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Senate

The Senate met at 9 a.m. and was called to order by the Honorable WAYNE ALLARD, a Senator from the State of Colorado.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

God our Father, thank You for the power of intercessory prayer. Intercession changes our understanding of what and how to pray, changes our relationship with the people for whom we pray, and actually changes what happens in their lives because we pray. You are constantly seeking to enable deeper relationships and are delighted when, out of love, we come to You to pray about our loved ones and friends.

Today we focus our prayers on the spouses and families of the Senators. They are such a vital part of these leaders' lives. And yet, the very demands of being in the Senate cause strain and stress on marriage and the family. Family members bear the burden of high profile living with its lack of privacy and abundance of public scrutiny and criticism. Though spouses are not elected to office, often constituencies place heavy responsibilities and demands on them. Keeping pace with schedules, the demands of the family, and the pressures of social calendars creates a formidable challenge.

Father, bless the Senators' spouses, children, and extended family of parents, brothers, and sisters. We focus them in our mind's eye in this moment of intercessory prayer. Grant each one the healing help and hope that he or she needs today. Through our Lord and Saviour. Amen.

APPOINTMENT OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 18, 1998.

To the Senate:

Under the provisions of rule 1, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WAYNE ALLARD, a Senator from the State of Colorado, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

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

RECOGNITION OF THE ACTING MAJORITY LEADER

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

THE PRAYER

Mr. GRASSLEY. Mr. President, first of all, I wish to comment on the prayer of the Chaplain of the Senate this morning. It is a prayer that is needed, because there is more than just one member of the family involved in the Senate. It is needed because family is very much involved. More importantly, our Chaplain practices what he preaches in the sense that he is truly a person who is a pastor not only for 100 Senators and their families but for a bigger family, the staff of the Senate. So I know that his prayer is from the heart as well as from the Scripture.

SCHEDULE

Mr. GRASSLEY. On behalf of the leader, Mr. President, I wish to make this announcement. The Senate will be in a period of morning business until 11:30 a.m. At 11:30, the Senate will begin consideration of H.R. 2646, the Coverdell A+ education bill. At that time, Senator ROTH will be recognized to offer an amendment. It is hoped that good progress can be made on the Coverdell bill, and therefore Senators can expect rollcall votes throughout Wednesday's session.

In addition, the Senate may resume consideration of the NATO enlargement treaty. The Senate may also be asked to consider any of the following items: the ocean shipping reform bill, the Texas low-level waste compact, and any other executive or legislative items cleared for action.

I thank my colleagues for their attention, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GORTON. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CRAIG). Without objection, it is so ordered.

INDIVIDUALS WITH DISABILITIES EDUCATION ACT AMENDMENTS OF 1997

Mr. GORTON. Mr. President, last year the Senate approved the Individuals with Disabilities Education Act Amendments of 1997. I was the only Member to vote against this bill, not because I disagree with the premise of IDEA to ensure that children with special needs receive an education, but because its focus is so narrow it avoids entirely or interferes with the overall quality of education provided to all of our young people. This narrow focus also abrogates the rights of those who are closest to our children—their parents, teachers, school administrators and their elected school board members—to make judgments about how to provide the best possible education for the largest number of students.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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The new law, like the previous statute, proposes a series of largely unfunded mandates on every school district in the Nation. What Congress did was to say to each school district: We know what is best for you. We are going to tell you what to do and how to do it, but we won't pay the costs associated with our decisions.

I was so frustrated by this attitude that Washington, DC, knows best, that last year I offered two amendments, one on school safety and the other on school funding.

The two amendments were based on the same philosophy: Education policies are best determined by those closest to our children—their parents, teachers, principals and school boards. Their ability to teach kids and to create safe and conducive learning environments shouldn't be stifled by mandates from Congress or overregulation by the Department of Education.

While the school safety amendment was narrowly defeated by only three votes, the Senate approved my amendment to send K through 12 funding directly to local school districts. In addition to giving local educators the authority to spend education funds on their priorities in their school districts, the amendment repealed hundreds of pages of regulations handed down by the Department of Education, placing the focus on teaching kids and not on endless paperwork. There is clearly significant support in the Senate for giving control of the schools back to parents, teachers, and locally elected school board members.

Unfortunately, if the proposed regulations for the new IDEA are any indication, it seems that the Department of Education didn't get that message. Instead of reducing regulations, it has increased them. Instead of simply providing an interpretation of the new law, the Department ignores congressional intent and creates its own policies. The new regulations are more than 25,000 words longer than the old ones—a 71 percent increase in words about which to argue, litigate, and otherwise divert resources from educating kids.

Instead, our teachers and principals will be saddled with the implementation of a more complex set of federally imposed requirements, some created by the Federal bureaucracy and never voted on by any Member of Congress. One special ed director told me, ''At least monthly, one of my staff tells me he or she is leaving special ed because of the paperwork.'' And another superintendent echoed that frustration when he wrote that, ''A process which is supposed to result in an education program . . . becomes a battleground on which procedures become more important than educational results.''

One district sent me the paperwork required just to start a child on special education programs. It is close to 40 feet long with one form pasted on to another. It is no wonder our educators are frustrated. I'm afraid that the new law, and most certainly the new regulations will not allow educators to focus on kids. Instead, they will have to focus on process and on ensuring that their district complies with myriad complex rules and procedures.

Special ed teachers will continue to leave their profession in frustration; school districts will spend money on ensuring that ''I's'' are dotted and ''T's'' crossed to avoid litigation and kids won't receive the education they might otherwise receive in the absence of the regulations handed down by Washington DC bureaucrats.

The 1997 amendments were developed in an unusual process in which the Department of Education had a seat at the table while the new law was being crafted. The Department knew where compromises were made, where Congress chose to act and where Congress intentionally remained silent. It is troubling, although perhaps not entirely unexpected, given the Department's past history, that the regulations seem to have turned into a vehicle for the Department to enact policies that it supports but that Congress specifically rejected. The proposed regulations include notes and previous policy letters, which instead of providing clarification, create new interpretations of the law. The Department of Education has also used these regulations to promote a particular approach to the provision of local services and to influence specific local educational decision making. These expansions beyond the Act not only continue the traditional federal overregulation in special education but also exceed the mission of the federal Department of Education in promoting or favoring a particular educational approach. All of this invites more litigation and less flexibility.

The message these regulations send to each and every teacher and principal is that Washington DC doesn't trust you to do your job with care and compassion. Bureaucrats at the Department of Education are the best judge of what is necessary and appropriate at the local level and that uniform solutions can be applied to every situation. Who is more qualified to help our special needs students? Someone who dedicates each day to helping children learn? Or a faceless bureaucrat sitting behind a desk in Washington DC? Within the 110 pages of regulatory pronouncements there are literally hundreds of provisions of concern to the school districts in Washington state. There are simply too many to cover in the time I have on the floor, so I will focus on only a few issues.

There is no other issue in IDEA as contentious as discipline procedures and there is no other area in regulation where the Department takes more liberty to act in defiance of Congressional intent. While I did not support the final provisions on discipline, they were the result of careful compromises on all sides—compromises in which the Department of Education was involved. Instead of honoring those agreements, the Department decided to legislate on its own.

The Department decided that a child should be in an alternative education setting for no more than 10 school days in each school year. Congress based the length of a student's suspension on Honig v. Doe which allows a child to be placed in an alternative education setting or suspension for not more than 10 school days. Honig and thus the statute simply says 10 school days nothing more, nothing less. By overstepping its regulatory authority, the Department's proposal means that a young person with a few infractions during the school year such as smoking, cutting class, bad language and the like, could by the end of the school year commit the same minor infractions and be subject to no significant discipline or a very different one than his or her peers; and his or her peers would still be subject to the general rules established by the principal or school district. In effect we are telling these children, one set of rules applies to most kids and a very different, and much more lax set of rules applies to you.

Once a child's disciplinary action exceeds the cumulative 10 days in a school year, the Department's regulations trigger a new array of requirements. Just a few disciplinary infractions within the 10 month school year could mean that a number of new, costly service and procedural requirements, including full educational services during suspension, IEP meetings, and assessment plans. The regulations also infer that a manifestation determination must be held for each infraction of school rules if the child has already exceeded this 10 school day limit—even if the misbehavior is relatively minor and would only result in a disciplinary action of one or two days. Schools would be forced to decide whether or not to pay for the costs of the manifestation determination or simply letting the behavior slide. This again has no legislative basis and will be especially burdensome for small school districts and those in rural areas that can't afford to keep specialists on staff in the event they might be needed.

Additional proposed regulations, without legislative sanction, include the requirement of a decision within 10 days of the request for an expedited hearing. The Department also specifically discourages home bound placement except for medically fragile children, ignoring that under certain circumstances for safety, home bound instruction may be appropriate. Another note encourages returning a child who has been placed in an alternative placement for 45 days back to the classroom once behavior interventions are in place. It should be remembered, however, that the child was removed from his or her regular classroom because of dangerous behavior, either a weapons or drug violation, not simply the need to develop new remedies.

Both the law and the regulations set an almost impossible standard for schools to meet in establishing requirements for this alternative educational placement. This placement must include services or modifications to address the original misbehavior so that it does not recur and the school must anticipate and provide modifications for any other behavior that would result in the child being removed from the regular education placement for more than 10 school days. One small school district with only 250 K–12 students had a student with a disability grab another student, put a saw to his neck and threaten to cut it off. Was the school district responsible for anticipating and preventing the outburst? The new regulations seem to imply that it would be.

Additionally, nondisabled children can circumvent school disciplinary action by claiming a disability. A child or parent can come along after the fact and claim that the misbehavior was caused by a previously undiagnosed disability. Both the law and proposed regulations are so loosely structured that almost any noneligible child with a behavior problem can assert IDEA protections.

What do all of these regulations mean for the classroom teacher and the children in our schools? One principal tells me that special education students brag to other students that the consequences of misbehavior do not apply to them. This will certainly continue to be the case under the new law and the regulations. In another small town in my state, one high school student with a learning disability brought a handgun into class. The gun discharged and a bullet passed through the leg of another student. After a review team determined the misconduct was not the result of the student's disabling condition, a one-year expulsion from school was initiated. The parents appealed, alleging the student's IDEA rights had been violated. The hearing officer ordered the continuation of educational services for the special education portion of the day. A tutorial program, off campus, was established to continue the child's special education services at substantial cost to the District. The new requirement to provide the full educational program would increase this cost four fold. Should the educational opportunities for other students be negatively impacted by redirecting $60,000 from other classrooms to pay for a tutorial program for a student who's behavior is not caused by their disability and who shoots another in class? If any of us here on the Senate floor were in the classroom and we were faced with a violent or disruptive child, how would we handle the situation? Would we rely on our years of classroom experience, or would we rely on a set of rules and regulations from Washington DC to guide us? Unfortunately, for every child and teacher in our country, the Department's proposed regulations result in an even more inflexible dual standard of discipline for students with disabilities, a standard that further sets them apart from other students and relieves them from responsibility for their own acts

Because of its complexity and the provisions that make attorneys' fees a one way street for parents, IDEA is one of the most litigated of all federal statutes. Forbes magazine recently described it this way, ''Special ed has become the ambulance and lawyers are chasing it.'' Instead of ensuring that dollars stay focused on the classroom, the Department appears to encourage parents, through the policies it has developed in these regulations, to sue their school districts. Congress encouraged mediation, yet the department provides no regulatory ''guidance'' on mediation and in fact makes it easier for parents to get their lawyers fees paid for by encouraging states to enact laws allowing hearing officers to award attorneys' fees. The Department gives states new authority to order compensatory services and eliminates the administrative appellate option of Secretary-level federal review from current regulations. All of these changes are without legislative foundation. Again, little to no consideration has been given to the impact these regulations and the enormous costs that will most certainly accompany them will have on the education of all children in the school district.

Overwhelmingly each school district I have heard from is concerned about the implementation date. Under the proposed regulations Individual Educational Plans for every child must comply with the new law and new requirements by July 1, 1998. Since most IEPs are reviewed on an annual basis, IEPs developed for a full year of services would be invalidated. School districts will have virtually no time between issuance of the final regulations and the July 1 implementation date to involve regular education teachers and to consider the many new IEP factors. For school districts with thousands of IEPs the tasks of revising each IEP according to the final regulations will be impossible by July 1, 1998. The imposition of a July 1 implementation date for all IEPs places all school districts in a position of massive potential financial liability. Administrative and judicial complaints concerning any service contained in a non-complying IEP that was developed to meet the requirements of the new regulations will likely result in major financial judgments against the nation's schools.

This is by no means an exhaustive list of Washington state concerns. There are many other areas where the Department defies Congressional intent such as, the promotion of extended year services, or the Department's unilateral expansion of the definition of related services to include travel training, nutrition services and independent living. There are just simply too many to mention all of them here. The few I have mentioned are merely examples of the attitude that is pervasive at the Department of Education—we know better than local parents, teachers, principals and elected school board members. In most organizations the philosophies of its leader sets the standard for its employees. The Department of Education is no exception. In last year's state of education address, Secretary Riley speaking about national testing said that we should not ''cloud our childrens' future with silly arguments about federal government intrusion''. I can guarantee you, that to the thousands of schools that must comply with the rules, regulations, paperwork and direction from Washington DC laid down by these regulations the argument about federal government intrusion is far from silly.

To add insult to injury, the administration apparently believes that school districts coffers are brimming with cash to implement the new regulations and absorb the associated costs. Clearly, no thought has been given to the impact on the education of the children in the school district or to minimizing the growing adversarial relationship between special education and regular education. The Department's regulations certainly demonstrate that indifference, but the President's budget request may be the most telling. This year, if the President has his way, the per child federal contribution for special education will actually go down. Further, the administration acknowledges that its proposed funded level represents a federal contribution of merely 9 percent of the excess costs of educating kids under IDEA. If the Administration wants to tell local schools how to run their special ed programs, the President and his Administration should have the common decency to adequately fund those demands.

Contrary to what the Department of Education seems to believe, the 1997 Amendments to the Individuals with Disabilities Education Act were not a vehicle for empowering the federal bureaucracy to enact its own laws. I'd like to take this opportunity to remind the Department of a law Congress passed in 1996, the Small Business Growth and Fairness Act, which includes a provision giving Congress the authority to review and disprove each and every new regulation promulgated by the federal agencies.

I am told that the Secretary is working with the committees of jurisdiction regarding the proposed regulations and I hope that process results in substantial improvement. Otherwise, I'm afraid the final regulations will be so onerous that Congress will have no choice but to ask the Department to start over again.

Mr. President, I simply state that the law itself was detailed enough and bad enough in its centralization. The regulations are considerably worse. Once again, Mr. President, I could roll this out here on the floor. This is the set of forms required of a school district for a

single disabled student. It is close to 40 feet in length. This is what we have done to our schoolchildren, to our teachers, and to our school districts. It's wrong. We aren't paying for it and we have to reform here, not in the school districts.

FISCAL YEAR 1998 SUPPLEMENTAL APPROPRIATIONS BILL

Mr. KERREY. Mr. President, I rise today to discuss my strong concerns regarding the fiscal year 1998 emergency supplemental appropriation bill. I was extremely disappointed by last week's decision by the House Republican leadership to split the fiscal year 1998 emergency supplemental bill into two separate legislative pieces: one includes funding for defense and disaster relief and the other contains funds for the International Monetary Fund and payment of U.S. arrears to the United Nations. I was similarly disappointed that the Senate Appropriations Committee not only marked-up two separate pieces of legislation, but that funding for U.S. debts to the UN was not included at all.

Mr. President, I am very concerned about the House and Senate legislative strategy involved in splitting the supplemental appropriations bill. I firmly believe that the Congress must act quickly to pass a single, emergency bill prior to the April recess.

It is imperative that the Congress act immediately to supply the $18 billion requested by the administration for the IMF. I am pleased that the Senate Appropriations Committee voted yesterday on legislation that includes both the $14.5 billion to replenish the IMF's capital base and the $3.5 billion for the new arrangements to borrow, NAB, while encouraging necessary IMF reforms. The Asian financial crisis poses too great of a threat to the economic prosperity of the American people to allow it to become mired in non-related, political debates. As Secretary Rubin has stated, ''Financial instability, economic distress and depreciating currencies all have direct effects on the pace of our exports, the competitiveness of our companies, the growth of our economy and, ultimately, the well-being of American workers and farmers.'' To be clear, the growth and competitiveness of our economy is at stake.

Mr. President, I am confident that the vast majority of our colleagues agree on the importance and the need to move forward with the IMF funding proposal. However, my fear is that while we are likely to see quick action on defense and disaster relief, a separate funding vehicle for the IMF is likely to get bogged down in non-related arguments.

The American people have a right to ask: if there is agreement, why the delay? It appears that certain Members of Congress are prepared to hold funding for the IMF hostage to their desire to fight, yet again, the international family planning issue.

Mr. President, I do not begrudge the concerns of my colleagues who feel strongly about the issue of international family planning. I recognize that disagreement exists. In my opinion, international family planning assistance is essential to health care in developing countries, resource and environmental management, and economic development. While I am confident that this is an issue that we will once again fight during consideration of the fiscal year 1999 foreign operations appropriations bill, I believe that it is extremely irresponsible to hold up IMF funding to debate this issue.

Mr. President, the truth is I've actually begun to lose count of how many issues are being held hostage by proponents of the so-called Mexico City language. We now see reports that this issue will be attached to the conference report on State Department reauthorization, thus slowing up efforts to achieve much needed reforms in our foreign policy decisionmaking structure. Similarly, payment of our debts to the United Nations are also being held up over this same issue. At a time in which we are asking our allies to stand with us in opposition to Saddam Hussein, to force him to comply with the UNSCOM inspection regime, we refuse to pay our debts. It would be naive to think that this doesn't affect our ability to lead at the United Nations. It is time for real leadership in the Congress; it's time to move forward on this issue.

I would like to draw my colleagues' attention to an editorial that appeared in the March 16 edition of the New York Times entitled ''Foreign Policy Held Hostage.'' This editorial clearly outlines the risks to our broader foreign policy goals when narrow interests are pursued indefinitely. I ask unanimous consent that the full text of this editorial be printed in the RECORD.

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

[From the New York Times, Mar. 16, 1998]

FOREIGN POLICY HELD HOSTAGE

House Republican leaders flaunt their disregard for America's broader interests by letting anti-abortion crusaders hold up funding for the International Monetary Fund and the United Nations. The money is being held hostage to an obnoxious amendment by Representative Christopher Smith of New Jersey that would block American financing of any foreign group lobbying for less restrictive abortion laws abroad. President Clinton rightly threatens to veto any bill with the Smith language.

A similar ploy by Mr. Smith blocked I.M.F. and U.N. funding measures last fall. Speaker Newt Gingrich should understand that I.M.F. and U.N. payments are too vital to American interests to be ensnarled in abortion politics and ought to let an unencumbered bill pass the House.

The $18 billion for the I.M.F. is meant to replenish its reserves after the recent bailouts of Thailand, South Korea and Indonesia. Asia's financial crisis is not over, and the fund may need the money in the coming months. America's trade interests and even the health of the economy could be jeopardized by delaying this funding.

The nearly $1 billion for the U.N. would pay off most of America's debt to the world organization. For years, Congress has withheld some of America's dues to leverage reforms at the U.N. Many of those changes have now been adopted under the leadership of Kofi Annan, the new Secretary General. Other countries have had to make up for the loss of American money, undermining Washington's bargaining power in the U.N. If the back dues remain unpaid, the United States will lose its voting rights in the General Assembly next year, an embarrassment for the nation that led the effort to create the United Nations half a century ago. Abortion politics has no place in determining America's role in the U.N. and the I.M.F.

Mr. KERREY. Mr. President, I close by urging the Senate to move swiftly to pass a single fiscal year 1998 supplemental appropriations bill before we leave for the April recess. The safety and prosperity of the American people and our economy is too important to do less.

The PRESIDING OFFICER (Mr. ROBERTS). Under the previous order, the Senator from Wyoming is recognized to speak for up to 45 minutes.

SOCIAL SECURITY

Mr. THOMAS. Thank you, Mr. President. For some time now, we have had what we call a freshman/sophomore focus in which those of us who have come here in the last 2 to 4 years come to the floor to talk about some of the issues that we believe are the pivotal issues before this Congress and the American people, the ones that have the highest priority and are most difficult. We come again this morning to talk largely about the questions and problems associated with Social Security. All of us, of course, are dedicated to continuing to have a strong Social Security program. So that is the focus of our freshman focus this morning.

I yield to the Senator from Minnesota, Senator GRAMS, for 10 minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. GRAMS. Mr. President, I rise this morning along with my colleague to make a few brief observations about Social Security and how we can preserve and strengthen it. I thank my colleague from Wyoming for reserving floor time so that we can address this critical issue.

I was shocked by a recent poll revealing that Americans would rather put their Social Security money under their mattress than entrust it to the Government. According to that poll, 46 to 56 percent of Americans said they would prefer to put their retirement savings under their mattress—only 28 to 35 percent would rely on Uncle Sam. Why are so many Americans skeptical about the government-run Social Security program? The answer is simple: in its present form, the program is a raw deal for most Americans. It will not be there for baby boomers, and it will heavily burden our children and grandchildren.

Mr. President, the American people's skepticism and worries about Social Security are well founded. Social Security's future is being challenged by a massive demographic shift now underway that will continue for the next 33 years. In 1941, there were approximately 100 workers for every retiree. Today, there are only three workers for every retiree; that ratio will soon drop to two workers per retiree. Even though Congress has increased the payroll tax 51 times since Social Security's creation, the program is clearly headed for insolvency and the future tax burden on workers will be overwhelming.

The Congressional Budget Office warns that if these problems are not fixed, federal deficits could shatter our future economy, placing a heavy burden on our children and grandchildren. The federal deficit would increase from $107 billion in 1996 to $11 trillion in 2035. The national debt would balloon to $91 trillion during that same period of time. Such rapid growth of federal debt and the deficit would bankrupt this nation, making any bailout impossible.

Mr. President, I welcome the fact that the Administration has started to pay attention to the Social Security crisis. I am pleased we all agree that Social Security is facing serious financial and demographic challenges. It is a fiscal disaster-in-the-making, unsustainable in its present form. We desperately need reform to preserve and strengthen the Social Security program. The sooner we do it, the less pain we will suffer in the future. But the real question is, how we should go about it?

It is obvious to me that simply funneling money back into Social Security won't help fix the problem. It will not re-build the fund's assets for current and future beneficiaries and it does not address the flaws of the current finance mechanism.

The fundamental problem with the Social Security program is that it is funded on a pay-as-you-go basis. The Social Security payroll taxes are not directly invested in assets, and retirees' benefits are not paid from the sale of earlier invested assets. Instead, the current payroll taxes are largely paid directly to current retirees, and the federal government uses the remainder to fund other programs—stealing from the Social Security trust fund to pay for other programs. The Social Security's trust-fund ''assets'' consist of nothing but Treasury IOUs that can only be redeemed if Congress cuts other spending, raises taxes, or borrows from the public to raise the cash.

Without fundamental reform, using general revenue to pay for Social Security is nothing but an increase in the payroll tax on American workers. I believe that reforming the Social Security program to ensure its solvency is vitally important, and the sooner we get about the task of doing it the better. Any projected budget surplus should be used partly for that purpose, using it to build real assets by changing it from pay-go to a pre-funded system.

Yet, I also believe strongly that Congress owes it to the taxpayers to dedicate a good share of the surplus for tax relief. After all, the government has no claim on any surplus because the government did not generate it—it will have been borne of the sweat and hard work of the American people, and it therefore should be returned to the people in the form of tax relief.

Washington and bureaucrats should not be first in line to take any of the surplus and spend it. It should go back to the taxpayers.

Should we save Social Security first or provide tax cuts first? My answer is we should do both. We had a similar debate last year about whether we should balance the budget first and provide tax cuts later. The truth is we can absolutely do both at the same time, as long as we have the political will to reform Social Security.

The President is maintaining that not one penny of the surplus should be used for spending increases or tax cuts—that every penny should go to save Social Security. But in his FY 1999 budget, he has already proposed to spend some $43 billion of the surplus. That's an obvious contradiction.

Moreover, in the next five years, the President will have to use more than $400 billion out of $600 billion from the Social Security trust funds surplus to pay for his government programs.

If we're serious about saving Social Security, we should first stop looting the Social Security surplus to fund general government programs, return the borrowed surplus to the trust funds by cutting government spending, and begin real Social Security reform.

Mr. President, several other recent polls prove that Americans are increasingly concerned about the future solvency of the current Social Security program. A USA Weekend poll showed that one out of two Americans fear they would have inadequate Social Security benefits.

In a survey conducted during a Social Security conference I hosted recently in my home state of Minnesota, we found that 73 percent of the participants fear they may not achieve a secure retirement from Social Security.

Eighty-five percent believe America's young people will be facing a major financial crisis and significantly higher taxes because of current and future spending on older generations.

Eighty percent believe most people could make more money investing their retirement funds in the private sector than they get from Social Security.

Seventy-nine percent would support conversion of the current pay-go system to a prefunded system.

Again, 79 percent, or 8 out of 10 Americans, would support the conversion of the current pay-go system to a prefunded system.

Clearly, the American people want reforms to ensure that any retirement benefits continue to be available to all Americans. And I believe we should consider any Social Security reforms that will provide a better retirement safety net for all Americans by allowing compound interest to work.

Mr. President, the success of Social Security reform depends on informing and educating the American people. Only a knowledgeable public can make a sound decision about how we should go about saving Social Security.

As a first step in this effort, I have introduced a bill to require statements providing the American people with essential information on their future Social Security benefits. The information provided by the Social Security Information Act will give us a better idea of what our Social Security benefits will be at retirement age, as well as a comparison to what those retirees would get if Social Security dollars had been invested privately. They need to have that information. They need to have that comparison. Americans need to know up front what they can and can't expect of the Social Security System compared against what they are paying into it and what their employer is contributing.

Giving individuals an honest accounting of that information serves, I think, the very fundamental objectives of the Social Security Program by enabling workers to judge to what degree they should supplement their contributions with other forms of retirement savings such as pension plans, personal savings, and investment. The Social Security Information Act is a good first step in the fundamental reform that needs to be undertaken.

Mr. President, in closing, I am looking forward to working with my colleagues and the administration in exploring every possible solution that we can to strengthen Social Security and to help provide better benefits for today's recipients and also provide better benefits for future generations.

Thank you very much, Mr. President. I thank my colleague from Wyoming, and I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I thank the Senator from Minnesota, who has worked very hard in the area of deficit reduction and strengthening Social Security. And I know he continues to feel strongly about it.

One of the interesting things—and I suppose it is true of any institution, and it seems more particularly true of government—is the difficulty in making changes. I doubt that there is anyone who is knowledgeable at all about Social Security who wouldn't agree that there needs to be some changes made; who wouldn't agree that if we do not make changes, the results will not be what we want, and, conversely, if we expect some different results, we have to do some things differently. But it is very difficult to do. So I think it is important for us to continue to talk

about it, continue to stress it, and continue to point it out.

Social Security is a major component of senior citizens' income. Thirty-seven and one-half million senior citizens depend at least partially—and many times totally—on Social Security payments. In many cases, it is the only source of retirement income. That is unfortunate, of course, because it isn't designed to be a retirement program, it is designed to be a supplemental program.

So there is something to the idea that we need to deal with taxes and Social Security simultaneously so that we encourage people to save on their own and have opportunities to do that through IRAs, or whatever technique, and at the same time strengthen Social Security, because they do, in fact, go together. All of us, I think, on the other hand, recognize that the system as it is now set up is not simultaneous. In 8 years, the system will begin to feel the pinch of retirement and the baby boomers, and this idea of having a surplus will begin to go away, and by the year 2012 it is expected that we will be running a deficit in terms of revenues.

What does this mean? It means, of course, that the Government will not be able to pay the benefits that are due without making some other kinds of changes.

There is some talk about taking the money and spending it for something else, which, of course, is true. But the fact is that under this system, the surpluses can only be invested in Government securities. And, therefore, when the Government needs to borrow money, for whatever the reason, it borrows from somewhere, and if it didn't borrow from Social Security, it would borrow from us as individuals. But the problem is, when we take $100 billion a year out of Social Security and put it into debt, then, of course, when the time comes for that debt to have to be repaid, we have to do something quite different than what we have been doing in the past.

It seems to me that the real clincher is, it is pretty clear that the longer we wait, the more difficult it will be and the more severe the changes will have to be. If we can make those changes as soon as possible, they can be more incremental and, hopefully, less painful. And change always has a certain amount of pain.

During the State of the Union message, of course, the President brought up this notion of Social Security, and, of course, he said, ''Social Security first,'' which is good. And I think it is fine that this thing was brought up there. I think it is fine that the White House has committed itself to this being the issue. The unfortunate part of it is, I think, that primarily a political statement is one that people like to hear —''Social Security first.'' But, unfortunately, the President does not have a plan to do anything about it.

Someone—I think Kevin Kearns from the Council of Government Reform—indicated that it is a little like the captain of the Titanic who saw the distress signals from the Titanic but didn't do anything about it. That is kind of where we are.

So it is a responsibility and an opportunity for the Congress, I think, to step up to the plate and to do something about changing the way that we fund this program. There are some very hard questions to be answered. Let me just share a couple of the things that are talked about—certainly the surpluses, as I mentioned; and Social Security will be about $105 billion in 1999. So the $10 billion surplus that is applied there is a relatively ineffective remedy in that it doesn't really amount to very much compared to the kind of lending that is taken.

First, there are several ways to make changes. The idea of putting some of these funds into an investment that grows and compounds has a number of advantages. One is, we would remove the excess payroll taxes from the unified budget. In other words, if we sent 2 percent over into this investment program, those would not be available as trust funds to be loaned to the Government as expenditures. That would be a plus. The second is, the amount that was invested would almost surely return a higher return than maybe Government securities. Whether the market goes up or down, it also moves that way, and the private sector also, at least from the point of view of some. If we set aside a portion of this to be dedicated to our retirement funds, it would be a fund that would become an asset and, if not exhausted by the user, would be a part of transfer to heirs. That again may or may not be the case, but that is one of the arguments that we hear.

The Washington Post, on the other hand, interestingly enough, some time ago said there are only three possible answers: Tax increases, spending cuts, or borrowing from the public. I don't believe the analyses of the answers are complete. Some of the answers are different kinds of investments, different kinds of returns, and perhaps something about age. So the idea of simply more taxes, I think, is not the answer.

The fact is that taxes, as my friend from Minnesota indicated, have been raised, I think, some 63 times over the course of Social Security. The 15.3-percent tax rate we now have is the most burdensome tax, after all, to most taxpayers. Seventy-two percent of all Americans pay no more than 15 percent in income tax. This means that this payroll tax is the largest tax, as a percentage to Americans, that Americans pay.

If, in fact, we don't do something, the National Center for Policy Analysis says the rising cost of Social Security and Medicare will raise the payroll taxes 53 percent by the time today's college students are ready to retire. Obviously, that is an unacceptable alternative.

Some talk about age differentials. In 1940, the labor force participation rate for men 65 years of age was 70 percent. Seventy percent of men 65 years of age were in the work force. Today, 33 percent are in the work force. So, obviously, we have less input and more outgo in this program.

So there are a number of things, all of which will be kind of new, all of which, I suppose, will be difficult. But, unfortunately, it is difficult to make change. The Social Security Program is not treated like a pension. Our contributions don't go into assets like stocks and bonds or mutual funds that increase in value over time, as we know. In the 1950s, there were 16 workers for every retiree, and Social Security taxes could be low and the benefits relatively high. Because of the number now, there are approximately three workers per retiree. This decline, as I mentioned, has resulted in 63 tax increases over this period of time.

So I think the evidence that we have a problem is clearly there. Now the question is, What are we willing to do about it? One of the suggestions, of course—and I think is a good one—is to put you and me as workers in charge of some of our own funds, not simply to raise taxes but rather to make Social Security financially sound. The program was originally financed on the 6-percent payroll tax. Today, of course, the tax rate is 12.4, plus Medicare, which makes it 15 percent. In order to keep this, as I mentioned, solvent, payroll taxes will need to be 18 percent by 2020 and 50 percent by 2075.

What are some of the ideas? Of course, to allow workers to divert a portion of their current payroll taxes to personal investment accounts; investing these funds into private securities; providing some ownership for this portion of that fee that goes there; and investing, of course, in private securities. I think it is important, on the other hand, that we continue to ensure that everyone is involved, that everyone makes some effort to prepare for their own retirement. And Social Security needs to be a concept that we continue to have.

So both of these options—of diverting it into a personal account, investing the budget surplus funds that we might have now into private securities, as opposed to the way we do it in Government securities—are an alternative, and both of these can go hand in hand. I think it is fair to say that the investment of the current surplus into private securities will not, in fact, solve the problem but will move us forward. But can you imagine young people, such as the young people who are here today as pages and as interns, when they come into the work force and are able to invest immediately 2 percent of that fund? Over a period of time, it will amount to a great deal of money.

So that is kind of where we are, Mr. President. We have a problem. We have some difficulties, of course. One of them that we are talking about this morning in another context is the unified budget. There is a great debate

over the unified budget. As you know, all of the money that comes to the Federal Government goes into the unified budget, even though it may be in a trust fund, such as Social Security, such as a highway fund. Some say we ought to take those out of the unified budget and let the Social Security be off budget and let the highway fund be off budget. I suppose you have to say let the airport fund be off budget, and about 50 others be off budget. We would end up a bit like my State legislature, which I think has control of about 30 percent of the funds that come to the State, and all of it is earmarked for certain things.

I understand there is merit in that. I don't favor that, however. But that is one of the debates that goes on. The other one, of course, is as we spend more than we take in, we borrow from someone. And obviously, since the law requires that Social Security has to be invested in Government securities, you borrow there. You borrow there first, which makes a pretty good deal for the rest of the programs, if you are going to spend more than you take in. But it is not a good deal for those people who have their money set aside in the trust fund such as Social Security.

So we have, I think, a great deal to do. We have some hard topics to undertake. One of them is age. Obviously, we live longer than we did before. I already mentioned the work force at 65. We are moving towards the 67 age limit rather than 65. But I believe it is 2020 before we reach that level of gradually moving up 1 month a year.

So that needs to be reviewed. It is very difficult. It is true that things need to be done prospectively so that people who have paid in based on one set of circumstances are not affected, particularly during their time of benefits, but that those who come into the program more recently may come in under a different set of circumstances. So if ever there was a program, it seems to me, where you really have to decide, is this something we want to go on in the future, is this something you begin at age 22 to pay into to expect to enjoy the benefits, it is Social Security.

Polls have indicated that people in the 20 to 30 age bracket do not expect to have any benefits come to them. I think that is unfortunate. I think we have a responsibility to see that they do, so that it is not strictly a pay-go, that they are paying in for someone else with no hope of benefits. I think it can be done. I really think it can be done, and I think it can be done with relatively modest changes if we will move quickly to make those changes. The longer we wait, the more severe those changes will have to be and the more difficult they will be to obtain.

Mr. President, I think we are going to be joined in a moment by another one of our colleagues. In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THOMAS. 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. THOMAS. Mr. President, we have been joined now by our other associate, the Senator from Colorado, to conclude our comments this morning with respect to our focus on Social Security. So I yield to the Senator from Colorado 10 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. ALLARD. I thank the Senator from Wyoming for giving me an opportunity this morning to talk a little bit about Social Security reform. It is a delight to be able to work with the senior Senator from Wyoming on this and many, many other issues.

One of the most important challenges that we face as elected officials is the reform of Social Security. This issue, I think, is a test of our concern for future generations. The problem is far enough into the future that we could get away with doing absolutely nothing, but I do not believe this is acceptable. I am committed, and I think a majority of Members of both parties are committed, to the reform of Social Security, and doing it now.

Currently, Social Security payroll taxes exceed the level of benefits that are paid out. We, therefore, have a temporary surplus in the program. This will continue to be the case until around the year 2013 when we begin to run Social Security deficits. Unfortunately, none of the current Social Security surpluses are saved. They are spent on other Government programs. If a private company established a pension system like this, the administrator would be sent to jail.

With each passing year, we lose valuable time. Several years ago, the bipartisan Commission on Entitlement and Tax Reform forecast where they thought the budget would be headed over the next several decades. The most startling fact was that unless we reform entitlements such as Social Security and Medicare, those entitlements will consume virtually all tax revenues by the year 2030. Obviously, taxes would either have to be increased dramatically or spending would have to be cut dramatically on critical Government functions such as defense, law enforcement, transportation, and education.

This is a future that we simply must avoid. But we can only do this by moving now to reform Social Security. In my view, it is time to begin the transition from an exclusively tax-financed system to an investment-based system. This will take time. Any transition will probably have to be implemented over a period of 25 to 30 years. That is why it is so critical that we begin the transition no later than the year 2000.

Obviously, under any transition, we must guarantee current retirees the return that they have been promised. However, younger generations should be given the option of setting up some type of personal investment account similar to an IRA for a portion of their payroll taxes. Currently, the payroll tax on wages that is dedicated to Social Security is 12.4 percent. Half of this is paid by employees and the other half is paid by the employers. An initial transition might permit 2 percent to be invested in a mandatory account held by the taxpayer. These funds could be invested in common stock, bonds, Treasury notes, money markets, or any mixture desired by the taxpayer. The principal difference between this and the current system is that the personal investment account would be real money. This type of system is gradually being put into place in countries around the world. Australia, Chile, and Great Britain have also begun the transition to an investment-based pension system.

The long-term benefits are significant. This system would gradually reduce the claim on the U.S. Treasury that exists with the current system. Taxpayers would get a better return on their payroll tax dollars. Each and every American would become a shareholder in the economy. The economy would benefit from the higher level of national savings by forcing everybody to save for their retirement.

Mr. President, this is just one of a number of ideas being considered for Social Security reform. The important point is that we need to begin a national debate on this issue right now. We need to set to work now in devising a retirement system for the 21st century.

Mr. President, I now yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS). The distinguished Senator from New York is recognized.

Mr. MOYNIHAN. I am sure that the distinguished Senator from Colorado has other appointments he has to meet and will have to leave the floor shortly.

But could I congratulate him on his remarks, and to say that we are about to introduce a bill, the Social Security Solvency Act of 1998, that is almost precisely the one he contemplates, or is in that range of reference. For his particular concern, we reduce the present 12.4 percent payroll tax by 2 percentage points, to 10.4. That puts us on a pay-as-you-go system, which with other adjustments, particularly the cost-of-living adjustment, means we will never go much above 13.4 percent, and we stay at 12.4 all the way to the year 2045. And then we give to each worker-employee the option of having 2 percent, the reduction in tax under our bill, put into a personal savings account—not very different from the Federal Thrift Savings Plan in which you have a whole catalog of mutual funds of various kinds in which you can invest.

The magic of compound interest is extraordinary. The Wall Street Journal

this morning comments on this proposal and notes that—well, I will just read it:

Why shouldn't working stiffs have the same chance others have to exploit the magic of compound interest? Mr. MOYNIHAN shows that workers earning $30,000 a year—

Which is not a high income at this time—

can at a modest 5 percent return amass $450,000 in savings after 45 years.

By just shifting that 2 percent.

And this gives workers something they have not had in the past. It gives them an estate they can pass on to their children. Oh, heavens, I am about to say something which I suppose should be stricken from the RECORD, but it will make them all Republicans. Still, it is very much in line with the Senator's comments. I very much appreciate what he has said, and I congratulate him on doing so.

Mr. President, I ask unanimous consent that the article from the Wall Street Journal be printed in the RECORD, and I yield the floor.

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

[From the Wall Street Journal, Mar. 18, 1998]

PUBLIC TRUST BUSTING

When Senator Pat Moynihan speaks, liberals listen. So it just might mark a watershed in the Social Security reform debate that the New York Democrat this week embraced private investment retirement accounts.

Mr. Moynihan's welfare state credentials are impeccable. He helped to expand it during the Johnson and Nixon years and he's been its most intellectually nimble defender since. He bitterly opposed President Clinton's decision to sign a welfare reform law. And only last year, writing in the New York Times, he seemed to rule out any significant change in Social Security.

Well, he's now revising and extending those remarks. On Monday at Harvard, he said Social Security can be saved only by changing it. And not merely with the usual political kamikaze run of raising taxes and slashing benefits. He's also endorsing a redesign that would allow individuals to invest two percentage points of their payroll tax as they please, presumably in stocks, bonds and other private investments.

This is a big breakthrough, ideologically and politically. The idea of a private Social Security option has until recently been the province of libertarians and other romantics. When Steve Forbes talked up the concept in 1996, he was demagogued by fellow Republicans. Even such a free-marketeer as Ronald Reagan was forced to accept a Social Security fix in 1983 that relied mostly on tax hikes.

What's changed? Only the world, as Mr. Moynihan admits. The weight of the looming Baby Boom retirement has caused a loss of public faith in Social Security's sustainability. Few Gen-Xers even expect to receive it. More and more Americans also began to see the virtue of private retirement vehicles like IRAs and 401(k)s, which grew like Topsy as the stock market boomed.

''In the meanwhile the academic world had changed,'' Mr. Moynihan also told the mostly liberal academics at Harvard. ''The most energetic and innovative minds had turned away from government programs—the nanny state—toward individual enterprise, self-reliance, free markets.'' (No, he wasn't quoting from this editorial page.) Privatizing Social Security suddenly became thinkable, in many minds even preferable.

In short, the same economic and political forces that have remade American business are now imposing change on government. Global competition and instant information have forced industry to streamline or die. Now those forces are busting up public monopolies—the public trusts, to adapt a Teddy Roosevelt phrase—that deliver poor results.

In the U.S., that means breaking a public school monopoly that traps poor kids in mediocrity or worse. And it means reforming a retirement system that gives individuals only a fraction of the return on their savings that they know they'd receive if they invested the money themselves. These are ultimately moral questions, because in the name of equity these public trusts are damaging opportunity for those who need it most.

The rich have known for years how to exploit the magic of compound interest, for example. Why shouldn't working stiffs have the same chance? Mr. Moynihan shows that a worker earning $30,000 a year can, at a modest 4% annual return, amass $450,000 in savings over 45 years by shifting just 2% of the payroll tax into a private account. Thus do even liberals become capitalists.

Now, let us acknowledge that ''privatizing'' Social Security is not what Mr. Moynihan desires. His political goal is to reform Social Security just enough to be able to save its universal guarantee. He fears, sensibly enough, that if liberals oppose any change they may find the debate has moved on without them. ''The veto groups that prevented any change in the welfare system,'' he says, ''looked up one day to find the system had vanished.''

No doubt many conservatives will want to go much further than the New Yorker, us among them. If investing 2% of the payroll tax rate is desirable, why not more? Workers ought to be able to decide for themselves if they want to trade lower taxes now for a lower Social Security payment at retirement.

We also disagree with Mr. Moynihan on some of his details. To defray the cost of reducing the payroll tax, he would increase the amount of wages subject to that tax—from $68,400 now to $97,500 by 2003. This is a large increase in the marginal tax rate for many taxpayers that would defeat reform's very purpose. He'd also raise the payroll tax rate down the line as the Boomers retire—something that needn't happen if the reform were more ambitious than the Senator says he wants.

