

This Senator is not standing here asking for an unfair deal. I am not trying to do that in favor of a Utah corporation or the others that are involved. That is the nut of the argument, and that is where the difference of opinion is of whether it is a fair trade or not. All the other debate that has gone on and which I was addressing myself to, painting these as big, bad corporations gets back to where I said in my opening statement yesterday again, too, that it was impossible to make an accurate determination until exploration started. I am not a mining expert. Neither is the Senator from Ohio. Our backgrounds are not in that area. But I am certainly well aware in my own State of the number of times that land has been leased on the promise that there were vast returns and they have come up with nothing, and other times when you have expected not much there have been rich deposits.

So for anybody to come up and talk about exact values at this point is impossible. I do not care what kind of geologist you get out there -- and the Senator from Ohio knows about oil. Sometimes you get a dry hole; sometimes you do not. No matter what anybody does, you cannot present an agreement to this Congress or to the Secretary of Agriculture that anybody can say with certainty that is an exact equal value trade.

So what we were talking about there were some other values here as well. Some other values here as well, not cutting the timber. That is very important. That is hard to place a dollar value on. So there are some tradeoffs.

I certainly am not opposed to changing the mix, never have been, have not said that. There is not a final agreement. Some of the things the Senator was objecting to and putting in this additional acreage yesterday had to do with trying to make that -- he characterized it in one sense as more of a giveaway. Some of us characterize it as trying to make more of an equal value exchange.

Mr. METZENBAUM. The Senator and I both agree we do not know what the additional lands are all about. It is words on a piece of paper. There are hundreds of thousands of acres up there in Alaska. Unless you know what you are talking about, unless you know the land, it means nothing.

What we are really talking about is not acreage. We are talking about acreage that is located next to valuable mines that are producing gold and silver, lead and zinc, and that is the sum and substance of it.

Mr. GARN. That is correct. I am glad we have finally gotten down to the bottom line of what this debate should have been about for 2 days. It is simply, do we have a correct mix? I do not know yet. Neither does the Senator from Ohio. Do we need to attack all the

big corporations and make this big picture to arrive at that when we are agreed that we both want to achieve an equitable mix in this exchange?

Mr. METZENBAUM. The only reason to bring the others in is they are the 95 percent beneficiaries of this bill and they are not mentioned in this bill. The only one mentioned in this bill is Sealaska, and all they have is a 5 percent stake.

Mr. GARN. They were certainly mentioned, in the specific percentage the Senator mentioned, in my opening statement.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio holds the floor.

Mr. GARN. He is welcome to keep it. I am through.

Mr. METZENBAUM. I yield for a question to the Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I ask the Senator from Ohio if he is of the opinion that it is a giveaway by the Federal Government to have a program where a prospector can go out on public lands and, if he makes a mineral discovery and does the assessment work, pays \$100 annually or thereabouts, that that is a giveaway of the public trust in that claim may be worth millions and billions of dollars that would go to that individual or his estate, or to a large corporation? Is that a giveaway in the mind of the Senator from Ohio of public resources? That is the law in this country today.

Mr. METZENBAUM. Yes. I understand that.

First of all, let me make it very clear that law is not applicable to this land. That is specifically exempted by reason of another statutory provision. So, it is not applicable.

If the Senator is asking me a policy question like asking me am I in favor of national health insurance, do I believe there ought to be some other kind of law, do you think this is fair or unfair, I am prepared to answer, but I want to make it very clear that law is not applicable to the instant situation.

Mr. MURKOWSKI. The Senator from Alaska is aware of that.

Mr. METZENBAUM. The Senator is aware of that. As long we are in agreement on that, having said that, I say to the Senator from Alaska I already advised my staff I think it is time we take a look at a law that I guess is [\*S7856] about 118 years old and see whether or not it is not time to amend it or change it. Maybe the Senator from Alaska would be pleased to join me in a present day reassessment of a 118-year-old law with respect to mining.

But as far as this debate is concerned it is really not helping that.

Mr. MURKOWSKI. The Senator from Alaska asked a specific question, and the Senator from Ohio did not care to respond specifically. The Senator from Alaska feels that "if it ain't broke, don't fix it." And I do not think the mining law of 1872 is "broke." I think it has helped develop a mineral industry in this country that, while it is not as significant as we would like for other reasons, nevertheless has worked.

I am just a bit afraid of our alternatives. Some might suggest that the Government somehow get involved in the development of minerals on public land. I cannot think of any more inefficient and pro-socialistic method. It certainly has not worked in other countries. But it is clear that the Senator from Ohio does not specifically care to address the question as to whether he considers that a giveaway, but more or less I gather he is in favor of taking a look at the mining law of 1872.

Mr. METZENBAUM. It is a different subject.

Mr. MURKOWSKI. It has been looked at in the Energy Committee and I think most of those members have determined that it is appropriate to change the law at this time. Obviously, we will see.

Mr. METZENBAUM. Mr. President, let me finish up my remarks and then maybe it is time to bring this matter to a close.

On its face, this matter should not be accepted. To say that the Forestry Service has come to a tentative agreement subject to the Secretary of Agriculture does not mean a thing. Because, frankly, I do not know how the Forestry Service can arrive at a determination without knowing value. I do not know how the Secretary of Agriculture can arrive at a determination without knowing value.

It may mean an appraisal, it is not easy to appraise subsurface land. But my guess is that those who are far more knowledgeable than I about subsurface lands would be able to come to some determination, maybe, to enable them to make the award of the contract. In all likelihood, we ought to do as we do in other instances. There ought to be a competitive bidding.

I would like the attention of my colleague, the chairman of the committee, for a moment. I just was saying that there is some talk about an appraisal, but an appraisal provides difficulties because it is so difficult to appraise subsurface lands. One of the things that I think might be considered in a hearing is the procedure that has been followed in other areas where properties of the United States have been leased out with respect to the Outer Continental Shelf. We have used competitive bidding.