Yet for all of that, Mr. Moynihan moves the debate in the direction of more individual control and more market sense. Along with his pal and co-sponsor, Nebraska's Bob Kerrey, he has broken with liberal orthodoxy. Maybe their daring will even give courage to Republicans.

Mr. ALLARD. Mr. President, I would like to respond briefly to the senior Senator from New York. I compliment him on his leadership on this particular issue. Obviously, those of us who are just new to the Senate appreciate the background and wealth of information that he brings to this issue and actually look forward to working very closely with him on these issues. A lot of what he says I agree with, and I think it is an issue that needs to be addressed today. With people like the Senator from New York working on this problem, I feel even more confident we will be able to address the problem in the near future.

The PRESIDING OFFICER. Under the previous order, the Senator from New York, Mr. MOYNIHAN, and the Senator from Nebraska, Mr. KERREY, will have 30 minutes to speak.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum awaiting the arrival of Senator KERREY.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New York is recognized.

SOCIAL SECURITY SOLVENCY ACT OF 1998

Mr. MOYNIHAN. Mr. President, I rise for the purpose of introducing the Social Security Solvency Act of 1998. I do so in the distinguished company of my friend from Nebraska, Senator KERREY. This is a matter which we have just heard two distinguished Senators from the other side of the aisle say requires that we attend to, and soon. The President has asked us to devote this year to a national conversation on this subject. The Pew Charitable Trusts are beginning a series of forums across the country on the matter, and the prospect that we can reach some kind of a consensus is good, if we have just enough courage to do the few necessary things.

I perhaps would start out by saying that we can save Social Security, and I don't use those words lightly, because Social Security is in jeopardy. In about 14 years' time Social Security outlays will exceed revenues. In a generation's time, there will be a huge gap between what is owed and what is received, and the mood will be to scrap the whole system as a relic of the 1930s, as, indeed, an inheritance from Bismarckian Germany. It predates the global economy of the present and the wide participation of our population in personal savings accounts and mutual funds and such matters.

My distinguished friend from Nebraska and I have been thinking about this for a good long while. He has introduced important measures, and we now bring to the Senate floor and to the consideration of the Congress a matured proposal. May I say that we have worked very closely with the actuaries at the Social Security Administration, now an independent agency once again. We have worked with the Congressional Budget Office and the Joint Committee on Taxation. The numbers we present in this measure are, as near as they can be, accurate and agreed to by objective authorities who have no politics of any kind.

I shall describe the essence of the bill very briefly as I see both the distinguished Senator from Nebraska and another distinguished colleague on the Finance Committee, the Senator from

Louisiana, on the floor. Our proposal is as simple as can be. We say go back to pay-as-you-go. That is the principle on which we began Social Security in 1935. We changed it in 1977 to a partially funded system. The payroll tax rose and rose again; 80 percent of American taxpayers now pay more in payroll taxes than they pay in income taxes. And the surplus has been used for other things altogether, it being the necessary fact that you cannot save it in any of the senses that an individual can save.

We propose to reduce the payroll tax from 12.4 percent to 10.4 percent. As you can see on this chart, our present arrangement would lead us, by the year 2070, to 18 percent of payroll—and it might even be higher. Under this legislation we stay at 10.4 until the year 2030, and then only very slightly go up in mid-21st century to 13 percent and a little more.

Our second proposal is to allow employees—workers—to opt that the 2 percent reduction in their present rate of taxation be put into a personal savings account. The Social Security Administration would present an array of different options, just as the Federal Thrift Savings Plan does now, from very conservative to more speculative, or a combination thereof. There are plenty of such options available. And at rather modest returns, given what John Maynard Keynes called ''the magic of compound interest,'' you would see a worker who put in 45 years, let us say—as I remarked in the paper I gave at the John F. Kennedy School on Monday which describes this—a worker who spent 45 years with the Bethlehem Steel Company could easily find himself with an estate of half a million dollars. The worker could pass on that wealth to his or her heirs.

Retirement has been for some time taking up about one-quarter of the adult life. We would gradually raise the retirement age to continue at that ratio. A person retiring would have that basic annuity of Social Security, frequently—not always, but increasingly—a pension earned in his or her working life from the firm involved, and the returns on the personal savings account. This is an extraordinary possibility. The one essential that makes it possible is that we establish a correct cost-of-living index, such that the value of the Social Security annuity is maintained but not overstated. This is something on which I believe the great majority of economists now agree. I was impressed, and I will close now, with a statement by Robert A. Pollak, the Hernreich Distinguished Professor of Economics at Washington University, in the Winter 1998 Journal of Economic Perspectives, a journal of the American Economic Association, just available, in which he says we ought to do two things. One is leave the CPI as it has been since 1918, keep its integrity. It is not a cost-of-living index; the Bureau of Labor Statistics which computes it so states. But then have the necessary political will to correct cost of living adjustments by 1 percentage point, which was the proposal of the commission headed by Professor Michael J. Boskin, of Stanford University, former chairman of the Council of Economic Advisers. As Professor Pollak writes:

[O]n the political side—and here I step outside my role as an economist and an expert on the CPI—I recommend modifying not the CPI but the procedure used to index tax brackets and transfer payments. More specifically, I recommend that the CPI be left alone pending the report of the committee of technical experts I have proposed, but that, pending their report and action on it, tax brackets and transfer payments be escalated by the CPI minus one percentage point. I recommend one percentage point not because it is my estimate of the amount by which the CPI overstated the rate of inflation in some particular year but because of its resemblance to what game theorists call a ''focal point.'' A change in the indexation formula rather than in the procedure used to calculate the CPI would accomplish two desirable goals. First, it would maintain the integrity and credibility of the CPI and, thus would do nothing to further erode trust in government. Second, it would recognize that the procedure currently used to index tax brackets and benefit payments is working badly—that is it has become too expensive and is leading to excessive transfers from young workers to the elderly. As a political matter, I would like to see these transfers reduced, but the responsibility for reducing them belongs to elected politicians, not to unelected economists.

Mr. President, we are all agreed on this. We only have to do it. It is not a complicated matter, but it is a daunting one because it requires courage. There are now veto groups which will say, ''Don't change this system.'' All public arrangements acquire such groups. In the end they will defeat themselves. And in a sense we have to save them from themselves. But to do so takes courage. If I may say, that is one of the reasons I am particularly proud to be associated in this matter with my gallant friend from Nebraska, who has shown remarkable courage in his lifetime in battle overseas and at home, where he has been willing to tell truths that were not always welcome but were very necessary.

Mr. President, I ask unanimous consent that the text of the address at the John F. Kennedy School of Government at Harvard be printed in the RECORD.

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

SOCIAL SECURITY SAVED!

(By Senator Daniel Patrick Moynihan)

Let me begin with a proposition appropriate to our setting. Social Security in the United States is very much the work of academicians. It came about in an exceptional 14 months in the first Roosevelt administration, but economists had been planning it for a third of a century.

A second proposition. As with much social policy that originates with academic experts, the level of informed political support for Social Security within the electorate has always been low, and just now is getting lower.

This history goes back to the progressive era at the beginning of the century. It is to be associated, for example, with John R. Commons of the University of Wisconsin who helped found the American Association for Labor Legislation in 1906. The German government had created a workman's compensation system, a form of insurance against industrial injuries, and a sickness insurance program in 1884. In the academic manner, these ideas crossed the Atlantic, and were particularly well received by the north European populace of Minnesota. Edwin E. Witte, the author of the Social Security Act of 1935, a student of Commons, was, for example, of Moravian stock.

In a fairly short order workman's compensation became near universal among the states, and the reformers now looked to universal health insurance, a logical follow-on. In a mode we have experienced in our time, this proved too much. Business grew nervous. The American Federation of Labor, led by Samuel Gompers, ''joined his fellow members in impassioned opposition.''[1] Labor leaders of Gompers' generation looked with suspicion on government-provided benefits. They wanted trade unions to do that. World War I and its aftermath pretty much ended the era. As Witte's biographer writes:

''No great popular enthusiasm developed for health insurance, and in the troubled days immediately following World War I it went down to defeat amid contradictory cries of Made in Germany and of Bolshevism.''[2]

In the event, when the political system was ready it had to send for the academics. Roosevelt, pressed by Huey Long, and the Townsend Plan, and the general distress of the Depression, needed a big bill. In June of 1934 he set up the Committee on Economic Security, headed by Frances Perkins, a knowledgeable reformer, albeit of the Gramercy Park variety. And also a woman with a magical ability to get strong men, from Tammany district leaders to Supreme Court Justices, to help her out because she was, well, so in need of help.

Madame Perkins brought Commons' student Witte from Wisconsin to staff her Committee on Economic Security, but it was left to her to figure out how to get a bill passed. She relates the sequence in ''The Roosevelt I Knew'':

''It is difficult now to understand fully the doubts and confusions in which we were planning this great new enterprise in 1934. The problems of constitutional law seemed almost insuperable. I drew courage from a bit of advice I got accidentally from Supreme Court Justice Stone. I had said to him, in the course of a social occasion a few months earlier, that I had great hope of developing a social insurance system for the country, but that I was deeply uncertain of the method since, as I said laughingly, Your Court tells us what the Constitution permits. Stone had whispered, The taxing power of the Federal Government, my dear; the taxing power is sufficient for everything you want and need.[3]

And so it came about that on August 14, 1935, when FDR signed the bill, standing at the President's right in the official photograph was Robert L. Doughton of North Carolina, Chairman of the Committee on Ways and Means.

I am not altogether comfortable with what I am about to say, but I will do so anyway in the hope that you will give the subject some thought. I suggest that giving jurisdiction over Social Security to the tax writing committees of the Congress (the Finance Committee in the Senate), has caused the program to be treated as a somewhat marginal

Footnotes at end of speech.

concern by its congressional guardians. As an example, no one much objected when the originally independent Social Security Administration was folded into first one agency then another, to the point of near disappearing.

In 1993 I became Chairman of Finance and in time was able to re-establish an independent Social Security Administration. In the Congressional Directory of that year there were 278 names between the incumbent Secretary of Health and Human Services and the Administrator of Social Security, ''Vacant.''[4]

I even managed, as I put it, to decriminalize babysitting. Early in the Clinton administration, a number of senior appointees came afoul of the Social Security law. They had not paid payroll taxes on various types of household help. The taxes were due quarterly, in quintuplet forms and the like. And few persons knew they were owed. This was especially the case with babysitters. A fine rite of passage for young girls. And yet a taxable occupation. I was able to enact legislation putting an end to any of that for persons under age 18. As I related in *Miles To Go*, it may have saved my 1994 election.[5] People didn't know much about Social Security, but after a succession of prospective nominees for Attorney General had to be withdrawn, they realized that Social Security might send them to jail. Not what Frances Perkins had in mind.

Over the years, the original excitement surrounding Social Security faded; and few noticed. When a time came that a majority of non-retired young adults had concluded they themselves would never get Social Security, few showed any great concern. Some elements within the Republican Party seem always to have been inclined to the thought that the whole scheme was a Rooseveltian fraud, and the public seemed to agree. (A Ponzi scheme, was the phrase, current in the 1930s.) Then in the late 1970s a combination of high inflation and overindexing did indeed move the Trust Funds perilously close to insolvency. There was no great danger. At worst, checks might have been delayed a few days. But this did not prevent President Reagan's budget director from stating in the spring of 1981 that ''Unless both the House and the Senate pass a bill in the Congress which can be signed by the President within the next 15 months, the most devastating bankruptcy in history will occur on or about November 3, 1982.''[6] A Presidential Commission was set up, chaired by the redoubtable Alan Greenspan, with Robert J. Myers as staff director, Myers—a lifelong Republican—having come from the Midwest to help out Witte in 1934! But no agreement could be reached by the time the commission expired at the end of 1982.

Then the shade of Frances Perkins intervened. On January 3, 1983, Robert J. Dole, Senate Majority Leader, published an article on the op-ed page of The New York Times, entitled ''Reagan's Faithful Allies.'' It seemed that many people thought Congressional Republicans weren't giving the President the support he needed and deserved. Not so, Senator Dole said, we are with the President and there are great things still to be done. Then this:

''Social Security is a case in point. With 116 million workers supporting it and 36 million beneficiaries relying on it, Social Security overwhelms every other domestic priority. Through a combination of relatively modest steps including some acceleration of already scheduled taxes and some reduction in the rate of future benefit increases, the system can be saved. When it is, much of the credit, rightfully, will belong to this President and his party.''[7]

That day I was being sworn in for a second term in the Senate. I had read the article and went up to Senator Dole on the Senate Floor and asked if he really thought that, why not try one last time? And he did think it. A year of listening to Myers had altered a lifetime of Republican dogma. We met the next day. The day after that Barber Conable was brought in, a Republican who both understood and believed in Social Security. On January 15th, 13 days from our first exchange, agreement was reached at Blair House and the crisis passed. (In a November 2, 1997 interview on ''Meet The Press,'' Senator Dole cited this as his greatest accomplishment in his Senate career. And well he might.)

Social Security was secure for the time being. Indeed, the payroll tax generated a considerable surplus which we have lived off ever since, and will continue to enjoy for yet a few years. But the loss of confidence was grievous. Had we, indeed, just barely escaped bankruptcy? What then did the future hold but more such crises? In the meanwhile the academic world had changed. Energetic and innovative minds (one thinks of Martin Feldstein here at Harvard) had turned away from government programs—''the nanny state''—toward individual enterprise, self-reliance, free markets. As the 1990s arrived, and the long stock market boom, the call for privatization of Social Security all but drowned out the more traditional views.

This was for real. In 1996, Congress enacted legislation, signed by the President, which repealed Title IV-A of the Social Security Act, Aid to Families with Dependent Children. The mothers' pension of the progressive era, incorporated in the 1935 legislation, vanished with scarcely a word of protest.

Will the Old Age pensions and survivors benefits disappear as well? What might once have seemed inconceivable is now somewhere between possible and probable. I, for one, hope that this will not happen. A minimum retirement guarantee, along with survivors benefits, is surely something we ought to keep, even as we augment retirement income in other ways. What is more, this can readily be done. Let me outline a solution.

I have a bill entitled ''The Social Security Solvency Act of 1998.'' Senator Robert Kerrey and I will introduce it in the Senate this week. Here are the specifics:

I. REDUCE PAYROLL TAXES AND RETURN TO PAY-AS-YOU-GO SYSTEM WITH OPTIONAL PERSONAL ACCOUNTS

A. Reduce Payroll Taxes and Return to Pay-As-You-Go

As I first proposed in 1989, this bill would return Social Security to a pay-as-you-go system. That is, payroll tax rates would be adjusted so that annual revenues from taxes closely match annual outlays. This makes possible an immediate payroll tax cut amounting to about $800 billion over the next decade, with the lower rates remaining in place for the next 30 years. We would cut the payroll tax from 12.4 to 10.4 percent between 2001 and 2024, and the rate would stay at or below 12.4 percent until 2045. Even in the out-years, as we say, the pay-as-you-go rate under this plan will increase only slightly above the current rate of 12.4 percent. It would top out at 13.4 percent in 2060. And in order to ensure continued solvency, the Board of Trustees of the Social Security Trust Funds will make recommendations for a new pay-as-you-go tax rate schedule if the Trust Funds fall out of close actuarial balance. Such a new tax rate schedule would be considered by the Congress under fast track procedures.

There is a matter of fairness here. Of families that have payroll tax liability, 80 percent pay more in payroll taxes than in income taxes.

B. Voluntary Personal Savings Accounts

Beginning in 2001, the bill would permit voluntary personal savings accounts, which workers could finance with the proceeds of the two percent cut in the payroll tax. Alternatively, a worker could simply take the employee share of the tax cut in the form of an increase in take-home pay equal to one percent of wages. (Economists will argue that workers who do not opt for voluntary personal savings accounts will also, eventually, receive the employer share in the form of higher wages. But that's a discussion for another time.)

The magic of compound interest will enable workers who contribute two percent of their wages to these personal savings accounts for 45 years (2000–2045) to amass a considerable estate, which they can leave to their heirs. Some examples, in nominal dollars, for workers at various earnings levels:

Real Rate of Interest

Earnings level	3 percent	4 percent	5 percent
Minimum wage ($12,000)	$110,000	$135,000	$175,000
Average wage ($30,000)	275,000	350,000	450,000
Maximum wage ($70,000)	660,000	850,000	1,100,000

C. Increase in Amount of Wages Subject to Tax

Under current law, the Social Security payroll tax applies only to the first $68,400 of wages in 1998, indexed to the annual growth in average wages. At that level, we are taxing about 85 percent of wages in covered employment. That percentage has been drifting down because wages of persons above the taxable maximum have been growing faster than wages of persons below it.

Historically, about 90 percent of wages have been subject to tax. Under this bill, we propose to increase the taxable maximum to $97,500 (thereby taxing about 87 percent of wages) by 2003. We then resume automatic changes in the base, tied to increases in wages, as under current law. (The taxable maximum is projected to increase to $82,800 in 2003 under current law.)

II. INDEXATION PROVISIONS

As students of the Congress, you know by now that every tax cut requires an offset. So how do we offset the payroll tax cut in this bill? By two indexation procedures, and some other changes that most observers agree are needed.

A. Correct Cost of Living Adjustments by One Percentage Point

We propose to correct cost of living adjustments by one percentage point. This adjustment would apply to all indexed programs (outlays and revenues) except Supplemental Security Income.

This is an issue that has been with us for a long while now. Some 35 years ago in the Kennedy Administration I was Assistant Secretary of Labor for Policy Planning and Research, with nominal responsibility for the Bureau of Labor Statistics. The then-Commissioner of the Bureau of Labor Statistics, Ewan Clague, could not have been more friendly and supportive; he and his staff undertook to teach me, to the extent I was teachable. Although the BLS statisticians were increasingly confident of the accuracy with which they measured unemployment, business and labor were still distrustful. By contrast, the Consumer Price Index, begun in 1918 (monthly unemployment numbers only begin in 1948) was quite a different matter. It was beginning to be used as a measure of inflation in labor contracts and such like. Our BLS economists knew that the CPI overstated inflation, but no one seemed to mind. Business could make that calculation in collective bargaining contracts. And if they

failed to do, well, it was good for the workers. Indeed, on taking office in 1961, the Kennedy Administration had waiting for it a report by a distinguished National Bureau of Economic Research committee headed by George Stigler, who would go on to win the Nobel Prize in economics. The Stigler report, ''The Price Statistics of the Federal Government,''[8] concluded that the CPI and other indexes overstated the cost of living.

That theme was picked up again by Professor Robert J. Gordon in an article in the *Public Interest* in 1981.[9] Gordon wrote ''It is discouraging that so little has been done [by the BLS] . . . for so long.'' The bias identified by Stigler was still present in the CPI, which Gordon pointed out was ''the single most quoted economic statistic in the world.''

In 1994, in a celebrated memorandum entitled ''Big Choices,'' then-OMB Director Alice Rivlin noted that ''CPI may be overstated by 0.4% to 1.5%.'' It then fell to the Senate Finance Committee to pursue the issue. We held three hearings and in short order found that the BLS itself acknowledges that the CPI is not a cost of living index. In the BLS pamphlet ''Understanding the Consumer Price Index: Answers to Some Questions'' there is the following Q & A:

''Is the CPI a cost of living index? No, although it frequently (and mistakenly) is called a cost-of-living index.''[10]

In 1995, the Finance Committee appointed the Advisory Commission to Study the Consumer Price Index. Chaired by Professor Michael J. Boskin of Stanford, who had been Chairman of the Council of Economic Advisers under President Bush. Also on the Commission were two eminent members of the Economics Department here at Harvard: Zvi Griliches and Dale Jorgenson. Their final report concluded that the CPI overstates changes in the cost of living by 1.1 percentage points.[11]

It is true that recently the Bureau of Labor Statistics has made some improvements, a routine of some 80 years now, but most of these were already anticipated when the Boskin Commission issued its final report. That bias has not been corrected. It is not in the nature of this beast. Speaking before the annual meetings of the American Economic Association and the American Finance Association in Chicago in January of this year, Alan Greenspan said:

''Despite the advances in price measurement that have been made over the years, there remains considerable room for improvement.''

So our legislation includes the one percentage point correction, but it also establishes a Cost of Living Board to determine on an annual basis if some further refinement is necessary.

B. Increase in Retirement Age

In our 1983 agreement, the retirement age was increased, over time, to age 67 for those turning 62 in the year 2022. This legislation would make gradual increases in the retirement age by two months per year between 2000–2017, and by one month every two years between years 2018 and 2065. This increase is a form of indexation which results in retirement ages of 68 in 2017 (for workers reaching age 62 in that year), and 70 in 2065 (for workers reaching age 62 in that year.)

I refer to the increase as a form of indexation because it is related to the increase in life expectancy. Persons retiring in 1960 at age 65 had a life expectancy, at age 65, of 15 years and spent about 25 percent of their adult life in retirement. Persons retiring in 2073, at age 70, are projected to have a life expectancy at age 70 of about 17 years, and would also spend about 25 percent of their adult life in retirement. These are persons not yet born today. And they can expect, on average, to live almost to age 90. And that may be a conservative estimate as we don't know where medical technology will take us.

III. PROGRAM SIMPLIFICATION—REPEAL OF EARNINGS TEST

The so-called earnings test would be eliminated for all beneficiaries age 62 and over, beginning in 2003. (Under current law, the test increases to $30,000 in 2002.) The earnings test is a relic of the Depression years. When Social Security was enacted in 1935, the Federal government was trying to discourage elderly workers from remaining in the labor force because there were not enough jobs. Today, the unemployment rate is down to 4.6 percent, and we should do everything possible to encourage workers to remain in the labor force. The earnings test is also an administrative burden with about one million beneficiaries submitting forms to the Social Security Administration so that benefits can be withheld—reduced—if the beneficiary has wages in excess of the earnings test. All for naught because higher benefits—roughly offsetting the loss in benefits—are paid in the future for each month for which benefits are withheld.

IV. OTHER CHANGES

All three factions of the 1994–1996 Social Security Advisory Council supported some variation of the following three provisions.[12]

A. Normal Taxation of Benefits

We propose to tax Social Security benefits to the same extent private pensions are taxed. That is, Social Security benefits would be taxed to the extent that the worker's benefits exceed his or her contributions to the system. Consequently, about 95 percent of Social Security benefits would be taxed. (For private pensions, the percentage taxed varies according to how much of the plan is funded by employee contributions. In many private pensions, the employee makes no contribution, so 100 percent of the pension benefits are taxed.)

B. Coverage of Newly Hired State and Local Employees

Effective in 2001, we would extend Social Security coverage to newly hired employees in currently excluded State and local positions. In 1935, State and local employees were not included in Social Security because it was believed that the Federal government did not have the power to tax State governments. However, subsequent actions by Congress providing for mandatory Medicare coverage of State and local employees have not been challenged. Then a unanimous Supreme Court decision in 1986 put the issue to rest. In *Bowen* v. *Public Agencies Opposed to Social Security Entrapment*,[13] the Court upheld a provision in the Social Security Amendments of 1983 that prevented States from withdrawing from Social Security. Including State and local workers is not only constitutional, it is fair, since most of the five million State and local employees (about a quarter of all State and local employees) not covered by Social Security in their government jobs do receive Social Security benefits as a result of working at other jobs—part-time or otherwise—that are covered by Social Security. Relative to their contributions these workers receive generous benefits. Our bill will bring these employees into the system, preventing them from getting a windfall.

C. Increase in Length of Computation Period

We would increase the length of the computation period from 35 to 38 years. Consistent with the increase in life expectancy and the increase in the retirement age, we expect workers to have more years with earnings. Computation of their benefits should be based on these additional years of earnings.

BUDGET EFFECTS

Not only does this proposal provide for long-run solvency of Social Security, financed with payroll tax rates not much higher than current rates in the out-years, but it is also fully paid for in the short-run. The Congressional Budget Office's preliminary estimate indicates that for the 10-year period FY 1999–2008, the bill would increase the projected cumulative budget surplus by $170 billion, from $671 billion to $841 billion. For the five year period FY 1999–2003, CBO projects that, under this plan, the cumulative surplus would remain unchanged. In no year is there a deficit. And, to repeat, all of this is accomplished while reducing payroll taxes by almost $800 billion.

Will this happen? I just do not know. In a manner that the late Mancur Olsen would recognize, over time Social Security has acquired a goodly number of veto groups which prevent changes, howsoever necessary. There are exceptions as in 1983 when we did our work in 13 days and behind closed doors. But otherwise, stasis is the norm. Thus for the past three or four years almost all the major players in the Administration have recognized that we had to employ a better measure of price inflation. But repeatedly action was vetoed by the, well, veto groups.

They can go on in this manner if they choose. But if they do, in 30 years time Social Security as we have known it since 1935 will have vanished. The veto groups that prevented any change in the welfare system—Title IV-A—for so long, looked up one day to find the system had vanished. It is time then for courage as well as policy analysis.

NOTES

[1] Theron F. Schlabach, *Edwin E. Witte: Cautious Reformer* (Madison: State Historical Society of Wisconsin, 1969), 83.

[2] Ibid.

[3] Frances Perkins, *The Roosevelt I knew* (New York: The Viking Press, 1946), 286.

[4] *Official Congressional Directory, 103rd Congress, 1993–1994* (Washington, DC: United States Government Printing Office, 1993), 803–825.

[5] Daniel Patrick Moynihan, *Miles to Go: A Personal History of Social Policy* (Cambridge, MA: Harvard University Press, 1996): 24–25.

[6] *Social Security Financing Recommendations*, Hearing before the U.S. House of Representatives Subcommittee on Social Security (28 May 1981) (testimony of David A. Stockman, Director, Office of Management and Budget), 40–41.

[7] Bob Dole, ''Reagan's Faithful Allies,'' *The New York Times*, 3 January 1983, A 19.

[8] Price Statistics Review Committee of the National Bureau of Economic Research, *The Price Statistics of the Federal Government: A Report to the Office of Statistical Standards, Bureau of the Budget* (Washington, DC: National Bureau of Economic Research, 1961), 35.

[9] Robert J. Gordon, ''The Consumer Price Index: Measuring Inflation and Causing It,'' *The Public Interest* 62 (Spring 1981): 134.

[10] U.S. Department of Labor, Bureau of Labor Statistics, *Understanding the Consumer Price Index: Answers to Some Questions* (November 1997), 3.

[11] Senate Committee on Finance, *Final Report of the Advisory Commission to Study the Consumer Price Index* (1996), 104th Cong., 2d sess. Committee Print, 1.

[12] *Report of the 1994–1996 Advisory Council on Social Security* (Washington, DC), 184.

[13] 477 U.S. 41 (1986).

Mr. MOYNIHAN. I see my friend from Nebraska on the floor. I wonder if he would like to speak at this point, in which event I yield such time as he may require.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, let me first congratulate the senior Senator from New York. The only thing better than having the senior Senator from New York introducing this piece of legislation would be to have Franklin Delano Roosevelt himself out here introducing this bill. This does not just

save Social Security, it transforms it into a much better program, as we have done through the history of Social Security. We have made it better as need requires.

I am very much appreciative of your warnings through our public life of the things that you see happening. Very often we have not heeded your warnings and then afterward have come back and said, ''You were right 30 years ago,'' ''You were right 20 years ago.'' For the sake of future beneficiaries, I hope it doesn't take us that long this time around to realize you are right.

Before the Senator leaves, I want to ask him a couple questions, because there are a couple things in this proposal—and I am going to speak about the wealth-generating nature of this piece of legislation. Indeed, most remarkably, there are an awful lot of Americans who do not distinguish the difference between wealth and income.

I read in your hometown newspaper, the New York Times, from time to time about people talking about the gap between the rich and the poor, and they immediately go to income, as if wealth and income are the same thing. They obviously are not. I could have $500,000 a year in income, but if I spend it all, I have no wealth. Likewise, I can cite this marvelous story of Osceola McCardy from Hattiesburg, MS, who worked 63 or 64 years as a washerwoman, never made more than $10,000, discovered the magic of compounding interest rates. When she decided to retire at the age of 87, she called up Southern Mississippi University and said, ''I want to give you a gift.'' They presumed, no doubt, it was a doily or something that she made at home. It was a couple hundred thousand dollars cash. When the New York Times asked her how she generated a couple hundred thousand dollars cash on that low income, she said it was the magic of compounding interest rates.

In addition to the wealth-generating appeal of this long-term—enabling our citizens to acquire ownership and wealth and the virtue that comes from that, as well as the security that comes from owning a share of your country and having an interest in keeping inflation under control and all sorts of other things, and the capacity to be generous with your own wealth and leave some not only to your children but perhaps to some other thing that you care deeply about.

I was struck, as I read, again, your hometown newspaper this morning, that there is some division in the Republican ranks as well as the Democratic ranks of what to do with this so-called surplus, which, as you have pointed out, is nothing more than an overlevy. We do not have a surplus; we are just taxing people who get paid by the hour more than is necessary to pay the Social Security bills. In addition to the pay-go and the wealth-generating part, perhaps the most important part of this proposal is that it represents an $800 billion tax cut over some—

Mr. MOYNIHAN. An $800 billion tax cut over 10 years.

Mr. KERREY. Again in your hometown newspaper, it reported anyway—perhaps it is not—division on the other side of the aisle. Senator DOMENICI has a $30 billion tax cut over 5 years. Someone on that side of the aisle wanted a $60 billion tax cut over 5 years. I ask the Senator, what does this represent over 5 years in terms of a tax cut? Do you have that number available, or is it $800 billion?

Mr. MOYNIHAN. Not quite. I believe about $300 billion. About $300 billion over 5 years; $800 billion over 10 years.

Mr. KERREY. I think one of the points we need to make to citizens who are watching this is that in the great tax debates that go around this Capitol, very often what we are talking about when we are talking about taxes is income taxes; people are debating taxes. For the median family of four—a husband, wife, and two children—they will pay about $2,700 in income taxes, a $34,000 median family. They will pay $5,400 in payroll taxes. So for them, the payroll tax is the largest tax. The income tax is a smaller tax and a smaller burden on them than the income tax is.

So perhaps one of the reasons, when we debate tax cuts, that $60 billion over 5 years seems relatively large is that people have not paid attention, as they should, to the payroll tax. I just urge those who are wanting to give Americans a tax cut to look at this proposal seriously, because this is the biggest tax cut proposal anybody has put before this body that I have seen in recent memory.

Does the Senator agree with that? Do you see this as a tax cut as well?

Mr. MOYNIHAN. It would be one of the largest tax cuts in our history, and, in the process, it would put the Social Security System into permanent actuarial balance.

Mr. KERREY. I also point out, Mr. President, since the Senator transitioned into that, that it would put it into actuarial balance for 75 years, there have been a lot of people talking about—well, let's take again this surplus, which is nothing more than an overlevy. Let's be clear, we have taxes higher than they need to be to pay the bills. We have had a lot of folks come down and talk about the gasoline tax. The gasoline tax is higher than is needed to pay all the bills. So we are struggling with this problem here; we have a cap on expenditures.

The same thing is true with payroll taxes. They are higher than needed to pay the bills, but because we are using them for other purposes, it doesn't seem to bother us so much.

In addition to that, some have been talking about using the surplus without doing what the distinguished Senator has done, which is to say we are going to make Social Security sound. One of the reasons that this is very often confusing is that people think that the only people who are beneficiaries are people who are currently eligible, which are the 37 million or so currently eligible. That is not true. Everybody effectively who is alive in America today is a beneficiary. They may not be eligible today, but that is a promise on the table for them.

You can send in a form to the Social Security Administration and say, ''Hello. My name is BOB KERREY. I am 54 years of age. What will my benefits be if I take retirement at age 65?'' if I decide I want to go out at 65. Or if I am 20 years old and just entering the work force, I can get the same thing. If you are 20 years old and you write to the Social Security Administration, they will say this is what is on the table, this is the promise that is currently on the table.

Unfortunately, at the current level of benefits that are promised, the promise that is on the table we are not going to be able to keep. In fact, if you are under 35 today in America and you write to the Social Security Administration, they will say, ''This is the promise that is on the table, but unless changes are made, that benefit is not going to be available to you.''

I should interrupt myself and say, I very often hear people say Social Security isn't going to be there for you. As long as we have a payroll tax, it is going to be there. As long as there is a payroll tax in place, it is a program that is going to be very well established.

I interrupt myself further to say, I find one of the most appealing things about your proposal, I say to the Senator from New York, is that you are saying the survivor benefit must stay intact, the disability benefit must stay intact, and we must keep a defined benefit program in place. All three of those conditions, as a part of an option to acquire wealth with a significant tax cut, it seems to me, make this proposal overwhelmingly attractive, especially for those who like fiscal responsibility. Yours is fiscally responsible. It is fully funded. There is no funny money here. There is no, ''Well, I'm going to take the surplus and use it for accounts, but I really haven't figured out how exactly I am going to pay for it.''

Yours is not only fully funded over the 10-year period, but it is fully funded for all beneficiaries for a 75-year period, which I find to be very, very attractive. For taxpayers who are concerned about not only today's Social Security Program but the Social Security Program 75 years from now, they have to find this proposal enormously attractive as a consequence of your condition, your valuated condition of saying you are not going to have any deficit financing here, you are not going to let Social Security go into deficit, and you want to make sure every promise we have on the table we will have in 75 years.

Mr. MOYNIHAN. Will the Senator yield for a comment?

Mr. KERREY. Yes.

Mr. MOYNIHAN. If you think of the prospect of retirement benefits, and that is real, but something that is not always recognized—I know the Senator understands it—only 62 percent of the beneficiaries of Social Security at this moment are retirees. The rest are survivors or persons who have been disabled, and that can be someone 24 years old or 35 years old. This is a system that is not just devoted to the elderly. Keeping it is essential, and we can do it. I cannot tell you how much I am honored by you associating yourself with this proposal.

Mr. KERREY. I appreciate that. I don't know how long the Senator is going to stay here, but I appreciate very much this proposal, because coming from the Senator from New York, it is, I think, much more likely to gather the attention of Americans who understand that this is a gentleman who is a strong defender of the Social Security Program; he understands its value.

One out of seven Americans who get Social Security have Social Security as their only source of income. Without Social Security and Medicare, the rate of poverty over the age of 85 would be 54 percent. It is 12 percent today. It is a program that has transformed America as we know it and has made it a much better country, a much happier country. It can be changed; it can be changed in a way that will make the program even better, even more able to meet the needs of the American people.

Mr. President, I want to talk about one real short-term aspect of this Social Security problem, and that is that there are an awful lot of people out there—and I went to the President's first event over at Georgetown where he announced the discussion he is going to have, a much-needed discussion, during the year about the Social Security Program. He was introduced by a young woman who was, I think, a third-year law school student or second-year law school student. She was quite eloquent in her introduction of the President.

She said when she first went into the work force at the age of 14 or 15, she went home to her mother and said, ''Mom, who is this person FICA, and why are they taking so much money from me?'' She then did a little more research, and she said she discovered that FICA tax is taken from her and kept in an account for her; it is money that is saved up for her. And she hopes that through this discussion the money she contributes is going to be there for her when she retires.

I give her full sympathy for not knowing what the program is. There are a lot of people who misunderstand Social Security and think of it as a savings program. I am constantly talking to people and I have to say, ''No, it is not a savings program. There is no account for you in Washington, DC, that is accumulating; there is no ownership here.'' If you die before 65, or 62, which is the early eligibility—if you die before 65 or 62, there is nothing there that transfers to heirs. There is no ownership of anything. It is a tax on wages. It is used for disability, it is used for survivors, and it is used for old age. If you are eligible under the classification of those three programs, you receive a benefit.

The way that we accumulate the revenue for those benefits is that we put a tax on wages. The benefits are very progressive. One of the things I noted in the questions and answers that the Senator from New York was engaged in up at Harvard, and one of the things we have to explain to people, is the tax is regressive, the benefits are progressive. Social Security, in the main, is a very progressive program. You can't look at Social Security and say it is regressive only by examining the tax side.

I ask if perhaps the Senator wants to comment on that. Does he hear that, as well—people talking about Social Security as a regressive program and has to offer his correction?

Mr. MOYNIHAN. I do not think there are 100 people in the country who understand the formulas by which you have a higher rate of benefit for persons with lower incomes, but it has been there from the beginning. It is a very progressive program in that regard.

That level of general unawareness, as the Senator knows, is a threatening fact, that a majority of nonretired adults think they will never get Social Security, not knowing they might need it for other purposes. If they don't think they will get it, they won't miss it if it is taken away. That is why we had better act now, and soon, and with a measure of courage that the people who created this institution showed in 1934, 1935.

Mr. KERREY. Mr. President, let me talk about the wealth-generating portion of this. We know this represents the largest tax decrease in the history of the country, somewhere between $300 billion or $400 billion over a 5-year period, an $800 billion tax cut overall, payroll taxes, a tax that for most Americans is the largest tax they pay. We know it establishes the solvency of the program for 75 years. We know it answers the question that lots of younger people have, which is, Is Social Security going to be there for me? We know it is fully paid for, that it is not only actuarially sound but fiscally sound as well.

What is a new idea for people when they look at this program is, the potential to take Social Security and convert it, transform it into something in addition to survivors—I have to keep saying it because very often it gets missed—remains in place, disability remains in place, and the defined benefits program remains in place.

But what we are doing is transforming it into something which, in addition to those three things, will now generate wealth—will generate wealth—for people. What happens in the process of discussing this is we begin to discover that this compounding interest rate formula that the Senator has referred to a couple of times as a real engine for wealth generation is a lot more powerful than we realized it was.

Indeed, it is a mathematical certainty, if you have ever given a speech about the rich getting richer and the poor getting poorer, which lots of folks on our side of the aisle do, they identify that as a problem in America. It is a mathematical certainty we can solve that problem. But you have to be willing to use compounding interest rates to do it, unless you want to give everybody a ticket, a guaranteed payoff, which is not likely.

You can use the Social Security Program as a means to get the job done. I emphasize that because in the public press where this debate is going on, very often I get asked, ''Are you for privatization?'' That becomes the debate, privatization versus Social Security as a defined benefit program. I say, no, I am for taking a piece of this program and personalizing it. So the bull's-eye to me is wealth generation.

The goal for me is in addition to establishing the solvency of Social Security for 75 years, in addition to a tax cut which you accomplish by making it a pay-as-you-go system, I want Americans, regardless of their income, whether they are making $5.15 an hour or $115 an hour, regardless of their income, I want them to know, if they are willing to go out and go to work, they are going to have a shot at the American dream of having ownership and acquiring wealth.

I want them to be connected to the future by knowing if they are going to go to work, that with absolute certainty, they are going to have wealth at the end of it. Can you connect that with private pension reform and tax reform, as the Senator from Delaware has advocated for a number of years? The answer is yes. But you can also take Social Security and make it a source of wealth.

Just at 2 percent, again, the median family income of $34,000 will generate close to $400,000 over a 45-year working life. In my legislation, I also allow people—in fact, I require the opening of a $1,000 account at birth and to contribute $500 a year to that account for the first 5 years.

The Senator from Louisiana and I and the Senator from Connecticut had a program we offered last year called KidSave which would do that. It passed the Senate and was dropped in conference. But the goal here is not just savings. The goal is wealth. The goal is to say, if you are willing to go to work, there is a Federal law that will enable you to acquire over the course of your working life wealth and the independence and the security and all the other sorts of things that come with wealth.

There are lots of benefits from that for the individual, and it ought to be obvious. When we debated the budget, I recall the other side of the aisle wanted as one of the top priorities——

The PRESIDING OFFICER. May I remind the Senator, morning business was to conclude at 11:30.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that we have an additional 10 minutes.

The distinguished chairman of the Finance Committee is agreeable to that. The Senator from Louisiana would like to conclude our remarks.

The PRESIDING OFFICER. Is there objection? Hearing none, without objection, it is so ordered.

Mr. KERREY. Mr. President, I will take 30 seconds to conclude.

When we debated the Balanced Budget Act last year, one of the big issues was the inheritance tax. Well, only 1.5 percent of Americans have estates over $600,000—1.5 percent. That means 98.5 percent have less. For all those who are enthusiastic about raising that threshold—I voted for it and I thought the threshold ought to be raised—I call on them now, on behalf of the 98.5 percent whose estates are under $600,000, to embrace this proposal to help them with the means to acquire wealth and what I think Social Security should provide.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. I thank the Chair.

I want to start off by commending both of the speakers who have previously spoken on this issue, especially Senator MOYNIHAN.

Social Security has always been referred to as the third rail of politics. I might add that Medicare is probably also a part of that third rail. The theory was that, if you touch it politically, you die. I mean, you can't talk about it because it has always been too controversial with all the groups and organizations around the country that, if you ever tried to change anything in the area of Social Security, people will kill you politically.

We are running out of options in 1998. Unless some changes are made, the program is not going to be there. It is not going to exist. I commend Senator MOYNIHAN for his courage and for his intelligence and for his long history of involvement in this particular area, talking about not just what the situation is today, but talking about the future, and is it going to be there for our children and our grandchildren?

People who are in retirement programs today are in good shape from the standpoint of knowing the program is going to be there for the rest of their lives. What we are really talking about, however, is, is it going to be there for their children and grandchildren and future generations?

This is not 1935. I mean, when the program was designed by President Roosevelt and Congress, in those days it was a program that really was targeted to what was happening at that time. I commend particularly the recommendations of the senior Senator from New York that we have a program that now establishes or allows people to establish individual accounts. That is very, very important.

We invest the Social Security trust funds in Government securities. You know how much money we get for their investments? About 2.3 percent. That is not a good investment. We are only getting a 2.3 percent, on average, return from the Social Security investments. That does not make sense in 1998. When the stock market is increasing at a 15 percent rate of return, we should be allowing people to participate in something that will give them more money back than 2.3 percent which we get now for Social Security investments.

The second thing that allows, as I understand it, is patterned after the thrift savings accounts which we have an opportunity to do as Federal employees. Every Federal employee, including myself as a Senator, and House Members, all Federal employees have an option of putting their retirement moneys into a high-risk plan or a moderate-risk plan or a low-risk plan with no risk at all but a lower return, in order to build up our savings. That is much better, in my opinion, than Social Security retirees have with the 2.3 percent return with regard to the Social Security retirement plan.

Here is the problem. Social Security today is pay as you go. The problem is, we have fewer people paying and more people going. We have fewer people contributing the money and more and more people going into retirement. So we have a pay-as-you-go system, but there are fewer and fewer people paying and more and more people going.

What do I mean by that? It is very simple. In 1950, there were 16.5 people paying for every one person going into retirement. Today, we have about three people paying for every one person going. In the year 2030, there are going to be only two people paying for every person going.

We have 77 million baby boomers who are getting ready to go. They are going into retirement starting in 2010. The question is, do we have enough people paying for all of those people that are going? The answer is clearly no.

So I very much congratulate the senior Senator from New York and Senator KERREY from Nebraska for having the political courage to come to the floor and talk about this.

One of my concerns is that it is voluntary. I think I would like to take it a step further and say you have to, if you are going to get a tax cut, you have to put it into an individual retirement account.

I am concerned a lot of people may take the money, the dough, and not put it into a savings account. But we still have the obligation to take care of their retirement. I think we need to talk about that. I mean, I think you are right on target and are moving in the right direction. This is a major contribution to something that we spend too little time addressing.

Mr. MOYNIHAN. I thank my colleague for his generosity.