I can very well see where you could have an arrangement for competitive bidding on these valuable lands and you could permit the Government to do its own drilling, to make that information available. You also, as I see it, could say to those who want to submit competitive bids, that they would have a period of time within which they could do their

own drilling. I would submit if this matter is to go to a hearing that some consideration be given to that kind of a procedure. Or, absent that, that the GAO be given an opportunity to give their ideas as to how the Government can be best treated.

I think the matter ought to go to a hearing. But I do not think it is a simple black and white question, that you go to a hearing and you can come up with a simplistic answer, because, when all is said and done, I think 100 Members of the Senate would agree that it is very difficult to determine value.

But we know this: there is not a Member of this U.S. Senate, whether it is the author of the amendment, the Senators from Alaska, the Senator from Ohio, the Senator from Louisiana or anybody else, there is not anybody who is able to determine the real value. What we want to do is to see that whoever goes in there and does the drilling, gets the lease to do the job, that that particular group pays the Government the maximum that is fair and reasonable and still leaves them an opportunity to make a profit.

So I hope that if this matter is tabled and the Senator from a Louisiana sees fit to go forward with a hearing, which I understand he does, and I would support that concept, that it not just be a routine determination: Well, we have had the hearing, now the Agriculture Department and the Forestry Department says that this is fair.

With all due respect to them, they do not know. They are not dishonest people. They do not know. I think on the Outer Continental Shelf, if my recollection is right, I think we have something like 30-percent participation for the Government and some sort of a 10-percent deal as well. I am not certain of the specifics. The Senator from Louisiana is probably far more familiar than I.

I hope that we would try to explore that kind of a program, and that in a hearing we at least give considerations to various alternatives as to how the public's interest can best be served, while at the same time being fair to all of those who would like to do the drilling.

Mr. JOHNSTON. Mr. President, I say to my friend from Ohio, obviously, I am strongly advocating a hearing, as the Senator knows. And I would not want to prejudge the result of that hearing.

I think we are going to find in the hearing that this piece of property or pieces of property are fundamentally different than the Outer Continental Shelf. First, because the Outer Continental Shelf does lend itself to public bidding where you could have a number of different leases in a number of different wells. I think we are going to find that it is really a question of Kennecott or no one else, or should I say Sealaska or no one else, because we do not want a proliferation of mines in Alaska. We really made an exception for this particular Greens Creek mine. There are only a few mines up there in all of Admiralty Island. And we made an exception for this one.

There was some controversy about whether there should be mining allowed at all in this beautiful forest. We would not want to put this area out for public bid, I do not believe, although again that is something I would not want to prejudge until we have a hearing. But my judgment is that we would not want to have another mine, another intrusion.

The advantage here with Kennecott is they are already underground and the question is if the vein goes in the direction that they think it goes, then they can continue with that underground mine with the same entrance, the same footprint to the land that they have now without any additional footprint.

I think we are also going to find that it would be uncommonly difficult to make the same kind of appraisal here that you might have in other areas simply because of the cost. For example, at the Quartz Hill Mine, a molybdenum mine, they have been assaying the resource there for over 10 years and they do not know the full extent yet, at least they did not the last time I was there. I think you can probably do it in less than 10 years, but it would be very expensive.

But, the Senator's point -- and I think it is a valid one -- is that we ought to bring in the experts who know about this, people from the Agriculture Department, from Interior, from USGS, and anyone else who has an opinion on it, and ask them, in their judgment, what the value is and what the fair terms of the lease should be. The thing that has been made very clear to me is that any time you have one of these controversial land exchanges, you ought to go through the discipline of a hearing. And that is my position.

By the way, I am not down on Sealaska. I am surprised at the salaries of the officers of one of its wholly owned subsidiaries. But Sealaska, in my judgment, is basically a good corporation. That is not an issue here. The issue here is the fairness of this land exchange and whether or not it is premature to make a judgment on it without a hearing.

As far as Sealaska is concerned, it has received environmental awards, and I do not want the record to be too [\*S7857] much down on Sealaska, because I think from all I know they are one of the best. They are doing the job they have been created to do.

Mr. METZENBAUM. I am not here to smear or to negate the reputation of Sealaska. I only brought up the Sealaska matter because it was suggested that really this is just for a little group of Natives. We are trying to help them. All of us have a certain amount of compassion for Alaska Natives.

I just want to make it clear, that, yes 15,000 Natives do own it but 40 percent of the earnings of the company are going to the officers and directors. That is the only reason I brought it up.

But I totally agree, it would be inappropriate to leave this floor, making it appear that Sealaska is in some way a bad operation, a negative operation, an inappropriate kind of company. It is not.

Mr. JOHNSTON. I say to my friend I was unaware of, nor do I now know fully all of the remuneration of the directors and officers of Sealaska or any of its subsidiaries, other than what the Senator has said here. And I am not here to pass judgment on that. I am simply not familiar with it. But I am glad he did make the point that we should not leave the floor with a black eye for Sealaska because I do not think it deserves that.

Mr. METZENBAUM. I agree.

Mr. JOHNSTON. I think what Sealaska does deserve in this legislation is to have the hearing, to go into this issue of value, of appropriateness of an exchange, as fully as we can. That is what the Sierra Club now wants. I put in their letter dated today.

I hope, I say to my friend from Alaska, we could have an arrangement here where we can not decide this today but go to an early hearing, June 28. We have made the announcement. It is not my purpose to defeat this land exchange or to defeat an appropriate land exchange. But it is my purpose, rather, to have a full and complete hearing so we can satisfy everyone that whatever land exchange we ultimately approve, if we approve one, that it has seen the light of day, it has met the test of adversarial consideration. That is all I want to do.

I hope we can find a way to do that.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I appreciate the comments of the floor manager. I think the Senator from Utah, the senior Senator from Alaska, and myself would agree with the comments of the chairman of the Energy Committee with regard to the June hearing. If it can be on the 28th, which he has announced, why I think that would be most expeditious.

I would like to try again to address very briefly the uniqueness of this particular type of exchange and to, hopefully, assure my friend from Ohio that there are a different set of circumstances here. There is what they call a "prudent man" rule. It addresses the validity of these claims.