Mr. President, if the deputy leader would allow me, I just conclude our morning business. I ask unanimous consent that the text of the Social Security Solvency Act of 1998 be printed in the RECORD, along with a brief summary of the bill.

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

S. 1792

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Social Security Solvency Act of 1998''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Modification of FICA rates to provide pay-as-you-go financing of social security.
Sec. 3. Voluntary investment of payroll tax cut by employees.
Sec. 4. Increase of social security wage base.
Sec. 5. Cost-of-living adjustments.
Sec. 6. Tax treatment of social security payments.
Sec. 7. Coverage of newly hired State and local employees.
Sec. 8. Increase in length of computation period from 35 to 38 years.
Sec. 9. Phased in increase in social security retirement age.
Sec. 10. Elimination of earnings test for individuals who have attained early retirement age.

SEC. 2. MODIFICATION OF FICA RATES TO PROVIDE PAY-AS-YOU-GO FINANCING OF SOCIAL SECURITY.

(a) IN GENERAL.—

(1) TAX ON EMPLOYEES.—Section 3101(a) of the Internal Revenue Code of 1986 (relating to tax on employees) is amended to read as follows:

''(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—

''(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on the income of every individual a tax equal to the applicable percentage of the wages (as defined in section 3121(a)) received by him with respect to employment (as defined in section 3121(b)).

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be the percentage set forth in the following table:

''In the case wages received during:	**The applicable percentage shall be:**
1999 through 2024	5.2
2025 through 2029	5.7
2030 through 2044	6.2
2045 through 2054	6.35
2055 through 2059	6.5
2060 or thereafter	6.7.''

(2) TAX ON EMPLOYERS.—Section 3111(a) of such Code (relating to tax on employers) is amended to read as follows:

''(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—

''(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the applicable percentage of the wages (as defined in section 3121(a)) paid by him with respect to employment (as defined in section 3121(b)).

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be the percentage set forth in the following table:

''In the case wages paid during:	**The applicable percentage shall be:**
1999 and 2000	6.2
2001 through 2024	5.2

2025 through 2029	5.7
2030 through 2044	6.2
2045 through 2054	6.35
2055 through 2059	6.5
2060 or thereafter	6.7.''

(3) SELF-EMPLOYMENT TAX.—Section 1401(a) of such Code (relating to tax on self-employment income) is amended to read as follows:

''(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—

''(1) IN GENERAL.—In addition to other taxes, there is hereby imposed for each taxable year, on the self-employment income of every individual, a tax equal to the applicable percentage of the amount of the self-employment income for such taxable year.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be the percentage set forth in the following table:

''In the case of a taxable year		The applicable percentage is:
Beginning after:	And before:	
December 31, 1998 ..	January 1, 2001	11.4
December 31, 2000 ..	January 1, 2025	10.4
December 31, 2024 ..	January 1, 2030	11.4
December 31, 2029 ..	January 1, 2045	12.4
December 31, 2044 ..	January 1, 2055	12.7
December 31, 2054 ..	January 1, 2060	13.0
December 31, 2059 ..	.....	13.4.''

(4) EFFECTIVE DATES.—

(A) EMPLOYEES AND EMPLOYERS.—The amendments made by paragraphs (1) and (2) apply to remuneration paid after December 31, 1998.

(B) SELF-EMPLOYED INDIVIDUALS.—The amendment made by paragraph (3) applies to taxable years beginning after December 31, 1998.

(b) REALLOCATION OF EMPLOYMENT TAXES.—

(1) REALLOCATION OF TAX ON EMPLOYEES AND EMPLOYERS.—Section 201(b)(1) of the Social Security Act (42 U.S.C. 401(b)(1)) is amended by striking ''(Q) 1.70 per centum of the wages (as so defined) paid after December 31, 1996, and before January 1, 2000, and so reported, and (R) 1.80 per centum of the wages (as so defined) paid after December 31, 1999, and so reported'' and inserting ''(Q) 1.70 per centum of the wages (as so defined) paid after December 31, 1996, and before January 1, 1999, and so reported, (R) 1.80 per centum of the wages (as so defined) paid after December 31, 1998, and before January 1, 2015, and so reported, (S) 2.00 per centum of the wages (as so defined) paid after December 31, 2014, and before January 1, 2025, and so reported, (T) 2.30 per centum of the wages (as so defined) paid after December 31, 2024, and before January 1, 2030, and so reported, (U) 2.20 per centum of the wages (as so defined) paid after December 31, 2029, and before January 1, 2035, and so reported, (V) 2.30 per centum of the wages (as so defined) paid after December 31, 2034, and before January 1, 2040, and so reported, (W) 2.40 per centum of the wages (as so defined) paid after December 31, 2039, and before January 1, 2045, and so reported, (X) 2.80 per centum of the wages (as so defined) paid after December 31, 2044, and before January 1, 2055, and so reported, and (Y) 2.90 per centum of the wages (as so defined) paid after December 31, 2054, and so reported''.

(2) REALLOCATION OF TAX ON SELF-EMPLOYMENT INCOME.—Section 201(b)(2) of such Act (42 U.S.C. 401(b)(2)) is amended by striking ''(Q) 1.70 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1996, and before January 1, 2000, and (R) 1.80 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1999'' and inserting ''(Q) 1.70 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1996, and before January 1, 1999, (R) 1.80 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1998, and before January 1, 2015, (S) 2.00 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2014, and before January 1, 2025, (T) 2.30 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2024, and before January 1, 2030, (U) 2.20 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2029, and before January 1, 2035, (V) 2.30 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2034, and before January 1, 2040, (W) 2.40 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2039, and before January 1, 2045, (X) 2.80 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2044, and before January 1, 2055, and (Y) 2.90 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2054''.

(c) FUTURE RATES AND ALLOCATION BETWEEN TRUST FUNDS PROPOSED BY BOARD OF TRUSTEES FOR LEGISLATIVE ACTION.—

(1) IN GENERAL.—Section 201(c) of the Social Security Act (42 U.S.C. 401(c)) is amended in the matter following paragraph (5) by striking ''(as defined by the Board of Trustees).'' and inserting ''(as defined by the Board of Trustees. If such finding shows that the combined Trust Funds are not in close actuarial balance (as so defined), then such report (beginning in April 2000) shall include a legislative recommendation by the Board of Trustees specifying new rates of tax under sections 3101(a), 3111(a), and 1401(a) of the Internal Revenue Code of 1986, and the allocation of those rates between the Trust Funds necessary in order to restore the combined Trust Funds and each Trust Fund to actuarial balance. If such finding shows that the combined Trust Funds are in close actuarial balance (as so defined), but that 1 of the Trust Funds is not in close actuarial balance, then such report (beginning in April 2000) shall include a legislative recommendation by the Board of Trustees specifying a new allocation of such rates of tax between the Trust Funds, so that each Trust Fund is in close actuarial balance. Such recommendation shall be considered by Congress under procedures described in subsection (n)).''.

(2) FAST-TRACK CONSIDERATION OF LEGISLATIVE RECOMMENDATIONS.—Section 201 of such Act (42 U.S.C. 401) is amended by adding at the end the following new subsection:

''(n)(1) Any legislative recommendation included in the report provided for in subsection (c) shall—

''(A) not later than 3 days after the Board of Trustees submits such report, be introduced (by request) in the House of Representatives by the Majority Leader of the House and be introduced (by request) in the Senate by the Majority Leader of the Senate; and

''(B) be given expedited consideration under the same provisions and in the same way, subject to paragraph (2), as a joint resolution under section 2908 of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2678 note).

''(2) For purposes of applying paragraph (1) with respect to such provisions, the following rules shall apply:

''(A) Section 2908(a) of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2678 note) shall not apply.

''(B) Any reference to the resolution described in subsection (a) shall be deemed to be a reference to the legislative recommendation submitted under subsection (c) of this Act.

''(C) Any reference to the Committee on National Security of the House of Representatives shall be deemed to be a reference to the Committee on Ways and Means of the House of Representatives and any reference to the Committee on Armed Services of the Senate shall be deemed to be a reference to the Committee on Finance of the Senate.

''(D) Any reference to the date on which the President transmits a report shall be deemed to be a reference to the date on which the recommendation is submitted under subsection (c).''.

(d) CONFORMING AMENDMENTS TO FERS TO PROTECT PAYROLL TAX CUT.—The table contained in section 8422(a)(3) of title 5, United States Code, is amended—

(1) by striking ''7'' the second place it appears and inserting ''6'';

(2) by striking ''7.25'' and inserting ''6.25'';

(3) by striking ''7.4'' and inserting ''6.4'';

(4) by striking ''7.5'' the first, third, fifth, and seventh places it appears and inserting ''6.5'';

(5) by striking ''7.75'' each place it appears and inserting ''6.75'';

(6) by striking ''7.9'' each place it appears and inserting ''6.9''; and

(7) by striking ''8'' each place it appears and inserting ''7''.

SEC. 3. VOLUNTARY INVESTMENT OF PAYROLL TAX CUT BY EMPLOYEES.

(a) SHORT TITLE.—This section may be cited as the ''Voluntary Investment Contribution Act (VICA)''.

(b) VOLUNTARY INVESTMENT OF PAYROLL TAX CUT.—

(1) IN GENERAL.—Title II of the Social Security Act (42 U.S.C. 401 et seq.) is amended—

(A) by inserting before section 201 the following:

''PART A—INSURANCE BENEFITS'';

and

(B) by adding at the end the following:

''PART B—VOLUNTARY INVESTMENT ACCOUNTS

''EMPLOYEE ELECTION AND DESIGNATION OF VOLUNTARY INVESTMENT ACCOUNT UNDER PAYROLL DEDUCTION PLAN

''SEC. 251. (a) IN GENERAL.—An individual who is an employee of a covered employer may elect to participate in the employer's voluntary investment account payroll deduction plan either—

''(1) not later than 10 business days after the individual becomes an employee of the employer, or

''(2) during any open enrollment period.

The Commissioner shall by regulation provide for at least 1 open enrollment period annually.

''(b) PERIOD OF ELECTION.—

''(1) TIME ELECTION TAKES EFFECT.—An election under subsection (a) shall take effect with respect to the first pay period beginning more than 14 days after the date of the election.

''(2) TERMINATION.—An election under subsection (a) shall terminate—

''(A) upon the termination of employment of the employee of the covered employer, or

''(B) with respect to pay periods beginning more than 14 days after the employee terminates such election.

''(c) DESIGNATION OF VOLUNTARY INVESTMENT ACCOUNT.—

''(1) INITIAL ELECTION.—An employee shall, at the time an election is made under subsection (a), designate the voluntary investment account to which voluntary investment account contributions on behalf of the employee are to be deposited.

''(2) CHANGES.—The Commissioner shall by regulation provide the time and manner by which an employee may—

''(A) designate another voluntary investment account to which contributions are to be deposited, and

''(B) transfer amounts from one such account to another.

''(d) FORM OF ELECTIONS.—Elections under this section shall be made—

''(1) on W–4 forms (or any successor forms), or

''(2) in such other manner as the Commissioner may prescribe in order to ensure ease of administration and reductions in burdens on employers.

''VOLUNTARY INVESTMENT ACCOUNT PAYROLL DEDUCTION PLANS

''SEC. 252. (a) IN GENERAL.—Each person who is a covered employer for a calendar year shall have in effect a voluntary investment account payroll deduction plan for such calendar year for such person's electing employees.

''(b) VOLUNTARY INVESTMENT ACCOUNT PAYROLL DEDUCTION PLANS.—For purposes of this part, the term 'voluntary investment account payroll deduction plan' means a written plan of an employer—

''(1) which applies only with respect to wages of any employee who elects to become an electing employee in accordance with section 251,

''(2) under which the voluntary investment account contributions under section 3101(a) of the Internal Revenue Code of 1986 will be deducted from an electing employee's wages and, together with such contributions under section 3111(a) of such Code on behalf of such employee, will be paid to the Social Security Administration for deposit in 1 or more voluntary investment accounts designated by such employee in accordance with section 251,

''(3) under which the employer is required to pay the amount so contributed with respect to the specified voluntary investment account of the electing employee within the same time period as other taxes under sections 3101 and 3111 with respect to the wages of such employee,

''(4) under which the employer receives no compensation for the cost of administering such plan, and

''(5) under which the employer does not make any endorsement with respect to any voluntary investment account.

''(c) PENALTIES FOR FAILURE TO ESTABLISH VOLUNTARY INVESTMENT ACCOUNT PAYROLL DEDUCTION PLAN.—

''(1) IN GENERAL.—Any covered employer who fails to meet the requirements of this section for any calendar year shall be subject to a civil penalty of not to exceed the greater of—

''(A) $2,500, or

''(B) $100 for each electing employee of such employer as of the beginning of such calendar year.

''(2) RULES FOR APPLICATION OF SUBSECTION.—

''(A) PENALTIES ASSESSED BY COMMISSIONER.—Any civil penalty assessed by this subsection shall be imposed by the Commissioner of Social Security and collected in a civil action.

''(B) COMPROMISES.—The Commissioner may compromise the amount of any civil penalty imposed by this subsection.

''(C) AUTHORITY TO WAIVE PENALTY IN CERTAIN CASES.—The Commissioner may waive the application of this subsection with respect to any failure if the Commissioner determines that such failure is due to reasonable cause and not to intentional disregard of rules and regulations.

''PARTICIPATION BY SELF-EMPLOYED INDIVIDUALS

''SEC. 253. An individual shall make an election to become an electing self-employed individual, designate a voluntary investment account, and have in effect a voluntary investment account payroll deduction plan under rules similar to the rules under sections 251 and 252.

''DEFINITIONS AND SPECIAL RULES

''SEC. 254. For purposes of this part—

''(1) VOLUNTARY INVESTMENT ACCOUNT.—

''(A) IN GENERAL.—The term 'voluntary investment account' means—

''(i) any voluntary investment account in the Voluntary Investment Fund (established under section 255) which is administered by the Voluntary Investment Board, or

''(ii) any individual retirement plan (as defined in section 7701(a)(37) of the Internal Revenue Code of 1986), other than a Roth IRA (as defined in section 408A(b) of such Code), which is designated by the electing employee as a voluntary investment account (in such manner as the Secretary of the Treasury may prescribe) and which is administered or issued by a bank or other person referred to in section 408(a)(2) of such Code.

''(B) TREATMENT OF ACCOUNTS.—

''(i) IN GENERAL.—Except as provided in clause (ii)—

''(I) any voluntary investment account described in subparagraph (A)(i) shall be treated in the same manner as an account in the Thrift Savings Fund under subchapter III of chapter 84 of title 5, United States Code, and

''(II) any voluntary investment account described in subparagraph (A)(ii) shall be treated in the same manner as an individual retirement plan (as so defined).

''(ii) EXCEPTIONS.—

''(I) CONTRIBUTION LIMIT.—The aggregate amount of contributions for any taxable year to all voluntary investment accounts of an electing employee shall not exceed the aggregate amount of contributions made pursuant to sections 3101(a)(3), 3111(a)(3), and 1401(a)(3) of the Internal Revenue Code of 1986 and paid pursuant to section 252 or 253 on behalf of such employee.

''(II) NO DEDUCTION ALLOWED.—No deduction shall be allowed under section 219 of the Internal Revenue Code of 1986 for a contribution to a voluntary investment account described in subparagraph (A)(ii).

''(III) ROLLOVER CONTRIBUTIONS.—No rollover contribution may be made to a voluntary investment account unless it is from another voluntary investment account. A rollover described in the preceding sentence shall not be taken into account for purposes of subclause (I).

''(IV) DISTRIBUTIONS ALLOWED TO SOCIAL SECURITY BENEFICIARIES.—Notwithstanding any other provision of law, distributions may only be made from a voluntary investment account of an electing employee on or after the earlier of the date on which the employee begins receiving benefits under this title or the date of the employee's death.

''(2) COVERED EMPLOYER.—The term 'covered employer' means, for any calendar year, any person on whom an excise tax is imposed under section 3111 of the Internal Revenue Code of 1986 with respect to having an individual in the person's employ to whom wages are paid by such person during such calendar year.

''(3) ELECTING EMPLOYEE.—The term 'electing employee' means an individual with respect to whom an election under section 251 is in effect.

''(4) ELECTING SELF-EMPLOYED INDIVIDUAL.—The term 'electing self-employed individual' means an individual with respect to whom an election under section 253 is in effect.

''VOLUNTARY INVESTMENT FUND

''SEC. 255. (a) ESTABLISHMENT.—There is established and maintained in the Treasury of the United States a Voluntary Investment Fund in the same manner as the Thrift Savings Fund under sections 8437, 8438, and 8439 of title 5, United States Code.

''(b) VOLUNTARY INVESTMENT FUND BOARD.—

''(1) IN GENERAL.—There is established and operated in the Social Security Administration a Voluntary Investment Fund Board in the same manner as the Federal Retirement Thrift Investment Board under subchapter VII of chapter 84 of title 5, United States Code.

''(2) SPECIFIC INVESTMENT DUTIES.—The Voluntary Investment Fund shall be managed by the Voluntary Investment Fund Board in the same manner as the Thrift Savings Fund is managed under subchapter VIII of chapter 84 of title 5, United States Code.''.

(2) EXEMPTION FROM ERISA REQUIREMENTS.—Section 4(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1003(b)) is amended—

(A) in paragraph (4), by striking ''or'';

(B) in paragraph (5), by striking the period and inserting ''; or''; and

(C) by inserting after paragraph (5) the following:

''(6) such plan is a voluntary investment account payroll deduction plan established under part B of title II of the Social Security Act.''.

(3) EFFECTIVE DATE AND NOTICE REQUIREMENTS.—

(A) EFFECTIVE DATE.—The amendments made by this subsection (and any voluntary investment account payroll deduction plan required thereunder) apply with respect to wages paid after December 31, 2000, for pay periods beginning after such date and self-employment income for taxable years beginning after such date.

(B) NOTICE REQUIREMENTS.—

(i) IN GENERAL.—Not later than October 1, 2000, the Commissioner of Social Security shall—

(I) send to the last known address of each eligible individual a description of the program established by the amendments made by this subsection, which shall be written in the form of a pamphlet in language which may be readily understood by the average worker,

(II) provide for toll-free access by telephone from all localities in the United States and access by the Internet to the Social Security Administration through which individuals may obtain information and answers to questions regarding such program, and

(III) provide information to the media in all localities of the United States about such program and such toll-free access by telephone and access by Internet.

(ii) ELIGIBLE INDIVIDUAL.—For purposes of this subparagraph, the term ''eligible individual'' means an individual who, as of the date of the pamphlet sent pursuant to clause (i), is indicated within the records of the Social Security Administration as being credited with 1 or more quarters of coverage under section 213 of the Social Security Act (42 U.S.C. 413).

(iii) MATTERS TO BE INCLUDED.—The Commissioner shall include with the pamphlet sent to each eligible individual pursuant to clause (i)—

(I) a statement of the number of quarters of coverage indicated in the records of the Social Security Administration as of the date of the description as credited to such individual under section 213 of such Act and the date as of which such records may be considered accurate, and

(II) the number for toll-free access by telephone established by the Commissioner pursuant to clause (i).

(c) CONFORMING AMENDMENTS TO PAYROLL TAX PROVISIONS.—

(1) EMPLOYEES VOLUNTARY INVESTMENT CONTRIBUTIONS.—Section 3101(a) of the Internal Revenue Code of 1986 (relating to tax on employees), as amended by section 2(a)(1), is amended by adding at the end the following:

''(3) VOLUNTARY INVESTMENT ACCOUNT CONTRIBUTION.—In the case of an electing employee (as defined in section 254(3) of the Social Security Act), in addition to other taxes, there is hereby imposed on the income of such employee a voluntary investment account contribution equal to 1 percent of the wages (as so defined) received by him with respect to employment (as so defined).''.

(2) EMPLOYERS MATCHING CONTRIBUTIONS.—Section 3111(a) of such Code (relating to tax on employers), as amended by section 2(a)(2), is amended by adding at the end the following:

''(3) MATCHING CONTRIBUTION TO EMPLOYEE VOLUNTARY INVESTMENT ACCOUNT CONTRIBUTION.—In the case of an employer having in his employ an electing employee (as defined in section 254(3) of the Social Security Act), in addition to other taxes, there is hereby imposed on such employer a voluntary investment account contribution equal to 1 percent of the wages (as so defined) paid by him with respect to employment (as so defined) of such employee.''.

(3) SELF-EMPLOYMENT VOLUNTARY INVESTMENT ACCOUNT CONTRIBUTIONS.—Section 1401(a) of such Code (relating to tax on self-employment income), as amended by section 2(a)(3), is amended by adding at the end the following:

''(3) VOLUNTARY INVESTMENT ACCOUNT CONTRIBUTION.—In the case of an electing self-employed individual (as defined in section 254(4) of the Social Security Act), in addition to other taxes, there is hereby imposed for each taxable year, on the self-employment income of such individual, a voluntary investment account contribution equal to 2 percent of the amount of the self-employment income for such taxable year.''.

(4) EFFECTIVE DATES.—

(A) EMPLOYEES AND EMPLOYERS.—The amendments made by paragraphs (1) and (2) apply to remuneration paid after December 31, 2000.

(B) SELF-EMPLOYED INDIVIDUALS.—The amendment made by paragraph (3) applies to taxable years beginning after December 31, 2000.

SEC. 4. INCREASE OF SOCIAL SECURITY WAGE BASE.

(a) IN GENERAL.—Section 230 of the Social Security Act (42 U.S.C. 430) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''$60,600'' and inserting ''$97,500''; and

(B) in paragraph (2), by striking ''1992'' and inserting ''2001''; and

(2) in subsection (c)—

(A) by striking ''(1)'' and all that follows through ''$29,700.'' and inserting ''the 'contribution and benefit base' with respect to remuneration paid (and taxable years beginning)—

''(1) in 2001 shall be $85,000,

''(2) in 2002 shall be $92,000, and

''(3) in 2003 shall be $97,500.''; and

(B) by striking ''specified in clause (2) of the preceding sentence'' and inserting ''specified in the preceding sentence''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on January 1, 2001.

SEC. 5. COST-OF-LIVING ADJUSTMENTS.

(a) COST-OF-LIVING BOARD.—Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following:

''PART D—COST-OF-LIVING ADJUSTMENTS

''DETERMINATION OF INFLATION ADJUSTMENT

''SEC. 1180. (a) MODIFICATION OF COST-OF-LIVING ADJUSTMENT.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, any cost-of-living adjustment described in subsection (e) shall be reduced by the applicable percentage point.

''(2) APPLICABLE PERCENTAGE POINT.—In this section, the term 'applicable percentage point' means—

''(A) except as provided in subparagraph (B), 1 percentage point; or

''(B) the applicable percentage point adopted by the Cost-of-Living Board under subsection (b) for the calendar year.

''(b) COST-OF-LIVING BOARD DETERMINATION.—

''(1) IN GENERAL.—The Cost-of-Living Board established under section 1181 shall for each calendar year after 1998 determine if a new applicable percentage point is necessary to replace the applicable percentage point described in subsection (a)(2)(A) to ensure an accurate cost-of-living adjustment which shall apply to any cost-of-living adjustment taking effect during such year.

''(2) ADOPTION OR REJECTION OF NEW APPLICABLE PERCENTAGE POINT.—

''(A) ADOPTION.—

''(i) IN GENERAL.—If the Cost-of-Living Board adopts by majority vote a new applicable percentage point under paragraph (1), then, for purposes of subsection (a)(1), the new applicable percentage point shall remain in effect during the following calendar year.

''(ii) APPROPRIATE ADJUSTMENTS.—The Cost-of-Living Board shall make appropriate adjustments to the applicable percentage point applied to any cost-of-living adjustment if—

''(I) the period during which the change in the cost-of-living is measured for such adjustment is different than the period used by the Cost-of-Living Board; or

''(II) the adjustment is based on a component of an index rather than the entire index.

''(B) REJECTION.—If the Cost-of-Living Board fails by majority vote to adopt a new applicable percentage point under paragraph (1) for any calendar year, then the applicable percentage point for such calendar year shall be the applicable percentage point described in subsection (a)(2)(A).

''(c) REPORT.—Not later than November 1 of each calendar year, the Cost-of-Living Board shall submit a report to the President and Congress containing a detailed statement with respect to the new applicable percentage point (if any) agreed to by the Board under subsection (b).

''(d) JUDICIAL REVIEW.—Any determination by the Cost-of Living Board under subsection (b) shall not be subject to judicial review.

''(e) COST-OF-LIVING ADJUSTMENT DESCRIBED.—A cost-of-living adjustment described in this subsection is any cost-of-living adjustment for a calendar year after 1998 determined by reference to a percentage change in a consumer price index or any component thereof (as published by the Bureau of Labor Statistics of the Department of Labor and determined without regard to this section) and used in any of the following:

''(1) The Internal Revenue Code of 1986.

''(2) Titles II, XVIII, and XIX of this Act.

''(3) Any other Federal program (not including programs under title XVI of this Act).

''COST-OF-LIVING BOARD

''SEC. 1181. (a) ESTABLISHMENT OF BOARD.—

''(1) ESTABLISHMENT.—There is established a board to be known as the Cost-of-Living Board (in this section referred to as the 'Board').

''(2) MEMBERSHIP.—

''(A) COMPOSITION.—The Board shall be composed of 5 members of whom—

''(i) 1 shall be the Chairman of the Board of Governors of the Federal Reserve System;

''(ii) 1 shall be the Chairman of the President's Council of Economic Advisers; and

''(iii) 3 shall be appointed by the President, by and with the advice and consent of the Senate.

The President shall consult with the leadership of the House of Representatives and the Senate in the appointment of the Board members under clause (iii).

''(B) EXPERTISE.—The members of the Board appointed under subparagraph (A)(iii) shall be experts in the field of economics and should be familiar with the issues related to the calculation of changes in the cost of living. In appointing members under subparagraph (A)(iii), the President shall consider appointing—

''(i) former members of the President's Council of Economic Advisers;

''(ii) former Treasury department officials;

''(iii) former members of the Board of Governors of the Federal Reserve System;

''(iv) other individuals with relevant prior government experience in positions requiring appointment by the President and Senate confirmation; and

''(v) academic experts in the field of price statistics.

''(C) DATE.—

''(i) NOMINATIONS.—Not later than 30 days after the date of enactment of the Social Security Solvency Act of 1998, the President shall submit the nominations of the members of the Board described in subparagraph (A)(iii) to the Senate.

''(ii) SENATE ACTION.—Not later than 60 days after the Senate receives the nominations under clause (i), the Senate shall vote on confirmation of the nominations.

''(3) TERMS AND VACANCIES.—

''(A) TERMS.—A member of the Board appointed under paragraph (2)(A)(iii) shall be appointed for a term of 5 years, except that of the members first appointed under that paragraph—

''(i) 1 member shall be appointed for a term of 1 year;

''(ii) 1 member shall be appointed for a term of 3 years; and

''(iii) 1 member shall be appointed for a term of 5 years.

''(B) VACANCIES.—

''(i) IN GENERAL.—A vacancy on the Board shall be filled in the manner in which the original appointment was made and shall be subject to any conditions which applied with respect to the original appointment.

''(ii) FILLING UNEXPIRED TERM.—An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

''(C) EXPIRATION OF TERMS.—The term of any member appointed under paragraph (2)(A)(iii) shall not expire before the date on which the member's successor takes office.

''(4) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Board have been appointed, the Board shall hold its first meeting. Subsequent meetings shall be determined by the Board by majority vote.

''(5) OPEN MEETINGS.—Notwithstanding section 552b of title 5, United States Code, or section 10 of the Federal Advisory Committee Act (5 U.S.C. App.), the Board may, by majority vote, close any meeting of the Board to the public otherwise required to be open under that section. The Board shall make the records of any such closed meeting available to the public not later than 30 days of that meeting.

''(6) QUORUM.—A majority of the members of the Board shall constitute a quorum, but

a lesser number of members may hold hearings.

''(7) CHAIRPERSON AND VICE CHAIRPERSON.—The Board shall select a Chairperson and Vice Chairperson from among the members appointed under paragraph (2)(A)(iii).

''(b) POWERS OF THE BOARD.—

''(1) HEARINGS.—The Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Board considers advisable to carry out the purposes of this part.

''(2) INFORMATION FROM FEDERAL AGENCIES.—The Board may secure directly from any Federal department or agency such information as the Board considers necessary to carry out the provisions of this part, including the published and unpublished data and analytical products of the Bureau of Labor Statistics. Upon request of the Chairperson of the Board, the head of such department or agency shall furnish such information to the Board.

''(3) POSTAL SERVICES.—The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

''(4) GIFTS.—The Board may accept, use, and dispose of gifts or donations of services or property.

''(c) BOARD PERSONNEL MATTERS.—

''(1) COMPENSATION OF MEMBERS.—Each member of the Board who is not otherwise an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level III of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Board. All members of the Board who otherwise are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

''(2) TRAVEL EXPENSES.—The members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Board.

''(3) STAFF.—

''(A) IN GENERAL.—The Chairperson of the Board may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Board to perform its duties. The employment of an executive director shall be subject to confirmation by the Board.

''(B) COMPENSATION.—The Chairperson of the Board may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level IV of the Executive Schedule under section 5316 of such title.

''(4) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Board without additional reimbursement (other than the employee's regular compensation), and such detail shall be without interruption or loss of civil service status or privilege.

''(5) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Board may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

''(d) TERMINATION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Board.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Board such sums as are necessary to carry out the purposes of this part.''.

(c) TERMINATION OF WAGE INDEX ADJUSTMENT.—Section 215(i)(1)(C) of the Social Security Act (42 U.S.C. 415(i)(1)(C)) is amended—

(1) in clause (i)—

(A) by inserting ''and before 1999'' after ''after 1988''; and

(B) by inserting '', or in any calendar year after 1998, the CPI increase percentage; and

(2) in clause (ii), by inserting ''and before 1999'' after ''after 1988''.

SEC. 6. TAX TREATMENT OF SOCIAL SECURITY PAYMENTS.

(a) IN GENERAL.—Section 86(a) of the Internal Revenue Code of 1986 (relating to social security and tier 1 railroad retirement benefits) is amended to read as follows:

''(a) IN GENERAL.—Notwithstanding section 207 of the Social Security Act, social security benefits shall be included in the gross income of a taxpayer for any taxable year in the manner provided under section 72.''.

(b) CONFORMING AMENDMENTS.—Section 86 of the Internal Revenue Code of 1986 is amended by striking subsections (b), (c), and (e) and by redesignating subsections (d) and (f) as subsections (b) and (c), respectively.

(c) TRANSFERS TO TRUST FUNDS.—Paragraph (1)(A) of section 121(e) of the Social Security Amendments of 1983, as amended by section 13215(c)(1) of the Omnibus Budget Reconciliation Act of 1993, is amended by striking ''1993.'' and inserting ''1993, plus (iii) the amounts equivalent to the aggregate increase in tax liabilities under chapter 1 of the Internal Revenue Code of 1986 which is attributable to the amendments to section 86 of such Code made by section 6 of the Social Security Solvency Act of 1998.''.

(d) EFFECTIVE DATE; APPLICATION; WAIVER OF PENALTY.—

(1) EFFECTIVE DATE.—The amendments made by this section apply to taxable years ending after June 30, 1998.

(2) APPLICATION OF AMENDMENTS TO TAXABLE YEAR 1998.—In the case of any taxable year which includes July 1, 1998, the amount a taxpayer is required to include in gross income under section 86 of the Internal Revenue Code of 1986 shall (in lieu of the amount otherwise determined) be equal to 50 percent of the sum of—

(A) the amount of social security benefits of the taxpayer to be included in gross income for such year under such section 86, determined as if the amendments made by this section had not been enacted, plus

(B) such amount determined as if such amendments had been in effect for the entire taxable year.

(3) WAIVER OF CERTAIN ESTIMATED TAX PENALTIES.—No addition to tax shall be imposed under section 6654 of the Internal Revenue Code of 1986 (relating to failure to pay estimated income tax) with respect to any underpayment of an installment required to be paid with respect to a taxable year to which paragraph (2) applies to the extent that such underpayment was created or increased by the amendments made by this section.

SEC. 7. COVERAGE OF NEWLY HIRED STATE AND LOCAL EMPLOYEES.

(a) AMENDMENTS TO THE SOCIAL SECURITY ACT.—

(1) IN GENERAL.—Paragraph (7) of section 210(a) of the Social Security Act (42 U.S.C. 410(a)(7)) is amended to read as follows:

''(7) Excluded State or local government employment (as defined in subsection (s));''.

(2) EXCLUDED STATE OR LOCAL GOVERNMENT EMPLOYMENT.—

(A) IN GENERAL.—Section 210 of such Act (42 U.S.C. 410) is amended by adding at the end the following new subsection:

''Excluded State or Local Government Employment

''(s)(1) IN GENERAL.—The term 'excluded State or local government employment' means any service performed in the employ of a State, of any political subdivision thereof, or of any instrumentality of any one or more of the foregoing which is wholly owned thereby, if—

''(A)(i) such service would be excluded from the term 'employment' for purposes of this title if the preceding provisions of this section as in effect on December 31, 2000, had remained in effect, and (ii) the requirements of paragraph (2) are met with respect to such service, or

''(B) the requirements of paragraph (3) are met with respect to such service.

''(2) EXCEPTION FOR CURRENT EMPLOYMENT WHICH CONTINUES.—

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to service for any employer if—

''(i) such service is performed by an individual—

''(I) who was performing substantial and regular service for remuneration for that employer before January 1, 2001,

''(II) who is a bona fide employee of that employer on December 31, 2000, and

''(III) whose employment relationship with that employer was not entered into for purposes of meeting the requirements of this subparagraph, and

''(ii) the employment relationship with that employer has not been terminated after December 31, 2000.

''(B) TREATMENT OF MULTIPLE AGENCIES AND INSTRUMENTALITIES.—For purposes of subparagraph (A), under regulations (consistent with regulations established under section 3121(t)(2)(B) of the Internal Revenue Code of 1986)—

''(i) all agencies and instrumentalities of a State (as defined in section 218(b)) or of the District of Columbia shall be treated as a single employer, and

''(ii) all agencies and instrumentalities of a political subdivision of a State (as so defined) shall be treated as a single employer and shall not be treated as described in clause (i).

''(3) EXCEPTION FOR CERTAIN SERVICES.—

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to service if such service is performed—

''(i) by an individual who is employed by a State or political subdivision thereof to relieve such individual from unemployment,

''(ii) in a hospital, home, or other institution by a patient or inmate thereof as an employee of a State or political subdivision thereof or of the District of Columbia,

''(iii) by an individual, as an employee of a State or political subdivision thereof or of the District of Columbia, serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency,

''(iv) by any individual as an employee included under section 5351(2) of title 5, United States Code (relating to certain interns, student nurses, and other student employees of hospitals of the District of Columbia Government), other than as a medical or dental intern or a medical or dental resident in training,

''(v) by an election official or election worker if the remuneration paid in a calendar year for such service is less than $1,000

with respect to service performed during 2001, and the adjusted amount determined under subparagraph (C) for any subsequent year with respect to service performed during such subsequent year, except to the extent that service by such election official or election worker is included in employment under an agreement under section 218, or

''(vi) by an employee in a position compensated solely on a fee basis which is treated pursuant to section 211(c)(2)(E) as a trade or business for purposes of inclusion of such fees in net earnings from self-employment.

''(B) DEFINITIONS.—As used in this paragraph, the terms 'State' and 'political subdivision' have the meanings given those terms in section 218(b).

''(C) ADJUSTMENTS TO DOLLAR AMOUNT FOR ELECTION OFFICIALS AND ELECTION WORKERS.—For each year after 2001, the Secretary shall adjust the amount referred to in subparagraph (A)(v) at the same time and in the same manner as is provided under section 215(a)(1)(B)(ii) with respect to the amounts referred to in section 215(a)(1)(B)(i), except that—

''(i) for purposes of this subparagraph, 1998 shall be substituted for the calendar year referred to in section 215(a)(1)(B)(ii)(II), and

''(ii) such amount as so adjusted, if not a multiple of $50, shall be rounded to the nearest multiple of $50.

The Commissioner of Social Security shall determine and publish in the Federal Register each adjusted amount determined under this subparagraph not later than November 1 preceding the year for which the adjustment is made.''.

(B) CONFORMING AMENDMENTS.—

(i) Subsection (k) of section 210 of such Act (42 U.S.C. 410(k)) (relating to covered transportation service) is repealed.

(ii) Section 210(p) of such Act (42 U.S.C. 410(p)) is amended—

(I) in paragraph (2), by striking ''service is performed'' and all that follows and inserting ''service is service described in subsection (s)(3)(A).''; and

(II) in paragraph (3)(A), by inserting ''under subsection (a)(7) as in effect on December 31, 2000'' after ''section''.

(iii) Section 218(c)(6) of such Act (42 U.S.C. 418(c)(6)) is amended—

(I) by striking subparagraph (C);

(II) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively; and

(III) by striking subparagraph (F) and inserting the following:

''(E) service which is included as employment under section 210(a).''

(b) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) IN GENERAL.—Paragraph (7) of section 3121(b) of the Internal Revenue Code of 1986 (relating to employment) is amended to read as follows:

''(7) excluded State or local government employment (as defined in subsection (t));''.

(2) EXCLUDED STATE OR LOCAL GOVERNMENT EMPLOYMENT.—Section 3121 of such Code is amended by inserting after subsection (s) the following new subsection:

''(t) EXCLUDED STATE OR LOCAL GOVERNMENT EMPLOYMENT.—

''(1) IN GENERAL.—For purposes of this chapter, the term 'excluded State or local government employment' means any service performed in the employ of a State, of any political subdivision thereof, or of any instrumentality of any one or more of the foregoing which is wholly owned thereby, if—

''(A)(i) such service would be excluded from the term 'employment' for purposes of this chapter if the provisions of subsection (b)(7) as in effect on December 31, 2000, had remained in effect, and (ii) the requirements of paragraph (2) are met with respect to such service, or

''(B) the requirements of paragraph (3) are met with respect to such service.

''(2) EXCEPTION FOR CURRENT EMPLOYMENT WHICH CONTINUES.—

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to service for any employer if—

''(i) such service is performed by an individual—

''(I) who was performing substantial and regular service for remuneration for that employer before January 1, 2001,

''(II) who is a bona fide employee of that employer on December 31, 2000, and

''(III) whose employment relationship with that employer was not entered into for purposes of meeting the requirements of this subparagraph, and

''(ii) the employment relationship with that employer has not been terminated after December 31, 2000.

''(B) TREATMENT OF MULTIPLE AGENCIES AND INSTRUMENTALITIES.—For purposes of subparagraph (A), under regulations—

''(i) all agencies and instrumentalities of a State (as defined in section 218(b) of the Social Security Act) or of the District of Columbia shall be treated as a single employer, and

''(ii) all agencies and instrumentalities of a political subdivision of a State (as so defined) shall be treated as a single employer and shall not be treated as described in clause (i).

''(3) EXCEPTION FOR CERTAIN SERVICES.—

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to service if such service is performed—

''(i) by an individual who is employed by a State or political subdivision thereof to relieve such individual from unemployment,

''(ii) in a hospital, home, or other institution by a patient or inmate thereof as an employee of a State or political subdivision thereof or of the District of Columbia,

''(iii) by an individual, as an employee of a State or political subdivision thereof or of the District of Columbia, serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency,

''(iv) by any individual as an employee included under section 5351(2) of title 5, United States Code (relating to certain interns, student nurses, and other student employees of hospitals of the District of Columbia Government), other than as a medical or dental intern or a medical or dental resident in training,

''(v) by an election official or election worker if the remuneration paid in a calendar year for such service is less than $1,000 with respect to service performed during 2001, and the adjusted amount determined under section 210(s)(3)(C) of the Social Security Act for any subsequent year with respect to service performed during such subsequent year, except to the extent that service by such election official or election worker is included in employment under an agreement under section 218 of the Social Security Act, or

''(vi) by an employee in a position compensated solely on a fee basis which is treated pursuant to section 1402(c)(2)(E) as a trade or business for purposes of inclusion of such fees in net earnings from self-employment.

''(B) DEFINITIONS.—As used in this paragraph, the terms 'State' and 'political subdivision' have the meanings given those terms in section 218(b) of the Social Security Act.''.

(3) CONFORMING AMENDMENTS.—

(A) Subsection (j) of section 3121 of such Code (relating to covered transportation service) is repealed.

(B) Paragraph (2) of section 3121(u) of such Code (relating to application of hospital insurance tax to Federal, State, and local employment) is amended—

(i) in subparagraph (B), by striking ''service is performed'' in clause (ii) and all that follows through the end of such subparagraph and inserting ''service is service described in subsection (t)(3)(A).''; and

(ii) in subparagraph (C)(i), by inserting ''under subsection (b)(7) as in effect on December 31, 2000'' after ''chapter''.

(c) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall apply with respect to service performed after December 31, 2000.

SEC. 8. INCREASE IN LENGTH OF COMPUTATION PERIOD FROM 35 TO 38 YEARS.

Section 215(b)(2)(B) of the Social Security Act (42 U.S.C. 415(b)(2)) is amended—

(1) in clause (ii), by striking ''and'' at the end;

(2) in clause (iii)—

(A) by striking ''age 62'' and inserting ''the applicable age''; and

(B) by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(iv) the term ''applicable age'' means with respect to individuals who attain age 62—

''(I) before 2001, age 62;

''(II) in 2001, age 63;

''(III) in 2002, age 64; and

''(IV) after 2002, age 65.''.

SEC. 9. PHASED IN INCREASE IN SOCIAL SECURITY RETIREMENT AGE.

(a) IN GENERAL.—Section 216(l) of the Social Security Act (42 U.S.C. 416(l) is amended—

(1) in paragraph (1), by striking subparagraphs (B), (C), (D), and (E) and inserting the following:

''(B) with respect to an individual who attains early retirement age after December 31, 1999, and before January 1, 2018, 65 years of age plus 2/12 of the number of months in the period beginning with January 2000 and ending with December of the year in which the individual attains early retirement age;

''(C) with respect to an individual who attains early retirement age after December 31, 2017, and before January 1, 2066, 68 years of age plus 1/24 of the number of months in the period beginning with January 2018 and ending with December of the year in which the individual attains early retirement age, rounded down to the lowest whole month; and

''(D) with respect to an individual who attains early retirement age after December 31, 2065, 70 years of age.''; and

(2) by striking paragraph (3).

(b) CONFORMING REDUCTIONS FOR RECEIVING BENEFITS BEFORE NORMAL RETIREMENT AGE.—Section 202(q)(9)(A) of the Social Security Act (42 U.S.C. 402(q)(9)(A)) is amended by striking ''and five-twelfths of 1 percent for any additional months included in such periods'' and inserting ''five-twelfths of 1 percent for the next 24 months included in such periods, three-eighths of 1 percent for the next 24 months included in such periods, and one-third of 1 percent for any additional months included in such periods''.