The Senator from Ohio has gone on at great length about the difficulty of assessing value. But the Forest Service and various agencies involved in managing public land have what they call a prudent man rule. The prudent man rule is -- and it is applicable on these particular claims -- that basically a prudent man could not make money from the standpoint of the risk associated with development and the likelihood of generating a profit.

Now, in the Forest Service evaluation, I should point out to the Senator from Ohio, the result was an appraisal of zero economic value. I stress, for the attention of the Senator from Ohio, zero economic value.

That does not mean there is not value there. But it does not mean there is value. And there is no methodology to ascertain value. I wish there was because if there was, we probably would not be spending all this time on this.

The Forest Service has rejected the validity of the mineralization findings originally submitted by the Greens Creek joint venture.

I again call to the attention of my friend from Ohio the map he has drawn attention to on several occasions. Those little gold areas that I can hardly see from here are the patented claims. This area was examined extensively at the time when the original discoveries were made.

I assure the Senator from Ohio, based on those findings, there was ample opportunity before the area went into a national monument for further claims to be filed and patented and proven up. They were not because the prospects were not that good.

Now we have a developed mine. There is reason to believe that there might be valuable minerals in the associated area and that is the basis for the trade.

But the Senator from Ohio has raised, again, and again, the point: Well, is the public interest protected? Are they going to get fair value? What we have here -- and again I ask for the attention of the Senator from Ohio because I do not think he has quite grasped it -- these lands are in a national monument. They are closed to mineral entry as a result of ANILCA in 1980. So no prospector could go in and prove up and file a claim.

If they were open to the mining laws as are other public lands, mineral exploration and development could occur, and without transfer of any lands to the United States. So the point is, since these are in a national monument, the only other alternative is for some kind of an exchange to take place. If they were not, the argument over equity back to the Federal Government would have no application at all. It is only because this area is in a national monument and therefore it is close to mineral claims or further mineral exploration. Under the proposed exchange the United States will receive 10 percent of the value of the royalty and valuable lands in exchange for this area. The Senator from Ohio is suggesting that the value is not adequate. Value is relative and I think he would agree to that. It is interpretation.

What we have here is 32,707 acres of land that would be received by Sealaska Corp. and the United States would get approximately 35,000 acres in return. We can go into the justification of whether that is adequate value or inadequate value. But for the Senator to say, as he has repeatedly said in his statements that this is a giveaway -- I take exception to that. It is an exchange. I ask that the Senator from Ohio recognize that it is not a giveaway. It is an exchange. He can legitimately argue whether there is adequate consideration for the exchange but it is an exchange and it is not a giveaway. I want to make that point very clear because I think it may have been lost to some.

Mr. METZENBAUM. Will the Senator yield for a question?

Mr. MURKOWSKI. I yield for an answer to that specific question.

Mr. METZENBAUM. Would the Senator from Alaska agree if he were to come to the floor and provide for an exchange of 10 acres of land in Alaska for 10 acres of downtown real estate in Washington, that would be a giveaway?

Mr. MURKOWSKI. If it were in the ghetto of Washington, I am not so sure.

Mr. METZENBAUM. I am talking about 10 acres of downtown development, real estate, in Washington.

Mr. MURKOWSKI. I respond by saying if there were 10 acres in Alaska of a mine that was operational, of course there is justification.

Mr. METZENBAUM. It is a giveaway. It is a question of definition.

Mr. MURKOWSKI. I think it is a question of definition.

The point the Senator from Alaska is trying to make and I think has made over and over, is that, we do not know what the value of the subsurface is. Ordinarily, you do not find what you are looking for when you look for minerals. That is just a universal premise. Just like you do not find oil when you go to look for it. The exception is finding it rather than the rule.

The point that the Senator from Alaska wants to make and I think it is referenced by my senior colleague, Senator Stevens, as well, is that this exchange is not a giveaway. To suggest the two Alaskan Senators would support a giveaway of public land within our State is simply not realistic nor is it accurate.

I find that the research done by my good friend, the Senator from Ohio, is surface research. He is really not knowledgeable, in depth of the concept and the principles involved in [\*S7858] how this process can work in a national monument. There is a specific proposal and a specific methodology. It is a land exchange. We debate this same issue in committee from time to time.

The Secretary of the Interior has the authority to initiate exchanges, but these exchanges, appropriately, have been brought back to the committee. We have debated them in the committee. The Senator from Alaska simply knows no other way to accommodate under the law, necessarily, the ability to exchange lands. Yet, it was provided for in ANILCA and I think it is absolutely necessary.

The Senator from Alaska wants to conclude with one specific reference. I think it is a responsibility that the Senator from Ohio has to accept as a consequence of his objection to proceeding with the Greens Creek amendment, as proposed.

There has been much talk about whether this exchange is equitable or not. I have indicated that we are not giving it away. It is an exchange of land. This is value being given. The Senator should recognize that this exchange will prevent further timber harvesting on a national monument wilderness inholding.

If we were able to go ahead with this today, the Lake Florence harvest would not take place on Admiralty Island. As the Senator may recall, Cube Cove is an inholding of about 23,000 acres. The entire area, as proposed in this exchange -- some 6,000 acres of standing timber that has not been logged, high value spruce -- is going to be logged now. That logging will take place by October 1 of this year. Logging roads have been built to the edge of Lake Florence now.

I am very sorry to hear that the Sierra Club has indicated a lack of support for this because I think they, too, as well as the Senator from Ohio, have to bear the responsibility that the world just does not stand still while Congress meets, relates, and discusses. Logging will go ahead. This 6,000 acres at Cube Cove that has not been logged, that has been of great interest to environmental groups, such as the Sierra Club, there is logging that has been going on in there for several years. There were 23,000 acres given to the Shee Atika Native Corp.

The Senator from Alaska proposed early exchanges for various areas that had been withdrawn at the request of environmental groups from time to time in hopes that an exchange could be made so that there would be no logging on Admiralty Island. Unfortunately, the environmental groups did not get behind and support such an exchange as proposed by the Senator from Alaska. That exchange specifically was designed to take lands that had gone into various types of protective classifications and pulling some of those out, recognizing that the sanctity of Admiralty Island was perhaps the highest and most significant single issue to try and maintain.

Nevertheless, we at this time have an opportunity to assure, in the acceptance of the Greens Creek amendment, that the remaining 6,000 acres of old growth timber will not be cut. It appears now that we are not going to be able to move on the Greens Creek amendment and, as a consequence, we are facing the realization that Koncor, the organization that has the contract for logging and has notified the Forest Service will initiate a logging program for the Lake Florence area, the last remaining 6,000 acres in the 23,000-acre Shee Atika holding.

So I emphasize to my colleague from Ohio that there is a need for action if, indeed, there is any interest on the other side to try and save this last remaining 6,000 acres from logging.

I again draw the attention of my colleague from Ohio, if I may, to the fact that there has been no mention of the value of this 6,000 acres that is proposed to be logged, which is part of the exchange proposal because it is surface, not subsurface. I think that in itself is justification for speedy action on the amendment. But I just lay that out to my friend from Ohio that he and others who are opposed to this have to bear that responsibility, the last

acreage on Admiralty in the national monument is going to be cut because we are unable to proceed with this amendment. I think that is, indeed, very, very unfortunate and deserves at least a comment from the Senator from Alaska.

So, Mr. President, as we wind up, the debate on this issue, I think it is fair to say the junior Senator from Alaska is disappointed that we are not able to proceed because of the objection of some of our Members. I hope that somehow the Senator from Ohio takes the time to try and sit down with the agencies who have the managing responsibility for this exchange -- the Forest Service -- to work out in his mind, perhaps, something acceptable because, as the Senator from Alaska has indicated, the world is not going to stop while we wait and debate. That timber in Lake Florence is going to be logged, and that is, indeed, unfortunate that we cannot initiate this exchange in a timely manner to avert that. That is not my responsibility. I have done certainly all I can, along with the senior Senator as well.

Mr. President, I yield the floor at this time.

The PRESIDING OFFICER (Mr. Lieberman). The Chair recognizes the Senator from Rhode Island [Mr. Chafee].

Mr. CHAFEE. Mr. President, this is a complicated matter. I hope the managers and the Senator from Ohio might work out something that would resolve this problem. I think it is a problem that all of us would like to see solved. It is, as I mentioned previously, confusing. There are vast acreages involved.

As I understand, the chairman of the committee has promised a hearing in the latter part of this month and from that would come some information that would be helpful in the solution.

As I understand, this is a suggestion that perhaps this could be approved contingent upon subsequent approval by the Congress. That makes some sense. I do not know just what the chairman of the committee is working on, but it would certainly, I think, bring a lot of solace to those of us who find this extremely complicated and concerned about the lack of a hearing.

As I understand, there has been no hearing on this particular matter and there is a suggestion, as I understand it -- I do not know if it is agreeable to the junior Senator from Alaska -- that following the hearing Congress would, what? React once again on the subject?

Mr. JOHNSTON. Mr. President, I say to my friend from Rhode Island it is my view that we should definitely have a hearing on the question of this land exchange. What we have been negotiating between the various parties here is in lieu of seeking the approval of this exchange by legislation, that we direct a study to be made with recommendations to be made to the Congress by the Secretary of Agriculture. We were here working on that

appropriate wording. I do not know whether that meets with the approval of the various parties. I would ask the junior Senator, if I am in order -- --

Mr. CHAFEE. Yes. I was just curious. I wondered if that met with the approval of the Senator from Alaska.

Mr. JOHNSTON. Does the junior Senator from Alaska wish to pursue that? Because I think it is time to bring the matter to a head, either by having a compromise or by having a motion to table.

Mr. MURKOWSKI. The Senator from Alaska has seen the original amendment. I assume that is what the Senator from Louisiana is referring to.

Mr. JOHNSTON. There are several iterations of that but it deals with the subject matter of the recommendations by the Secretary of Agriculture to the Congress.

Mr. MURKOWSKI. I would like to see the final language. But in the spirit of proceeding, I agree with that general thought process, although the Senator from Alaska is disappointed that we cannot move ahead because I think we would prevail if we would take it to a vote.

Mr. JOHNSTON addressed the Chair

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

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. JOHNSTON. Mr. President, I think the wording of this ought to be very easy to work out, and so I ask my friends to let us come together and work out this wording. The important thing about an amendment dealing with Greens Creek is it puts the subject [\*S7859] matter into conference, and that is all you can accomplish anyway. I think the Senator from Ohio is suggesting some wording which calls for recommendations without an executed recommended agreement. Is that correct?

Mr. METZENBAUM. That is correct. I think we could very well let the Secretary make this recommendation, give it to the Congress, then determine in a hearing, whatever, what is the appropriate way to go. I am trying to work on that. I am not exactly fully cognizant of the implications of the additional language that is in this proposed amendment with reference to the timber cutting. I have asked some people more knowledgeable than I about that subject. I just want to be certain as to the significance of that. I also want to be certain of the language of this amendment. But I am very happy to continue to try working on it.

Mr. GARN. Will the distinguished manager yield?

Mr. JOHNSTON. I will yield.

Mr. GARN. During the last few minutes, we have been trying to work out a compromise. I did submit to the Senator from Ohio what I thought was an eminently fair and reasonable compromise, and I hope he would be willing to consider it. I do not happen to be an attorney, but the language is so simple that I find it puzzling we cannot accept it. It simply says we direct the Secretary to participate in expedited negotiations and to come back within 60 days with a recommended agreement to Congress and, if not, why, they have not come back with it. In other words, whatever he recommends makes no difference; Congress has the right to turn it down.

I do not understand the fears of the Senator from Ohio.

We are in exactly the same position. Get on with it.

Mr. JOHNSTON. May I say to my friend from Idaho -- --

Mr. GARN. I am from Utah, but Idaho is a good State.

Mr. JOHNSTON. It is out there in one of the public lands States.

Mr. GARN. Idaho has less public lands than Utah.

Mr. JOHNSTON. I say to my friend from Utah we are close to getting this thing worked out. We will get the recommendations back. The wording of it I think is not of essential importance; the matter will be there as a matter in conference to be discussed, and that is the point.