(c) STUDY OF THE EFFECT OF INCREASING THE RETIREMENT AGE.—

(1) STUDY PLAN.—Not later than February 15, 2000, the Commissioner of Social Security shall submit to Congress a detailed study plan for evaluating the effects of increases in the retirement age scheduled under section 216(l) of the Social Security Act on the day before the date of enactment of the amendments made by subsection (a) and under such amendments. The study plan shall include a description of the methodology, data, and

funding that will be required in order to provide to Congress not later than February 15, 2005—

(A) an evaluation of trends in mortality and their relationship to trends in health status, among individuals approaching eligibility for social security retirement benefits;

(B) an evaluation of trends in labor force participation among individuals approaching eligibility for social security retirement benefits and among individuals receiving retirement benefits, and of the factors that influence the choice between retirement and participation in the labor force;

(C) an evaluation of changes, if any, in the social security disability program that would reduce the impact of increases in the retirement age on workers in poor health or physically demanding occupations;

(D) an evaluation of the methodology used to develop projections for trends in mortality, health status, and labor force participation among individuals approaching eligibility for social security retirement benefits and among individuals receiving retirement benefits; and

(E) an evaluation of such other matters as the Commissioner deems appropriate for evaluating the effects of increases in the retirement age.

(2) REPORT ON RESULTS OF STUDY.—Not later than February 15, 2005, the Commissioner of Social Security shall provide to Congress an evaluation of the implications of the trends studied under paragraph (1), along with recommendations, if any, of the extent to which the conclusions of such evaluations indicate that future scheduled increases in the retirement age should be modified. Furthermore, such report should include recommendations for modifying the social security disability program and other income support programs that should be considered in conjunction with scheduled increases in the retirement age.

SEC. 10. ELIMINATION OF EARNINGS TEST FOR INDIVIDUALS WHO HAVE ATTAINED EARLY RETIREMENT AGE.

(a) IN GENERAL.—Section 203 of the Social Security Act (42 U.S.C. 403) is amended—

(1) in subsection (c)(1), by striking ''the age of seventy'' and inserting ''early retirement age (as defined in section 216(l))'';

(2) in paragraphs (1)(A) and (2) of subsection (d), by striking ''the age of seventy'' each place it appears and inserting ''early retirement age (as defined in section 216(l))'';

(3) in subsection (f)(1)(B), by striking ''was age seventy or over'' and inserting ''was at or above early retirement age (as defined in section 216(l))'';

(4) in subsection (f)(3)—

(A) by striking ''33⅓ percent'' and all that follows through ''any other individual,'' and inserting ''50 percent of such individual's earnings for such year in excess of the product of the exempt amount as determined under paragraph (8),''; and

(B) by striking ''age 70'' and inserting ''early retirement age (as defined in section 216(l))'';

(5) in subsection (h)(1)(A), by striking ''age 70'' each place it appears and inserting ''early retirement age (as defined in section 216(l))''; and

(6) in subsection (j)—

(A) in the heading, by striking ''Age Seventy'' and inserting ''Early Retirement Age''; and

(B) by striking ''seventy years of age'' and inserting ''having attained early retirement age (as defined in section 216(l))''.

(b) CONFORMING AMENDMENTS ELIMINATING THE SPECIAL EXEMPT AMOUNT FOR INDIVIDUALS WHO HAVE ATTAINED AGE 62.—

(1) UNIFORM EXEMPT AMOUNT.—Section 203(f)(8)(A) of the Social Security Act (42 U.S.C. 403(f)(8)(A)) is amended by striking ''the new exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are to be applicable'' and inserting ''a new exempt amount which shall be applicable''.

(2) CONFORMING AMENDMENTS.—Section 203(f)(8)(B) of the Social Security Act (42 U.S.C. 403(f)(8)(B)) is amended—

(A) in the matter preceding clause (i), by striking ''Except'' and all that follows through ''whichever'' and inserting ''The exempt amount which is applicable for each month of a particular taxable year shall be whichever'';

(B) in clauses (i) and (ii), by striking ''corresponding'' each place it appears; and

(C) in the last sentence, by striking ''an exempt amount'' and inserting ''the exempt amount''.

(3) REPEAL OF BASIS FOR COMPUTATION OF SPECIAL EXEMPT AMOUNT.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. (f)(8)(D)) is repealed.

(c) ADDITIONAL CONFORMING AMENDMENTS.—

(1) ELIMINATION OF REDUNDANT REFERENCES TO RETIREMENT AGE.—Section 203 of the Social Security Act (42 U.S.C. 403) is amended—

(A) in subsection (c), in the last sentence, by striking ''nor shall any deduction'' and all that follows and inserting ''nor shall any deduction be made under this subsection from any widow's or widower's insurance benefit if the widow, surviving divorced wife, widower, or surviving divorced husband involved became entitled to such benefit prior to attaining age 60.''; and

(B) in subsection (f)(1), by striking clause (D) and inserting the following: ''(D) for which such individual is entitled to widow's or widower's insurance benefits if such individual became so entitled prior to attaining age 60,''.

(2) CONFORMING AMENDMENT TO PROVISIONS FOR DETERMINING AMOUNT OF INCREASE ON ACCOUNT OF DELAYED RETIREMENT.—Section 202(w)(2)(B)(ii) of the Social Security Act (42 U.S.C. 402(w)(2)(B)(ii)) is amended—

(A) by striking ''either''; and

(B) by striking ''or suffered deductions under section 203(b) or 203(c) in amounts equal to the amount of such benefit''.

(3) PROVISIONS RELATING TO EARNINGS TAKEN INTO ACCOUNT IN DETERMINING SUBSTANTIAL GAINFUL ACTIVITY OF BLIND INDIVIDUALS.—The second sentence of section 223(d)(4) of such Act (42 U.S.C. 423(d)(4)) is amended by striking ''if section 102 of the Senior Citizens' Right to Work Act of 1996 had not been enacted'' and inserting the following: ''if the amendments to section 203 made by section 102 of the Senior Citizens' Right to Work Act of 1996 and by the Social Security Solvency Act of 1998 had not been enacted''.

(d) STUDY OF THE EFFECT OF TAKING EARNINGS INTO ACCOUNT IN DETERMINING SUBSTANTIAL GAINFUL ACTIVITY OF DISABLED INDIVIDUALS.—

(1) IN GENERAL.—Not later than February 15, 2000, the Commissioner of Social Security shall conduct a study on the effect that taking earnings into account in determining substantial gainful activity of individuals receiving disability insurance benefits has on the incentive for such individuals to work and submit to Congress a report on the study.

(2) CONTENTS OF STUDY.—The study conducted under paragraph (1) shall include the evaluation of—

(A) the effect of the current limit on earnings on the incentive for individuals receiving disability insurance benefits to work;

(B) the effect of increasing the earnings limit or changing the manner in which disability insurance benefits are reduced or terminated as a result of substantial gainful activity (including reducing the benefits gradually when the earnings limit is exceeded) on—

(i) the incentive to work; and

(ii) the financial status of the Federal Disability Insurance Trust Fund;

(C) the effect of extending eligibility for the Medicare program to individuals during the period in which disability insurance benefits of the individual are gradually reduced as a result of substantial gainful activity and extending such eligibility for a fixed period of time after the benefits are terminated on—

(i) the incentive to work; and

(ii) the financial status of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund; and

(D) the relationship between the effect of substantial gainful activity limits on blind individuals receiving disability insurance benefits and other individuals receiving disability insurance benefits.

(3) CONSULTATION.—The analysis under paragraph (2)(C) shall be done in consultation with the Administrator of the Health Care Financing Administration.

(d) EFFECTIVE DATE.—The amendments and repeals made by subsections (a), (b), and (c) shall apply with respect to taxable years ending after December 31, 2002.

SOCIAL SECURITY SOLVENCY ACT OF 1998—BRIEF DESCRIPTION OF PROVISIONS

I. REDUCE PAYROLL TAXES AND RETURN TO PAY-AS-YOU-GO SYSTEM WITH OPTIONAL PERSONAL ACCOUNTS

A. Reduce payroll taxes and return to pay-as-you-go

The bill would return Social Security to a pay-as-you-go system. That is, payroll tax rates would be adjusted so that annual revenues from taxes closely match annual outlays. This makes possible an immediate payroll tax cut of approximately $800 billion over the next 10 years, with reduced rates remaining in place for the next 30 years. Payroll tax rates would be cut from 12.4 to 10.4 percent between 2001 and 2024, and the rate would stay at or below 12.4 percent until 2045. Even in the out-years, the pay-as-you go rates under the plan will increase only slightly above the current rate of 12.4 percent. It would reach 13.4 percent in 2060. The proposed rate schedule is:

	Percent
2001–2024	10.4
2025–2029	11.4
2030–2044	12.4
2045–2054	12.7
2055–2059	13.0
2060 and thereafter	13.4

In order to ensure continued solvency, the Board of Trustees of the Social Security Trust Funds would make recommendations for a new pay-as-you-go tax rate schedule if the Trust Funds fall out of close actuarial balance. The new tax rate schedule would be considered by Congress under fast track procedures.

B. Voluntary personal savings accounts

Beginning in 2001, the bill would permit voluntary personal savings accounts, which workers could finance with the proceeds of the two percent cut in the payroll tax. Alternatively, a worker could simply take the employee share of the tax cut in the form of an increase in take-home pay equal to one percent of wages.

C. Increase in amount of wages subject to tax

Under current law, the Social Security payroll tax applies only to the first $68,400 of wages in 1998. At that level, about 85 percent of wages in covered employment are taxed.

That percentages has been falling because wages of persons above the taxable maximum have been growing faster than wages of persons below it.

Histocially, about 90 percent of wages have been subject to tax. Under the bill, the taxable maximum would be increased to $97,500 (thereby imposing the tax on about 87 percent of wages) by 2003. Thereafter, automatic changes in the base, tied to increases in average wages, would be resumed. (Under current law, the taxable maximum is projected to increase to $82,800 in 2003, with automatic changes also continuing thereafter.)

II. INDEXATION PROVISIONS

The payroll tax cut in the legislation is offset by two indexation provisions and other changes that most observers agree are needed.

A. Correct cost of living adjustments by one percentage point

The bill includes a one percentage point correction in cost of living adjustments. The correction would apply to all indexed programs (outlays and revenues) except Supplemental Security Income. The Bureau of Labor Statistics has made some improvements in the Consumer Price Index, but most of these were already taken into account when the Boskin Commission appointed by the Senate Finance Committee reported in 1996 that the overstatement of the cost of living by the CPI was 1.1 percentage points. Members of the Commission believe that the overstatement will average about one percentage point for the next several years. The proposed legislation would also establish a Cost of Living Board to determine on an annual basis if further refinements are necessary.

B. Increase in retirement age

In 1983, the retirement age was increased, over time, to age 67 for those turning 62 in the year 2022. The proposed legislation modifies present law, so that the retirement age increases by two months per year between 2000 and 2017, and by one month every two years between years 2018 and 2065. This increase is a form of indexation which results in retirement ages of 68 in 2017 (for workers reaching age 62 in that year), and 70 in 2065 (for workers reaching age 62 in that year.)

The increase in the retirement age is a form of indexation because it is related to the increase in life expectancy. Persons retiring in 1960 at age 65 had a life expectancy, at age 65, of 15 years and spent about 25 percent of their adult life in retirement. Persons retiring in 2073, at age 70, are projected to have a life expectancy at age 70 of about 17 years, and would also spend about 25 percent of their adult life in retirement. These are persons not yet born today who can expect, on average, to live almost to age 90.

III. PROGRAM SIMPLIFICATION—REPEAL OF EARNINGS TEST

The so-called earnings test would be eliminated for all beneficiaries age 62 and over, beginning in 2003. (Under current law, the test increases to $30,000 in 2002.) The earnings test is an administrative burden with about 1 million beneficiaries submitting forms to the Social Security Administration so that benefits can be withheld (reduced) if the beneficiary has wages in excess of the earnings test. Social Security Administration actuaries estimate that the long-run cost of repealing the earnings test is zero because beneficiaries eventually receive all of the benefits that were withheld due to the earnings test.

IV. OTHER CHANGES

All three factions of the 1997 Social Security Advisory Council supported some variation of the following three provisions:

A. Normal taxation of benefits

Social Security benefits would be taxed to the same extent private pensions are taxed. That is, Social Security benefits would be taxed to the extent that the worker's benefits exceed his or her contributions to the system (currently about 95 percent of benefits would be taxed).

B. Coverage of newly hired State and local employees

Effective in 2001, Social Security coverage would be extended to newly hired employees in currently excluded State and local positions. Inclusion of State and local workers is sound public policy because most of the five million State and local employees (about a quarter of all State and local employees) not covered by Social Security in their government employment do receive Social Security benefits as a result of working at other jobs—part-time or otherwise—that are covered by Social Security. Relative to their contributions these workers receive generous benefits.

C. Increase in length of computation period

The legislation would increase the length of the computation period from 35 to 38 years. Consistent with the increase in life expectancy and the increase in the retirement age we would expect workers to have more years with earnings. Computation of their benefits should be based on these additional years of earnings.

SUMMARY OF BUDGET EFFECTS

The legislation provides for long-run solvency of Social Security, financed with payroll taxes that are not much higher than current rates. It is also fully paid for in the short-run. The Congressional Budget Office's preliminary estimate indicates that for the ten-year period FY 1999–2008, the proposal increases the projected cumulative budget surplus by $170 billion, from $671 billion to $841 billion. For the five-year period FY 1999–2003, CBO projects that under the plan, the cumulative surplus is unchanged. In no year is there a deficit. All of this is accomplished while reducing payroll taxes by almost $800 billion. A table showing CBO's estimate of the surplus under current policies and under the Social Security Solvency Act of 1998 is attached.

CBO BUDGET ESTIMATES

[Fiscal years 1999–2008, in billions of dollars]

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Cumulative surplus	
											5 years 1999–2003	10 years 1999–2008
Estimated Surplus Under Current Policies	9	1	13	67	53	70	75	115	130	138	143	671
Estimated Surplus Under The Social Security Solvency Act of 1998	5	12	6	65	55	79	94	148	176	201	143	841

PAY-AS-YOU-GO PAYROLL TAX RATES REQUIRED TO FUND SOCIAL SECURITY

Year	Assuming no program changes	Social Security Solvency Act of 1998
2001	10.40	10.40
2005	11.40	10.40
2010	12.40	10.40
2015	13.90	10.40
2020	15.40	10.40
2025	16.40	11.40
2030	16.40	12.40
2035	16.90	12.40
2040	16.90	12.40
2045	16.90	12.70
2050	16.90	12.70
2055	17.40	13.00
2060	17.80	13.40
2065	17.80	13.40
2070	18.00	13.40

Note.—The Social Security payroll tax rate is fixed by statute at 12.4 percent. Assuming no program changes the current law program is not sustainable. In 2012, outgo for the OASDI program will exceed tax revenues. In 2029, all OASDI assets (reserves) will be expended, after which tax revenues will only be sufficient to pay 75 percent of expected benefits.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I wish to compliment my colleagues, Senator MOYNIHAN and Senator BREAUX and Senator KERREY, for the introduction of this legislation. I am not joining as a cosponsor now, but I certainly want to sponsor and echo the comments that they made that we need to reform Social Security and we need to move Social Security away from a pay-go system into a funded system, a capitalized system, a system that has an investment behind it, one that people get to own and control and can invest in.

They have taken a small step in that direction. As I understand it, the proposal would allow 2 percent of the 12.4 percent to go in that direction, either to be returned in the form of a tax cut or to be put into a personalized savings Social Security account.

I echo very strongly that right now we should depart from an unfunded system, a pay-go system, a system that is destined for bankruptcy unless we change it, unless we save it—and a lot of us are very committed to saving Social Security. We think the real way to save Social Security is to move it into a funded system. Private plans have been doing that all across the country. They are allowing individuals, participants in their plans, to reap the benefits and rewards of good investments.

I heard my colleague—I think Senator BREAUX mentioned that if a Federal employee had invested 100 percent in the stock option plan last year, the rate of return was 40 percent.

Mr. MOYNIHAN. I wasn't.

Mr. NICKLES. I was. I put 100 percent of my thrift plan in, and it made a 40 percent return. For the S&P index for those months, which included September 30, it was a 34 percent rate of return, a phenomenal rate of return. It was a lot less for Government bonds. There are three different options for Federal employees. They all made significant returns far greater than the 1 or 2 percent that a person can make in Social Security today.

So we can allow those accounts to accumulate and grow and allow people to become entrepreneurs and to achieve some real savings and also lessen their dependence on Social Security at the same time.

Senator MOYNIHAN also had the nerve to say—I think he said, that we should have, an accurate CPI. Again, a lot of people do not want to touch that. But we should have an accurate CPI. If we have a balanced budget or if we have a surplus or a deficit, we should have an accurate CPI. And, yes, there are significant savings in that proposal as well.

He talked about some other things, talking about increasing the retirement dates. That is not real popular maybe with a lot of people, but, frankly, you have to look at the actuarial analysis of Social Security. Social Security has big, big problems. Although i have some reservations, I think my colleague from New York has taken some giant steps in the right direction.

I understand there is a little tax increase on the personal income tax side. I would like to see if we can do it without that. Transitionally we may have some challenges. I would very much like to get the percentage up from 2 percent. Actually, right now an individual pays 12.4 percent of their payroll for Social Security up to $68,000, $68,400, I believe. I would like to be able to get half of that into an individual's personal savings account where they can really see some rewards. That is over $9,000 that an individual, if they make $68,000, is paying in Social Security today. It would be nice if they could put half or at least a significant portion of that into their own retirement account where they can watch it grow, where they can invest it. They could be very cautious in their investments and invest it in T bills if they so desired or invest it in stocks or they can invest it in bonds. They would have those options.

I would like to give them the maximum amount of options that we give people for 401(k)s, that we give people for IRAs, that we give Senate employees through thrift plans and so on. I would like to give all American taxpayers that option so we can have a lot of millionaires, a lot of people driving a truck in Nebraska or Oklahoma becoming millionaires by the time they retire so they will not become dependent, frankly, on an unfunded pay-go system like we have right now into which their children will be paying enormous sums in the future.

I think you hear a lot of people trying to sell programs by using kids. I think we need to be very, very concerned about future liabilities in Social Security for our kids. How in the world will they be able to make those payments if we do not reform the system? Senator MOYNIHAN had a chart out there that said the payroll tax would have to go up astronomically. I do not think that is fair for our kids.

Maybe we can alleviate that pressure if we allow individuals now, before they hit their retirement age, to be able to set up these personal savings accounts and be able to reap decent rates of return and become less dependent on their children and grandchildren for their future retirement benefits.

Conceptually, I commend my colleagues on their work, and I think you will find strong bipartisanship support for working together to see if we cannot make this concept of making funded capitalized personal savings accounts a part of every individual's Social Security for the future. We will work to try to make that a reality in America.

Thank you, Mr. President.

Mr. MOYNIHAN. Mr. President, may I take a moment to thank the distinguished deputy majority leader. I couldn't be more grateful. If there are auspices, his comments make them very good indeed.

I yield the floor.

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

The PRESIDING OFFICER (Mr. BURNS). Without objection, it is so ordered.

EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 2646, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, and for other purposes.

The Senate proceeded to consider the bill.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

AMENDMENT NO. 2019

(Purpose: To amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes)

Mr. ROTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 2019.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. ROTH. Mr. President, I ask unanimous consent that the amendment be agreed to, the motion to reconsider be laid upon the table, and it be considered original text for the purpose of further amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 2019) was agreed to.

Mr. LOTT. Mr. President, I congratulate the chairman of the Finance Committee, as well as Senator COVERDELL, for crafting such a bipartisan amendment. As always, while it may not always have the vote of the ranking member, he is always cooperative and considerate in how he deals with legislation coming out of the Finance Committee. So I really appreciate the work done by Senator ROTH, Senator MOYNIHAN, Senator COVERDELL, and Senator TORRICELLI, in getting this bipartisan initiative to this point.

The amendment includes three major Democratic initiatives that are also supported by a majority on this side of the aisle —those being the school construction section that has been aggressively pursued by Senator GRAHAM of Florida, Senator FEINSTEIN of California, and others. A lot of work went into that by Senator COVERDELL and Senator ROTH, once again. It also includes the State prepaid tuition initiative in which I believe Senator BREAUX, Senator GRAHAM, and others have been interested. I also have been supportive of that initiative in the past. I believe Senator MOYNIHAN also has had an interest in that. Finally, it also includes the employer-paid higher education provision. This is something I believe is referred to as section 127, which Senator MOYNIHAN talked about.

I think that anything we can do to make it possible for parents, grandparents, and supporters of scholarships in education to be able to be more involved and to save for their children's education, not only higher education, but K through 12, elementary and secondary, to be able to take advantage of a prepaid tuition initiative so that that can be done to help children get into college and deal with what quite often is a pretty high tuition cost when they first go in, or deal with the costs of their graduate education and those expenses should be done. These are all good things because we need to do everything we can in America to make it possible for our children to get an education, whether that's elementary and secondary, higher education, or trade school training, vocational education, whatever it is. So we need to look at all of those across the board.

I continue to be concerned about the poor test scores of our children at the elementary and secondary levels. I continue to look at the fact that our higher education is the best in the world and wonder why that is true when our elementary and secondary education levels are quite often very low. In fact, I saw one statistic recently that we are 19th in the world. Why? Why can't our children write in the fourth grade and read and understand basic science when they are in the eighth grade? I think

this Coverdell A+ program will help with getting tutoring, or getting computers for children in the fourth grade or eighth grade, or make it a choice to go to a different school, and being able to save a little bit for that option.

So I think all of these programs are good. I think it will be good for us to spend some time talking about education in America, thinking together about how we can improve it. I think one of the problems with education in America at the K through 12 level is that we have been thinking it has to fit in this box, it has to be done this way, without choice, without financial assistance, and without teacher testing, and without really dealing with the drug problems. We need to begin to ask ourselves, can we do it differently? Can we offer other options? Can we provide financial assistance for parents with children in the eighth grade who have special needs? I think this legislation will begin to take us in that direction.

So I am proud that we are reaching the point, hopefully, where we can get into debating the substance of the legislation. I understand there are some colleagues on the Democratic side of the aisle who are interested in offering amendments. That is fine. I hope they will offer amendments when we get to the substance of the bill that relates to education. I understand that some of these amendments would be nongermane, which would be in extraneous areas not related to this. We will have other opportunities—in the budget resolution and in appropriations bills—to have amendments on Social Security, and there are a lot of good thoughts going into the Social Security area now. The Senator from New York made a presentation this past week that is very interesting and thoughtful. We ought to get into that. But we should not do it on this education bill. Let's have some talk about education and how we can improve education in America.

Now, I had offered, last week, the idea that the Democratic leader would perhaps want to develop a substitute, an alternative to this package, in the education area. I think he gave some thought to that. But he concluded that maybe it could not be done last week. So I called him again last night and said, ''Would you like to do a substitute and have that considered on Wednesday or Thursday, and then we would go to the substance of the bill on Friday?'' The indication was that he did not want to do the substitute. I even talked about, ''Could we do some process where we would have a limited number of amendments that relate to education?'' Again, he indicated that he didn't think he could do that.

So before I file cloture today, I want to offer, once again, to do it that way, have a substitute. I have discussed that with several Democrats who are supportive of the Coverdell bill. They thought that would be a fair way to proceed, to have an alternative package, debate that and vote on it, and then go to the Coverdell A+ education savings account proposals with these additions. But I understand that can't be agreed to. I wanted to make the offer not once or twice, but three times, to have a substitute or even have some limited amendments relating to education.

If I could ask the ranking member, on behalf of the leader, who is unavoidably detained at this time, is it not possible for us to get an agreement that would allow us to go to the substitute arrangement or some limited number of amendments related only to education at this time?

Mr. MOYNIHAN. Mr. President, I cannot speak with the authority of the minority leader, who is necessarily detained. It won't be that long before he can be here. I will have to offer my impression, regretfully, that that would not be possible.

Mr. LOTT. I thank the Senator from New York. I regret that we can't agree on what I think would be a fair and orderly way to move into the bill that is very important for the discussion of education in America.

CLOTURE MOTION

Mr. LOTT. Mr. President, in order to keep the focus on the education measure, I now send a cloture motion to the desk.

The PRESIDING OFFICER. The clerk will report the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on H.R. 2646, the A+ Education Act:

Trent Lott, Paul Coverdell, Jeff Sessions, Connie Mack, Bill Roth, Judd Gregg, Christopher Bond, Tim Hutchinson, Larry E. Craig, Robert F. Bennett, Mike DeWine, Jim Inhofe, Bill Frist, Bob Smith, Wayne Allard, Pat Roberts.

CLOTURE MOTION

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

The PRESIDING OFFICER. The clerk will report the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provision of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on H.R. 2646, the A+ Education Act:

Trent Lott, Paul Coverdell, Jeff Sessions, Connie Mack, Bill Roth, Judd Gregg, Christopher Bond, Tim Hutchinson, Larry E. Craig, Robert F. Bennett, Mike DeWine, Jim Inhofe, Bill Frist, Bob Smith, Wayne Allard, Pat Roberts.

Mr. LOTT. Mr. President, the action just taken will result in a cloture vote occurring on Friday, March 20, or Thursday, if a consent agreement can be reached for an earlier vote. I know some Senators are hopeful that we can have this vote Thursday afternoon, late, instead of Friday morning. We would be willing to work to see if we can get an agreement with the minority leader on getting that vote on Thursday afternoon. If the first cloture vote is not successful, then a second cloture vote would occur on Friday, or on Thursday, if we can get that arranged.

I will, of course, notify all Members as to exactly when these cloture votes would occur. However, in the meantime, I ask that the mandatory quorum under rule XXII be waived for both cloture votes.

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

Mr. KENNEDY. Mr. President, will the majority leader yield?

Mr. LOTT. I would be glad to yield to Senator KENNEDY.

Mr. KENNEDY. Mr. President, I am interested in a brief review of what is in the proposal of the majority leader. I am interested in whether the proposal that is included in the submission that we have now here is the proposal that would provide the funding for projects of private companies for the building and the construction of private schools. The limitation on any State would be approximately $5 million. That is my understanding of at least what would be included in the Republican proposal, which is a pale shadow of what I think most of us understand would be the Moseley-Braun proposal, which would provide much more dramatic health assistance to public schools. I am just interested in that. Is my understanding correct?

Mr. LOTT. Mr. President, if the Senator will allow me to reclaim my time to respond, I believe that this provision applies to public schools. There is a package that was very carefully drafted at the urging of Senator GRAHAM of Florida. But to make sure that I have an accurate understanding of this content, would the Senator from Georgia, Senator COVERDELL, like to comment further on that provision?

Mr. KENNEDY. Privately owned public schools is my question. Is the relevant provisions that are related to school construction and modernization limited to privately owned public schools?

Mr. LOTT. I yield to the Senator from Georgia.

Mr. COVERDELL. Mr. President, if I might respond, at the appropriate time we will have Senator GRAHAM of Florida, who has been integral to the negotiations, respond to the Senator's questions. But currently, public schools can use tax-exempt bonds for construction.

I believe that I can conceptually characterize Senator GRAHAM's interest in that he wanted to add to the category or the function that allows funding for airports where you could have a private company do the construction for the public system for the public good and lease the facility to the public school district after a certain period of time, which would follow into ownership. Senator GRAHAM's objective was to create an extended ability for public school systems to have financing for the construction of their schools.

So he is basically expanding the capacity for public school districts to

fund construction of the new schools. The construct of the amendment caps that facility because of the sums of money that are available, and it also has the facility to aid and abet large growth districts.

Mr. KENNEDY. Am I also correct that there is a limitation of some $5 million per State?

Mr. COVERDELL. No. It is $10 per resident, but at a minimum of $5 million, if the $5 million is greater.

Mr. KENNEDY. I appreciate the leader responding. I just wanted to mention that it is a proposal in support of the Senator from New York, because there are different approaches on the question of the modernization and the reconstruction of the public schools. Senator GRAHAM has a proposal. It has been included in the proposal. Senator MOSELEY-BRAUN has a very interesting proposal. But, as I understand it, they will be precluded. Would they be precluded from having that be considered under the cloture motion?

Mr. COVERDELL. If the Senator will yield, I believe the majority leader has properly characterized what the discussions have been between both leaders. The majority leader has said the other side can offer its package, which could include Senator MOSELEY-BRAUN's, or not, or we could agree on a set number of amendments for each side, so long as they are germane to education, which, of course, should embrace the Senator's idea as well.

So there are at least two separate suggestions being discussed between leaders that would facilitate the opportunity of the Senator from Illinois to bring her proposal into the debate.

Mr. KENNEDY. I appreciate that. Effectively we are being told if we do not accept the way it is being packaged they won't have an opportunity to have a debate on these very important measures in terms of achieving what the majority leader has pointed out. I am wondering, the amendment of our friend, Senator BOXER, on after-school programs, is related to education, as I understand it. Under cloture, that would be precluded as well. Would that amendment be excluded? It has been published. It deals with after-school proposals for children. I am wondering if that would be permitted under the cloture motion.

Mr. LOTT. I want to reiterate again, first of all, Mr. President, under the proposal that I have suggested of a substitute amendment, any or all of these proposals could have been offered. We even thought about the possibility of having some agreed-to limited number of amendments that were educationally related. But Senator DASCHLE indicated, I believe, that he didn't think that was the way that he would like to proceed.

With regard to postcloture, assuming cloture is invoked, it depends on, I guess, how the amendment is offered. There certainly would be a debate on the contents of this package. That does include the school construction bond issue for public schools. And it is conceivable that germane amendments could be offered to that to strike it. But, if you tried to strike it and add a new program under the rules, I presume that would not be possible under the cloture arrangement.

Again, with regard to other issues, including the Boxer amendment that the Senator described, in postcloture that probably would not be eligible. But I emphasize again. We could have worked, or could work, out an agreement where a limited number of amendments, or a substitute, could be considered.

With regard to the California issue, I want to emphasize that Senator FEINSTEIN was very interested in getting the language included—that could be helpful in any State, but particularly in States like Florida and California—and in providing additional new public school construction. She had quite an interest in a provision that was eventually added to the bill. I might add it was a close vote in the Finance Committee. I think I cast the deciding vote to provide for that.

So I think it is important that we find a way to get to the substance of this bill without it being indefinitely delayed so we can have a full debate about education but not have it get off into all kinds of other unrelated issues that would tend to dilute, I think, the debate on a discussion on education and the very important provisions that we have put together in this package in a bipartisan way.

Senator DASCHLE has come to the floor. We have been having a discussion about how to proceed. Senator MOYNIHAN on his behalf has indicated that he didn't think the minority would be prepared to agree to my offer to have a substitute amendment, or some limited number of education amendments. And we were responding to questions from Senator KENNEDY. I have filed a cloture motion and indicated that we would talk about whether or not we would have those cloture votes on Friday morning, or even Thursday afternoon, at the request of some Senators on both sides of the aisle. I want to talk to the minority leader about that. We were, quite frankly, hopeful that the Senator would be able to arrive and respond to the present situation.

I would be glad to respond to questions or comments from Senator DASCHLE.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The distinguished minority leader.

Mr. DASCHLE. I thank the President.

Mr. President, I was in my office occupied on a satellite communication. I apologize for not being able to come to the floor until this moment. But I thank the distinguished ranking member of the Finance Committee for his efforts and for articulating the position of the Democratic caucus in this regard.

Mr. President, education is probably the most important issue we will address this year, particularly with regard to the array of budgetary questions that we face and we are anxious to get to the bill to begin this debate. We don't expect that we are going to address every aspect of the education agenda with regard to this bill. But certainly when you have a tax vehicle and an education bill married, as this legislation represents, it affords us a real opportunity to talk about the array of challenges we face in this country, both from a tax as well as from an educational point of view.

What we are simply asking for is a fair and open debate, giving the minority the opportunity to talk and to offer amendments that are not only germane but relevant. Unfortunately, our rules here in the Senate constrain us with regard to what has been offered. There is a big difference between a germane amendment and a relevant amendment. Democrats have an array of amendments dealing with education that are relevant, but under the very narrow definition of germaneness they are not germane to this bill.

I have talked about this matter with the distinguished majority leader on a number of occasions. The offer that was given to us last night was the offer of a couple of amendments, or one substitute; we were to be satisfied with the ability to offer a couple of amendments. Mr. President, we have a larger number than a couple of amendments that we think ought to be warranted in this debate, that we think ought to be debated and that we think ought to be resolved in some way. So I, frankly, am not able to agree to a couple of amendments, or one substitute.

We ought to have a good discussion. If we can spend 5 days on the Reagan Airport, and 4 days on a cloning resolution, my heavens, we ought to be able to spend 4 or 5 days on an issue of great importance to tens, if not hundreds, of millions of Americans today.

So this is really our opportunity to do so. I am very disappointed that we would begin a debate with a cloture motion, begin the debate by saying, ''Nope. We are going to stick to germaneness here,'' and try to eliminate the opportunity to offer good amendments relevant to education simply because we have to get on to other things. I want to finish the NATO debate as well. I want to be able to get all of this work done, and I pledge my cooperation with the leader, but I hope that the cooperation would go both ways. Cooperation certainly involves giving Senators an opportunity to have a good debate. In some cases we might even be willing to agree to a time limit on these amendments. We don't need all day to talk about some of them. But we certainly need the opportunity.

So I hope we can work this out. Until that time, certainly Democrats will not be in a position to support cloture. I look forward to talking more about that with the leader at the end of this colloquy.

I yield the floor.

Mr. LOTT. Mr. President, again, I would like to indicate that this is a bipartisan package. The Finance Committee reported it out by a substantial vote. We have already included three major Democrat proposals in this package. In fact, there are only four components to it. Three of them were principally sponsored by Democrats. In fact, I think probably the cause of the bill is probably well over two-thirds—80 percent—based on the Democratic amendments. But it didn't make any difference. They were Democrat, or Republican, if they made sense. If they will help with education in the elementary, secondary, or higher education level, they deserve serious consideration. And if they are meritorious, the committee added them. We considered other issues, I might add, in the Finance Committee. Point No. 1.

No. 2, with regard to not wanting to delay things, I should note that the discussion on this package began with a filibuster on the motion to proceed. I had to file a cloture on the motion to proceed—and not getting to the substance of even proceeding to consider the bill. It took us, I guess, 3 days to get that, although when we got to the vote, to the credit of both sides, it passed overwhelmingly. Seventy-five Senators said, Yes; we should cut off the filibuster on the motion to proceed.

With regard to the other issues, I did not want to spend 5 days on the Reagan Airport; 5 hours or 5 minutes would have been fine. But I thought that it was something we ought to think about. Some Senators had reservations, you know. It looked like we were having a filibuster on that. It shouldn't have taken 5 days. It should not have taken 4 days on cloning. I think that is an issue that has consequences serious enough that we ought to think about it carefully. It didn't have the votes. We pulled it back. We will see what the committee comes up with. But a doctor, BILL FRIST, the Senator from Tennessee, is working with others to come up with a package on this very important cloning issue. I thought that deserved some thought and some concerns, especially when you have a doctor saying we will start cloning human beings. I don't know whether I am all that excited about that prospect.

But, at any rate, I understand Senator DASCHLE's position. He has to be responsive to his Members, and I have to be responsive to mine. We have to work together to try to find a way to get to a conclusion on the education savings account bill, with the additions, and also to begin to continue to have debate on the NATO enlargement.

A lot of Senators want to talk about that. We understand maybe a Senator has a key amendment that he would be willing to offer this afternoon. I am not sure that that is true, but I think maybe Senator WARNER would be willing to go ahead and offer his amendment, which is one that is a critical amendment, on the NATO enlargement. So this time will not be wasted. This is good time. And I invite Senators to come forward to talk about and think about in a public forum with the American people this very important question of enlarging NATO.

And by the way, with regard to double-tracking these issues, this is something that is done all the time. I used to watch Senator BYRD do it, Senator Mitchell do it, Senator Dole do it. So the idea is, while we are letting the procedures go forward, we can take up another very important subject.

So as a reminder to all Senators, under the provisions of rule XXII, all first-degree amendments must be filed at the desk by 1 p.m. on Thursday and all second-degree amendments must be filed 1 hour prior to the cloture vote.

EXECUTIVE SESSION

PROTOCOLS TO THE NORTH ATLANTIC TREATY OF 1949 ON ACCESSION OF POLAND, HUNGARY, AND THE CZECH REPUBLIC

MOTION TO PROCEED

Mr. LOTT. Mr. President, I now ask unanimous consent that the Senate proceed to executive session to consider the NATO treaty.

Mr. WELLSTONE. I object.

Mr. DASCHLE. Mr. President, reserving the right to object, let me, if I could, respond briefly to a couple of points made by the majority leader.

First of all, I have no reservations about his desire to double-track this legislation. Obviously, I think double-tracking makes sense. But he should not live under any misconception that somehow that is going to accelerate consideration of the education debate. We will have our day. We will have our opportunity to offer these amendments. Those amendments only have to be filed if cloture is invoked. And I hope my Democratic colleagues and many Republican colleagues understand the importance of having a good debate. Whether it is this week or next week or some other week, we are going to have that debate. We will have these amendments offered. We will have them considered. We are going to have it out. We will have a good discussion, as we should, in the Senate.

This is not the House of Representatives. We are not working under closed rules and all of the constraints under which the House has continued to perform its duties. That is the beauty of this body. And we are going to see that respect for the rules of the institution is upheld.

It is certainly the majority leader's right in that regard. I wasn't suggesting, in an earlier point I made about the number of days we spent on cloning, that we should not spend them. I of days we spent on cloning, that we should not spend them. I just felt that it might be a little more productive to spend them in committee, where this belonged, rather than to rush to the floor with a solution before we had an opportunity to think through what the solution might be. So I thought it really was wasted time. I may be the only one in that regard. But eventually we will come back with something that makes sense. This didn't make sense. And I am hopeful that ultimately we will come to a solution.

But we did spend 4 days. That was the point. We spent 4 days on something thrown together to respond, in my view, very haphazardly to a very serious problem. If we can spend 4 days on that, it would seem to me we can spend a good while talking very constructively about one of the most important issues facing this country and our agenda in the Senate.

So I have no objection. I appreciate very much the opportunity to express myself.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. Is there objection to the pending request?

Mr. WELLSTONE. I object.

The PRESIDING OFFICER. Objection is heard. The majority leader.

Mr. LOTT. Mr. President, just two final observations with regard to Senator DASCHLE's comments. I feel very strongly about this Coverdell A+ bill. I think it is going to be helpful for children in America. My mother was a schoolteacher. I went to public schools all my life. I worked in placement and financial aid. I think it is high time we give parents and grandparents and people who care about kids in elementary and secondary education an opportunity to save for those kids and help them get an education. That is one of the reasons why I think education is not as good as it ought to be in elementary and secondary.

So I am determined we are going to get this bill up. We are going to consider it without a lot of extraneous matters. And I do want to observe that, as majority leader, I do still think the majority sets the agenda. I get to call up the bills, not somebody else. It has been developed over a period of many years that majority leaders call bills up, and I am not going to be dictated to by others who have a different agenda.

You can say you are going to do this and you are going to do that. If you want to have a fight over it, we will meet and fight on this one, because I am standing with children in elementary and secondary education in America. And I might also just say now I am willing to do what is right for our country. I have stood at this point and taken some tough stands when I thought it was important that it be bipartisan, nonpartisan, for our country. And I won't even repeat them, because I received a lot of flak. But right now I have Senators saying, don't go to NATO enlargement, delay it, delay it until after the Easter recess, delay it until June; do it never.

I do not think that is right. I am willing to cooperate and work on some

of these issues that must be bipartisan. But in return, from this administration and from my colleagues on both sides of the aisle, I am going to look for a little help and a little cooperation on issues that I think are important also.

So I hope that we can find a way to do that, and I believe we will. But it does take cooperation as we get through these difficult shoals on education, on NATO enlargement, on the budget for the year, on the emergency funding, the supplemental appropriations bill for Bosnia, the Persian Gulf, for disasters, and maybe even for IMF. Some of these issues I don't even agree with, but I feel an obligation to call them up.

So since there has been an objection, I now move that the Senate——

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

The PRESIDING OFFICER. The majority leader has the floor.

Mr. LOTT. Mr. President, I move that the Senate proceed to executive session to consider the NATO treaty.

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

The PRESIDING OFFICER. Do I hear an objection?

Mr. LOTT. Mr. President, I believe——

Mr. WELLSTONE. I object.

Mr. LOTT. We made a motion to proceed to executive session to consider the NATO treaty. I believe the question will be on the motion, Mr. President.

The PRESIDING OFFICER. The absence of a quorum has been suggested at this time. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. 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. DASCHLE. Mr. President, we will not object to the rollcall vote as proposed in the motion offered by the majority leader. Let me just say, after consultation with a number of my colleagues, I think it is clear that many of us yesterday voted on the motion to proceed with an expectation we would be able to go to the bill. I voted that way and encouraged my Democratic colleagues to vote that way, even though, as the leader indicated, because of unrelated questions, not related to education, more related to judicial nominations, some of our colleagues understandably voted in frustration about their inability to move through the judicial process and the confirmation of judges as was expressed by my colleagues yesterday.

Our desire, our hope, is that we can move ahead with this bill. Our hope is that we can offer amendments. As I have noted, we would be willing to take time agreements on most, if not all, of them. I would be willing to work into an agreement with the leader on that matter on these amendments. Unfortunately, we will not have that opportunity if we go to the NATO resolution.

So while we will certainly comply with the vote and have the vote at this moment, it is not my desire to support it and I would hope my Democratic colleagues would not either.

I yield the floor, and I thank the majority leader for his consideration.

Mr. WELLSTONE. I ask for the yeas and nays.

The PRESIDING OFFICER. The question is now on agreeing to the motion put forth by the majority leader.

Mr. DASCHLE. Mr. President, we ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are requested.

Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to proceed. The yeas and nays have been ordered. The clerk will call the roll.

Mr. FORD. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent.

The result was announced—yeas 55, nays 44, as follows:

[Rollcall Vote No. 36 Leg.]

YEAS—55

Abraham	Frist	McConnell
Allard	Gorton	Murkowski
Ashcroft	Gramm	Nickles
Bennett	Grams	Roberts
Bond	Grassley	Roth
Brownback	Gregg	Santorum
Burns	Hagel	Sessions
Campbell	Hatch	Shelby
Chafee	Helms	Smith (NH)
Coats	Hutchinson	Smith (OR)
Cochran	Hutchison	Snowe
Collins	Inhofe	Specter
Coverdell	Jeffords	Stevens
Craig	Kempthorne	Thomas
D'Amato	Kyl	Thompson
DeWine	Lott	Thurmond
Domenici	Lugar	Warner
Enzi	Mack	
Faircloth	McCain	

NAYS—44

Akaka	Feingold	Levin
Baucus	Feinstein	Lieberman
Biden	Ford	Mikulski
Bingaman	Glenn	Moseley-Braun
Boxer	Graham	Moynihan
Breaux	Harkin	Murray
Bryan	Hollings	Reed
Bumpers	Johnson	Reid
Byrd	Kennedy	Robb
Cleland	Kerrey	Rockefeller
Conrad	Kerry	Sarbanes
Daschle	Kohl	Torricelli
Dodd	Landrieu	Wellstone
Dorgan	Lautenberg	Wyden
Durbin	Leahy	

NOT VOTING—1

Inouye	Inouye

The motion was agreed to.