Mr. GARN. I might suggest -- the distinguished senior Senator from Alaska seeks recognition -- either while he is speaking we discuss it, or when he is through we suggest the absence of a quorum and see if we can work out some language that is acceptable to both sides.

Mr. STEVENS. Will the Senator yield for just a moment?

Mr. JOHNSTON. I will.

Mr. STEVENS. Mr. President, my goal is just the same as articulated by the Senator from Louisiana, the manager of the bill, and that is the subject matter of the Greens Creek exchange and Cube Cove, which is the Lake Florence area, be taken into conference.

Meanwhile, Mr. President, the hearings that the distinguished chairman of the committee has suggested, along with the Senator from Arkansas, could proceed. We could hopefully wind those up and bring into the conference not only the results of those hearings but the recommendation of the Secretary, and I think we might end up achieving the objective of dealing with both Greens Creek and the preservation of Lake Florence, which is now the goal of the southeastern conference and the goal that I wish to support. I have already

discussed this matter with Senator Murkowski and Senator Garn, Senator Johnston, and staff. I hope the Senate will proceed as the Senator has outlined, and I am ready to proceed with the language of the Senator from Louisiana as soon as possible.

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

The PRESIDING OFFICER. The Senator from Louisiana suggests the absence of a quorum. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

#### ORDER OF PROCEDURE

Mr. JOHNSTON. Mr. President, I think we now have an amendment as to which we will all, maybe agree is too strong a word, but at least we will allow to go through and resolve the matter.

I ask is unanimous consent necessary at this point to agree to have an amendment?

The PRESIDING OFFICER. If the Senator wishes to modify the amendment, to ask unanimous consent is required. However, you may offer an amendment in the second degree, if you wish.

Mr. JOHNSTON. I will not offer this until we have a very brief discussion. If it provokes anything other than a very brief discussion, I think we ought to give up the attempt. But I think it is very simple.

What the amendment says is that in lieu of having an approved exchange, the Secretary would be directed to continue to engage in expedited negotiations with Sealaska Corp. for a voluntary exchange agreement through which the United States would acquire surface and subsurface estates held by Sealaska in the Tongass National Forest in exchange for subsurface estate in the Greens Creek area of Admiralty Island.

Within 60 days of enactment, the Secretary shall submit his recommendations as to whether or not an exchange could be made, and if so, its appropriate terms to Congress, or shall report to Congress as to why such recommendation has been made.

We have similar direction to engage in expedited negotiations with Shee Atika, Atikon, and Sealaska for an independent voluntary exchange agreement through which the United States would acquire all of the surface estates or all of the surface and subsurface estates

held by these parties in the Lake Florence, Lake Kathleen, and Wards Creek drainages of Admiralty Island.

Mr. President, what I would have in mind by this amendment is that this would be the amendment in lieu of the exchange amendment, that we would proceed with our hearings on June 28, call in all the appropriate parties. We would also hopefully get the recommendations of the Secretary of Agriculture and we would have him in to testify by June 28, and if, in fact, we had a broad consensus of the matter, this amendment would put the matter in conference, which is all that you can ask for, anyway.

So, Mr. President, I hope, based upon this amendment, we can by unanimous consent delete the pending amendment and go to final passage without further delay.

Mr. METZENBAUM. Reserving the right to object, I do not intend to object, I question my friend, chairman of the committee, as to whether or not he thinks he ought not agree to evaluate or reassess the previously announced intention to go forward with a hearing on June 28, and not wait until the time of the hearing, until such time as the Secretary has come forth with his recommendation.

June 28 was originally set when there was not this provision being made in this amendment as to the Secretary making an evaluation as to whether an agreement should or should not be made, and the terms of that agreement.

It seems to me if there is a hearing on June 28, the substance of that hearing would have to be why do not we wait to see what the Secretary is going to have.

I hope that the chairman will reserve a determination on that. The Secretary may be ready by that time, but, if not, there is not much reason to go forward with the June 28 hearing.

Mr. JOHNSTON. I say to my friend that I think we should proceed with the June 28 hearing. If the Secretary comes to that hearing, and I can assure the Senator that he will be invited or his chief representative. If he says that he is not ready to make any recommendations at that time, and the matter should be further considered, then I believe we would have a second hearing. But, clearly, we ought to proceed on June 28. We made that announcement.

Mr. GARN. Will the chairman yield?

Mr. JOHNSTON. Yes.

[\*S7860] Mr. GARN. I agree with the chairman. I do not think it makes any difference whether the Secretary is ready to make his recommendations at that time. There are a lot of other witnesses that I think we should hear in making our determination. Therefore, I think it would be useful to proceed with the chairman's original recommendation, with a hearing on June 28 to gather that information.

My expectation is that we would probably need a second, separate hearing specifically on the Secretary's recommendation, if he comes up with one, apart from all the other information gathered. I would see the necessity for two hearings, in any event, even though June 28 is a necessary part of the process.

Mr. JOHNSTON. Mr. President, I feel a magic moment approaching.

Mr. MURKOWSKI. Mr. President, I would like to direct to the floor manager the question of the time sequence in section 501(a). We have a 60-day enactment period. I wonder if the Senator would, in section 501(b), where it reads: "The Secretary is directed to engage," modify it to include the words "during the 60-day period referenced in subsection (a)."

The Senator from Alaska would agree to the amendment with that provision, because I think it is appropriate that both subsections (a) and (b) have the same time sequence.

Mr. JOHNSTON. The Senator would like to add after the word "engaged," "during the 60-day -- --

Mr. MURKOWSKI. "Period referenced in subsection (a)." That is all.

AMENDMENT NO. 2020

Mr. JOHNSTON. Mr. President, I think that is an appropriate suggestion. So I say to my colleagues that the amendment that I will now ask unanimous consent for will read as follows, in the first sentence, at 501(b), "The Secretary is directed to engage, during the 60-day period, in expedited negotiations," et cetera.