EXECUTIVE SESSION

PROTOCOLS TO THE NORTH ATLANTIC TREATY OF 1949 ON ACCESSION OF POLAND, HUNGARY AND THE CZECH REPUBLIC

The PRESIDING OFFICER (Mr. COATS). The clerk will now report the treaty.

The assistant legislative clerk read as follows:

Treaty document 105–36. Protocols to the North Atlantic Treaty of 1949 on Accession of Poland, Hungary, and the Czech Republic.

The Senate resumed consideration of the treaty.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, first of all, I ask for order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that I have 10 minutes to speak as in morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from Minnesota is recognized for 10 minutes.

Mr. WELLSTONE. I thank the Chair for his courtesy.

EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

Mr. WELLSTONE. Mr. President, I want to briefly speak about this vote.

What has just happened on the floor—and I do take exception to this, especially with the majority leader—is we had the Coverdell bill—I said to Senator COVERDELL yesterday that I do not necessarily agree with the bill, but I said to him, ''PAUL, I look forward to the debate. I am really ready for this debate. I have a lot of amendments; other Senators have prepared amendments. I think this is probably the most important thing we can do in the U.S. Senate is to have a really substantive debate about education.''

What has now happened is the majority leader filed cloture and said we are not going to have an opportunity over the next 2 days to offer any amendments. The proposal, as I understand it, was that if we would accept some kind of an arrangement where we could offer germane amendments, that would be acceptable, but not necessarily relevant amendments. It is just an outrageous proposition, because the test of germaneness is, if you offer an amendment on the education bill that expands education, expands educational opportunities for children, it is relevant.

The Presiding Officer has had some very interesting hearings—I have been at those—dealing with early childhood development. If we want to come out with amendments and make the connection between early childhood development and education for children, that would not be viewed as germane.

I have said to people in Minnesota, based on meetings with community college students and people in my State, ''Yes, I will come out here and try to make sure this Hope tax credit will be refundable,'' because right now if you come from a family with an income under $27,000 or $28,000 a year, it doesn't help you at all. The very students who need the help in being able to afford higher education—the Coverdell bill was about how to afford either

K through 12 or higher education. Many students in Minnesota from working families cannot afford it. That would not meet the germaneness test.

I have an amendment that deals with this awful problem—I think I can get good support—that too many welfare mothers are not able to complete their 2 years of college. They are told they have to leave school. They are on the path to self-sufficiency. It is a big mistake. It deals with the parent and child. Children do well in school when their parents are able to do well.

My point is that what has happened, I think, on the floor really is a bit outrageous. We wanted to have a debate on education. I am ready to debate education with my colleagues, Democrats and Republicans alike. I had amendments; other Senators had amendments. We were ready to bring those amendments out here. From my point of view, I would have agreed to time limits on these amendments. Instead, what has happened is the majority leader has come out, filed cloture, basically is saying he is not going to let us offer any amendments that are relevant and important to children's lives in America.

Instead, he now moves to NATO. This vote on NATO—I asked for the yeas and nays, the minority leader asked for the yeas and nays—is not about what our position is on NATO. It is about saying we thought we were going to have a debate on education. We thought we were going to have an opportunity as Senators to speak to perhaps the most important issue or set of issues in our States, which has to do with expanding educational opportunities for children and for young people in America. That is what we thought this was about.

Now what we have seen happen on the floor of the Senate is the majority leader basically comes out, files for cloture and says, ''I will only entertain the amendments that are germane.'' Do you know what? No one Senator, not even the majority leader, gets to decide before we have the debate what amendments are relevant and important when it comes to expanding educational opportunities for children. I would love to debate the majority leader, I would love to debate members of the Republican Party and Democratic Party on this. It looks right now like we won't have that debate.

On the Democratic side—I am not the minority leader; he can speak better for Democrats—I think we are going to have unanimity on this and we are going to keep coming back and we are, I say to my colleague from North Dakota, going to insist on a debate. In order to be responsible Senators, in order for the U.S. Senate to be responsible, we should have a substantive, thoughtful, important debate about what we need to do to expand educational opportunities for all of our children. That is what this should be about.

Now we move away from the bill. The idea is, the majority leader says, we will only take the amendments that are germane. That is it. That is not acceptable. That is not acceptable. We will come back over and over and over again and we will have a debate on the Coverdell bill. We should have that debate. I said that to Senator COVERDELL yesterday. And it should be a good debate.

I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, let me say that I agree with much of the comments just offered by the Senator from Minnesota. While I am not a supporter of the Coverdell bill, I think it is an interesting proposal to bring to the floor of the Senate only because we will be debating the subject that ought to be one of the priorities of this country, and that is the subject of education. While I was not prepared to support the underlying bill, there are a number of amendments I was prepared to support that I think address the central questions that confront us in the area of education.

I noticed that the New York Times this morning describes where we are in the Senate and why we are where we are. I guess that now should be amended by the last hour or so of action on the floor of the Senate. But here is the Times description yesterday:

> A dispute over Federal judgeships and the threat of a Democratic filibuster had halted floor action on a Republican-sponsored education bill, leaving Mr. LOTT casting about for something to fill the time until the tangle could be sorted out. The NATO resolution was available.

That was as of this morning. Since that time, of course, the education bill has been brought to the floor of the Senate, and, as I understand, with no debate, two cloture motions were filed, which is rather unusual before debate even begins. The proposition of cloture is that we are deciding to cut off debate? And as a result, because our side did not agree to limit amendments, the bill is pulled, and now we go to NATO expansion?

Let me just offer a couple of comments about our priorities. Those who are in charge have the opportunity to decide what is on the floor of the Senate. The power of scheduling goes to those who control the Senate. I understand that, and I do not quarrel with that. I do think, however, that education was the right subject, and I regret very much that we are not now on the Coverdell bill, which is the bill we expected to be debated this afternoon and the bill that many of us wanted to offer amendments to in order to have a debate about the central elements of education policy that we want to address.

Almost everyone in this country is concerned about some central issues in their lives. When they sit around the dinner table, they talk about things like: Do we have an opportunity for a decent job with good benefits? Does our job pay well? Do we have job security? Do our kids have the opportunity to go to good schools? Do our grandparents have the opportunity to get decent health care? Are our children able to access decent health care? Are our neighborhoods safe? Those are the range of questions that affect people's everyday lives. At least the center part of those concerns, among which is education, is what we ought to, in my judgment, be debating on the floor of the Senate. And I had expected that would be the case this afternoon.

One of the amendments that we intended to offer, that apparently some do not want us to offer, is an amendment addressing the issue of the modernizing of the infrastructure in our schools and whether we can try through Federal policy to provide some help and some incentive for local governments to deal with the infrastructure problems in their schools.

Mr. COVERDELL. Will the Senator yield?

Mr. DORGAN. I will be happy to yield.

Mr. COVERDELL. I say to the Senator, just for clarification—I know you are concerned; I understand it—but I do want to make it clear that at this point the difference relates to an order and an orderly procedure.

The majority leader has offered to the minority leader the suggestion that the other side offer its package to stand against the one that has come through the Finance Committee. There are already another four proposals in the Finance Committee offered, three of which are from colleagues on your side of the aisle: Senator MOYNIHAN of New York, Senator BREAUX of Louisiana, and Senator GRAHAM of Florida.

So there were still other issues on the other side. So the suggestion was, well, you put your package together, which could include the proposal you just mentioned, or any others, and we will let the two stand against each other. That was not accepted.

The second suggestion was that we arrive at a certain number of amendments on each side and that they be germane. As I understand it, that has not been accepted so far. But the proposal you just mentioned, there was not an attempt to keep that from being in debate. There is an attempt to keep the debate on education matters and not others. It is a tax bill; everybody understands that. It invites a lot of attention. But there is an attempt to keep it on the focus of education. I just wanted to make that comment.

Several Senators have mentioned the proposal from the Senator from Illinois. I don't think there has been an attempt to block that from being in the debate. It did not succeed in the Finance Committee; another school construction program from your side, Senator GRAHAM's, has.

I yield the floor.

Mr. DORGAN. I was happy to yield because the Senator from Georgia is a thoughtful Member of this body and offers an interesting proposal. It is one

that I do not support, but certainly I respect his views on this issue. I had hoped we would be discussing the central portion of the Coverdell bill and amendments to it.

But I say to the Senator from Georgia that the majority leader has run for the Senate in only one State, and other Members of the Senate who are elected to this body from their States have a right to offer amendments on legislation brought to the floor of the Senate.

My understanding is that the reason we are now on NATO expansion is because, when the Coverdell bill was brought to the floor of the Senate, the majority leader wanted people on this side of the aisle to agree not to offer a certain number of amendments, to package them only the way the majority leader wants them packaged, and to offer them for a vote, up or down. If that is the way he wants to run the Senate, I say fine, but we have the right to offer amendments and intend to offer amendments, not just on the issue of school modernization, or the size of classrooms or the addition of 100,000 new teachers to limit class size, but also on a range of other issues that we think are important in the area of education.

It is a fact that today we were told that, unless we agree to dramatically reduce our proposals on education, we were not going to be debating education on the floor of the Senate. The clear message is: we either do it the way the majority leader wants to do this bill or we do not do it at all.

Well, that is not the way the Senate works. Fortunately, the Senate rules allow us, when someone brings a bill to the floor of the Senate to say, you have an idea, and we have some ideas as well. And here are our ideas. Let us vote on them. There might be two, four, six or eight ideas, but we want to have the opportunity for Members of the Senate to offer them, to debate them, and to have a vote on them. That is the way the Senate works.

It is interesting to me that, for several months now, every piece of legislation that has come to the Senate floor that would be amendable somehow comes has been manacled in some way so that no one else can offer amendments because we are afraid of having a debate on other amendments. In this case it was not so much a case of tying it up as it was deciding, if these people are going to offer amendments, then we are going to pull the bill off the floor. My point is very simple: I think education is the subject we ought to discuss. I believe the Senator from Georgia feels the same. I do not believe that, with scarce federal resources, we ought to embrace the recommendations of the Senator from Georgia. I believe that with scarce resources, you start at the critical level of need and work up.

Let me describe just for a moment that critical level of need. This afternoon, as I speak, down at the elementary school in Cannon Ball, ND, there are Indian children being educated in old, dilapidated classrooms. One of these rooms is a choir room next to an area where the smell and the gases from the backlogged sewer system are so strong that the kids need to be removed from class. You would keep your children in that room for 1 hour before pulling them out. Children go to that school.

Or if not the Cannon Ball school, how about the Ojibwa school on the Turtle Mountain Indian Reservation, where kids go to school in trailers and have to walk outside in the bitter cold to get to class. All those kids have names. All those kids have hopes. They want a future. They want to get educated. They have dreams. But they do not have the opportunity to go to the kind of schools that we went to. This country has an obligation to decide those kids matter. So, in terms of my notion about education, let us start at the critical end of the scale of need and say to those kids, your lives matter. We are going to do something to try to help you.

So when we debate education, I demand an opportunity—and, in fact, the rules of this Senate guarantee me the opportunity—to offer an amendment when a bill is brought up. And I can offer an amendment that says to that child, sitting in a classroom with sewer gases seeping in, that we can do something for you.

This is not a problem that requires rocket science to solve. This is a problem we can solve if we just have the will.

We can talk about more Indian schools. On, the Standing Rock Reservation, where the Cannon Ball school is located, 48 teenage kids over the last 9 months have attempted suicides—47 kids. Six of them have been successful. I was on the phone yesterday with the Centers for Disease Control in Atlanta trying to get suicide prevention teams sent to the Reservation.

Yesterday, when we wrote the supplemental appropriations bill, I also included some resources there to help address this tragic problem. We need to get to that reservation, to those children and say to them: your life matters to us, you make a difference, and suicide is the wrong answer. Suicide is never the right answer.

My point is that we have such desperate needs that exist in this country. I just mention that one because I have been working on it in recent days. We have such critical problems affecting these young lives, especially with respect to education, because school is where these young kids spend most of their days.

And on the Standing Rock Reservation, guess what? We have PCB, a known carcinogen, leaking out of light fixtures. They have had to evacuate kids from their school for over a month now and move them around to half a dozen other locations. Six classes are meeting in the gymnasium.

So, yes, let us talk about education right now, right here in the Senate. Let us bring the bill of the Senator from Georgia to the floor right now and let us not be afraid of any amendment. Maybe the idea of the Senator from Georgia is the best idea, and perhaps at the end of the day he has sufficient votes to advance it. That is the way the system works. I take my hat off to him if he does.

But maybe there are others of us who have some very good ideas as well that address the bull's-eye, the central education needs, of this country, that address the needs of schools and kids that are not functioning very well, and that says to those who are hopeless and helpless, there is hope and help. Those of us in the Senate who worry about the education system and have some ideas to help want to be able to advance those ideas. That is all we are asking.

It is just not acceptable to me to not be able to offer education amendments to a bill we have on education. And, incidentally, the Senator from Georgia did say, and he is correct, that this is more than an education bill. It is also a revenue bill.

I am not going to offer revenue amendments to the Senator's bill, but I am tempted. As he indicated in his statement, this is very tempting because you get so few revenue bills through here that when a revenue bill comes up, you ought to offer a revenue amendment in order to get it done.

I will give you an example. Nearly 70 percent of all the foreign corporations doing business in America pay zero in Federal income taxes—not 1 percent, not 5 percent, but zero in Federal income taxes. And the names of these corporations are ones you will recognize.

Look at the brand names on your appliances at home and ask yourself, might these be the names of companies from abroad that are doing business in the United States? And what do they pay in Federal taxes? Do they pay what our businesses pay? Do they pay what our constituents pay? No; I am sorry. Most of them pay zero. We should fix that. I have been trying to. I would love to offer that amendment again. We had a vote on it once in the Senate, and I lost. I would love to offer that amendment again because there is no excuse in this country to have a Tax Code that says, if you want to do $5 billion worth of business in the United States from abroad, then you can go do that. You can earn lots of money, and by the way, you can pay zero in Federal income taxes. Nobody in this country gets to do that.

So, I am sorely tempted to say, yes, this is a revenue bill. I would love to offer an amendment. What we are asking for is the ability to offer amendments directly related to the subject—there are a couple of others, but not many—directly related to education. There is no reason—none—why anyone in the majority or minority can come

to the floor of the Senate and say, ''By the way, we are going to change the way the Senate works. We will allow our proposal to get a vote, and you package up all of the ideas you have into one amendment with one vote, and that is the way we will dispatch your interest.'' This is not something we will accept. It is not something we should accept. It is not something you would accept in a million years if you were standing here.

So, we now are debating NATO. I suppose at some point, after lengthy and wonderful statements by the majority and minority leaders on this issue, I will come to the Senate floor also and speak about NATO. All of us have views about NATO expansion. But I regret we are here, because we should be on the Coverdell bill, and we should be debating amendments that focus on the education agenda in this country.

Our amendments are very simple. We believe we can improve education by investing in 100,000 new teachers and reducing class size. We believe we can invest in school infrastructure by helping State and local governments on the interest costs of modernizing our schools. Too many schools in this country are 50, 70, and 80 years old and crumbling and in need of repair.

We believe we can address those issues and a half a dozen other issues that represent the right initiatives for this country. But we can't do that if we are told, ''You add up those amendments, stick them in one package, and we will give you one vote on the package. If you can't carry the entire package, you lose everything, and that is the way we will run the Senate.'' That is not the way we will allow the Senate to be run on measures brought to the floor that can be amendable. We will continue to insist on the right to offer amendments, and I will be here again and again to do that.

Let me say again to the Senator from Nebraska, who I believe will manage this bill, I regret I have taken the time to speak on this issue on your time, but I think it is necessary to describe where we are and how we got here. I also apologize to the Senator from Delaware for the same purpose.

Mr. BIDEN. Will the Senator yield?

Mr. DORGAN. I am happy to yield to the Senator.

Mr. BIDEN. The Senator does not owe the Senator from Delaware any apology at all. I think the case he makes is the correct case.

I am particularly concerned that the most important foreign policy debate we have had maybe in the 25 years that I have been here is being used as a filler. That bothers me. It bothers me in the sense it lends an air of credibility to the unfair criticism that we have not adequately and fully and seriously taken into consideration the pros and cons relating to expansion. It just reinforces, in my view, that false argument.

I happen to support the position of Senator COVERDELL on the procedural aspects of the issue. There is no question the Senator from North Dakota, in my view, is correct.

I have been here 25 years. We have just begun, in the last couple of years, deciding new and innovative ways to avoid the opportunity for people to be able to get a vote on issues on this floor. For the first 23 years I was here, I don't ever recall us being in a circumstance where the minority was presented with the proposition that you put up your package, we will put up our package, we each get one vote, and that is it. That is not the way the rules were intended to work, in my view. I am not suggesting that the majority leader is violating the letter of the Senate rules, but I think the spirit is being violated.

I have a secondary problem that is almost as bothersome to me. I have, along with the Republican manager of this bill and the chairman of the full committee, Senator HELMS, and others, devoted hundreds and hundreds of hours to this issue of NATO expansion, taken the issue very seriously, and now it is kind of like, well, yesterday we had extra hours so, boom, let's go ahead and throw in NATO. By the way, we don't know what else to do. Today we hit a logjam, the Democrats wouldn't swallow the, in my view, heavy-handed tactics employed here on the education bill; so, what do we get? There must be something out there—grab NATO.

So it will reinforce the notion that somehow we are not taking this incredibly important foreign policy consideration seriously. This should be set aside to have one solid, continuous debate, whether it takes 2 hours or 2 weeks—and it is closer to 2 weeks, and appropriate, than 2 hours—in order for the public to be educated about what we are doing. I believe no foreign policy can be sustained or should be sustained without the informed consent of the American people. This a gigantic issue which, understandably, and historically, they are not interested in, in the day-to-day sense, in that they are more concerned about the classroom the Senator described in his own State or whether or not their company is downsizing and they will lose their job or whether or not they will be able to get their child to college.

I am not critical of the American people. The only time we have an opportunity to get their attention—and when we do, they pay attention, they understand, they fully grasp what we are about—is if we say, ''And now we are about to debate a major foreign policy issue. Basically, tune in, and we will have a coherent debate.'' This place is capable of coherent and intelligent debate. This, in a sense, demeans the process and demeans the issue.

The Senator owes me no apology. Now that we are on NATO, I hope we don't get off NATO; I hope we continue. Let's pick a course here. If we are going to debate this issue, debate it fully and resolve it and put everything else aside until we do it. I really hope the majority leader will refrain from using NATO as sort of a filler here, because it is so much more important, and we all know that the way in which the process treats an issue reflects, at least in the mind of the press and the public at large, what value we place on the issue, how important we think it is.

I don't mean to be personally critical of the leader. I think he grabbed whatever was available procedurally to be able to be brought up and this was here. I am really sorry that we have gotten to this point.

Again, let me conclude my comments relative to this by saying to the Senator from North Dakota, he owes me no apology. He is protecting not only his rights but he is protecting the rights of the Senator from Delaware, majority and minority Members. I have been here long enough to realize that there is no such thing as a permanent majority. I have been in the majority, I was then in the minority, I was back in the majority, and I am now in the minority, and I look forward to being in the majority again. This kind of precedence sets a tone that puts the majority—whichever party that may be—into the position of ratcheting up the way in which they attempt to have their way on the floor. I think it is not prudent.

Mr. DORGAN. The Senator from Delaware is correct. I did not address the question of NATO expansion and the way this bill got to the Senate. I didn't read the rest of the New York Times article that I found so interesting: ''It is always difficult to predict the schedule in the Senate which can turn on the dime or on the whim of the majority leader and it is not uncommon for the opening debate on major bills to be slow. But even longtime Senators express bewilderment how the NATO resolution appeared to have shoehorned into the Senate schedule,'' and, in fact, shoehorned in yesterday and again today.

I agree with the Senator from Delaware. NATO expansion, however one might feel about the issue, is a legislative main course. It is a significant foreign policy issue that one would hope—having read the history of the Senate written by Senator BYRD—that the chapter of Senate history on our debate today on NATO expansion would be described as a thoughtful debate. I hope that our debate will be viewed as one in which most of the Senators were here and listened to wonderful presentations about the impact of NATO expansion, the pros and the cons, the impact on this country's foreign policy and its relationships with Europe and Russia, and on a whole range of other issues that are very, very important. In many instances, the effect of these kinds of policies won't be understood or fully known for a decade or perhaps for a quarter of a century or more.

When the Senator from Delaware—and I know the Senator from Nebraska

also feels this way—describes the importance of this NATO expansion debate, it is hard to describe its importance in terms that are too strong. It is enormously important. I hope it will not be just legislative filler here. There must be a significant debate. I will come at some point and engage in that discussion and share some of my feelings about it.

The point I was making earlier is that I hoped very much that, as we were told last week, we were going to be on the subject of education. I know the Senator from Delaware and I disagree on the underlying bill of the Senator from Georgia, but I expect we will not disagree on a range of other amendments that will be offered. These amendments represent the only opportunity for those of us who have ideas about how to address some of the central problems in education to bring those to the floor.

If you are not in a position where you are the one who determines how this Senate schedules its business, the only opportunity you have if you have an idea—and everyone here has ideas, and some of them are wonderful and some not so wonderful —depends upon a set of Senate rules that say the last Senator has the opportunity to seek the floor and offer an amendment. Every other Senator can vote against it if they think it is not a very good amendment, but you have the right to take these ideas and turn them into proposals and ask your colleagues to weigh in on them after a debate.

That is why I worry a little bit. We have gotten to the point where, over several months, anything that is amendable somehow becomes a nuisance. Gee, if somebody is going to be down here and actually wants to offer ideas, what kind of nut is that? What a nuisance that is for the legislative process. I say, that is not a nuisance, that is the way the system works. Is it efficient? No, not very efficient. Is it effective? Name one other chamber or one other country that equals this. There aren't any and never have been.

My complaint today was that we are not on the subject that we expected to be on, that I want us to be on, that represents the central issues concerning our country. Is NATO important? Sure. I hope it is scheduled at some point when there is a significant block of time, with the best thinkers in this Chamber standing up and telling us what they know and what they have seen and what they understand about the foreign policy relationships and the impact of those relationships. That is what I hope we will do.

I don't run this place and probably never will. But I hope that the relationship that we have—and I think a lot of the majority leader; I think he is an awfully good majority leader, although I hope some day soon he will be the minority leader—will allow everyone to understand that we all have rights. We all have our issues that compel us to run for public office, and one of those for a lot of us on this side of the aisle is education. I regret very much that the bill of the Senator from Georgia was pulled, and we hope it is back soon.

The PRESIDING OFFICER. The Senator from Delaware.

EXECUTIVE SESSION

PROTOCOLS TO THE NORTH ATLANTIC TREATY OF 1949 ON ACCESSION OF POLAND, HUNGARY, AND THE CZECH REPUBLIC

The Senate resumed consideration of the treaty.

Mr. BIDEN. I see my colleague from Nebraska is here. We worked closely together on the Foreign Relations Committee.

I say to the Senator, I have an opening statement in the hope and expectation that we really will debate NATO now for some time. To make it clear to my colleagues who are listening, I have no strong preference whether we have education on the floor or NATO expansion on the floor; I just hope whatever we have, we stick with it, so there is coherence to the debate. That is my overall point.

I ask my friend from Nebraska, as the manager for the Democrats on the NATO expansion issue, I have what we might call the obligatory very long and detailed statement. My statement is probably the better part of a half hour to 45 minutes. I don't want to begin if my friend would rather speak now. I want to accommodate the Senator. When I begin, I would like to be able to begin and, in an attempt to be coherent, lay out in detail my position on NATO expansion.

Mr. HAGEL. I have never known my friend and colleague not to be coherent on any issue, but if that is his wish to proceed, please do. I do not have an opening statement, so I think that would fit into the schedule.

Mr. BIDEN. I will proceed.

I thank my colleague and I thank the Presiding Officer.

Mr. President, I rise in support of the Resolution of Ratification of the Protocol for the Accession of Poland, Hungary, and the Czech Republic to the North Atlantic Treaty Organization, NATO, which we oftentimes refer to as the Washington Treaty.

On March 3, the Foreign Relations Committee, in a show of overwhelming bipartisan support, agreed to the resolution expanding NATO by a vote of 16–2. The decision of whether or not to enlarge NATO for a fourth time in its history is a momentous one. Unlike the admission of Greece and Turkey in 1952, West Germany in 1955, and Spain in 1982, NATO now, for the first time, is proposing to welcome former members of the now-defunct Soviet-led Warsaw Pact Organization.

Mr. President, the rationale for favorable action on the resolution of ratification, in my view, is very clear. For political, economic, strategic, and cultural reasons, Europe remains an area of vital interest to the United States of America. We are a European power, and for our own safety's sake, in my view, we must remain a European power. Stability on that continent is fundamental to the well-being of our country and to our ability to move our assets and attention quickly to other parts of the world when necessary.

The primary purpose and benefit of NATO, since its inception in 1949, has been ensuring stability in democratic Europe by guaranteeing the territorial integrity of alliance members. I argue, Mr. President, that this focus continues. History shows us that when there is a vacuum in Central and Eastern Europe, countries are forced to pursue their own individual security arrangements. We saw that before and after World War I. Enlargement, Mr. President—and this is a central reason why I believe it is in our interest to enlarge NATO, to embrace the three countries in question—will preclude a repeat of the developments in post-World War I. Enlargement will extend the zone of stability and help eliminate the gray area in Central and Eastern Europe. In fact, the prospect of enlargement has already had a positive impact on stability by stimulating internal reforms in Hungary, Poland, and the Czech Republic and encouraging them to resolve historic disputes with their neighbors.

Mr. President, prior to Poland being offered the opportunity to join NATO, there was a question of whether or not the military controlled the military or civilians controlled the military in Poland. They made a very difficult political decision of doing what was stipulated in the Perry requirements—that is, the requirements set forth by former Secretary of Defense Perry—for expansion of NATO, and what all other NATO nations have done, which is to guarantee that there is civilian control of the military. I respectfully suggest that that action would not have been taken but for moving into NATO.

The three applicants for NATO membership before us have resolved long and historic border disputes such as those between Poland and Germany, and Hungary and Romania. Romania, also hoping to become a member of the NATO, has for the first time in modern history reached an agreement for the equitable treatment of its Hungarian minority. I could cite you example upon example in Central and Eastern Europe where actions have been taken as a consequence of even the prospect of NATO membership. This prospect, of being anchored to the West, has caused many countries in that region to accord their behavior with international norms that we believe are minimum requirements for countries with whom we wish to be allied. So the process of NATO enlargement has already had, in my view, a very stabilizing impact on Europe.

Numerous witnesses before our committee, the Foreign Relations Committee, have made a compelling case for

NATO enlargement. They have not only made it to our committee, Mr. President, but to the committees on which you serve; they have made compelling cases of the strategic value of embracing the Poles, Czechs, and Hungarians as our allies in NATO in the Intelligence Committee and the Armed Services Committee, as well. They talked about the qualifications for NATO membership and the fact that they will be net contributors to the alliance that we call NATO.

My colleagues who vote for this resolution should, however, be clear about the costs. I realize that some outside groups who support NATO expansion, because they know I am such a champion of expansion and that I speak around the country about it, will say don't talk so much about the cost, because obviously the cost could be an Achilles' heel for enlargement. But I believe, Mr. President, as I said earlier, no foreign policy can be sustained, no matter how well conceived, without the informed consent of the American people. I think that one thing that your generation and mine learned about Vietnam, whatever other lesson we take away from Vietnam, is that without the informed consent of the American people, no policy can last.

Part of the informed consent is to be honest and straightforward with the American people about the obligations we will be undertaking financially, politically, and militarily if we expand NATO. For what I do not want to see happen—it would be tragic—is to enlarge NATO, and 2 years later when the bill comes due, for colleagues who voted for expansion to say, ''Wait, I didn't know it was going to cost me more money; I am not going to vote for more money.'' Such a turn of events would exacerbate the always-present burdensharing debate within NATO, and could harm alliance cohesion. So I think it is important, Mr. President, that we be frank with ourselves about the costs. I look forward to debating my colleagues on what I think are very manageable costs, with benefits that far exceed any cost that expansion will entail.

My colleagues who vote for the resolution should know what these costs are. They are real, but they are manageable. The most recent NATO estimates, which I will be talking about in great detail as this debate unfolds, calculate that direct costs to the United States will be roughly $40 million a year over the next 10 years. That is $400 million over the next 10 years. That is what it will cost, our direct costs, to bring these three applicants into the alliance. This reflects a realistic assessment of the state of the military infrastructure in Poland, the Czech Republic, and Hungary and the threats that presently face NATO, which in a military sense are virtually nonexistent. It also reflects an equitable sharing of the burden among the existing 16 NATO members.

In fact, a condition which the Foreign Relations Committee set forth in the resolution of ratification states, in effect, if there is not an equitable burdensharing arrangement, don't count us in. For example, I served with one of this nation's great Senators, Russell Long from Louisiana, who was chairman of the Finance Committee. I remember going up to him one day on the floor—I don't think he would mind my saying this—I walked up to him and said, ''Mr. Chairman, I would like your help'' on such and such a piece of legislation. It was in the Finance Committee. He looked at me—and those of you who served with him know he used to put his arm around your neck—and he said, ''JOE, as my uncle used to say, I ain't for any deal I ain't in on.''

The truth of the matter is, if we want the American people in on this deal, we have to let them know what the costs are, what it's going to be. We also have to, frankly, let our allies know what we expect of them and what portion of the cost we are contemplating they will carry. So that's why the resolution that the Senator from Nebraska and I helped report out of our committee specifies that the burdensharing must be equitable. And we go on in legislative language in the committee report to explain what we mean by that. But, again, I will come back to that point and many others that I will raise today as we continue this debate.

Many have raised the possibility that enlargement of NATO may damage our relations with Russia. Mr. President, I believe very strongly, as one Senator who has spent a lot of time dealing with these foreign policy issues—which doesn't qualify me for anything other than knowing the arguments—that the single most important bilateral relationship our country has to deal with and nurture over the next decade is that with Russia. If Russia moves into the mode of being a democratic republic with a market economy, that bodes very well for us and our ability to deal with Russia and the rest of the world. If Russia turns into an absolute failure—something approaching the aftermath of the Weimar Republic—where totalitarian government re-emerges and militarism takes hold—that is very bad for us, and it is very bad for the world. So I take very seriously those Senators—and I count myself as one of them—who look at this enlargement of NATO, not solely, but in part, through the prism of how will this affect the single most important relationship we have, in my view, with another country.

I come to a very different conclusion from some of the critics. I believe that the guaranteed stability in Central Europe that will be brought about as a consequence of expansion will enhance Russian security rather than diminish Russian security. I spent a great deal of time speaking with our Russian counterparts in the Duma, as well as with every leader of the four or five major factions in Russia—from true Democrats to old apparatchiks—and not a single solitary person I spoke with in Moscow believed that Russian security was diminished by the expansion of NATO. Not a single one viewed it as a threat. None of them liked it. Views ranged from seeing it as a slap in the face to a reflection of the attitude of the West that we never wanted Russia to be part of the West. Neither is true. Both are understandable. This is a nation that, as my mother would say, has fallen from grace, fallen very far—a superpower that is on the balls of their heels right now and feeling very, very put upon—a proud nation that has lost its empire.

I am not suggesting that we have to do anything that would allow them to regain their empire, but I am suggesting that it is not difficult to understand their present thinking. I want to make it clear that I don't believe anyone can give me any proof or evidence that the enlargement of NATO to include these three countries in any way is likely to alter Russian behavior because Moscow now believes its security interests are in greater jeopardy than they were before. I do not believe there is any credible evidence to sustain that assertion, an assertion you will hear made over and over again by opponents of expansion on the floor of the U.S. Senate.

As I said, I do not dismiss the concerns that have been raised by my colleagues in this regard. But that is the very reason why I enthusiastically back the NATO-Russian Founding Act. The Founding Act, signed by Russia and NATO's Secretary General Javier Solana in the name of NATO, negotiated a consultative relationship with Russia on what we call ''transparency.'' In this agreement, NATO basically says, ''Hey, Russia, look. This is what we are doing. We don't intend it as a threat to you. It is not an offensive threat to you. And, to prove it to you, we will let you take a look at what we are doing.'' That is smart negotiating. That is smart business. That makes good sense.

This act, which Russia signed formally with NATO—not just with us, with NATO—laid out how the alliance would give the Russians access to information. So that there was no reason for them to believe that we were doing anything as an offensive against them. To ensure Russian confidence that threat is not the rationale behind our action.

I note parenthetically that one of my colleagues said to me at lunch, ''Joe, I just spoke with a Russian ambassador, and he says that we refused to promise what they wanted us to promise—that we would never station additional forces and/or equipment and/or nuclear weapons on the soil of these three countries, and therefore we are engaged in a breach of good faith.'' That is somewhat disingenuous, if that is what was said, and if I understood it correctly. Russia asked us to formally commit that we would not do that. We cannot formally commit to that. We cannot yield our sovereignty decisions to another nation.

But what we did say was that this alliance—and what all of the Presidents of each of the three applicant countries fully understand—has no intention, no plans, no requirement, and there is no request from any of the applicant countries that NATO forces be stationed on their soil. Further, we said that there was no need for conventional equipment of an offensive nature to be forward-based on their soil or for nuclear weapons to be placed on their soil. We have committed that we will not do that. We have not, nor should we ever, commit that in writing to another power.

Militarily speaking, what this expansion is going to require of us, as well as the Poles and the 15 other nations, along with the Czech Republic and Hungary, is the time and money to upgrade the applicants' military infrastructure. This means bringing up to NATO standards the runways, the hangars, the storage depots, the fuel depots, et cetera, as contingencies against an offensive action against these countries in the future by someone else. But upgrading infrastructure against a possible exterior threat is a distinction with a gigantic difference.

NATO enlargement has been facilitated greatly by this Founding Act. In fact, the text of the resolution of ratification puts the Senate on record as supporting the Founding Act while restating the supremacy of the North Atlantic Council and advocating a new and constructive relationship with Russia.

I know all of my colleagues on the floor know what the North Atlantic Council is. But since I am talking about the informed consent of the American people—and I hope they are listening—the North Atlantic Council is that mechanism whereby the designated representatives of the leaders of each of the 16 NATO countries meet and make policies, where they make the decisions. And Russia has no voice within that organization, nor should they, nor should any non-NATO member have a voice within that organization. But that is very different from saying that the North Atlantic Council should not reassure, if it chooses to do so, Russia, or any other nation, that we have no ill intent by what we do, allowing them to see, allowing them literally to have offices in a similar complex to be able to see what we are about.

Those of you who are students of history, as I am—and it is sort of my avocation—would not disagree about the point made by some historians that World War I occurred in part as a consequence of a mistake, a mobilization that was meant to be a response but was viewed as an offensive. And things started unraveling. If there had been ''transparency,'' we may never have gotten to the point where the war started the way it did, and when it did, and where it did.

So NATO enlargement, as I said, Mr. President, is a historic opportunity for the United States to set a positive course upon a situation in Europe, Russia, and the neighboring countries that is dynamic and fluid. Voting to enlarge NATO now, in my view, expands the zone of stability eastward, embracing those dynamic forces of positive change, giving them a chance to take hold and bear fruit in the future.

I don't know whether your parents as you grew up had the same expressions that mine had. I will bet that if you sit down and give me 2, 3, or 5 expressions that your mother or father used more than 100 times, we could all come up with something. One of them that was heard in my family was, ''Sometimes it is better to have a direction and move than to have no idea what you want to do.'' Part of what we are doing here is giving direction to a fluid European security situation where no one can predict with any degree of certainty what is going to happen in Russia any more than they could guarantee the future of Romania, Poland, or any country in Central or Eastern Europe. But absent a structure, absent a framework, plan, a well thought out architecture, the likelihood of greater mistakes and more mistakes being made increases, in my opinion.

So I go back to the central theme that my colleagues will hear me speak to time and again. Expanding the zone of stability into the gray area of Central and Eastern Europe is in the interest of all countries, including Russia. For the last thing, it seems to me that you would want, if you were a Russian leader is instability to your West. In saying this, I do not presume to tell another politician what is in his interest, or to tell another country what is in its interest. But I would respectfully suggest that if any of us were the leader of Russia, we would much prefer that there be peace and stability between Poland and Germany, Poland and Belarus, and Romania and Hungary, and so on and so on. Instability works against Russian interests as well as our own. This is a place where conscience and convenience cross paths, in my view.

Mr. President, for all of those reasons, I believe that there is an overwhelming case for the bottom-line value to America of expanding NATO. Inevitably, however, the qualitative new situations surrounding the admission of Poland, Hungary, and the Czech Republic have occasioned serious questions, which I will attempt to deal with shortly.

Before I turn to them, I thought I should dispel one procedural claim that has resurfaced in recent days. That claim alleges that there has been insufficient discussion of NATO enlargement to warrant the issues being considered by the full Senate at this time. That is the tactic, I say to the chairman of the full committee, Senator HELMS, which we find those who oppose our position keep falling back to—a different strategy. First the tactic. I should say ''tactic'' rather than ''strategy.'' It was a frontal assault—which is their right, and I respect it—to stop expansion. I think they believe and have concluded that the momentum was too strong to do that.

Then the next tactic was, Well, what we will do is we will not be able to fight expansion, but let's set conditions to expansion that could not be realistic, nor should necessarily be fulfilled before there is admission—conditions, I might add, we never set on the four previous occasions we enlarged NATO. Then when that looked like it might take hold—we don't know until we count the votes—but when that didn't seem to be gaining fervor, the part of the foreign policy community which I would argue is a minority of the community, including some of our well respected former colleagues who disagree with expansion, and some of our well respected present colleagues who disagree with our position, decided on a new tactic, and that was to argue that we just have not given sufficient time to debate this issue, so why doesn't the majority leader postpone the consideration of this for an indefinite period so we can really debate it.

I asked one of the newspapers who made that argument—a reporter for one of the newspapers; he doesn't set the policy. I said, ''I found it fascinating that you want an open and thorough debate. Your paper talked about the need for that. And yet, when the U.S. Senate Foreign Relations Committee''—I will document this in a moment—''had hours and hours of hearings on this subject and finally voted on the resolution, it appeared in a small box below a Monica Lewinsky story. I don't quite get this.'' Do you know what this person told me? He told my press person, ''Well, another major paper in America put it on the front page. We will wait until we get to the debate and final vote.''

Now, look. You can't have it both ways. This is not a subject that is going to get my mom at home saying, ''Joey, I am so glad you are working on NATO. I think you should do that. Put aside Social Security. Don't worry about that. And put aside Medicare. Don't worry about that. And, by the way, education.'' Americans don't think that way, they never have, about foreign policy. They have enough trouble figuring out how to put food on the table, sending their kids to school, how to pay the medical bills, and how to keep their jobs.

So this notion that in the past we have had these debates about foreign policy where everything has come to a halt and all of America is focused on it, and all have been heard, that only occurs in times of crises. God forbid, were there an attack on NATO, it would be the focus of everyone in America. But it was not the focus even when Vandenberg was debating NATO in the late forties and before we voted on it. It is very hard to be proactive in a foreign policy initiative that is going to capture the imagination of the American

people. And it is not because they are not interested; it is because they are urgently attending to many other things. That is one of the reasons I think we have a representative government. I think that is one of the reasons why they look to us. I think that is part of our job description.

So to the extent that we could generate discussion and interest about this, I respectfully suggest under the leadership of Chairman HELMS of the Foreign Relations Committee, we have in fact engaged in a serious debate thus far. The closer we get to this final resolution, the more the public will focus on it. In fact, few foreign policy issues have been scrutinized as closely or as openly in public session as this has been in the 25 years that I have been here.

Beginning in 1994, the examination of the question of NATO enlargement by the Committee on Foreign Relations has been a well thought out and bipartisan effort. The committee's first hearings on NATO enlargement took place early in 1994. More hearings were held in 1995, and since October of 1997 the Foreign Relations Committee, under Chairman HELMS' leadership, has had no fewer than 8 extensive hearings, for a total of 12 in all. One of those hearings was held last fall and featured testimony from 15 American citizens, many of whom represent grassroots civics groups interested in NATO.

I would like to publicly commend the Senator, who is on the floor now, Senator HELMS, for the strong and able leadership of the Foreign Relations Committee in building bipartisan support for membership of these three candidate countries and for helping to craft a bipartisan resolution for the protocols of accession.

It is also important to note that three other Senate committees—the Armed Services Committee, the Appropriations Committee, and the Budget Committee—have also held hearings on NATO enlargement. The Armed Services Committee filed a report with the Foreign Relations Committee recommending certain understandings which the Foreign Relations Committee has taken into account in developing the resolution of ratification of the protocols of accession that we voted out 16 to 2.

The Intelligence Committee filed a report that favorably assesses the intent and ability of Poland, the Czech Republic and Hungary to protect classified military and intelligence information which would be provided them as NATO members—something we are all concerned about. We have not taken this thing on face value or willy-nilly. We had the committee of jurisdiction thoroughly look at it. They concluded that they would in fact be trustworthy members.

From the very outset of 1994, the Foreign Relations Committee made certain that voices in favor of NATO enlargement as well as voices against enlargement would be heard equally and fairly. I believe this decision was essential for the committee members to get all sides of the argument. I will not go into the details at this moment of which witnesses addressed which arguments except to say that a glance at the list of witnesses reflects the extraordinary effort we made at balance. Many of the leaders of both the proenlargement and antienlargement camps were represented before our committee. And 2 months ago, in mid-January, the Committee on Foreign Relations published a 552-page document entitled: ''The Debate on NATO Enlargement.'' The compendium contained the full testimonies of witnesses from the seven hearings of the committee from October to November of 1997, questions from members of the committee and witnesses' responses and a good deal of additional material received for the record. It included the reprinting of lengthy articles against enlargement by Dr. Michael Mandelbaum, of Johns Hopkins University, one of the leading opponents of enlargement, and the report of a fact-finding trip that I took late last year to Russia, Poland, the Czech Republic, Hungary and Slovenia, to give you the extent, and a lot more is covered. I am not suggesting that my report is any more or less significant than what Dr. Mandelbaum or anyone else testified to, but I am making the larger point that it is extensive.

Mr. President, it is possible that some aspects of the NATO enlargement question are not covered in this 552-page compendium, but I do not know of any, and I have spent, along with my colleagues in the Chamber, literally hundreds of hours attempting to educate myself on this subject, with 25 years of experience. The document I have referred to was sent to all 100 Senators with an accompanying letter from Senator HELMS and me.

In short, all the issues have been out there for a long time for any interested party to study. Moreover, the legislative record of the Senate testifies to a longstanding engagement with NATO enlargement. In 1994, 1995 and 1996 the Senate debated and approved legislation in favor of NATO enlargement. On July 25, 1996, by an 81-to-16 vote, the Senate approved legislation stating that ''The admission to NATO of emerging democracies in central and Eastern Europe, which are found to be in a position to further the principles of the North Atlantic Treaty, would contribute to international peace and contribute to the security of the region.''

Last April, by agreement, the majority leader, Senator LOTT, and the minority leader, Senator DASCHLE, established the NATO Senate observer group to facilitate close interaction with the executive branch as plans for NATO enlargement went forward.