So, Mr. President, I think the moment of agreement has arrived. I, therefore, ask unanimous consent that the pending amendment and the second-degree amendment thereto be laid aside, that in lieu thereof, the amendment which I now send to the desk be immediately considered.

The PRESIDING OFFICER. Is there objection?

Hearing none, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Louisiana [Mr. Johnston] proposes an amendment numbered 2020.

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

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

The amendment is as follows:

Sec. 501. (a) The Secretary is directed to continue to engage in expedited negotiations with Sealaska Corporation for a voluntary exchange agreement through which the United States would acquire surface and subsurface estates held by Sealaska in the Tongass National Forest, in exchange for subsurface estate in the Greens Creek area of Admiralty Island. Within 60 days of enactment the Secretary shall submit his recommendation as to whether or not an exchange should be made, and, if so its appropriate terms, to Congress, or shall report to Congress as to why no such recommendation has been made.

Sec. 501. (b) The Secretary is directed to engage during the 60 day period in expedited negotiations with Shee Atika, Inc., Atikon, Inc. and Sealaska for independent voluntary exchange agreements through which the United States would acquire all of the surface estate or all of the surface and subsurface estates held by these private parties in the Lake Florence, Lake Kathleen, and Wards Creek drainages of Admiralty Island. The first priority of such negotiations shall be acquisition of the Lake Florence drainage.

Mr. JOHNSTON. Mr. President, the amendment has not been discussed. I hope we will approve it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment (No. 2020) was agreed to.

The PRESIDING OFFICER. Amendment No. 2017 is thereby withdrawn without objection.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote and to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM. Parliamentary inquiry, Mr. President. I want to be clear. As I understood, the Chair just ruled that amendment 2017 is withdrawn. Does that mean that the amendment of the Senator from Louisiana that was just offered falls with that amendment?

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana was a first-degree amendment. It therefore stands.

Mr. METZENBAUM. That first-degree amendment was in order pursuant to the unanimous-consent agreement?

The PRESIDING OFFICER. It was.

Mr. METZENBAUM. Therefore, the amendment of the Senator from Louisiana has been accepted and adopted and is in order.

The PRESIDING OFFICER. The Senator from Ohio is correct.

Mr. METZENBAUM. I thank the Chair.

## TITLE II

Mr. MURKOWSKI. Mr. President, title II of the bill before us would establish a number of permanent nonharvest areas on the Tongass which would be managed as permanent LUD II's as defined in the 1979 TLMP. Would the Senator explain the uses permitted in a legislative LUD II area?

Mr. JOHNSTON. By LUD II, we mean "Land Use Designation II" set forth in the final environmental impact statement for the Tongass land management plan dated March 12, 1979. Management implications of LUD II are listed on pages 8 and 9 of that document. Areas allocated to LUD II are to be managed in a roadless state to retain their wildland character, but this would permit wildlife and fish habitat improvement and primitive recreational facility development.

Mr. MURKOWSKI. Senator Johnston, I understand that while timber harvesting is not permitted, timber salvage sales would be permitted to prevent significant damage to other resources such as control of disease or tree infestation. Am I correct?

Mr. JOHNSTON. The Senator is correct. Timber salvage sales would be permitted where necessary to protect other resources in a LUD II area.

Mr. MURKOWSKI. It is my understanding that personal use of timber would be allowed for cabin logs, firewood, float logs, fish trolling poles, and other similar uses. I presume that this is limited by the 10,000-board-foot per person rule which applies elsewhere in the Tongass National Forest. Am I correct in my understanding of these uses?

Mr. JOHNSTON. The Senator is correct.

Mr. MURKOWSKI. Am I correct in my further understanding that water and power developments can be permitted if they are designed to retain the [\*S7861] overall primitive characteristics of the area. Am I correct in my understanding that such uses are permitted?

Mr. JOHNSTON. The Senator is correct.

Mr. MURKOWSKI. Am I correct in my understanding that roads may be built to serve such activities as mining, power and water development, aquaculture development, transportation needs determined by the State of Alaska and vital transportation system

linkages? This would include the transportation corridors developed by the Alaska Department of Transportation for southeast Alaska.

Mr. JOHNSTON. Roads may be constructed in a LUD II area to serve the activities you describe if authorized by the Forest Service. In making its determination for authorization, the Forest Service will fully assess the environmental impacts of the construction of such roads and consider all available alternatives.

Mr. MURKOWSKI. Does permitting mining include the ability to build tailings dams so long as such dams can be designed to retain the overall primitive characteristics of the allocated areas? For example, the Julian Mine would be in the Berner's Bay LUD II area. Would a tailings dam be allowed in Berner's Bay to permit this mine to be constructed and operated?

Mr. JOHNSTON. Mining is a use allowed under the LUD II designation. The Forest Service however will review such mining activity under the NEPA process and consider alternatives which are consistent with the overall primitive character of the area. The Forest Service may allow tailings dams to be built in a LUD II area after it has fully assessed the environmental impacts and considered all available alternatives.

Mr. MURKOWSKI. Am I correct in my understanding that float planes and motor boats on fresh water are permitted so long as such use does not become excessive?

Mr. JOHNSTON. The Senator is correct.

Mr. MURKOWSKI. Am I correct in my understanding that permanent improvements such as fish ways, fish hatcheries and aquaculture sites may be built in LUD II areas?

Mr. JOHNSTON. The Senator is correct. However, the design of such facilities may be restricted to conform with the purposes of the designation.

Mr. MURKOWSKI. I thank the Senator for his views. SECTION 105

Mr. MURKOWSKI. Section 105 of the bill deals with the Small Business Set Aside Program. I wonder if Senator Johnston would explain to me how certain provisions of the section are intended to act.

Mr. JOHNSTON. I yield to Senator Bumpers who is chairman of the Small Business Committee which deals with the Small Business Administration timber sale program.