Now, I cite this only to demonstrate that not only have we gone out of our way to look at the arguments for and against, but this group that was set up with Senator ROTH, my senior colleague from Delaware, and me as the cochairs, that traveled with the President—not just the two of us but others, including the Senator from Nebraska—spent an inordinate amount of time with the administration, whether it was with the National Security Adviser, the Secretary of State, the Secretary of Defense, the President himself, or the Vice President, so that we knew what was going on during the negotiations relative to who might be invited.

On July 25, 1996, by a vote of 81 to 16, the Senate approved legislation stating that ''Admission to NATO of emerging democracies in Central and Eastern Europe, which are found to be in a position to further the principles of the North Atlantic Treaty, would contribute to international peace and contribute to the security of the region.''

I repeat that for a second time because that was back in July of 1996. Last April, as I indicated, the leaders of both parties set up this NATO observer group. Twenty-eight Senators, 14 in each party, were named to the observer group, and as I said, Senator ROTH has demonstrated a strong commitment and leadership as chairman of this group. Since then, the observer group has held no fewer than 17 meetings with the administration, NATO and other foreign officials. Members met with President Clinton, Secretaries Albright and Cohen, National Security Adviser Berger, and many other high ranking civilian and military officials. Members of the Senate NATO observer group have met with the Presidents of Poland, the Czech Republic, Hungary and their Foreign Ministers. They have met with NATO's Secretary General Solana; they have met with NATO Chiefs of Defense, and the chairman of the NATO military committee. Some have actually met and addressed the NATO PermRep group that met here earlier in the year. We have met with the chiefs of staff of each of the present NATO members. There have been significant encounters.

The observer group was represented in a delegation to the signing of the Founding Act between NATO and Russia in Paris in May of 1997. The Senate observer group was also represented in the U.S. delegation to the NATO summit in Madrid in July, and I would like to repeat that 28 Senators are members of this observer group.

When we add to that the number of other Senators who are members of the Foreign Relations, Armed Services, Appropriations and Budget Committees, all of which have held hearings on NATO enlargement, we find that no fewer than 74 Senators have been exposed more than tangentially to the issue of NATO enlargement through one or more committees or the Senate NATO observer group—nearly three-quarters of the entire Senate. That is quite a remarkable fact, which I submit definitely puts to rest the charge that this issue lacks study.

I challenge any of my colleagues to name me another major issue where 75 Members of the Senate have gotten themselves, through specific assignments, more involved in the details. To me, it is abundantly clear that consideration of the Resolution of Ratification of NATO enlargement upon which we are embarked today is the culmination of several years of detailed scrutiny and debate within the Senate. As a matter of fact, my good friend and worthy opponent on occasion, although we agree more than we disagree, the distinguished senior Senator from Virginia and I, even as long ago as last—I don't know how long ago it was now—found ourselves debating before a group of very distinguished—it wasn't an intended debate, but we ended up with, I thought, an informative and thoughtful debate before a group of leading citizens in the State of Connecticut at the behest of our friend, Senator DODD. So we are not new to this, Mr. President, notwithstanding the fact this will be news to some members of the press and it will be news to some members of the public. But the notion that we have not taken it seriously and it needs more time, I think, is unfounded.

That is not to suggest that it would not warrant taking a lot of time in the Chamber. I think that is totally appropriate because this is ultimately the forum where the folks actually get a look at what we are doing. No one followed us to Madrid or to Paris. No one was involved in that room in the Dirksen Building when the Senator and I exchanged views before a group of Connecticut voters. But the truth of the matter is this is the forum to do that. And knowing my friend from Virginia, who is on his feet and in the Chamber, it will be spirited and it will be an informative debate, at least from his perspective, from his side of the argument.

Mr. President, I think it is abundantly clear the consideration of the NATO resolution of ratification for enlargement upon which we have embarked today is a culmination of several years of detailed scrutiny and debate within the Senate. I would like, now, to turn to some of the arguments against enlargement or for qualifications on enlargement, and then explain why I do not find them very convincing.

Some say that since the Soviet Union is but a dead memory, some would suggest a bad memory, that there are no longer any threats to democratic Europe. Others maintain that because the Pacific rim and Latin America have gained in importance, we should scale down our commitment of resources to Europe and devote them more to the Pacific rim.

Some of my colleagues worry that NATO enlargement may strengthen the nationalists and Communists, the Reds and the browns, within Russia and draw new dividing lines in Europe. Recently, fears have been voiced that NATO enlargement is open-ended and, hence, out of control. Opponents of NATO's involvement in Bosnia see it as an open-ended and dangerous model for future out-of-area NATO commitments, an expression put forward in a very articulate manner by my colleague from Missouri who is on the Foreign Relations Committee.

Finally, on an issue that concerns us all, opponents assert that the cost NATO enlargement is going to require is not clear at best and exorbitant probably. Some fear that the cost of enlargement will fall disproportionately on the United States. All of these arguments against are important and, I submit, can be answered satisfactorily, but clearly must be answered.

I submit, first of all, without minimizing the importance of Asia and Latin America, that Europe remains the vital area of interest to the United States for political, strategic, economic and, yes, cultural reasons. A sizable percentage of the world's democracies are in Europe, and the continent remains a major global economic player and a partner of the United States.

In economic terms, the European Union, with a combined population a third larger than ours, has a combined GDP that exceeds ours. While the United States has a larger and, I might add, less balanced trading relationship with Asia than with Europe, we invest more in Europe. In fact, we have more direct investments in Europe than in any other area of the world, an amount in excess of $250 billion.

Several new democracies in Central and Eastern Europe have highly educated work forces and, as President Clinton said in his message of transmittal of the protocols of accession, they ''have helped to make Central Europe the continent's most robust zone of economic growth.''

The three candidate countries already attract considerable American investment. Moreover, most Americans trace their cultural roots to Europe and millions retain personal ties to it. By any geographical standard, it would be a catastrophe for U.S. interests if instability would alter the current situation in Europe.

How might that instability occur, Mr. President? No one believes that the Russian Army is poised to pour through the Fulda Gap in Germany, NATO's horror scenario for 45 years. The Russian Army is in such pitiful shape that it could not even reconquer little Chechnya, a part of the Russian Federation.

Nonetheless, some say that someday Russia will regain her military might, and if democratization there does not succeed, NATO might, once again, be democratic Europe's insurance policy against reemergence of a hegemonic power, as is outlined in declaration 2 of the resolution of ratification.

For the foreseeable future, however, the primary threats to stability in Europe are different, although no less real, than those of the cold war. We all know what they are. They are ethnic and religious hatred, as horrifyingly shown in the hundreds of thousands killed, raped, made homeless, and brutalized in Bosnia and most recently in Kosovo. They are the well-organized forces of international crime, whose tentacles extend from Moscow and Palermo to New York and Los Angeles. The history of the 20th century has demonstrated that the United States must—and I emphasize ''must''—play a leading role in organizing the security of Europe.

In World War I and World War II, and lately in Bosnia and Herzegovina, without American leadership, the countries of Europe have been unable to resolve their differences peacefully. While American idealism has certainly played a role in our various interventions to rescue Europe, enlightened self-interest has been our dominant motive.

Put simply, it is in the vital interest of the United States of America that stability be preserved in Europe, not only because Europe itself is of central importance, but also in order that, when necessary, we are free to concentrate our assets on problems in other areas of the world.

How does this need for security in Europe translate into 1998 terms? It means that we must lead the Europeans to create what is called in the current foreign policy jargon a new security architecture of interlocking organizations with NATO at its core. Of primary importance is that this policy will guarantee stability to Central Europe, where newly independent states are striving to create and solidify political democracy and free markets. This is a very difficult process, subject to destabilizing forces like ethnic antagonisms, economic downturns, international crime, and, in some cases, thinly disguised foreign pressure. It is in this context that the enlargement of NATO must be seen.

During the cold war, NATO provided the security umbrella under which former enemies, like France and Germany, were able to cooperate and build highly successful free societies. It was the framework under which former pariahs, like Germany, Italy, and Spain, could be reintegrated into democratic Europe. And it was NATO that on several occasions helped keep the feud between Greece and Turkey from escalating into full warfare.

The enlargement of NATO can now serve to move that zone of stability eastward to Central Europe and thereby deter external destabilization, prevent ethnic conflicts from escalating, and forestall a scramble for new bilateral-multilateral pacts along the lines of the 1930s from occurring in the 1990s and the next century. This is the strategic rationale for enlargement laid out in detail in declaration 2 of the resolution of ratification. In fact, the zone of stability is already developing.

As I mentioned earlier, in anticipation of NATO membership, several Central and East European countries have settled longstanding disputes. I need

only mention Hungary and Romania, Slovenia and Italy, Germany and the Czech Republic, Poland and Lithuania, Romania and Ukraine, and there are other examples I will go into detail about later. If NATO were not to enlarge, however, the countries between Germany and Russia would inevitably seek other means to protect themselves. It is a certainty. The policy option for today is not, as it is often phrased, enlarge NATO or remain the same. The status quo is simply not an option over the next several years.

Mr. President, there is one additional argument for NATO enlargement which may have fallen out of fashion, and I am going to mention it now at the risk of engaging this debate in a different direction, and that is the moral argument—the moral argument.

For 40 years, the United States loudly proclaimed its solidarity with captive nations of Central and Eastern Europe who were under the heel of Communist oppressors—40 years. Now that most of them have cast off their shackles, it seems to me it is our responsibility to live up to our pledges to readmit them into the West through NATO and the European Union when they are fully qualified.

In my view, not to do so out of an excessive fear of antagonizing Russia would accord Moscow a special sphere of influence in Central Europe, essentially validating the division of Europe at Yalta. For me, such a course is unthinkable. Poland, Hungary, and the Czech Republic have all made tremendous efforts to meet NATO's stringent membership requirements, and, based on my reckoning, they have succeeded.

Not even the opponents of enlargement can dispute that fact. Hence, as declaration 4 of the resolution of ratification reaffirms, the three new members will have all the rights, privileges, obligations, responsibilities, and protections that are afforded all other NATO members. There is no second-class citizenship in NATO.

Ironically, within the fruits of NATO's unparalleled success lie the seeds of its possible demise. Alliances are formed to fight wars or to deter them. Once the adversary is gone, unless alliances adapt to meet changing threats, they lose their raison d'etre, they lose their reason for being. Thus, enlargement must be accompanied by a fine-tuning of NATO's so-called strategic concept last revisited in 1991.

The alliance's primary mission, outlined in article 5 of the Washington Treaty of April 4, 1949, remains the same: treating an attack on one member as an attack on all and responding through the use of armed forces, if necessary.

Condition 1 of the resolution of ratification underscores that the core purpose of NATO remains collective defense. In addition, since the end of the cold war, non-article 5 missions, like peacekeeping, sometimes in cooperation with non-NATO powers, have become possible. The SFOR joint effort in Bosnia with Russia and several other non-NATO countries is an excellent example.

To the critics who see our involvement in Bosnia as a harbinger of future NATO peacekeeping engagements or, from their point of view, entanglements, I would only say the success in Bosnia will provide the best deterrent to future ethnic cleansers and aggressors and, thereby, reduce the likelihood that American troops will have to be used in combat in Europe.

Condition 1 of the resolution of ratification foresees article 4 missions on a case-by-case basis only when there is a consensus in NATO and that there is a threat to the security interests of the alliance members. Through briefings required by condition 1, the executive branch will have to keep the Senate informed of any discussions in NATO to change or revise their strategic concept.

Some critics might ask why the Europeans can't take care of their own problems. First of all, Europeans shoulder three-quarters of the common funded cost of NATO and furnish an even higher percentage of the alliance's troops. Both our current NATO allies and the candidate countries have agreed to shoulder their fair share of financial costs and all mutual obligations connected with enlargement.

In order to guarantee a continuation of this alliance burdensharing, condition 2 of the resolution of ratification mandates an annual report by the President containing detailed, country-specific data on the contributions of all NATO members. It also requires that the inclusion of Poland, the Czech Republic, and Hungary not increase the percentage share of the United States to the common budgets of NATO.

To my colleagues who are understandably concerned about possible hollowing out of our worldwide military capability—by that I mean they argue that expanding NATO and the additional resources required will require us to take military resources to other parts of the world, meaning they will have a hollow capability in other parts of the world, thereby, in an overall sense, reducing our security—those who are concerned about this possible hollowing out of our worldwide military capability, I draw your attention to another element of condition 2 of the resolution of ratification which directs the President to certify that NATO enlargement will not detract from the ability of the United States to meet or to fund its military requirements outside the NATO area.

I know that many of my colleagues are concerned about the enlargement's effect upon our erstwhile cold war enemy Russia. I firmly believe that NATO enlargement will not adversely affect U.S. relations with the Russian Federation. As I indicated earlier, I came to that conclusion following a trip to Moscow and several European capitals last year and subsequent discussions on that topic.

Although few Russians are fond of NATO enlargement, policymakers in Moscow have come to terms with the first round. Moreover, no Russian I met with, from Communist leader Zyuganov to liberal leader Yavlinsky to the nationalist leader Lebed, none of them believe that NATO enlargement constitutes a security threat to Russia.

In fact, nearly all politicians and experts with whom I met understood the nonaggressiveness implicit in NATO's two recent declarations on nuclear and conventional forces. In the famous ''three noes,'' the alliance declared that it has no reason, intention, or plan in the current or foreseeable security environment to deploy nuclear weapons on the territory of new member states and no forces to do that, no forces, in the future.

Similarly, NATO stated that in the current environment, it would not permanently station substantial combat forces of the 16 members on Polish, Czech or Hungarian soil. Rather, the Kremlin's public opposition to enlargement is largely—largely—a psychological question connected with the loss of empire, wounded pride and, most importantly, an uncertainty about Russia's place in the world of the 21st century. The Russian Ambassador in Washington reiterated this psychological problem in a newspaper article just last week.

As part of this uncertainty, most Russian leaders are worried about their country being marginalized, and as a result, they are eager to move forward with its bilateral relationship with the United States.

We must continue to engage Russia politically, militarily, economically, and culturally. Declaration 5 of the resolution of ratification specifically endorses this ''new and constructive relationship'' with the Russian Federation.

The Clinton administration, together with our NATO allies, has already begun to do just that. The NATO-Russian Founding Act signed in Paris last May is a good start at binding Russia closer to the West and soothing its bruised feelings.

The Founding Act, however, in no way gives Moscow a decisionmaking role in NATO's core structures like the North Atlantic Council, as condition 3 of the resolution specifically explains.

The purely consultative mandate of the new NATO-Russia Permanent Joint Council does not mean that it cannot evolve into a truly valuable mechanism for promoting mutual trust.

As Russian officials better understand that NATO is not a rapacious caricature of Soviet propaganda, but rather a defensive alliance and force for security and stability in Europe, their animosity toward the organization may dissipate. And by working together in the Permanent Joint Council, Russia can prove that it is a responsible partner for the West.

Through this mechanism and others, over time Moscow can come to realize

that enlargement of NATO by moving the zone of stability eastward to Central Europe will increase her own security, not diminish it.

It is also essential that arms control agreements with Russia be ratified and expanded.

Of special importance is getting the state duma, their parliament, to ratify the START II treaty and then, together with the United States, to move on to further reductions in START III.

The statement last week made by Prime Minister Chernomyrdin that he would push for duma ratification of START II is another clear sign that NATO enlargement does not stand in the way of arms control.

The nationalist and Communist objections to START II predate even a discussion of NATO enlargement, and I might add that in my meeting with Chernomyrdin, even though he and I got into a heated discussion about Iran, he never once suggested that expanding NATO was going to diminish the prospects of ratification of START. I asked him, and others did, when he thought that would occur. Because it was a private meeting, I will not set the time or the date that he suggested. But I will assure you that he is of the view that ratification will occur.

Now, how does that square with those who say that talk of expansion is going to kill arms control? I managed, along with significant assistance from my friend from the State of Oregon, the Chemical Weapons Convention. We were told if we ratified that, the duma would never, if we went ahead and invited these three nations to join NATO, they would never ratify it.

While we were together in Spain, if I am not mistaken, with the President of the United States, the Secretary of State, the National Security Adviser, the Secretary of Defense and the Presidents of 15 other NATO nations, the duma either at that moment or shortly thereafter, by an overwhelming vote, ratified that arms control agreement. And now Chernomyhrdin—to our friends who believe that NATO expansion will be damaging and cite him and his predecessor as a casualty of the talk of expansion—sat in a room just across the hall, the door I am pointing to, last week and talked about his certainty that there will be a ratification of the START agreement. As my brother would say, ''Go figure.'' How does that justify the argument or make the case that this is going to kill cooperation with Russia on arms control?

The arguments against the START II predate any debate on NATO enlargement. The duma has shown, though, that it is willing to conclude agreements, as I have indicated, not only the Chemical Weapons Convention, but the Flank Document to the Treaty on Conventional Forces in Europe, or the so-called CFE agreement. All have been ratified.

Condition 3 of the resolution of ratification reaffirms that the ongoing CFE talks are a venue for further conventional arms control reductions, not the NATO-Russia Permanent Joint Council. Did you hear what I just said? That is an important, if I do say so myself, an important point. That is that if, in fact, Russia was determining everything through the prism of whether or not we are expanding NATO, why are they not insisting that further discussions on conventional arms be done through the NATO-Russia accord? Why are they continuing to use the mechanism that was in place? Why did they pass the Chemical Weapons Convention? Why does their Prime Minister believe they are going to ratify the START agreement? And even if they do not, why is he pushing it?

It is because they are wise enough to know it is not an offensive threat and wise enough to know that arms control agreements should be judged based upon whether, standing by themselves, they are in the interest of their country or not.

Although the Russians have all but officially acquiesced to the first round of NATO enlargement, they would, I acknowledge, have much more trouble with the admission in the future of some other countries in Europe, principally the Baltic states or Ukraine.

Critics of enlargement worry that the process is so open-ended that it is dangerous. It is true that the official policy of NATO as most recently enunciated in the 1997 Madrid summit, is the ''open door''—and that is the official, enunciated policy—and that membership in the alliance is open to any European state, any European state that is in a position to further the principles of the NATO treaty, the North Atlantic Treaty, and to contribute to the security of the alliance as a whole.

But it is equally true, as declaration 7 of the resolution of ratification unambiguously states, that other than Poland, Hungary and the Czech Republic, the United States has not consented to invite any other country to join NATO in the future.

Moreover, according to declaration 7, the United States will not support such an invitation unless the President consults with the Senate according to constitutional procedures and the prospective NATO member can fulfill the obligations and responsibilities of membership and its inclusion would serve the political and strategic interests of the United States.

This declaration, Mr. President, is crystal clear and not only refutes the critics of enlargement, but also obviates the need for any amendment that would impose an artificial pause upon the enlargement process after this round.

Such a condition would not only be superfluous, but would also have serious negative practical consequences. It would slam the door in the face of the several countries that in good faith are adjusting their policies to meet NATO requirements.

It would also arbitrarily rule out admission of already qualified countries like Slovenia, a formal applicant, and Austria, which might reassess its neutrality after national elections next year.

The amendment that would postpone the admission of Poland, Hungary, and the Czech Republic until they are admitted to the European Union is also, in my view, fatally flawed. Declaration 6 of the resolution of ratification recognizes the EU as ''an essential organization for economic, political, and social integration of all qualified European countries into an undivided Europe'' and encourages the EU to expand its membership.

My friend from Oregon, who is on the floor, and I share a number of common views related to this, one of which is we have been individually—to the best of my knowledge, this is correct; and I will stand corrected, obviously, if I am not—either quietly chastising or publicly promoting our European friends to expand the EU membership. We think we have problems with American special interests. Well, in Europe it pales by comparison in terms of certain political groups within Europe who are not at all willing to expand. But it must expand.

So we do not argue with the need for the EU to expand. That is why in declaration 6 of the resolution of ratification, we cite the EU as an essential organization for economic, political, and social integration.

But the EU has a lengthy, complex admissions procedure, which employs criteria very different from those of NATO.

Let me end where I began. Why on Earth would the United States want to link fulfillment of our strategic goals to an organization in which we have no say and to which we do not even belong? Why would we do that? I do not understand that. Why would we say, yes, we know our interests are impacted upon. We are a European power. And the security architecture of Europe, whether you are for or against enlargement—we are all agreeing that is important. One of the reasons my friend from West Virginia is opposed is he says it will harm the security architecture. One of the reasons we are for it is we say it will enhance it.

Whether we are for or against it, why, in the Lord's name, would we say that whatever that architecture should be is going to be determined by an organization where we do not have a vote? I do not get that. I truly do not get that one.

Is that to say I do not think like the Senator from New York thinks, that the faster the EU is expanded, the more stability there will be in Europe? No. I agree with that. I agree with that. It is in our interest. It is also going to be a competitive problem down the road for us as well, but it is in our interest. But, my goodness, to say that the one thing we all agree on, NATO in its present form or altered state is the security architecture for Europe that is important to us, but its future we are going to

yield to an economic organization of which we are not a member and we have no vote—I find that absolutely incredible.

Now, I will end with this. This is my last statement, and I appreciate the indulgence of the colleagues. I warned my colleagues early on this was an opening statement and would take this long, and I am about to finish.

As for the argument that the addition of three new members would somehow render the alliance immobile in the face of all objective evidence, the Presiding Officer knows how this argument goes. My goodness, we have trouble enough getting 16 members together; adding 3 more, it will be harder to get consensus. This ''doing business by consensus,'' means everyone signs on. Therefore, it will be a lot harder. Therefore, that is the argument against enlargement.

I might add, by the way, if we are looking for certainty, we would not have expanded beyond the United States. We would have had great difficulty expanding anyway. I do not disregard this argument but it does fly in the face of all objective evidence.

The three previous rounds of NATO enlargement did not damage the cohesiveness of NATO, and there is every indication that the Poles, the Czechs, and the Hungarians will be among America's most loyal allies. I will get myself in trouble for saying this, but were the French only as cooperative as the Hungarians. I pray the day comes that my French ancestors are as cooperative as are the Hungarians. Or, I doubt whether we will see the day when the internal differences between the Poles and the Hungarians, divided by other countries, separated by other countries, will have disagreements that equal those that exist within Greece and Turkey at the moment. These three new nations, if anything, will strengthen our position within NATO as well as strengthen NATO.

In considering the ratification of NATO enlargement to include Poland, Hungary, and the Czech Republic, the Senate has a historic opportunity to enhance the security of the United States of America by extending the zone of stability and peace in Europe.

Mr. President, I look forward to our debate on this resolution of ratification, which I truly believe protects American interests and American leadership within NATO. At its base, you will detect, not from my friend from Virginia, I want to make this clear, but I predict to you on the floor, you will find an undercurrent here that really, if phrased correctly, would be stated this way: Why do we need NATO? Much of the debate about expansion is really the debate about the efficacy and need of an organization, the one we have now.

I note parenthetically if my friends say why expand NATO when there is no threat in Europe, I ask the rhetorical question, why continue to have NATO if there is no threat in Europe?

I see my friend from Virginia is on his feet. I welcome his comments or questions, but I will yield the floor to give anyone else an opportunity to speak, if they wish. But I want to make it clear to my friend I am not retreating from the field; I will stay here if he wishes to engage me.

Mr. WARNER. I thank my colleague. I just wanted to reaffirm what the Senator has said. But I want to make it clear that the Senator listed 74 Senators by count who have dealt with the issue. But let us not infer from that that that is the count at the present time that favors this. I just wanted to make that clear because I am a member of the NATO observer group. It has been a vital organization. Seventeen times we have met. And under the leadership of Senator BIDEN and Senator ROTH, I think we have done a lot of valuable analysis which is shared with the rest of the Senate.

In our weekly luncheon we had some 35 to 40 Republican Senators. We had Peter Rodman, of the Council of Foreign Relations in New York City, and the privilege of debating with him in New York on this issue on Monday. We had Michael Mandelbaum, and the Presiding Officer will recall here in the last hour we had a heated debate in our caucus on this issue. So this vital issue has now gained the momentum that I think it deserves and I believe in the ensuing days—and our leader, Senator LOTT, just spoke with us and wants to move along in an orderly process but no way attenuate the ability of the Senate to give this question every bit of attention it needs.

I think it is important that our distinguished colleague has brought up chronologically exactly what has been done by the Senate thus far, and now we embark on the debate that I think will be an excellent one.

Momentarily, I will deliver some general remarks on this subject, but at this time I cannot resist the effort, since we have had such a pleasure debating, to give to you once again the opportunity to answer the question I think I posed in our last debate. And I will be but a minute posing the question.

That is, Mr. President, this NATO alliance is perhaps the most valuable alliance in the history of the world, when nations came together in a period of uncertainty, under the leadership of one of the greatest Presidents, greatest Presidents this country ever had, Harry S. Truman. He listed in his biography his two proudest accomplishments were the Marshall Plan and NATO. At that time the President and others, the founding fathers of this alliance, made clear that it was a military alliance, it was for a military reason that we put this there, to deter any further aggression in Europe.

Today, in my judgment, I do not see any military threat to the three nations under consideration. What I do see is that that arc of nations, beginning with Poland going down through Bulgaria on the Black Sea, are in a struggle for economic survival, making the transition from the Warsaw Pact to a system of competition, not only among themselves but worldwide, to establish a free market economy, to establish the political democracies and the like.

That is the focus of their attention. That is where all their resources for the time being should be applied. And now we are considering the admission of three. I say to my distinguished colleague that, should the Senate in its wisdom vote to affirm the ratification and the status of NATO is given to 3 of the 12, are we not singling out 3 of these countries and giving them a tremendous lift in that competitive field among the 12 nations for economic competition? They can put in their brochures as they go throughout the world, come, invest, put your investment in our country, because you have the security of the NATO alliance, the security of knowing that, if anything were to threaten our nation, your investment will be protected. Whereas, if you go next door to Romania, if you go next door to Slovenia or the other nations, they pose some doubt as to whether or not, if a problem arose which was in the circumference of the obligation of the NATO—primarily article 5, but at a later time I will explain where I think NATO is moving in terms of a broader issue of responsibilities, Bosnia being the case in point—if that threat comes, your investment is protected in the three countries. And we question whether or not it will be protected as well in other nations not now being admitted to NATO.

Suddenly you begin to breed a friction and a concern amongst these countries, side by side, border by border; and that friction alone could spell trouble. I ask my friend.

Mr. BIDEN. Mr. President, I will be delighted to answer.

Let me make one prefatory comment. My reference to 74, 75 Senators being exposed to this issue is in no way to imply that all 75 or 74 were in favor of expansion. I know, with men of the caliber of the Senator from Virginia, and the man who I think is one of the most informed people in the Senate that I have ever served with, my friend from New York, Senator MOYNIHAN, I know with their doubts about expansion that this is far from a certain outcome. So I do not mean to imply that all who were exposed were in favor. I was responding, before the Senator came to the floor, to the assertions made in the press that this has not been given due consideration by Members of the Senate.

Let me go specifically to the question that was asked; then I will finish my statement and will be happy to yield then or engage in a colloquy or take questions. That is I, too, agree that Harry Truman was one of the great Presidents and Harry Truman did say that one of his two greatest achievements was NATO. He said the

reason NATO was necessary was a moment of uncertainty in world history. I respectfully suggest if there has ever been a moment of uncertainty, and I might add ''in world history,'' it is today.

I spoke at my hometown, my birth town, of Scranton, PA, last night to an organization called the Friendly Sons of Saint Patrick, where my great grandfather was a founder in 1902, a State Senator named Edward Blewitt, and I quoted William Butler Yeats' poem ''Easter 1916,'' where he concluded by saying the world is changed. ''All changed, changed utterly: A terrible beauty is born.'' He is talking about ''the rising,'' as we Irish Catholics refer to it, the rising on Easter Sunday in 1916.

I would paraphrase that by saying: With the fall of the wall, a terrible beauty has been born. It is a new world. The world has changed utterly.

Although it is a different threat, although it is a different concern, although it is not amassed forces of the Warsaw Pact lining up to flow through the Fulda gap to take over West Germany, it is a different enemy. The different enemy is uncertainty. The different enemy is instability. The different enemy is nations seeking to define themselves and their futures and their security relative to one another in an area of the world—I will get in real trouble with my European friends for saying this—where the degree of political maturation has not moved to the point that I have confidence they will reach the right decision without our involvement in that process. So, the same circumstance, uncertainty, exists today as existed in 1946, 1947, and 1948—uncertainty.

Second, the Senator asked, Is this a military alliance? It is a military alliance. That is why I hope we will continue to treat it as a military alliance and reject this facile argument being promoted by some, put forward by some of my friends who are among the most respected former Members of the U.S. Senate, who say they should join the EU before they join NATO.

If this is a military alliance, why in the heck do they have to join an economic union before they join the military alliance? It is a military alliance. I might add, we have not asked anyone else to do that. It is beyond me why we would ask, why we would put the fate of the military architecture of Europe in the hands of an economic organization of which we are not a member, have no vote, and have no ability to shape, essentially giving these other European nations the ability to veto our ability to put together this new architecture for security in Europe.

But to the very specific point the Senator raised, what about the notion that we are inviting Hungary but not Romania? Are we creating this dynamic where we gave Hungary a great boost up and Romania essentially is pushed down in relative terms? I will go into great detail to respond to that as the debate goes on, but in the interests of getting on with the rest of my statement, let me answer it with a question: If the countries that border the countries that are being invited are going to be put at such a disadvantage, I would ask the question, why do they all favor the expansion? Why did Romania favor—favor, now, notwithstanding the fact they fought to be invited and were not—why do they favor Hungarian membership? Why do the Germans favor Polish membership? Why are all the countries that sought admission thus far in favor of the three countries that were granted the opportunity to prove they were ready to join?

I would add one further fact. The corollary to that question would be: Are we then going to be placed in the position of either having to embrace all the former Soviet Union in one fell swoop as members of NATO whether they are ready or not, or none? Because if you take the logical extension of my friend's argument, it leads you to only one of two conclusions: Either every country seeking admission should be admitted at the very same moment, thereby not allowing one to have the perceived advantage my friend from Virginia says occurs with membership, or the perceived disadvantage of not being a member—you either admit them all at once, which I am positive he does not support, absolutely positive, or you admit none. You have no alternative.

So I say respectfully to my friend, this is a dynamic situation. The world is changing rapidly. We do not have the ability to freeze-frame the world and say now we are in one broad stroke going to redefine, in this case the security architecture of Europe, with finality. That's it.

That is not the history of NATO. When NATO started, Germany was not part of NATO. Germany was not part of NATO. It would have been reasonable to ask why do we have a NATO with no Germany? It was equally reasonable to ask why in the devil would you have Germany part of NATO at the time? When we brought in Germany, we did not say bringing in Germany puts Turkey and Greece at a disadvantage. We did not say that. When we brought in Turkey and Greece, we did not say Spain will be hurt badly. One of the problems with foreign policy is that it reflects life writ large. There is nothing neat about it. Notwithstanding what many of my academic friends enjoy doing, we are not able to come up with a universal construct that in one fell swoop can be materialized.

I suggest to my friend, the invitation to Hungary has produced democratization internally within Romania, a consequence that was not anticipated by anybody 2 years ago. So, instead of, for example, Hungary being invited and Romania being outraged and having their policy move toward totalitarianism and away from democracy, the exact opposite happened. It created a dynamic effect. I am not here to tell any of my colleagues that I can predict with certainty what the dynamism will produce. I have served here sufficiently long to be sufficiently humble to know that I do not possess that capacity. But I do suggest that we can play the odds, and the odds are this is a pretty good bet, an overwhelming good bet.

So, my response, and I will go into it in more detail as the debate goes on, but my response is that if I accept the proposition put forward by my colleague in the way in which the question was phrased, then I am left with a conundrum of either everybody or nobody. And I, to paraphrase Russell Long when he used to kid around, ''I ain't for nobody, but I also ain't for everybody right now.''

So I think this is a rational, relatively predictable—to the extent anything can be on the world stage—and useful incremental development of an architecture that hopefully will take us for another 50 years with peace and security in Europe like the last architecture.

I will note here, parenthetically, I do not think the choice is expand or status quo. I think the choice is expansion or atrophy, and I will go into that in a later moment.

Mr. WARNER. Mr. President, if he will yield just that I may thank my colleague for responding to the question. I hope in due course we can have a further colloquy, but I want to make it clear I just think it is not wise to take this great treaty at this time and put in those three countries. Therefore, I am for the ''nobody'' at the moment.

Mr. BIDEN. I understand.

Mr. WARNER. But I am somewhat astounded that you say it is either nobody or everybody, because I think you invite the conclusion that directly supports my argument, that by admitting three, the others are put at a severe disadvantage economically.

(Ms. COLLINS assumed the chair.)

Mr. WARNER. While I do have a statement I wish to deliver, I will pick up on several of the themes by my distinguished colleague from Delaware and we would go right into a colloquy on concerns that I have, and perhaps others have.

First, I say we are fortunate in the Senate to have had the strong participation by the Senator from Delaware. This is my 19th year of service in the Senate. We have traveled together to many places in the world, and we are fortunate that he has chosen to be the distinguished ranking member of the Foreign Relations Committee.

It is appalling to me today to see the decline in the interest in strategic issues, be they foreign affairs or security issues all across the country, and to some extent here in the Congress of the United States. Year after year, Senator BIDEN has been right there in the forefront on this floor as one of the most vigorous and enthusiastic debaters, albeit somewhat long-winded on occasion, but nevertheless, solid in his enthusiasm.

So with that modest background, I pick up on the theme, why NATO? I say to my good friend, as he well knows, in 1917 we responded and the Yankees crossed the oceans in response to the plea, ''Come to save us.'' The great powers of Europe and Great Britain were locked in a war of static dimensions, devouring tens upon tens of thousands of lives every day, and we went, and I think all the world acknowledges we were the power that tipped the balance for the allies in that struggle that enabled victory and to have peace return to Europe. And, again, as the clouds of war over the world in 1939, September, when Hitler invaded Poland, and we watched Great Britain heroically trying to put its thumb in the dike, and France and the Maginot Line was overrun in just a matter of days or weeks, and Europe was in the palm of Hitler's hand.

Once again, this country, which had really bordered upon isolationism in 1939 and 1940, suddenly after Pearl Harbor stood united, under a courageous President's leadership and once again returned to Europe.

We are there in Europe today because of the classic, historic instability among those major nations. Our presence in Europe is essential to its long-range stability. No one puts that upon the billboards, nor should they. But that is understood subliminally by those who have studied that history and, indeed, the European leaders today.

NATO gives the United States the legitimacy to be in Europe. We are now considering the NATO treaty which has made possible that legitimacy for over 50 years. That is the most fundamental reason why I oppose enlarging it at this time. It puts in jeopardy the ability of the United States to have that strong voice that is so essential in Europe.

I ask my colleague a question or two before I go on in my statement. He made the statement that Russian leaders have more or less tacitly accepted the expansion of NATO. I want to be accurate in my rendition of his words, but I seek clarification of his statement, because on my recent trip to Russia with Secretary Cohen we had the opportunity to visit with the Sergeyev, Minister of Defense and with Primakov, the very able Foreign Minister. I really think that Primakov is the second coming of Gromyko. This man has enormous potential and possibility to become a future leader of Russia.

My point to the Senator is, as I listened to those two members of the Yeltsin Cabinet address the issue of expansion of NATO, it is true that they have reconciled themselves to these first three countries, but I clearly came away with the impression that that is the line that is to be drawn. I want to make clear to my colleague that it is those three countries, and once another step is taken to access others, then I think there will be further instability in relationships between the United States and Russia.

Now let me make it clear, and I will yield for the answer, at no time should this country ever consider Russia in terms of making those decisions which are important to our vital security interests—at no time. We should always put our vital security interests first. But we cannot be unmindful of the fact that on a broad range of fronts we are engaged with Russia today, not the least of which is further reduction of the ever-present nuclear threat. We are assisting, through the Nunn-Lugar funds, the dismantling of their weapons. We are assisting them with downsizing their military because this is the 14th consecutive year of the downsizing of the American military. We have a lot of experience in dealing with downsizing.

I am not sure that it has been that wise, that decision, and I am one who wants to see what we can do to start that curve back up. That is a separate issue for another day.

I want to ask my good friend to clarify, when he said Russia has accepted it, whether or not it is limited to the first three and the balance of the nine that wish to join—and I don't think in the current rhetoric we are using, Ukraine is within that nine. You might wish to clarify that. That would be 10 according to my calculation.

Mr. BIDEN. Madam President, in response, as the Senator will see in the RECORD, what I said was they have accepted the first round, explicit in terms of the first round.

The second point is I may have misled the Senator, but unintentionally, when I talked about the NATO nations of the former Soviet bloc nations that were seeking admission. I do not include Ukraine in that.

Third, the Senator is absolutely correct that there is talk in and among, in Russia and among Russian leaders, about no second round.

The Senator then went on to say that under no circumstance should we give them a veto right over any security question. That is why I believe that the amendment he is considering would be very, very unwise. I think if he concludes it is not in our overall interest, and by that I mean including our relations with Russia not to have a second round, we should not have a second round. We should make that decision ourselves. We should not preempt that decision by essentially yielding to the concern expressed by Russian leaders today, because I respectfully suggest—and who knows whether the Senator and I will still be here; he may be, I may not—when the full integration of these three countries occurs, I predict to you there will be a very different circumstance in Russia 3 years from today than there is today. It is not static.

We assume that there is a dynamism of what is happening in the West and in Central Europe as if there is no dynamism in Moscow or in Russia. I acknowledge that could turn sour, but I think there is even a better chance it will turn positive.

I would not want us to preempt ahead of time, prematurely, unnecessarily, appearing to be yielding to the most conservative elements in Russia, giving them an upper hand in the debate in the Duma, by us going on record of first establishing the membership of three new countries, and in the same breath saying ''but we will not do anymore.'' I guarantee you if that occurs, I am prepared to bet any one of you that within a 24-hour period that the Duma is in session, you will have the allies of Mr. Zyuganov standing on the floor saying, ''If only Yeltsin had done what we did and told the Americans we would not stand for a second round,'' he would have gotten the result we got. I respectfully suggest that if you don't want to expand, make the case in here. If you don't want to expand any further, see to it that does not occur by importuning our President and this body, but not formally going on record at this time to say that, yes, these three, but no more for a time certain. So I hope that answers the Senator's question.

Mr. WARNER. Madam President, if I might summarize, then the Senator's remarks earlier about Russia are confined to the three under current consideration?

Mr. BIDEN. Yes. If I may be precise, when I said that I found no one of the major political leaders in Moscow viewing the expansion of NATO as a security threat to them, I was referring explicitly to the first round. That included the prospect of four nations at the time, not just three. There was no concern expressed by anyone to whom I spoke, including the think tank folks in the Russian-American—my friends from Virginia or New York may remember what it was called.

Mr. MOYNIHAN. Canadian-American.

Mr. BIDEN. The Canadian-American department. Even among them, there was no concern. As a matter of fact, there was a sense of bravado when they would say, ''obviously, this is no security threat to us, but. . . .'' The ''but'' would come in and the ''but'' always related to something along the lines of: This is an attempt on your part to isolate us, an attempt on your part to keep us from becoming full members of the economy to the West; or this is an attempt on your part to humiliate us, but not a security threat.

So I was speaking to the prospect of four nations, only three of which are being invited here. I was not talking about the Balts, Ukraine, Belarus, or other countries that could, theoretically, come up in a 2nd, 3rd, 5th, or 15th round.

Mr. WARNER. I thank my colleague. A 2nd, 3rd, 5th, or 15th round. It is interesting that he mentioned four. This round almost included that fourth country.

Mr. BIDEN. Yes.

Mr. WARNER. Madam President, at some point in our debate, maybe the Senator would opine as to how long before that fourth country, who just missed this round by a hair, might be considered for admission, and whether or not this second round will come far more swiftly than anyone at the present time expects. It is for that reason that my good friend, the senior Senator from New York, and I have an amendment, which at some point we will call up, suggesting that this body ought to go on record and have a moratorium attached, whereby a 3-year period will elapse, should this body vote this treaty accession, before the next round.

Mr. BIDEN. Madam President, I will respond briefly. Speaking for only myself, I believe that my colleagues are correct. There is no urgency to move to the next round. But I point out that, from my perspective, I think the position we should be taking is not a formal position that belies the principle of saying anybody who is ready can come forward; I say that we should say that there will be no second round until all these three nations are fully integrated into NATO's integrated command structure. No one suggests that is likely to occur in less than a couple of years, and most think it will be like it was for Spain, Turkey, Greece, and like it was for Germany—several years.

My deceased wife used to say something. I will never forget, when we were a young married couple, we were visiting another couple and we had two young children a year and a day apart, 2 months old and 14 months old. We were with this other couple we had gone to school with and they had their young child there. The husband and wife began to argue about what college they wanted her to go to, this 12-month-old child. My wife, who had great wisdom, said this as we were riding home in the car: ''Let's make a pact never to argue about anything that requires a decision not to occur for at least a decade.'' So from that point on, we used to say when we got into an argument, ''this is about college and they are only in grade school,'' and that was our code phrase for, Look, when the time comes, we can settle that; why fight about that? We have enough to disagree on now.

I respectfully suggest that ''this is about college.'' Let's wait until that time comes. Don't prejudge it. Don't artificially set limits on it because then you send a different message. I want the Romanian Government, which has been on good behavior for the first time in five decades or longer—I want the Romanian Government out there, just like my 16-year-old daughter, saying, ''If I behave this weekend, maybe I'll get the car next weekend.'' I want the Romanian Government out there saying, No, it could not happen tomorrow, or it may not happen for a month, or for 3 years, but I know it won't happen if we don't continue to treat this Hungarian minority properly, et cetera. Why set these artificial limits? Let's not argue about what college our daughter is going to go to when she is only 2 years old. It is going to take 2 to 3 years to fully integrate the three countries in question. So I think the Senator will get his wish regardless of whether or not an amendment is passed. I just think we are begging for trouble by setting artificial limits.

Mr. WARNER. Madam President, I thank my colleague. I am going to make certain that I get these words out of the RECORD and preserve them for posterity that he feels it would be many, many years before another round comes. Perhaps during the course of this debate he might comment on why did the President of the United States then encourage the Baltics and have this agreement—whatever that agreement is called—issued here, to the astonishment of many of us just a matter of 2, 3 months ago. Why did he throw that lifeline out?

Mr. BIDEN. If the Senator will yield, he did not promise them anything. He threw a lifeline out because the Europeans threw no lifeline out, because the Europeans didn't do what my friend from New York is encouraging them to do. They did not step forward. They were irresponsible in their unwillingness to invite the Balts to become part of the European Community. They finally, about a month and a half ago, at the same time they kicked Turkey in the teeth, extended a belated invitation that is somewhat attenuated. But that is the reason the President did that.

We are looking for stability. Stability. I don't want anyone in the Balts, I don't want anyone in Ukraine, I don't even want anyone in Belarus, which is still a totalitarian country, concluding that there is no hope. I don't want to falsely hold out hope for them. The reason why, I assume, the President said what he said relative to the Balts was to dampen, not to inflame the debate here about whether or not the Balts were being shortchanged by not being brought in. I have just been handed something by my staff here, and I have been here so long I need glasses. It must be very insightful.

Mr. WARNER. It is probably from the Baltic charter, which is rather——

Mr. BIDEN. But the Baltic charter didn't promise NATO membership to Estonia, Latvia, or Lithuania.

I ask unanimous consent that the full text be printed in the RECORD.

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

THE WHITE HOUSE, OFFICE OF THE PRESS SECRETARY, JANUARY 16, 1998

A CHARTER OF PARTNERSHIP AMONG THE UNITED STATES OF AMERICA AND THE REPUBLIC OF ESTONIA, REPUBLIC OF LATVIA, AND REPUBLIC OF LITHUANIA

PREAMBLE

The United States of America, the Republic of Estonia, the Republic of Latvia, and the Republic of Lithuania, hereafter referred to as Partners.

Sharing a common vision of a peaceful and increasingly integrated Europe, free of divisions, dedicated to democracy, the rule of law, free markets, and respect for the human rights and fundamental freedoms of all people;

Recognizing the historic opportunity to build a new Europe, in which each state is secure in its internationally-recognized borders and respects the independence and territorial integrity of all members of the transatlantic community;

Determined to strengthen their bilateral relations as a contribution to building this new Europe, and to enhance the security of all states through the adaptation and enlargement of European and transatlantic institutions;

Committee to the full development of human potential within just and inclusive societies attentive to the promotion of harmonious and equitable relations among individuals belonging to diverse ethnic and religious groups;

Avowing a common interest in developing cooperative, mutually respectful relations with all other states in the region;

Recalling the friendly relations that have been continuously maintained between the United States of America and the Republic of Estonia, the Republic of Latvia, and the Republic of Lithuania since 1922;

Further recalling that the United States of America never recognized the forcible incorporation of Estonia, Latvia, and Lithuania into the USSR in 1940 but rather regards their statehood as uninterrupted since the establishment of their independence, a policy which the United States has restated continuously for five decades;

Celebrating the rich contributions that immigrants from Estonia, Latvia, and Lithuania have made to the multi-ethnic culture of the United States of America, as well as the European heritage enjoyed by the United States as a beneficiary of the contributions of intellectuals, artists, and Hanseatic traders from the Baltic states to the development of Europe; praising the contributions of U.S. citizens to the liberation and rebuilding of Estonia, Latvia, and Lithuania.

Affirm as a political commitment declared at the highest level, the following principles and procedures to guide their individual and joint efforts to achieve the goals of this Charter.

PRINCIPLES OF PARTNERSHIP

The United States of America has a real, profound and enduring interest in the independence, sovereignty, and territorial integrity, and security of Estonia, Latvia, and Lithuania.

The United States of America warmly welcomes the success of Estonia, Latvia, and Lithuania in regaining their freedom and resuming their rightful places in the community of nations.

The United States of America respects the sacrifices and hardships undertaken by the people of Estonia, Latvia, and Lithuania to re-establish their independence. It encourages efforts by these states to continue to expand their political, economic, security, and social ties with other nations as full members of the transatlantic community.

The Partners affirm their commitment to the rule of law as a foundation for a transatlantic community of free and democratic nations, and to the responsibility of all just societies to protect and respect the human rights and civil liberties of all individuals residing within their territories.

The Partners underscore their shared commitment to the principles and obligations contained in the United Nations Charter.

The Partners reaffirm their shared commitment to the purposes, principles, and provisions of the Helsinki Final Act and subsequent OSCE documents, including the Charter of Paris and the documents adopted at the Lisbon OSCE Summit.

The Partners will observe in good faith their commitments to promote and respect the standards for human rights embodied in the above-mentioned Organization for Security and Cooperation in Europe (OSCE) documents and in the Universal Declaration on Human Rights. They will implement their legislation protecting such human rights fully and equitably.

The United States of America commends the measures taken by Estonia, Latvia, and Lithuania to advance the integration of Europe by establishing close cooperative relations among themselves and with their neighbors, as well as their promotion of regional cooperation through their participation in fora such as the Baltic Assembly, Baltic Council of Ministers, and the Council of Baltic Sea States.

Viewing good neighborly relations as fundamental to overall security and stability in the transatlantic community, Estonia, Latvia, and Lithuania reaffirm their determination to further enhance bilateral relations between themselves and with other neighboring states.

The Partners will intensify their efforts to promote the security, prosperity, and stability of the region. The Partners will draw on the points noted below in focusing their efforts to deepen the integration of the Baltic states into transatlantic and European institutions, promote cooperation in security and defense, and develop the economies of Estonia, Latvia, and Lithuania.

A COMMITMENT TO INTEGRATION

As part of a common vision of a Europe whole and free, the Partners declare that their shared goal is the full integration of Estonia, Latvia, and Lithuania into European and transatlantic political, economic, security and defense institutions. Europe will not be fully secure unless Estonia, Latvia, and Lithuania each are secure.

The Partners reaffirm their commitment to the principle, established in the Helsinki Final Act, repeated in the Budapest and Lisbon OSCE summit declarations, and also contained in the OSCE Code of Conduct on Politico-Military Aspects of Security, that the security of all states in the Euro-Atlantic community is indivisible.

The Partners further share a commitment to the core principle, also articulated in the OSCE Code of Conduct and reiterated in subsequent OSCE summit declarations, that each state has the inherent right to individual and collective self-defense as well as the right freely to choose its own security arrangements, including treaties of alliance.

The Partners support the vital role being played by a number of complementary institutions and bodies—including the OSCE, the European Union (EU), the West European Union (WEU) the North Atlantic Treaty Organization (NATO), the Euro-Atlantic Partnership Council (EAPC), the Council of Europe (COE), and the Council of Baltic Sea States (CBSS)—in achieving the partners' shared goal of an integrated, secure, and undivided Europe.

They believe that, irrespective of factors related to history or geography, such institutions should be open to all European democracies willing and able to shoulder the responsibilities and obligations of membership, as determined by those institutions.

The Partners welcome a strong and vibrant OSCE dedicated to promoting democratic institutions, human rights, and fundamental freedoms. They strongly support the OSCE's role as a mechanism to prevent, manage, and resolve conflicts and crises.

Estonia, Latvia, and Lithuania each reaffirm their goal to become full members of all European and transatlantic institutions, including the European Union and NATO.

The United States of America recalls its longstanding support for the enlargement of the EU, affirming it as a core institution in the new Europe and declaring that a stronger, larger, and outward-looking European Union will further security and prosperity for all of Europe.

The Partners believe that the enlargement of NATO will enhance the security of the United States, Canada, and all the countries in Europe, including those states not immediately invited to membership or not currently interested in membership.

The United States of America welcomes the aspirations and supports the efforts of Estonia, Latvia, and Lithuania to join NATO. It affirms its view that NATO's partners can become members as each aspirant proves itself able and willing to assume the responsibilities and obligations of membership, and as NATO determines that the inclusion of these nations would serve European stability and the strategic interests of the Alliance.

The United States of America reiterates its view that the enlargement of NATO is an on-going process. It looks forward to future enlargements, and remains convinced that not only will NATO's door remain open to new members, but that the first countries invited to membership will not be the last. No non-NATO country has a veto over Alliance decisions. The United States notes the Alliance is prepared to strengthen its consultations with aspirant countries on the full range of issues related to possible NATO membership.

The Partners welcome the results of the Madrid Summit. They support the Alliance's commitment to an open door policy and welcome the Alliance's recognition of the Baltic states as aspiring members of NATO. Estonia, Lativia, and Lithuania pledge to deepen their close relations with the Alliance through the Euro-Atlantic Partnership Council, the Partnership for Peace, and the intensified dialogue process.

The Partners underscore their interest in Russia's democratic and stable development and support a strengthened NATO-Russia relationship as a core element of their shared vision of a new and peaceful Europe. They welcome the signing of the NATO-Russia Founding Act and the NATO-Ukraine Charter, both of which further improve European security.

SECURITY COOPERATION

The Partners will consult together, as well as with other countries, in the event that a Partner perceives that its territorial integrity, independence, or security is threatened or at risk. The Partners will use bilateral and multilateral mechanisms for such consultations.

The United States welcomes and appreciates the contributions that Estonia, Latvia, and Lithuania have already made to European security through the peaceful restoration of independence and their active participation in the Partnership for Peace. The United States also welcomes their contributions to IFOR, SFOR, and other international peacekeeping missions.

Building on the existing cooperation among their respective ministries of defense and armed forces, the United States of America supports the efforts of Estonia, Latvia, and Lithuania to provide for their legitimate defense needs, including development of appropriate and interoperable military forces.

The Partners welcome the establishment of the Baltic Security Assistance Group (BALTSEA) as an effective body for international coordination of security assistance to Estonia's, Latvia's and Lithuania's defense forces.

The Partners will cooperate further in the development and expansion of defense initiatives such as the Baltic Peacekeeping Battalion (BaltBat), the Baltic Squadron (Baltron), and the Baltic airspace management regime (BaltNet), which provide a tangible demonstration of practical cooperation enhancing the common security of Estonia, Latvia, and Lithuania, and the transatlantic community.

The Partners intend to continue mutually beneficial military cooperation and will maintain regular consultations, using the established Bilateral Working Group on Defense and Military Relations.

ECONOMIC COOPERATION

The Partners affirm their commitment to free market mechanisms as the best means to meet the material needs of their people.

The United States of America commends the substantial progress its Baltic Partners have made to implement economic reform and development and their transition to free market economies.

Estonia, Latvia, and Lithuania emphasize their intention to deepen their economic integration with Europe and the global economy, based on the principles of free movement of people, goods, capital and services.

Estonia, Latvia, and Lithuania underscore their commitment to continue market-oriented economic reforms and to express their resolve to achieve full integration into global economic bodies, such as the World Trade Organization (WTO) while creating conditions for smoothly acceding to the European Union.

Noting this objective, the United States of America will work to facilitate the integration of Estonia, Latvia and Lithuania with the world economy and appropriate international economic organizations, in particular the WTO and the Organization for Economic Cooperation and Development (OECD), on appropriate commercial terms.

The Partners will work individually and together to develop legal and financial conditions in their countries conducive to international investment. Estonia, Latvia, and Lithuania welcome U.S. investment in their economies.

The Partners will continue to strive for mutually advantageous economic relations building on the principles of equality and non-discrimination to create the conditions necessary for such cooperation.

The Partners will commerce regular consultations to further cooperation and provide for regular assessment of progress in the areas of economic development, trade, investment, and related fields. These consultations will be chaired at the appropriately high level.

Recognizing that combating international organized crime requires a multilateral effort, the partners agree to cooperate fully in the fight against this threat to the world economy and political stability. Estonia, Latvia, and Lithuania remain committed to developing sound legislation in this field and to enhance the implementation of this legislation through the strengthening of a fair and well-functioning judicial system.

THE U.S.-BALTIC RELATIONSHIP

In all of these spheres of common endeavor, the Partners, building on their shared history of friendship and cooperation, solemnly reaffirm their commitment to a rich and dynamic Baltic-American partnership for the 21st century.

The Partners view their partnership in the areas of political, economic, security, defense, cultural, and environmental affairs as

contributing to closer ties between their people and facilitating the full integration of Estonia, Latvia and Lithuania into European and transatlantic structures.

In order to further strengthen these ties, the Partners will establish a Partnership Commission chaired at the appropriately high level to evaluate common efforts. This Commission will meet once a year or as needed to take stock of the Partnership, assess results of bilateral consultations on economic, military and other areas, and review progress achieved towards meeting the goals of this Charter.

In order to better reflect changes in the European and transatlantic political and security environment, signing Partners are committed regularly at the highest level to review this agreement.

Mr. BIDEN. Mr. President, it is signed by the President and the heads of state of Estonia, Lithuania, and Latvia in mid-January, as a commitment to a Europe that is whole and free, based upon Western values and Baltic integration into interlocking European and transatlantic security institutions.

The key language on NATO membership states:

The United States of America welcomes the aspirations and supports the efforts of Estonia, Latvia, and Lithuania to join NATO. It affirms its view that NATO's partners can become members as each aspirant proves itself able and willing to assume the responsibilities and obligations of membership, and as NATO determines that inclusion of these nations would serve European stability and the strategic interests of the Alliance.

We said the same thing to the Russians and to every other country. I might add, by the way, when I say the President made the same commitment for theoretic membership of Russia in the alliance, people say, ''Oh, my God, how can you say that?'' I would like to take us back 40 years when NATO was contemplating debate on this floor. If someone would have said, ''if the admission of Germany would enhance stability, we would invite them,'' they would have been looked at like they were crazy. Our goal is European stability, territorial integrity. I don't think the President's actions in fact——

Mr. WARNER. Madam President, if I might remind my colleague, we are having a colloquy, and he is responding to questions. I appreciate the enthusiasm.

I simply say, Madam President, that the Baltic charter—while it has a lot of verbiage in there, I never said it was a commitment. Let me tell you, Senator, with that, our President slipped the engagement ring on. I don't know how long it will come before that issue is squarely before this Chamber to the effect that now the time has come to admit those nations. If my good friend will look at the map of Europe, as he does, I think, on a daily basis, and see that arch from Poland down through Hungary, the Czech Republic, on down through the next nations to be admitted, Romania and Bulgaria, it's an arch. And just as the Iron Curtain was dropped in the late 1940s by the Soviet Union facing west, that ring of countries constitutes an iron ring now, encircling much of Russia.

Mr. MOYNIHAN. Would my distinguished friend yield for a question?

Mr. WARNER. This is a good debate, and I yield to the distinguished senior Senator from New York.

Mr. MOYNIHAN. My friend spoke of this arch dropping from Poland through Romania and Bulgaria.

Mr. WARNER. I have said, Madam President, an iron ring has now replaced the Iron Curtain. It flashed into my mind as I was debating with my distinguished colleague here that while the Iron Curtain faced west, the ring now faces east. I will deal with the Russian planners who have to look at this force that has moved now a border 400 miles east, with the accession of these three nations, closer to Russia. Every military planner has to look at that force and advise the Russian President today, tomorrow, and in the future, as to what the capabilities of that force are, no matter what the intentions may be. I will return to that.

I yield back to my colleague for a question.

Mr. MOYNIHAN. I wanted to respond to his wonderful, vivid image of an iron ring surrounding Central Europe and facing Russia. Would my friend not agree—and of course, he will agree because it is a fact of geography—that Russian territory will be within that ring? The simple fact that Poland will be in NATO means that Kaliningrad will border NATO though it is cut off from the rest of Russia. It is cut off, in any event, by Lithuania and Belarus, but I don't have to tell the former Secretary of the Navy that, other than Sebastopol in the Black Sea, the main port of what was the navy of the Soviet Union is in Kaliningrad. We may expand NATO beyond that. Surely that cannot but cause anxiety in Russia.

Mr. WARNER. Madam President, I thank my distinguished colleague. I think obviously history has to be in our rearview window as we look toward what we are about to do here in the Senate. I thank him for that very valuable contribution. I want to now turn to another question.

Mr. BIDEN. Will the Senator yield for 60 seconds?

I point out to my friend from New York that the border with Norway has been there for 50 years. And Norway is now providing aid and assistance to Russia. They seem to be getting on very well. It seems not to have caused all that big a problem.

Mr. MOYNIHAN. A tiny border on the Arctic sea.

Mr. BIDEN. A distinction.

Mr. MOYNIHAN. Not a Naval base in the Baltic.

Mr. WARNER. Madam President, I thank my colleague.

Now I proceed to another question to my colleague from Delaware.

Madam President, for some reason we have decided to go ahead. I am not here to argue on the question of timing. But one of the most valuable resources to this debate is the studies undertaken in the past by the NATO staff, and which are still being undertaken. NATO cannot tell us with certainty what the costs are going to be. They are going to issue another report in the June timeframe, long after this debate will be concluded and this body will have made its decision. But in the current NATO studies—again, they are all classified, so I can't bring them out. But I think without breaching any classification, I ask my good friend: These studies are predicated on a 10-year cost analysis and timeframe, but it is a period of 10 years that NATO is looking at for these three nations and the subject of this accession. It is 10 years before they can bring the level of their military professionalism, the level of their military interoperability—and for those following the debate, I would say that is so we can talk on the same radio and have commonalty among our weapons systems, command and control, and the like—10 years before that level will be brought up to the standards that will be acceptable to our NATO forces.

I say to my good friend: What are his estimates of the cost? What cost estimates is he now putting to this Chamber, to this U.S. Senate, on which we can rely with that degree of certainty as we undertake to commit the United States, in our military budget, to future costs associated with this expansion of three nations?

And, as a subset to my question, will he comment on France's statement to the effect that they will not bear any added costs associated with this expansion. Do I and do others interpret that as saying that we are paying—the United States of America today—26 percent of all the costs of NATO, and that that will be a further added cost to the American taxpayer occasioned by the sustaining of France and meeting whatever level of cost the Senator is about to exchange with us for the NATO expansion?

Mr. BIDEN. Madam President, I will attempt to respond. Please, I ask both my colleagues. I have a very good friend whose interest is more practical in academics, and every once in a while I will say, ''Bob, do you understand what I am saying?'' And he will look at me, and say, ''JOE, I not only understand, I overstand.'' If I get into the ''overstand'' category, please let me know if I am overresponding to what you wish me to respond to.

But let me answer the French issue first. It is always difficult, as my friend knows, understanding what the French mean. But the short answer to his question is that France has changed its view. France has publicly now said that in fact it will now meet its share of the expansion cost.

Second, on the first question asked about target goals, I remind my friend of a little bit of history; that is, that it is important to note that Greece, Turkey, Germany, and Spain were admitted to NATO without any target force

goal, and that no ally meets—including us—100 percent of the target force goal now, No. 1.

No. 2, to the extent that the three new applicants are committing to and fulfilling their targets in advance of accession is another demonstration that their commitment to the alliance and their capability to fulfill those target goals are, in fact, real, Poland has stated that it will fulfill all the target force goals that are due prior to accession. The Poles address the capabilities of NATO military authorities to determine what NATO military authorities have determined are necessary for new members. Of the additional target force goals over the planning period of 1999 to 2003, only a portion of them have target dates that are applicable prior to accession. Poland has also stated that it will complete all the remaining target goals; the other nations as well. And when you talk about the target goals, the Senator makes it sounds as though it will be 10 years before anything is done, 10 years before all of these things are met. Many of them will be met within the next 6 months; some will take as long as 10 years.

With regard to what number I am using in terms of the cost of enlargement, I am using the figure $40 million a year for the next 10 years. If you want me to elaborate on that, I will be happy to explain what I mean by how I arrive at that and why I think the figure that has been put forward by NATO is an accurate figure. But I do not want to take the time of my colleagues, if they wish to respond.

So I say to my friend, the figure that I am using is the figure of $40 million a year based upon a U.S. commitment of $400 million over 10 years. That reflects roughly a 25 percent burden sharing on our part for the costs of enlargement, the total cost being, over 10 years, roughly $1.5 billion. That is how I arrive at our cost. I will be happy, as I said, to go into detail on that if my friends would like me to.

Mr. WARNER. Madam President, I am sure there will be further debate. But I also point out that the Congressional Budget Office came up with a figure of $125 billion. The Senator is familiar with that. Of course, we recognize that embraces some other aspects of the cost, but, nevertheless, I think in fairness to all parties, we are handing out blank checks. That is in the words of my able colleague, Senator SMITH, who used that phrase first as we began to proceed on this thing.

Mr. BIDEN. Let the Record reflect that I will not engage the Senator now, but I totally disagree with that argument and that statement that we are signing a ''blank check.'' It is nowhere near a blank check. But I will be happy, again, to engage at the appropriate time.

Mr. WARNER. Madam President, I ask unanimous consent that two articles in today's Washington Post—one entitled ''NATO Hopefuls Lag in Meeting Requirements'' and the other entitled ''Deciding NATO's Future Without Debate''—be printed in the RECORD.

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

[From the Washington Post, Mar. 18, 1998]

DECIDING NATO'S FUTURE WITHOUT DEBATE

(By David S. Broder)

This week the United States Senate, which counts among its major accomplishments this year renaming Washington National Airport for former president Ronald Reagan and officially labeling Saddam Hussein a war criminal, takes up the matter of enlarging the 20th century's most successful military alliance, the North Atlantic Treaty Organization (NATO).

The Senate just spent two weeks arguing over how to slice up the pork in the $214 billion highway and mass transit bill. It will, if plans hold, spend only a few days on moving the NATO shield hundreds of miles eastward to include Poland, Hungary and the Czech Republic.

The reason is simple. As Sen. Connie Mack of Florida, the chairman of the Senate Republican Conference, told me while trying to herd reluctant senators into a closed-door discussion of the NATO issue one afternoon last week, ''No one is interested in this home,'' so few of his colleagues think it worth much of their time.

It is a cliche to observe that since the Cold War ended, foreign policy has dropped to the bottom of voter's concerns. But, as two of the veteran senators who question the wisdom of NATO's expansion—Democrat Daniel Patrick Moynihan of New York and Republican John Warner of Virginia—remarked in separate interviews, serious consideration of treaties and military alliances once was considered what the Senate was for.

No longer. President Clinton's national security adviser, Sandy Berger, has pressed Majority Leader Trent Lott to get the NATO deal done before Clinton leaves Sunday on a trip to Africa. When Warner and others said the matter should be delayed until the Senate has time for a full-scale debate, Lott refused. He pointed out that a Senate delegation had joined Clinton at NATO summits in Paris and Madrid last year (no sacrifice being too great for our solons) and that there had been extensive committee hearings.

Wrapping the three former Soviet satellites in the warm embrace of NATO is an appealing notion to many senators, notwithstanding the acknowledgment by advocates that the Czech Republic and Hungary have a long way to go to bring their military forces up to NATO standards. As the date for ratification has approached, successive estimates of the costs to NATO have been shrinking magically, but the latest NATO estimate of $1.5 billion over the next decade is barely credible.

The administration, in the person of Secretary of State Madeleine Albright, has steadfastly refused to say what happens next if NATO starts moving eastward toward the border of Russia. ''The door is open'' to other countries with democratic governments and free markets, Albright says. The administration is fighting an effort by Warner and others to place a moratorium on admission of additional countries until it is known how well the first recruits are assimilated.

Moynihan points out that if the Baltic countries of Latvia, Estonia and Lithuania, which are panting for membership, are brought in, the United States and other signatories will have a solemn obligation to defend territory farther east than the westernmost border of Russia. He points to a Russian government strategy paper published last December saving the expansion of NATO inevitably means Russia will have to rely increasingly on nuclear weapons.

Moynihan and Warner are far from alone in raising alarms about the effect of NATO enlargement on U.S.-Russian relations. The Duma, Russia's parliament, on Jan. 23 passed a resolution calling NATO expansion the biggest threat to Russia since the end of World War II. The Duma has blocked ratification of the START II nuclear arms agreement signed in 1993 and approved by the Senate two year ago.

George Kennan, the elder statesman who half a century ago devised the fundamental strategy for ''containment'' of the Soviet Union, has called the enlargement of NATO a classic policy blunder. Former senator Sam Nunn of Georgia, until his retirement last year the Democrats' and the Senate's leading military authority, told me, ''Russian cooperation in avoiding proliferation of weapons of mass destruction is our most important national security objective, and this [NATO expansion] makes them more suspicious and less cooperative . . . The administration's answers to this and other serious questions are what I consider to be platitudes.''

Former senator Mark Hatfield of Oregon, for 30 years probably the wisest ''dove'' in that body, agrees, as do former ambassadors to Moscow and other Americans with close contacts in Russia.

To the extent this momentous step has been debated at all, it has taken place outside the hearing of the American people. Too had our busy Senate can't find time before it votes to let the public in on the argument.

[From the Washington Post]

NATO HOPEFULS LAG IN MEETING REQUIREMENTS

(By Christine Spolar)

WARSAW, March 17.—As the U.S. Senate moves toward approving NATO expansion, the alliance's three prospective new members are quietly being told to step up basic revisions to their military forces such as English-language training of senior officers.

Diplomats and defense experts from Poland, Hungary and the Czech Republic acknowledge that since they were invited to join NATO last July their countries have fallen behind in key areas designed to ensure military compatibility with the West.

Training in English, NATO's standard operating language, is lagging in all three countries. Nearly nine years after the fall of communism in Eastern Europe, none of the three armies has more than a few hundred officers who have achieved a level of fluency in English acceptable to NATO.

In addition, interviews with politicians, analysts and military officers indicate each country is having trouble meeting or maintaining promised changes such as providing for adequate civilian control of their militaries, installing safeguards to protect NATO secrets and modernizing their air defense systems.

While the problems are not expected to derail NATO's plans to welcome the three former Soviet Bloc countries as new members next year, they have raised concerns about their ability to meet their commitments to the Western alliance.

''I know many of our politicians are lying to themselves and saying, 'They tell us we have to do these things but we probably have more time,'" said Jiri Payne, a member of the Czech Parliament and, until last year, a deputy defense minister. ''My feeling is that people here still don't understand how much we need to change our system.''

Poland, the largest NATO aspirant, has been vexed by a dearth of civilians who want

to work at the Defense Ministry. The Czech Republic has yet to enact legislation to protect classified information and to define military pay ranks. Hungary has delayed required purchases of radar air defense systems in part because of bureaucratic inertia and in part to see whether NATO would pick up most of the tab.

''Militarily, we're not so behind,'' said Imre Mecs, head of the Hungarian parliament's defense committee. ''What we're lagging behind in is language and mentality. The qualitative changes require a lot more work, a lot more money and a lot more energy. And you don't see the changes quickly.''

Language training is a significant barometer to gauge how the three countries are doing as they prepare for NATO accession.

In assessing applications for membership last year, NATO settled on largely political criteria. Poland, Hungary and the Czech Republic were invited primarily because of the progress they had made in creating stable democracies and instituting market reforms.

None was expected to achieve overnight a level of force modernization on par with NATO standards. But they were asked to ensure that their armies were able to communicate with those of the alliance's 16 other members.

Over the past couple of years, each country received hundreds of thousands of dollars in U.S. aid for language labs, and support from Canada and Britain for classes or instruction.

Last fall, U.S. Assistant Secretary of Defense Franklin Kramer underscored the need for English training in testimony to the Senate Foreign Relations' Committee. ''English language proficiency is a critical element of NATO inter-operability,'' he said, adding that Poland, the largest NATO aspirant, with 230,000 troops, expected to have 25 percent of its officers proficient in English by 1999.

Results so far suggest Poland will have difficulty meeting that target. It has about 60 officers who are considered fluent by NATO standards; it needs about 400 within the year, according to Foreign Minister Bronislaw Geremek.

Military officials in Hungary and the Czech Republic claim as many as 300 officers are fluent in English. Interviews with military instructors familiar with the training, however, indicate the total is about one-third to one-half that many. Hungary has yet to even implement NATO English-language testing standards.

Officials from all three countries claimed last year that between 1,200 and 1,500 of their soldiers speak English. Some officials said they revised their numbers downward after examining NATO standards.

Since the fall of communism, Poland has been cited as the best argument for NATO's eastward expansion because of its size and strategic location in the heart of Europe. Eighty percent of Poles supported joining the alliance. But within the military itself, the idea was a tougher sell.

Before a trip to Washington last month, Geremek said top NATO officials had been frank about Poland's need to improve officer language training and to appoint more civilians to key positions in the Defense Ministry.

''Civilian control means we should have civilians in this department,'' said one official in the Defense Ministry who asked not to be identified. ''And we have a handful. With what we have, it's difficult to change attitudes and mentality.''

Lt. Gen. Ferenc Vegh, chief of Hungary's armed forces, said no former Warsaw Pact army finds the change easy. ''It's clear what's supposed to be done,'' he said. ''But of course we don't have enough civilians to fill the jobs.''

One Hungarian Defense Ministry official said that over the past six months he had offered jobs to at least 20 people. They all said no. They could earn four to five times more in the private sector, he said.

Mr. WARNER. I see our distinguished colleague, the senior Senator from New York, who has a corporate memory of affairs beyond this border of our great country, who is in the mold of that great Senator Vandenberg who said that ''all politics stops at the water's edge''—am I not correct on that?—I am sure he can extol on that virtue, and I have subscribed to that theory.

PRIVILEGE OF THE FLOOR

Mr. BIDEN. Madam President, if the Senator will yield for a request, I ask unanimous consent that Mark Tauber, a State Department Pearson Fellow on my staff, be accorded floor privileges for the duration of the consideration of the Protocols to the North Atlantic Treaty of 1949 on Accession of Poland, Hungary, and the Czech Republic, Treaty Document 105–36.

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

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Madam President, I would like to first thank my friend from Virginia. We have reached across the aisle to collaborate on two amendments which we will offer at the appropriate time. Today we are engaged in just some preliminary observations.

I will begin with the current event of one of the more interesting aspects of life in Moscow at this moment, which is that it is in so many ways much more open than the United States. Their archives are open, and their national security plans are open. I do not doubt there are closed elements as well. But on December 17, the Russian Federation issued Presidential edict, No. 1300, entitled ''The Russian National Security Blueprint.''

This is the kind of document that we would not have gotten from Moscow in the past. We can think of the famous NSC–68, which was drafted early in 1950 and was so powerfully influential in our affairs for many years. NSC–68 remained secret for 30 years. By contrast, the Presidential edict, No. 1300, was published in Moscow's official gazette on December 26, 9 days after it was issued. It is a disturbing document; yet, in many ways it is an admirable one in the clarity with which it sets forth the exceptional difficulties facing the Russian Federation at this point. It speaks in its first paragraph that:

> The Russian Federation National Security Blueprint is a political document reflecting the aggregate of officially accepted views regarding the goals and state strategy in the sphere of assuring the security of the individual and the state from external and internal threats of a political, economic, social, military, manmade, ecological, informational, or other nature in the light of existing resources and potential.

It speaks of internal threats in the context of the convulsions that have occurred in that country within the past decade. The forces which played such a fundamental role in breaking up the Soviet Union and the Warsaw Pact. It is a sober assessment of the threats to Russian security.

Madam President, in this debate it should be recorded that the national security document, the guiding principles of the Russian Federation, states right up front:

> The prospect of NATO expansion to the east is unacceptable to Russia since it represents a threat to its national security.

That was drafted, or agreed to, on December 17 and published December 26. It is a formidable document and an extraordinarily candid one. It speaks to the ethnic problems, it speaks to the economic decline, it speaks to poverty, it speaks to unemployment, and it speaks to the nature of the Russian defense forces.

They acknowledge that large portions of their borders are undefended. They acknowledge that their traditional conventional weapons systems are deteriorated, if not in fact disfunctional. And they say—and this is the most difficult part—that they do have nuclear weapons and, if necessary, they will use them.

This is not the type of posture that we had hoped for, after the long arms control efforts from President Eisenhower's time to START II. I was one of the Senate observers to the START II talks and the present Russian Ambassador to the United States, who wrote a very important article recently in the Washington Post, was one of the negotiators then. With START, for the first time we agreed to build our nuclear forces down. Previous agreements had really legitimated the respective nations' plans to increase their nuclear forces. We reached that historic moment, and have been able to build on that important achievement. Since then, other historic treaties have also been achieved, allowing eminent Senators, such as the Senator from Delaware, to bring to this floor the Chemical Weapons Agreement, a very powerful, far-sighted document.

But now the Russian government says, under the circumstances, we have nothing left but nuclear weapons. We are in serious difficulty. The prospect of NATO expansion to the east is unacceptable. The term is ''unacceptable.'' It is not a calculating document.

May I make this point twofold? I would like to go back just a bit. There is not one of us in this body who has not paid some heed to the affairs of the Soviet Union over time and the world of communism over time. Yet rather early on it began to occur to some of us that all was not well in that arrangement and that it was not going to remain permanent as was often presumed.

Just a short while ago, Arkady Shevchenko documented—and his obituary appeared in the principal national papers. Arkady Shevchenko was the second ranking official at the United

Nations during the time when I had the honor to be our Permanent Representative to the United Nations. Shevchenko was a protege of Soviet Foreign Minister Andrei A. Gromyko. He was on anyone's short list to succeed Gromyko. He held one essentially attractive position after another. There he was, the Under Secretary General responsible for the Security Council, about as important a position as you will get in any diplomatic service and particularly in that of the Soviet Union.

Whilst I was at that post in New York, Shevchenko defected to the United States. It was a very closely held matter. He simply passed a note in a book in the General Assembly library, that he was thinking of defecting. He was a man at the top of his form. In the manner of the espionage craft, we established that he had defected and then left him in place for some two and one half years, where he remained in his position as Under Secretary General whilst providing us information.

In Moscow they began to sense something was the matter and they began to think a defector was in place. It even got to the point where the Soviet Ambassador here in Washington, Anatoly Dobrynin, another person of great stature in the Soviet system, came under suspicion as the source of the security leaks. Finally, they worked it out. That is not too hard. You give three messages to three different people and you see which one the United States gets. Shevchenko had to defect. He later moved to Washington, where I got to know him. I had known him somewhat at the United Nations, but I got to know him better here.

Madam President, I ask unanimous consent that the obituary for Arkady N. Shevchenko be printed in the RECORD, which is a way of saying goodbye to someone who chose democracy.

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

[From the New York Times, March 11, 1998]

ARKADY N. SHEVCHENKO, 67, A KEY SOVIET DEFECTOR, DIES

(By David Stout)

WASHINGTON, March 10—Arkady N. Shevchenko, who stunned the world two decades ago when he became the highest-ranking Soviet diplomat to defect to the United States, died on Feb. 28 in obscurity in his suburban home in Bethesda, Md. He was 67.

Mr. Shevchenko's death was announced in a brief statement by his church, St. John the Baptist Russian Orthodox Cathedral in Washington. By the time the world began to learn of his death today, he had been buried for three days.

Mr. Shevchenko's body was discovered in his home by a daughter, who had gone to check on her father when she could not reach him by telephone, the Montgomery County police said, adding that there was no sign of foul play.

The manner of his death could not have been in more stark contrast to the fanfare that greeted his defection to the United States in April 1978. His decision to stay in the United States and spurn his own country caused a major diplomatic dust-up: the Administration of President Carter was at that time engaged in sensitive disarmament talks with the Soviet Union and, as one American official put it at the time, ''This is the last thing we need right now.''

Mr. Shevchenko was Under Secretary General of the United Nations at that time, and apparently on course to have a brilliant career in the Government of the Soviet Union. He was a protégé of the stone-faced Soviet Foreign Minister, Andrei A. Gromyko, and some diplomatic observers thought he had a shot at one day succeeding his mentor.

As events would reveal, he was also a figure of contradictions, a man who wore different faces for different occasions and different people.

One West European diplomat at the United Nations called him ''a faceless functionary'' whose habit of poking harmless fun at Soviet officialdom did not detract from the fact that he was a hard-line, doctrinaire Communist with a built-in suspicion of all things Western.

Only a handful of people at the Central Intelligence Agency knew that Mr. Shevchenko had been providing information to the American Government for some two and a half years before his defection.

One C.I.A. official who did know was F. Mark Wyatt, who held various high posts in the C.I.A. before his retirement. His specialty was shepherding Soviet agents who wanted to help the United States.

''Arkady was a friend of mine,'' Mr. Wyatt said tonight. ''I am grieved.''

Mr. Wyatt and other C.I.A. officials agree that, while Mr. Shevchenko did not provide sensational details of secret weapons or war plans, he furnished valuable insights into the thinking of people at the highest level of the Soviet Government, many of whom he knew personally.

There really were people in the Kremlin who thought that the United States was controlled by a cabal of Wall Street capitalists in league with oafish Pentagon types with stars on their shoulders, he told his debriefers—first at a secret C.I.A. ''safe house'' on East 64th Street in Manhattan and, after his defection became public, in more relaxed settings in New York City and Washington.

Mr. Wyatt said he came to respect Mr. Shevchenko greatly, convinced that his decision to turn his back on his country was not based on greed but simply on his conviction, as an educated Soviet citizen, that the United States was a better place to live with a better system of government.

On the eve of his defection, Mr. Shevchenko told his aides he had to go back to the Soviet Union to visit his gravely ill mother-in-law. Instead, he had told a few Americans of his decision to abandon his country and his career. As Under Secretary General, he was second only to Kurt Waldheim at the United Nations.

''God, we got a big fish!'' Mr. Wyatt recalls one C.I.A. colleague exclaiming at the time. Indeed, Mr. Shevchenko was considered the C.I.A.'s top trophy of the 1970's. An irony in the case was that one C.I.A. agent who debriefed him was Aldrich Ames, who would later betray the United States by selling secrets to the Soviets.

His first wife, Leongina, eventually committed suicide after returning to the Soviet Union. He later married an American, but she soon died of cancer, Mr. Wyatt said. Mr. Shevchenko is survived by his third wife, Natasha, a son and daughter and a stepdaughter.

In his first life, Arkady Nikolayevich Shevchenko, a native of Ukraine, studied at the Moscow State Institute of International Relations, earning a doctorate in 1954, two years before joining the Foreign Ministry.

His second life was more erratic. In 1978, a Washington call girl charged publicly that she had been paid by the C.I.A. to provide sex for him. The publicity was shattering to him, Mr. Wyatt recalled tonight.

But his book ''Breaking With Moscow'' (Knopf, 1985) brought him fame and prosperity, and earned money on the lecture circuit and as a consultant to research organizations.

Mr. Shevchenko complained at first that some of his C.I.A. handlers were insensitive to the trauma of defection. But he made peace with his new country and became an American citizen. ''I was at the ceremony,'' Mr. Wyatt said. ''He was very happy.''

Mr. MOYNIHAN. Madam President, if I could say to my friend from Delaware, that is when I became convinced the Soviet Union would not last through the 20th century. When a person of Arkady N. Shevchenko stature defects, it means the system is not working. And it did not work. But when it came apart, there is a proposition in which Owen Harries, in a very fine article in The National Interest, cites British historian Martin Wight who observed that ''Great Power status is lost, as it is won, by violence. A Great Power does not die in its bed.''

Of all the extraordinary events of the 20th century, nothing is more important, more striking than the fact that the Soviet Union and that whole world empire died in bed. There was virtually no bloodshed. The only bloodshed that really took place occurred within the remaining Russian Federation, with its many different languages and regions, when you began to get things like Chechnya and the appearance of a Russian army that clearly was not capable of fairly elementary military operations.

I say that is a beleaguered and troubled society. And one that could have resisted, in the first instance, the Polish defection. They could have resisted others. They had an army; they had an air force; they had nuclear strategic and tactical weapons. They did not, Owen Harries argued—a man, I must say, of impeccable conservative credentials—that there was an implicit understanding that we would not take advantage of what the Soviet Union was allowing to happen to their empire. They gave up everything they had hoped for from 1917. They collapsed. And they recognized their failure.

Again, we had been picking up things like that in the mid-1970s. Murray Feshbach, a distinguished demographer here at the Bureau of the Census, noted that life expectancy for Soviet males was declining. It wasn't working. It was all a lie.

If I could relate one more event as a bit of an anecdote but not without some interest. Our distinguished Ambassador at the time has related it as well. In 1987, I was in Moscow on a mission of possible importance. It had to do with the infiltration of our new Embassy with listening devices and things like that. We were treated with great courtesy. We were presented a wreath at the tomb of the unknown soldier. We visited Lenin's tomb. We were shown

Lenin's apartment. I was struck; behind Lenin's desk there were four bookshelves, two shelves of English books and two of French. Now, I expect they were put there for the delectation of George Bernard Shaw and Lady Astor in the 1930s, but still there they were. And I recognized that I had met three of those authors. I can not say I was intimate with them, but I had met them.

Two days later we called on Boris Yeltsin, who was then a candidate member of the politburo. This was August, and he had the duty to stay in town in August while the rest were off in the Crimean. To be friendly, I said, well, we were in Lenin's apartment looking over his books and I knew three of those people. Isn't that interesting? And it was very clear, as the U.N. Ambassador said, that Yeltsin had never heard of any of these authors and could care less; he hadn't read a book since he had left technical school. There was not a person left in the politburo who believed any of that.

I say to my friend from Delaware, Yeltsin said to me, ''I know who you are. I know where you are from. And what I want to know is how am I supposed to run Moscow with 1929 rent controls?'' This was the level of ideological discourse.

It was a sick society, wounded. It collapsed, died. And what is left is fragile, and they have just formally proclaimed both their vulnerability and their determination that if NATO is expanded, the no-first-use principle, which saved mankind in the 20th century, is over because all they have to defend themselves are nuclear weapons. It is a curiously ironic outcome that at the end of the cold war we might face a nuclear Armageddon.

I leave it there. I have nothing more to add at this moment.

But I ask, Madam President, if I might have excerpts printed from the Russian National Security Blueprint in the CONGRESSIONAL RECORD.

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

EXCERPTS FROM RUSSIAN NATIONAL SECURITY BLUEPRINT

(Moscow Rossiyskaya Gazeta in Russian 26 Dec 97)

[''Russian Federation National Security Blueprint'' approved by Russian Federation presidential edict No. 1300 dated 17 December 1997]

'FBIS Translated Text] The Russian Federation National Security Blueprint (hereinafter the Blueprint) is a political document reflecting the aggregate of officially accepted views regarding goals and state strategy in the sphere of ensuring the security of the individual, society, and the state from external and internal threats of a political, economic, social, military, man-made [tekhnogenyy], ecological, informational, or other nature in the light of existing resources and potential.

The Blueprint formulates key directions and principles of state policy. The Blueprint is the basis for the elaboration of specific programs and organizational documents in the sphere of ensuring the national security of the Russian Federation.

1. RUSSIA WITHIN THE WORLD COMMUNITY

At present the situation in the international arena is characterized primarily by the strengthening of trends toward the formation of a multipolar world. This is manifested in the strengthening of the economic and political positions of a considerable number of states and their integration-oriented associations and in the improvement of mechanisms for multilateral control of international political, economic, financial, and informational processes. While military force factors retain their significance in international relations, economic, political, scientific and technical, ecological, and informational factors are playing an increasing role. At the same time international competition to secure natural, technological, and informational resources and markets is intensifying.

The formation of a multipolar world will be a lengthy process. Relapses into attempts to create a structure of international relations based on one-sided solutions of the key problems of world politics, including solutions based on military force, are still strong at the present stage of this process.

The growing gap between developed and developing countries will also affect the pace of and directions in the formation of a new structure of international relations.

The present period in the development of international relations opens up for the Russian Federation new opportunities to ensure its security, but entails a number of threats connected with the change in Russia's status within the world and the difficulties in carrying out internal reforms.

The preconditions for demilitarizing international relations and strengthening the role of law in settling disputed interstate problems have been created and the danger of direct aggression against the Russian Federation has decreased. All this opens up fundamentally new opportunities to mobilize resources to solve the country's internal problems.

There are prospects of broader integration of the Russian Federation with the world economy, including international credit and financial institutions—the International Monetary Fund, the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development. A trend toward increased cooperation between Russia and a number of CIS member states has emerged.

There has been an expansion in the commonality of Russia's interests with many states on problems of international security such as countering the proliferation of weapons of mass destruction, settling and preventing regional conflicts, countering international terrorism and the drugs business, and solving acute global ecological problems, including nuclear and radiation security. This significantly increases the opportunity to ensure Russia's national security by nonmilitary means—by means of legal treaty, political, economic, and other measures.

At the same time Russia's influence on resolving cardinal questions of international life which affect our state's interests has decreased significantly. In these conditions the desire of a number of states to weaken Russia's positions in the political, economic, and military spheres has increased.