Mr. MURKOWSKI. Section 105(b) adds a new subsection (f) to section 705 of ANILCA which subject to applicable laws requires the Secretary to provide a supply of timber to the Tongass National Forest which seeks to meet the demand of purchasers qualifying as small business concerns under the Small Business Act. This provision is extremely important to me because I want to make sure that the small business operators on the Tongass are protected. These are operators who do not have long-term sales and must

rely on the ordinary Forest Service timber sale program to survive. I favor a strong SBA set aside which will meet the needs of the small business operators without requiring them to compete with the independent and long term sales.

Mr. BUMPERS. Yes, the Senator offered this amendment in the Energy Committee and I think it is a good amendment. I share the Senator's views that the language in subsection (f) is designed to accomplish the purposes you have mentioned.

Mr. MURKOWSKI. In providing that the Secretary shall seek to provide a timber supply which meets the demand of small business purchasers, is it the bill's intent to make sure that sufficient SBA program timber is offered so that these timber purchasers have the opportunity to purchase enough timber to keep their mills operating?

Mr. BUMPERS. Yes, it is, consistent with other laws applicable to National Forests. The idea is that the Tongass SBA timber sale program would be conducted like SBA timber sale programs elsewhere in the National Forest System.

Mr. MURKOWSKI. On the Tongass National Forest it takes some time for a timber sale to be offered from the date that the timber sale is conceived. The Forest Service estimates that sometimes it takes as many as 7 years. Oftentimes, there are lawsuits which preclude timber from being sold which has been through the timber sale preparation process. Is it the intent of the provision that the Forest Service take all of this into account in preparing SBA timber sale program adequate to meet small business market demand?

Mr. BUMPERS. That is my understanding of the intent of the provision.

Mr. MURKOWSKI. Is it the intent of this provision that the Forest Service request sufficient funds from the Appropriations Committee to meet market demand as we have discussed?

Mr. BUMPERS. There is no explicit funding requirement in the provision, however I would agree with the Senator that seeking adequate funds for timber sale preparation is an implicit part of the requirement that the Forest Service seek to meet small business demand.

Mr. MURKOWSKI. I thank the Senator for his views.

Mr. President, as the Senate prepares to vote on the Tongass National Forest reform bill it is appropriate that I make a few brief remarks.

Let there be no doubt, Mr. President, that this legislation is extremely important to the people of southeast Alaska and to me personally. There are those that would use the concern generated about timber management, and I believe this concern is without basis, to cause serious damage to the economic and social fiber of southeast Alaska.

But in this body, Mr. President, the Alaskans have been given fair and reasonable treatment. This is in large part to the credit of my colleague from Louisiana, the able chairman of the Senate Energy and Natural Resources Committee, and my colleague from Arkansas, Senator Bumpers, chairman of the Public Lands Subcommittee.

Alaskans have had fair hearings in both Washington, DC, and in Alaska. On more than one occasion, the chairmen has presided over long sessions inquiring with great interest into controversial issues related to Tongass management.

And when I asked the subcommittee chairman to hold hearings in Alaska so that Alaskans could be heard on an issue so critical to their lives -- I was accommodated. Senator Bumpers did so even though the pressure to move legislation was great. I thank Senator Wirth and Senator Burns for traveling to Alaska with me to listen to the testimony of concerned Alaskans.

The field hearings in Alaska revealed that while there were many disparate opinions in Southeast Alaska about Tongass management a great effort was being made to develop a consensus position. The Southeast Conference, a group of community leaders from throughout southeast Alaska, had worked long and hard to build a detailed position that a majority of the communities could support. Their position was supported by the Governor at the hearing in Sitka and later became the foundation for the compromise bill advanced by Senator Johnston in committee. This bill was reported unanimously by the committee and I believe will receive overwhelming support in the full Senate today.

The development of Tongass legislation in the Senate is in stark contrast to what has occurred in the House. The House passed measure takes away the consideration given for 5.4 million acres of wilderness designations by the Congress in 1980, cancels existing timber contracts exposing the United States to potentially huge liability, and designated nearly 2 million acres of additional wilderness in the Tongass forest. Should this measure become law it will devastate the timber industry in my State -- an industry which is the economic underpinning of a region larger than West Virginia. This measure passed the House over the objections of the entire Alaska congressional delegation and Alaska's Governor. To make matters worse, the House measure was advanced without a single hearing in Alaska.

While I do not like every provision of the Senate committee bill, I appreciate the careful attempt which has been made in the Senate to balance the national interest in the Tongass forest with the needs of southeast Alaskans who depend on the forest for their livelihoods. In my view, no such effort has been made in the House. As we proceed to conference this bill my senior colleague from Alaska and I ask for the support of other Members in advancing the good work of the Senate and the interests of Alaskans.

Mr. ADAMS. Mr. President I am pleased to join my colleagues in supporting the passage of the Tongass timber reform bill. We have before us today the result of many months of negotiation. I believe the result is a fair and equitable compromise.

The management of the Tongass has become a matter of tremendous national and international interest. To date, I have received thousands of letters from citizens in my State of Washington asking that we save the Tongass. I believe that the volume of mail that has arrived in my office regarding this issue accurately reflects the concern in my State about the management of our national forests. We in the Pacific Northwest are particularly sensitive to the difficult problems posed by changes in forest management practices. The battle over the [\*S7862] fate of our old growth forests has been a tremendously agonizing one pitting environmental values against the economies of local communities. I understand how difficult it is to make management changes which result in lost jobs. Unfortunately, however, difficult decisions are sometimes necessary to protect the environment and jobs in the long term.

Mr. President, I believe that there is another significant reason for supporting Tongass reform; that reason is purely financial. Tongass has also become a symbol to both environmentalists and economists of poor management policy. The Congressional Budget Office estimates that the passage of this legislation will result in a savings of \$28 million in 1991 and \$44 million in subsequent years. In these times of fiscal constraints and a severe budget deficit, it is unthinkable that we continue to subsidize, at enormous financial cost, the continued harvesting of the Tongass. Good financial stewardship as well as good environmental stewardship, demand a reform in the Tongass forest management policy.

In addition, the environmental and ecological costs of this subsidy should be taken into account. In recent times, it has become clear that we need to do more to protect our resources -- 100 years ago, we believed that our forests were limitless, indestructible. Over the years, we have learned a tremendous amount about the intricate and fragile nature of our forests. Today we realize that unless we manage our resources responsibly, we will not have those resources to rely upon in the future. The Tongass is our Nation's largest forest and harbors abundant fish, wildlife, flora, and fauna. We still have the opportunity to manage it wisely and I am pleased that the Senate has taken that responsibility seriously.

Finally, Mr. President, I would like to commend Senator Johnston and the Energy and Natural Resources Committee members and staff for their outstanding work in bringing the Tongass bill before us. I recognize how difficult it has been to reach an agreement on this issue and admire Senator Johnston's work in furthering this process. This bill has been a long time coming and I am grateful to those people who made it possible.

Mr. ROTH. Mr. President, I rise today in support of the legislation before us, H.R. 987, the Tongass Timber Reform Act. The legislation to amend the Alaska National Interest Lands Conservation Act is an important step forward in the protection, management and conservation of our national forests. It is a step that we should have made a long time ago. The forest, located in southeastern Alaska, is a national treasure that supports an incredible abundance of fish and wildlife, and is one of the last remnants of a far larger rainforest that once stretched from northern California to Alaska.

As one of the key cosponsors of the 1980 Alaska lands act to protect millions of acres of Alaskan wilderness I am disappointed that the debate on the management of the Tongass National Forest has taken this long. Huge sums of money have been spent to build roads into remote and fragile areas to make timber available for sale. This has resulted in the wasting of our taxpayer dollars, and encouraged unsound environmental practices which is destroying salmon spawning streams and wildlife habitat. The Forest Service spends \$40 million annually to maintain a timber supply. Yet, we don't know if the timber is necessary or whether the timber sales will even take place. From the period of 1980 through 1986, the Forest Service spent \$386 million while it only took in \$32 million. As the New York Times stated in their editorial of September 20th, 1989, "we have been selling 500-year-old trees for about the price of a cheeseburger." Since about 60 percent of timber harvested in the Tongass goes for rayon and cellophane production, we are selling the tree to make the cellophane to wrap the cheeseburger.

The current management practices have resulted in wasting millions of our taxpayer dollars while encouraging unsound environmental practices which destroy salmon spawning streams and wildlife habitat. How can we tell countries like Brazil, Madagascar, and Indonesia to undertake responsible forest management practices, when we cannot manage our own forests responsibly?

The protection of our wilderness and the proper stewardship of our national heritage is an important issue to all of us. It is one of the few treasures that we can pass along to future generations unscathed. With so much national attention focused on the environment and in particular this measure, I am pleased to see that we are finally able to right a wrong.

This legislation is a major step forward in bringing these contracts into line with the short-term contracts used in the rest of the national forest system, and should do no harm nor destabilize the local economies. I commend Senators Johnston, Wirth, Stevens, and Murkowski in the preparation of this compromise measure before us. T

he PRESIDING OFFICER. Is there further debate? Is all time yielded back?

Mr. JOHNSTON. Mr. President, I have an amendment to the title. Is that in order now?

The PRESIDING OFFICER. It is not in order at this time. Is all time yielded back?

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

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

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

Mr. JOHNSTON. Mr. President, I thank all parties engaged in this bill for their extraordinary cooperation. The two Senators from Alaska, whose State is vitally and directly affected by this, have been real champions in helping us fashion an agreement. The Senator from Ohio has searchingly examined the bill, and I think contributed successfully to its confection.

The Senator from Utah has been very helpful, and as we proceed with seeking to get an exchange on Greens Creek -- and I hope we can -- I expect him to be a strong player, and I know he will want to participate with us in the conference committee. Senator Wirth from Colorado and Senator Bumpers from Arkansas, of course, have been very strong advocates of the Tongass National Forest legislation, as has Senator McClure and others.

Mr. President, I especially want to thank the staff who have done such an outstanding job all through this legislation, and it is not over yet. I especially thank Mike Harvey, Daryl Owen, Tom Williams, Beth Norcross, and Diane Nagel. I especially want to note the work of Beth Norcross, who is our resident forester and a tremendous expert on this whole area. We would not have been able to get such a good settlement and agreement on this matter without her help, as well as that of the other staff members.

So, Mr. President, with that, I ask for the yeas and nays.

Mr. MURKOWSKI. Mr. President, I would like to thank my colleague and thank all those who are responsible as well. I encourage my colleagues, when we go to the conference to recognize that the Senate has held extensive hearings with good debate. I thank, particularly, Senator Johnston, who has made, I think, a very fair and responsible effort to examine the entire Tongass issued through the hearings which were held in Alaska, through the numerous committee hearings held here in Washington. And, to a large degree, credit goes to my colleague from Louisiana for expediting this legislation. I think, in a very fair and equitable manner.

The senior Senator from Alaska and myself are most appreciative. I know that he has a luncheon today, so I will not extend my remarks any further, but I could at great length go on and expound as to how cooperative and responsible he and the professional staff, Beth Norcross and our own staffs have been. Senator Stevens and myself are most appreciative. I thank my friend from Louisiana.

The PRESIDING OFFICER. Does the Senator from Louisiana wish to ask for the yeas and nays?

Mr. JOHNSTON. Yes. I ask for the yeas and nays.

[\*S7863] The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. 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. JOHNSTON. Mr. President, the seafood luncheon is now going on. We cannot reach the majority leader to ask that the vote be put off until 2 o'clock. So we will just do that informally. I will come back at the end of the luncheon and ask for the vote at around 2 o'clock. So Senators should be advised that we will have the vote at about 2 o'clock.

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

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

#### UNANIMOUS-CONSENT AGREEMENT

Mr. CRANSTON. Mr. President, I am now going to make a unanimous-consent request, which I understand has been cleared on both sides.

I ask unanimous consent that the vote on final passage of H.R. 987, the Tongass wilderness bill, occur at 2 p.m. today without any intervening action or debate.

The PRESIDING OFFICER. Is there objections?

Mr. MURKOWSKI. The Senator from Alaska would not object, and is very pleased to hear with some certainty that we are going to resolve the Tongass issue, at least until we get to conference. I will not object.

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