The process of creating a model of general and all-embracing security for Europe on the basis of principles advanced in many respects on Russia's initiative entails considerable difficulties. The prospect of NATO expansion to the East is unacceptable to Russia since it represents a threat to its national security. Multilateral mechanisms for maintaining peace and security at both the global (United Nations) and regional (OSCE, CIS) levels are still insufficiently effective, which limits our potential when using such mechanisms to ensure Russia's national security interests by political and legal means. Russia is in a certain degree of isolation from the integration processes under way in the Asian and Pacific region. All this is unacceptable to it as an influential European-Asian power with national interests in Europe, the Near East, Central and South Asia, and the Asian and Pacific region.

The positive trends in the internal development of the state and society are still not stable enough. The main reason for this is the preservation of crisis phenomena in the Russian economy. Production has declined and its structure has deteriorated in comparison with the pre-reform period. Investment and innovation activity is declining. Russia is lagging increasingly far behind developed countries in terms of science and technology. Dependence on imports of food, consumer goods, equipment, and technologies is increasing. The external and internal state debt is growing. There is an exodus of skilled personnel form the sphere of material production and from the scientific sphere. The number of man-made emergencies is increasing. The property stratification of society is increasing, and the living standards of much of the population are declining. The level of crime and corruption is still high.

The country's economic, scientific, and demographic potential is declining. The markets and raw material infrastructure of Russian industry have shrunk. Despite the unprecedented increase in the share of GNP accounted for by foreign trade, Russia's integration with the world market often takes place on terms that are not to our country's advantage.

Social accord has not been achieved, and the process of establishing a unifying national idea that defines not only the philosophical basis but also the long-term goals of the development of multinational Russian society and the main ways and means of achieving them has not been completed.

The former defense system has been disrupted, and the creation of a new one is proceeding slowly. Long unprotected sections of the Russian Federation state border have appeared.

At the same time Russia has all the preconditions for maintaining and consolidating its position as a power capable of ensuring its people's prosperity and playing an important role in world processes. Russia possesses a considerable economic and scientific and technical potential which determines the country's capacity for stable development. It occupies a unique strategic position on the Eurasian continent and possesses considerable reserves of raw materials and resources. The main institutions of democratic statehood and a mixed economy have been established in the country. Measures are being taken to stabilize the economy and create the preconditions for production growth on the basis of the structural restructuring of industry. Russia is one of the biggest multinational states and has an age-old history and culture and its own national interests and traditions.

All these factors, bearing in mind that the Russian Federation has a powerful nuclear force potential, create the preconditions for ensuring reliable national security for the country in the 21st century.

II. RUSSIA'S NATIONAL INTERESTS

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The Russian Federation's national interests in the international sphere require the implementation of an active foreign policy course aimed at consolidating Russia's positions as a great power—one of the influential

centers of the developing multipolar world. The main components of this course are: the formation on a voluntary basis of an integration-oriented association of CIS member states; the development of equal partnership with the other great powers—the centers of economic and military might; the development of international cooperation in combating transnational crime and terrorism; the strengthening of those mechanisms of collective management of world political and economic processes in which Russia plays an important role, and first and foremost the strengthening of the UN Security Council.

An undoubted priority in Russia's foreign policy course is and will remain activities to ensure the inviolability of borders and the territorial integrity of the state and to protect its constitutional system against possible encroachments by other states.

The realization of Russia's national interests in the international sphere is largely determined by the nature of relations with the leading powers and integration-oriented associations of the world community. The development of equal partnership relations with them accords with the Russian Federation's status and its foreign policy interests and is intended to strengthen global and regional security and create favorable conditions for our country's participation in world trade and in cooperation in the scientific-technical and credit and financial spheres.

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III. THREATS TO THE NATIONAL SECURITY OF THE RUSSIAN FEDERATION

A geopolitical and international situation that is new to Russia, negative processes in the country's economy, the deterioration in interethnic relations, and the social polarization of Russian society create a direct threat to the country's national security.

The critical state of the economy is the main cause of the emergence of a threat to the Russian Federation's national security. This is manifested in the substantial reduction in production, the decline in investment and innovation, the destruction of scientific and technical potential, the stagnation of the agrarian sector, the disarray of the monetary and payments system, the reduction in the income side of the federal budget, and the growth of the state debt. An undoubted threat is posed by the increase in the share of the fuel and raw materials sector and the formation of an economic model based on the exportation of fuel and raw materials and the importation of equipment, food, and consumer goods, which could lead to the conquest of Russia's internal market by foreign firms.

These threatening phenomena are characterized by an increase in the exportation from Russia of foreign currency reserves and strategically important raw materials along with extremely inefficient or criminal utilization of the profits, an increase in the exodus of skilled personnel and intellectual property from Russia, uncontrolled outflow of capital, growth in the country's dependence on foreign producers of high-tech equipment, underdeveloped financial, organizational, and information support for Russian exports, and an irrational structure of imports.

The decline in the country's scientific and technical potential leads to Russia's loss of its leading positions in the world, a fall in the quality of research in strategically important areas of scientific-technical progress, the decay of high-tech production facilities, a decline in the technical standard of physical production, an increase in the probability of man-made disasters, Russia's becoming technologically dependent on the leading Western countries, and the undermining of the state's defense potential, and makes it hard to achieve a radical modernization of the national technological base.

A particular threat is created by the low level of large-scale investment in the Russian economy. The economic revival of Russia is impossible without major capital investments in the strategic spheres of the economy.

A threat to Russia's security in the social sphere, in consequence of the critical condition of the economy, is posed by the increase in the proportion of the population living below the poverty line, the stratification of society into a small group of rich citizens and the vast bulk of poorly-off citizens, and the escalation of social tension.

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The negative processes in the economy exacerbate the centrifugal tendencies of Russian Federation components and lead to the growth of the threat of violation of the country's territorial integrity and the unity of its legal area.

The ethnic egotism, ethnocentrism, and chauvinism that are displayed in the activities of a number of ethnic social formations help to increase national separatism and create favorable conditions for the emergence of conflicts in this sphere. Apart from increasing political instability, this leads to the weakening of Russia's single economic area and its most important components—manufacturing, technological, and transportation links, and the financial, banking, credit, and tax systems.

The factors intensifying the threat of the growth of nationalism and national and regional separatism include mass migration and the uncontrolled reproduction of human resources in a number of regions of the country. The main reasons for this are the consequences of the USSR's breakup into national-territorial formations, the failures of nationalities policy and economic policy both in Russia and in the CIS states, and the spread and escalation of conflict situations based on national and ethnic grounds.

Other factors are the deliberate and purposeful interference by foreign states and international organizations in the internal life of Russia's peoples, and the weakening of the role of Russian as the state language of the Russian Federation.

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The threat to the nation's physical health is perturbing. Its sources lie in virtually all spheres of the state's life and activity and are manifested most graphically in the critical state of the systems for health care and the population's social protection and in the rapid rise in the consumption of alcohol and narcotics.

The consequences of this profound systemic crisis are the drastic reduction in the birth rate and average life expectancy, the deterioration in people's health, the distortion of the demographic and social composition of society, the undermining of manpower resources as the basis for the development of production, and the weakening of the fundamental cell of society—the family.

This development of demographic processes is causing a reduction in society's spiritual, moral, and creative potential.

Threats to the Russian Federation's national security in the international sphere are manifested via the attempts of other states to counter Russia's consolidation as an influential center of the multipolar world that is taking shape. This is reflected in actions aimed at destroying the Russian Federation's territorial integrity, including actions involving the use of interethnic, religious, and other internal contradictions, and also in territorial claims involving allusions in individual cases to the lack of the precise registration of state borders in treaties. By their policy these states are seeking to reduce the Russian Federation's importance in the solution of key problems of the world community and in the activity of international organizations. As a whole this could lead to the limitation of Russia's influence, the infringement of its most important national interests, and the weakening of its positions in Europe, the Near East, the Transcaucasus, and Central Asia.

The threat of the emergence or aggravation in the CIS states of political, ethnic, and economic crises capable of delaying or destroying the integration process is acquiring special importance for our state. These countries' establishment as friendly, independent, stable, and democratic countries is extremely important to the Russian Federation.

Despite the positive changes in the world, threats to the Russian Federation's national security remain in the defense sphere. Considering the profound changes in the nature of the Russian Federation's relations with other leading powers, it can be concluded that the threat of large-scale aggression against Russia is virtually absent in the foreseeable future. At the same time we cannot rule out attempts at power rivalry with Russia. The most real threat to Russia in the defense sphere is posed by existing and potential hotbeds of local wars and armed conflicts close to its state border.

The proliferation of nuclear and other types of weapons of mass destruction and the technologies for their production and means of delivery poses a serious threat, primarily in countries adjacent to Russia or regions close to it.

At the same time the spectrum of threats connected with international terrorism, including with the possible use of nuclear and other types of weapons of mass destruction, is expanding.

The conservation or creation by major powers (and their coalitions) of powerful groups of armed forces in regions adjacent to Russia's territory remains a threat to Russia's national security in the defense sphere. Even when there are no aggressive intentions with regard to Russia, these groupings present a potential military danger.

NATO's expansion to the East and its transformation into a dominant military-political force in Europe create the threat of a new split in the continent which would be extremely dangerous given the preservation in Europe of mobile strike groupings of troops and nuclear weapons and also the inadequate effectiveness of multilateral mechanisms for maintaining peace.

The technological upsurge of a number of leading world powers and the buildup of their potential for creating new-generation arms and military equipment could lead to a qualitatively new stage in the development of the arms race.

Threats to the Russian Federation's national security in the defense sphere also lie in the incomplete nature of the process of the reform of the state's military organization, the continuing gulf between political aims and their implementation in military and military-technical policy, inadequate financing for national defense the lack of elaboration of modern approaches toward military organizational development, and the imperfection of its normative legal base.

At the present state this is manifested in the extremely acute nature of social problems in the Russian Federation Armed Forces and other troops and military formations and organs, the critically low level of operational and combat training of the troops (forces) and staffs, the intolerable decline in the level of provision of the troops (forces) with modern and promising types of

weapons and military equipment and in general in the reduction of the state's potential for safeguarding the Russian Federation's security.

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IV. SAFEGUARDING THE RUSSIAN FEDERATION'S NATIONAL SECURITY

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The main aim of safeguarding the Russian Federation's national security is the creation and maintenance of an economic, political, international, and military-strategic position for the country which creates favorable conditions for the development of the individual, society, and state and rules out the danger of the weakening of the Russian Federation's role and importance as a subject of international law and the undermining of the state's ability to implement its national interests in the international arena.

The most important tasks for safeguarding the Russian Federation's national security are: the boosting of the country's economy and the pursuit of an independent and socially oriented economic course; the improvement of Russian Federation legislation, the consolidation of law and order and the sociopolitical stability of society, Russian statehood, federalism, and local self-management; the formation of harmonious interethnic relations; the safeguarding of Russia's international security through the establishment of equal partnership with the world's leading states; the consolidation of the state's security in the defense and information spheres; the safeguarding of the population's vital activity in a technogenically safe and environmentally clean world.

The basic principles for safeguarding the Russian Federation's national security are: the observance of the Russian Federation Constitution and Russian Federation legislation while implementing activity to safeguard national security; the unity, interconnection, and balance of all types of security and the alteration of their priority depending on the situation; the priority of political, economic, and information measures to safeguard national security; the feasibility (considering available resources, forces, and facilities) of the proposed tasks; the observance of norms of international law and Russian laws when implementing measures of an enforced nature (including those involving the use of military forces); the combination of centralized management of forces and facilities for safeguarding security with the transfer of some of the powers in this field, in accordance with Russia's federative structure, to the organs of state power of the Russian Federation components and the organs of local self-management.

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The implementation of the idea of national and social accord will enable our country to enter the new age as a power which has achieved economic and spiritual progress and enjoys a high growth potential based on democratic principles of state structure, internal harmony of social relations, and responsibility for the maintenance of global stability and stable development of panhuman civilization.

The strengthening of Russian statehood and the improvement and development of federalism and local self-government are most important tasks whose solution will lead to the ensuring of the Russian Federation's national security. The main objective in this sphere is to elaborate and implement a comprehensive approach toward the solution of legal, economic, social, and ethnopolitical problems while ensuring that the interests of the Russian Federation and its components are observed.

The implementation of the constitutional principle of people's power, under which the multiethnic people exercise their power both directly and through organs of state power and organs of local self-government, requires the ensuring of coordinated functioning and collaboration by all organs of state power, a rigid vertical structure of executive power, and unity of Russia's judicial system. This is ensured through the constitutional principle of the separation of powers, the introduction of a more clear-cut functional distribution of powers among state institutions, and the strengthening of Russia's federal structure by improving its treaty relations with Russian Federation components within the framework of their constitutional status.

The strengthening of Russian statehood presupposes the enhancement of the state's role in the basic spheres of social life, the improvement of Russian Federation legislation as the universal basis of state activity in the conditions of building a rule-of-law state, the ensuring of the supremacy of the Russian Federation Constitution and federal laws over other legal acts, the formation and development of organizational and legal mechanisms to prevent breaches of the laws, and the adoption and execution of state decisions in crisis situations.

The building of a rule-of-law depends largely on the correct definition and clarification of the extent of the responsibilities and powers of organs of state power, the specific categories and status of promulgated normative legal acts, the procedure for their amendment or repeal, the improvement of the mechanism and procedures for mutual relations between state and society, and the procedure for taking into account the interests of Russian Federation components.

The protection of Russian federalism includes purposeful activity to block any encroachments on the country's state integrity, the system of organs of state power, and the unity of Russia's legal area.

The main objective of the protection of Russian federalism is to prevent the transformation of federal relations into confederal ones.

The main avenues for the protection of Russian federalism are: ensuring the supremacy of federal legislation and, on this basis, improving the legislation of Russian Federation components; elaborating organizational and legal mechanisms to protect the state integrity, the unity of the legal area, and the national interests of Russia; developing and implementing a regional policy which ensures the best possible way of taking federal and regional interests into account; improving the mechanism for preventing the emergence of political parties and public associations pursuing separatist and anticonstitutional objectives and for blocking their activity; pursuing a considered and balanced nationalities policy.

The efforts of society and the state in the struggle against crime must be aimed at creating an effective counteraction system to ensure reliable protection of the interests of the individual, society, and the state.

The following tasks are paramount: to enhance the state's role as guarantor of national security and to create the legal basis necessary for this purpose and the mechanism for its application; to strengthen the system of law enforcement organs; to involve state organs, within the limits of their powers, in activity to prevent illegal actions.

Glasnost is the most important condition for a successful struggle against all manifestations of crime. Society is entitled to know about the decisions and measures adopted by organs of state power in this sphere. They must be open, specific, and comprehensible to all citizens, they must be preventive, they must ensure the equality of all before the law and the inevitability of punishment, and they must rely on society's support.

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A most important role in the preservation of traditional spiritual values is played by the activity of the Russian Orthodox Church and the churches of other confessions. At the same time, it is necessary to take into account the destructive role played by sundry religious sects which inflict considerable damage on Russian society's spiritual life and pose a direct threat to the life and health of Russia's citizens, and are often used as cover for illegal activities.

Society's spiritual rebirth is impossible without enhancing the role of the Russian language. Its proclamation as state language and the language of international contacts between the peoples of Russia and of CIS member states is a most important factor for unifying the people of multiethnic Russia.

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Russia will firmly and consistently honor its commitments in the sphere of reduction and elimination of weapons of mass destruction and conventional armaments, will implement measures to strengthen confidence and stability and to ensure international monitoring of deliveries of military technologies and dual-purpose technologies, and will assist in the creation of zones free from weapons of mass destruction.

The Russian Federation will also direct its efforts in ensuring national security in the foreign policy sphere into resolving problems of international and economic cooperation, first and foremost from the viewpoint of strengthening its position in international financial and economic organizations.

Ensuring the Russian Federation's national security in the defense sphere is a most important area of state activity and an object of constant public attention. The main aim of the practical activity of the state and society in this sphere is to improve the military organization of the Russian Federation in order to ensure the potential for an appropriate response to the threats that could arise in the 21st century, in conjunction with rational levels of expenditure on national defense.

The nature of these threats requires the clarification of the tasks of the Russian Federation Armed Forces and other troops, military formations, and organs, the optimization of their structure and composition, the expansion of their professional nucleus, and the improvement of the legal bases and planning mechanism for military organizational development and the formulation of up-to-date approaches to economic and financial support for it in the light of the need to form a collective security system within the CIS framework.

Russia does not seek to maintain parity in arms and armed forces with the leading states of the world, and is oriented toward the implementation of the principle of realistic deterrence, at the basis of which is the determination to make appropriate use of the available military might to avert aggression. In seeking to avert war and armed conflict, the Russian Federation gives preference to political, economic, and other nonmilitary means. However, until the nonuse of force becomes the norm in international relations, the Russian Federation's national interests require the existence of a military might sufficient for its defense.

The Russian Federation Armed Forces are the basis of the state's military organization. They play the main role in safeguarding the Russian Federation's national security by means of force.

The most important task for the Russian Federation Armed Forces is to ensure nuclear deterrence in the interests of preventing both nuclear and conventional large-

scale or regional wars, and to implement alliance commitments.

In order to perform this task the Russian Federation must have nuclear forces with the potential to guarantee the infliction of the required damage on any aggressor state or coalition of states.

The protection of the state's national interests requires comprehensive counteraction of military threats on a regional and local scale. The Russian Federation Armed Forces in their peacetime combat composition should be capable of ensuring the reliable defense of the country against air and space attack and the performance of tasks to rebuff aggression in a local war, and of deploying a grouping of troops (forces) to perform tasks in a regional war. At the same time the Russian Federation Armed Forces must ensure the Russian Federation's implementation of peacekeeping activity both in its own right and within international organizations.

The interests of ensuring Russia's national security and the evolution of the geopolitical situation in the world predetermine, in certain circumstances, the need for Russia's military presence in certain strategically important regions of the world. The stationing of limited troop contingents (military bases) there on a treaty basis and on the principles of partnership should demonstrate the Russian Federation's readiness to fulfill its alliance commitments, promote the formation of a stable military-strategic balance of forces in the regions, and give the Russian Federation the potential to react to a crisis situation at the initial stages of its emergence.

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A most important area in ensuring the Russian Federation's national security in the defense sphere is the clarification and optimization of the tasks of the system of ensuring national security. In performing tasks in preventing and countering internal threats to the Russian Federation's national security, priority belongs to the Russian Federation Ministry of Internal Affairs, the Russian Federation Federal Security Service, and the Russian Federation Ministry for Civil Defense, Emergencies, and Natural Disasters, which must have the appropriate forces, resources, and organs capable of fulfilling specialized tasks.

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The Russian Federation examines the possibility of using military force to safeguard its national security on the basis of the following principles: Russia reserves the right to use all the forces and systems at its disposal, including nuclear weapons, if the unleashing of armed aggression results in a threat to the actual existence of the Russian Federation as an independent sovereign state; the utilization of the Russian Federation's Armed Forces must be effected in a decisive, consistent, and planned manner until conditions beneficial to the Russian Federation for the conclusions of peace are created; the utilization of military force must be effected on a legal basis and only when all nonmilitary measures for resolving the crisis situation have been exhausted or proved ineffective; the utilization of military force against civilians to achieve domestic political objectives is not permitted. At the same time, joint actions by individual formations of the Armed Forces and other troops, troop formations, and organs against illegal armed formations posing a threat to the national interests of the Russian Federation is permitted in accordance with the Russian Federation Constitution and federal laws; the participation of the Russian Federation Armed Forces in wars and conflicts of different intensity and scale must be effected in order to resolve priority military-political and military-strategic tasks meeting Russia's national interests and also its commitments as an ally.

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In current conditions of universal computerization and the development of information technology the significance of safeguarding the Russian Federation's national security in the information sphere is growing sharply.

The most important tasks here are: the establishment of the requisite balance between the need for the free exchange of information and permissible restrictions on its dissemination; the improvement of the informational structure, the acceleration of the development of new information technologies and their widespread utilization, and the standardization of systems for the retrieval, collection, storage, processing, and analysis of information taking account of Russia's becoming part of the global information infrastructure; the formulation of an appropriate statutory legal base and the coordination—with the Federal Government communications and Information Agency Under the Russian Federation President playing the leading role—of the activity of federal organs of state power and other organs resolving information security tasks; the development of the Russian telecommunications and information systems industry and the priority dissemination of these systems on the domestic market in comparison with foreign counterparts; the protection of state information assets [resurs], primarily in federal organs of state power and at defense complex enterprises;

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The Russian Federation intends to resolutely and firmly strengthen its national security on the basis of both historical experience and the positive experience of the country's democratic development. The legal democratic institutions that have been created, the structure of Russian Federation organs of state power that has become established, and the extensive participation of political parties and public associations in formulating the strategy for safeguarding national security make it possible to safeguard the Russian Federation's national security and progressive development in the 21st century.

As Russia continues to develop and a new system of international relations based on equal partnership is formed and strengthens, individual provisions of the Russian Federation National Security Blueprint will be augmented, clarified, and concretized in the Russian Federation president's annual messages to the Russian Federation Federal Assembly.

Mr. MOYNIHAN. May I finally thank my friend from Delaware for the civility with which this debate is taking place. If David Broder is watching, I am sure he is relieved—he wrote this morning that there are things more important than renaming airports—that this debate has commenced. And let it continue in this mode and we will see how it comes out.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. While the Senator from New York is in the Chamber—and I have said this privately but also sometimes it is worth saying in public—there quite literally is no one for whom I have greater respect than the Senator from New York. I think he is the single most erudite, single brightest and the single most informed person serving in the Senate. I must tell you only he has made me wonder even for a moment, after 5 months of debating this with myself, whether the resolution I have reached with expansion is correct. Only he has given me a twinge in his opposition. I mean that sincerely. He was kind enough, after meeting with some of our colleagues, to call me at my home a couple weeks ago and to sort of forewarn me—that was not the purpose of the call—but forewarn me that he may be settling on the position he has, and I made my plea over the phone with him. I kept him on the phone for about 15 minutes making my arguments why I thought we should expand. And I got off the phone, and I turned to my son, who knows of my admiration for the Senator, and I said, I have been around this place a long, long time. Here I am on the phone trying to—and I say this very respectfully—educate the most informed man I know about a position that I thought he was wrong on. I was certain of my assertions on the phone. And I hung up and I thought for a brief moment, if he thinks that way, I must be wrong. But I quickly overcame that, and I would just suggest that it is one of the rare occasions I have disagreed with the Senator. So it is not hard to be civil when you admire someone as much as I do the Senator. I promise I will not resort again to such personal references, but I mean it sincerely when I say to my friend that I listen to everything he has to say. I disagree with him on this.

I would make one comment—I know he has to leave the floor—and then I will yield the floor to my friend from Rhode Island, because I have had plenty of occasion to speak already today.

With regard to the document my friend references, it does reference expansion of NATO. But I would respectfully suggest that, like many times in human endeavors, the same conclusion would have been reached had expansion not been contemplated. I assert that the demise of the Soviet—I doubt whether my friend would disagree with me—the demise of not only the Soviet Union and the Soviet Army but the Russian military had nothing to do with the expansion of NATO.

Mr. MOYNIHAN. No.

Mr. BIDEN. And I would further argue, although I have not read the document, that if the document is complete, which it is asserted to be and I believe it to be, that the strategic judgment made to rely upon nuclear weapons was arrived at in the same way that NATO arrived at a similar judgment 30 years earlier when we concluded that we were not prepared or able to keep 40 or 50 or 60 divisions in Europe to meet a conventional attack by our Warsaw Pact enemies.

That is a long way of saying that, were we to announce that we were ceasing and desisting from an effort to expand NATO at this moment and went on record, the strategic planners in

Moscow, in my view, would be compelled to reach the conclusion that they reached in the document that was posited on the Senate floor for the RECORD today.

I do not in any way underestimate the impact of damaged psyches on national policy. I do not in any way, in any sense, underestimate that feelings of isolation on the part of the Russian military, the Russians, might produce an extension of a position that otherwise would have been reached anyway. But I would conclude by saying I do not believe that the strategic document that the Senator spoke to today is as a consequence—notwithstanding that it mentions the expansion of NATO—of the talk of expanding with the inclusion of Hungary, the Czech Republic, and Poland into NATO.

But my friend from Rhode Island has another urgent meeting he wishes to attend. I am happy to yield the floor.

Mr. MOYNIHAN. I, too, yield.

The PRESIDING OFFICER (Mr. FAIRCLOTH). The Chair recognizes the distinguished Senator from Rhode Island.

UNANIMOUS-CONSENT AGREEMENT

Mr. CHAFEE. Mr. President, I ask unanimous consent the treaty be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification.

The PRESIDING OFFICER. Without objection, it is so ordered. The treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will report.

The assistant legislative clerk read as follows:

Resolved, two-thirds of the Senators——

Mr. CHAFEE. Mr. President, I ask unanimous consent that the reading be dispensed with.

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

(The text of the Resolution of Ratification is printed in the March 6, 1998 edition of the RECORD.)

UNANIMOUS-CONSENT AGREEMENT—H.R. 2646

Mr. CHAFEE. Mr. President, these are requests I am making on behalf of the leadership. I can only assume they have been agreed to by the minority.

Mr. President, as in legislative session, I ask unanimous consent that the cloture votes with respect to the education A+ bill occur beginning at 5:45 p.m. on Thursday, March 19.

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

Mr. CHAFEE. Mr. President, on behalf of the leader, I want to remind all my colleagues that, under rule XXII, all first-degree amendments must be filed at the desk by 1 p.m. tomorrow and second-degree amendments must be filed by 4:45 tomorrow in order to qualify under the ''timely filed'' requirement postcloture.

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

PROTOCOLS TO THE NORTH ATLANTIC TREATY OF 1949 ON ACCESSION OF POLAND, HUNGARY, AND THE CZECH REPUBLIC

The Senate continued with the consideration of the treaty.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from the great State of Maryland.

Ms. MIKULSKI. Mr. President, I wish to speak on NATO enlargement and wish to consume such time as necessary.

The PRESIDING OFFICER. The Senator is recognized.

Ms. MIKULSKI. Mr. President, this is a truly historic occasion. Today the Senate begins debate on the ratification of NATO enlargement. By ratifying this treaty, we are building an undivided, peaceful, and democratic Europe for the new millennium. I stand here to support NATO enlargement because it will make Europe more stable and America more secure. It means that the new democracies of Central and Eastern Europe will share the burden of European security.

It also means that future generations of Americans might not have to fight nor die for Europe. America has fought and won three wars in Europe: World War I, when an assassination in Yugoslavia led to years of bloodshed; World War II, the bloodiest war in history when thousands of Americans left factories and farms to fight on the battlefields of Europe; and we won the cold war, when Soviet expansionism forced us to prepare to defend Western Europe when the captive nations of Eastern Europe were forced behind the Iron Curtain.

If NATO does not enlarge, the Iron Curtain will remain permanent and the unnatural division of Europe will live on longer than the Soviet empire did. As a Polish American, I and members of my family have been waiting years for this debate to occur. I know that the Polish people did not choose to live behind the Iron Curtain. They were forced there by the Yalta agreement, by Potsdam, and because they and the Baltic States and the other captive nations were sold out by the free world.

My great grandmother had three pictures on her mantlepiece: One of Pope Pius XII, because we were Catholic and are Catholic, and that was her Pope; my uncle Joe, who was on the Baltimore City Police Department, and we were so proud of what he had achieved; and the other picture, of Franklin Delano Roosevelt, because of what he had done for working people.

But after Yalta and Potsdam, my great grandmother turned the Roosevelt picture face down on her mantel and she let it stay there until the day she died because of what happened at Yalta and Potsdam. That is why many of us cannot forget the history of that region, the placing of a nation and the other nations, the captive nations, involuntarily under the servitude and boot heel of then the evil empire.

But my support for NATO enlargement is not based on nostalgia, nor is it based on the past; it is based on the future, and it is support as an American. I support NATO enlargement because I believe that it will make America and Europe more stable and more secure. NATO enlargement means a future in which the newly free and democratic countries will take their rightful places as members of Europe. NATO played an important role in securing this freedom. It has been the most successful defense alliance in world history. It is an alliance that helped us win the cold war. It deterred war between the superpowers, and it has helped prevent confrontation between member states.

But if NATO is to survive, it must adapt to meet the needs of the post-cold-war world or it will become irrelevant.

NATO has evolved since it was created in 1949. We have enlarged NATO on three different occasions, and each new member strengthened NATO and increased security in Europe.

Today, we are facing very different threats to security and stability in Europe. We have civil wars, as in Bosnia; we have hot spots caused by ethnic and regional tensions, as in Kosovo; we have international crime, drugs, and terrorism; and we have the very real threat of the spread of weapons of mass destruction. NATO must meet the needs of these new threats, and I believe it will do so by changing and expanding. Europe's new democracies will help us meet these challenges.

The countries of Central and Eastern Europe want to help us address these new threats. How many times have we in the Senate discussed burdensharing in Europe? How often have we complained that European countries were not willing to pay their fair share for the European defense?

Now we have countries that are asking to share the burden. They are asking to pledge their troops and equipment for the common defense. They are asking to share the burden of peacekeeping. In fact, they are doing it right now in Bosnia, where there are thousands of troops from Poland, Hungary, and the Czech Republic. Mr. President, Hungary is a base camp for our troops which enables them to be in Bosnia. These new nations have even committed to joining us in Iraq to help us deal with ending Iraq's chemical and biological weapons program, which is more than some of our allies.

These countries are not asking for a handout; they are asking for a handshake, a handshake to welcome them into NATO. They are not asking for our protection; they are asking to be full partners in the new Europe and in the new world order. By transforming these countries into free-market democracies, they have earned this right. These new democracies will contribute

to America's security by making NATO stronger. They are adding troops and equipment. They will provide additional strategic depth to NATO.

They will also provide the will to fight for our values. Their history and geography make them passionate defenders of peace and democracy. They know what it means to be occupied and oppressed by tyrants. During the 19th century, Poland was partitioned among three countries. At the end of World War I, she had a very brief moment of democracy, and yet this is the nation that sent its own men to help fight in our war of revolution, went back to Poland and wrote the first parliamentary constitution on European continental soil, had an elected monarchy, and began to establish a parliament when many of the other countries had not even been unified.

When we look at Poland, Hungary, and the Czech Republic, in the days after Yalta and Potsdam, they rose with gallantry in terms of their dissident movement. We know about Charter 77. We, of course, know about Solidarity, and we know the role that dissidents played. In fact, the three foreign ministers who came here each had been in prison and even had suffered public humiliation at being dissidents in their own country.

What do they say when they come here and come to NATO? They say they will put our common values into action. They will join with us in defending national security and our Western values, whether it means peacekeeping in Europe or preventing the spread of weapons of mass destruction anywhere in the world. They are ready for us. I hope we are ready for them.

Opponents of NATO have very valid concerns, and I would like to comment on just a few.

First, opponents of enlargement point to the cost. They say that NATO enlargement has a cost, and they are right. The new NATO members must modernize their militaries and must make them compatible with the NATO systems. The new NATO members have committed to pay this price.

There will also be a cost to the United States. Our funding of NATO's common budget will increase. NATO estimates that the total common budget will increase $1.5 billion over 10 years. The American share will be $400 million, or $80 million a year. That is a lot.

But, Mr. President, what is the cost of not enlarging NATO? I believe the cost of not enlarging NATO will be far higher. What if we fail to enlarge NATO? What will be the cost to European security? What will be the cost to the new democracies of Eastern Europe? I can tell you, as a member of the Senate NATO observer group, I met recently with the foreign ministers of Poland, Hungary, and the Czech Republic, and I asked them these questions.

The Polish Foreign Minister Bronislaw Geremek, a hero of the Solidarity movement, said Poland would feel abandoned by the West and that Poland would still pay to modernize their military. In fact, in the absence of belonging to NATO, they would spend even more of their own money. The Hungarian and Czech Foreign Ministers agree that they would have to spend more money for defense if they did not join NATO. Also, they would form their own military alliances, which would be very decidedly more anti-Russian than NATO.

The other foreign ministers said that by refusing to enlarge NATO, it would give the hardliners in Russia a great victory. The antidemocratic forces in Russia would feel vindicated and proud and would say that they themselves stopped the expansion of NATO.

What would be the long-range cost to America of failing to prepare NATO for the 21st century? The cost would be instability in Europe and the increased chance of being pulled into yet another conflict. The cost of preventive security is always less than the cost of war.

I also will take a minute to discuss the benefits of enlargement and weigh them against the cost.

The strategic benefits of enlargement are important. NATO enlargement will create a zone of peace and stability that includes Eastern Europe. It will include NATO's stabilizing influence to more of Europe and reduce the chance of aggression or conflict in Eastern Europe. Enlargement will bring peace and security for Eastern Europe just as it did for the West.

There are economic benefits. Europe is America's largest trading partner, with $250 billion in a two-way trade each year. Our new NATO partners will increase trade opportunities. They are building vibrant free-market economies. NATO brings stability, and stability brings prosperity. We are creating a prosperity zone.

In addition, there are benefits for democracy. The young military officers of new NATO members are learning from us, learning what it means to be part of a democratic military, to be under civilian control, to have a code of conduct, also to have transparent defense spending budgets, no secret police. They are also learning English. When they leave the military, they will bring these skills. They will bring a sense of democracy. They will bring great skills to the operation of their free market. It is clear these benefits of NATO enlargement far outweigh the cost.

Let me conclude by saying this treaty is very important, and treaty ratification is one of our most fundamental duties. We are extending our Nation's commitment to the collective defense. We do not take this responsibility lightly. We are extending our Nation's commitment to collective defense, the so-called article 5. We do not take this responsibility lightly, and in the very best tradition of the Senate, we are addressing NATO enlargement as a national security issue, not as a political issue.

I am delighted and proud to say that NATO enlargement has been a bipartisan process. I remember when we began this debate some years ago with the really wonderful leadership of Senator Hank Brown of Colorado. It has truly been supported by members of both parties. We have worked closely with the President and Secretary Albright, and the Senate has been consulted every step of the way. I am proud to support NATO enlargement. By ratifying this resolution, we are marking the end of the cold war and we are also marking the beginning of a new century. We want the new century to be rid of the repugnance of the old century. We are laying the groundwork for a new era of peace and stability.

Mr. President, before I yield the floor, I note on the floor is a distinguished war hero, my colleague from the State of Arizona. I was not here yesterday to lend my wonderful tribute to him on the anniversary of his release from a prison camp. I extend my great respect to the senior Senator from Arizona.

When I visited Vietnam, I saw where they had taken the Senator prisoner. Obviously, he is a guy who will never let himself be taken prisoner. It is an honor to serve with him in the Senate and to enjoy these kinds of debates and discussions. God bless. Godspeed. Mr. President, I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the distinguished senior Senator from Arizona.

Mr. MCCAIN. I thank you, Mr. President. I say to my dear friend from Maryland, with whom I have had the pleasure and honor of working on a number of other foreign policy issues, the Senator from Maryland and I were heavily involved with the issue of Central America when there was a struggle for freedom and democracy going on there. Due to her efforts and those of so many of us who have been involved in these issues, we now have a brighter day in Central America.

What the Senator from Maryland just articulated is a brighter day for the people of the Czech Republic, Hungary, and Poland. I thank her for her remarks about me personally, but I express my even greater gratitude for her continued leadership on issues of national security and foreign policy in this body, for which she has accumulated enormous respect and appreciation, as well as a fair amount of affection. I thank the Senator from Maryland.

I rise today to discuss the issue of NATO enlargement about which this body must vote in the near future. I would like to stress three points: That NATO enlargement is demanded by our American values; that it is in the strategic interests of the United States; and that efforts to delay a decision or to mandate policy on other European security issues through amendments to the resolution of ratification are unnecessary and potentially dangerous.

These points were made very eloquently by our former majority leader, Senator Bob Dole, in an op-ed published today.

Mr. President, I ask unanimous consent that Senator Dole's article that was published today in the Washington Times be printed in the RECORD.

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

[From the Washington Times]

NATO TEST OF U.S. LEADERSHIP

(By Bob Dole)

For decades, the United States urged communist leaders to ''tear down the Wall.'' Within the past 10 years, the people of Eastern Europe have embraced liberty and undertaken major reforms in their economies and governments. Now the United States Senate should take the next step toward ensuring freedom and democracy for the people of Poland, the Czech Republic and Hungary by ratifying the NATO enlargement treaty and inviting them to join us in NATO.

American leadership on NATO enlargement is important to our security as well as to the security of Eastern Europe.

At the Madrid Summit last July, President Clinton and the other NATO leaders unanimously decided to invite Poland, Hungary and the Czech Republic to become members of the alliance, culminating years of efforts by these countries to meet NATO's strict entry criteria. Last week, under the bipartisan leadership of Sen. Jesse Helms, North Carolina Republican, and Sen. Joe Biden, Delaware Democrat, the Senate Foreign Relations Committee overwhelmingly endorsed NATO accession legislation by a vote of 16–2. I hope the full Senate will follow suit without delay.

Two world wars began in Europe, and strife in Bosnia continues today. Expanding NATO to include Poland, Hungary and the Czech Republic will help ensure that new threats, such as ethnic struggles and state-sponsored terrorism, will be kept in check.

During the half-century that NATO has helped guarantee peace in Europe, it has added new members three times, including Germany, Greece, Turkey and Spain. Each addition made the Alliance stronger and increased its military capability. Affirming the military importance of NATO enlargement, 60 top retired U.S. officers—including Colin Powell and four other former chairmen of the Joint Chiefs of Staff, nine former service branch chiefs, and top combat leaders such as Gen. Norman Schwarzkopf—recently signaled their support of NATO enlargement. Their statement emphasized that the admission of Poland, Hungary and the Czech Republic will enhance NATO's ability to deter or defend against security challenges of the future.

What these military leaders and many other Americans understand is that no free nation has ever initiated a war against another democracy. Integrating the military, economic and political structures of the Europe's newest stable democracies into the NATO alliance will help ensure that this remains true in the 21st century.

Let me take the opportunity to address four major concerns that critics have raised in this debate. First, some senators have engaged in a last-minute effort to postpone consideration of the NATO accession legislation. But members of both parties and both houses of Congress have already thoroughly examined questions surrounding NATO enlargement. The Senate Foreign Relations Committee alone has held eight hearings with more than 37 witnesses, resulting in 550 pages of testimony. The case has been made: NATO enlargement is in the interest of the United States. It is time to make it a reality.

Second, other critics in the Senate have suggested placing conditions on NATO expansion, thereby ''freezing'' enlargement for an arbitrary number of years. Like the administration, I oppose any effort in the Senate to mandate an artificial pause in the process. Such a move would send the wrong message to countries in both the East and the West, closing the door on current and potential new allies—and perhaps tying the hands of a future president.

Furthermore, freezing NATO's membership would create a destabilizing new dividing line in Europe. Currently, non-member European nations cooperate extensively with NATO through the Partnership for Peace Program. But if nations believe the ultimate goal of NATO membership is unattainable, any incentive to continue democratic reform will be substantially diminished.

The alliance's open door commitment, which has been supported by the United States, has been an unqualified success. The prospect of NATO membership has given Central European countries a strong incentive to cooperate with the alliance, strengthen civilian control of the military, and resolve longstanding border disputes. All of these advance U.S. interests. It would be a mistake to abandon a policy that is clearly achieving its objectives.

Third, some argue that NATO enlargement has hurt or will hurt cooperation with Russia, or may even strengthen the hand of hardline Russian nationalists. This has not been borne out by the facts. Since the NATO enlargement process began, President Boris Yeltsin has been re-elected and many reformers have been elevated within the Russian government. Mr. Yeltsin pledged at the 1997 Helsinki summit to press for ratification of START II and to pursue a START III accord. The Duma also ratified the Chemical Weapons Convention and President Yeltsin signed the NATO-Russia Founding Act, creating a new, constructive relationship with the West.

The world has changed. The debate over NATO expansion cannot be recast as an extension of the Cold War. I believe imposing a mandated pause in NATO's engagement would appear to give Russia a veto over NATO's internal decisions, contrary to NATO's stated policy, and would strengthen Russian extremists by enabling them to claim that their scare-tactic objections swayed the world's most powerful military alliance.

And last, some skeptics would rather allow the European Union (EU) to take the lead in building Central and Eastern Europe's economic and security structure. But with due respect, NATO, not the EU, is the cornerstone of European security, which is vital to our own.

As the Senate considers this legislation to allow Poland, Hungary and the Czech Republic to complete their journey from communist dictatorship to NATO membership, we should consider the words of Czech President Vaclav Havel:

''The Alliance should urgently remind itself that it is first and foremost an instrument of democracy intended to defend mutually held and created political and spiritual values. It must see itself not as a pact of nations against a more or less obvious enemy, but as a guarantor of EuroAmerican civilization and thus as a pillar of global security.''

NATO protected Western Europe as it rebuilt its war-torn political and economic systems. With Senate approval of NATO enlargement, it can, and should, provide similar security to our allies in Central and Eastern Europe as they re-enter the community of free nations.

This is no time to postpone or delay action. It is time to act so that other NATO member countries can move ahead with ratification knowing the United States is leading the way.

Mr. MCCAIN. First, Mr. President, the morals and values we share as Americans—protecting and promoting human freedom and democracy—strongly point toward bringing Hungary, the Czech Republic, and Poland into NATO.

For centuries, these territories were fully integrated with the development of modern Europe—politically, economically, militarily, culturally, and psychologically. But these countries were unnaturally cut off from the West in 1945 by the Iron Curtain that was slammed down by the occupying Soviet Red Army. The close ties to the West of over a thousand years had been broken.

The people of Central Europe suffered horribly under communism. Their political and economic development was shattered. Arbitrary rule under a police state undermined normal relations within society. Citizens were pressured to inform on one another. Political prisoners were held and tortured simply for demanding freedom.

Let us be clear, these countries were forced into communism against their will by an occupying power. In each country—Hungary in 1956, Czechoslovakia in 1968, Poland in 1981—freedom-seeking citizens sought to break free from the grip of Soviet-imposed communism, and, as we know, they were ruthlessly put down. While the United States and NATO staunchly defended freedom in the West, we could do little in the East other than offer our moral support, because the risk of nuclear war was too great.

After decades of oppression, when the Soviet Union itself began to decline, the people of these three countries again showed tremendous courage and determination by seizing the opportunity to throw off the yoke of communism. Hungary cut through the barbed wire on the Austrian border and allowed East German refugees to escape to freedom. Vaclav Havel's peaceful protests ushered out one of the most repressive Communist regimes in Central Europe through the ''velvet revolution'' of 1989. The Solidarity movement finally pushed the generals and commissars out of power.

In all three countries, communism was peacefully dismantled and replaced with parliamentary democracy and free markets. All three countries are now thriving, both politically and economically. Individual rights and freedoms are protected in both theory and in practice. Institutions that guarantee the rule of law are firmly entrenched.

These three countries now seek our help in securing their newfound freedom for membership in NATO—just as was done with Western Europe after World War II. While there is no immediate military threat, the Poles,

Czechs, and Hungarians know from bitter experience that they cannot afford to wait until a new threat emerges to protect their freedom.

Protecting freedom was the beacon of our policy in Europe during the cold war. It would be an incomprehensible tragedy for us to abandon that stance now when the opportunities for freedom in Central Europe are greater than ever and the risks are far lower than at any time during the cold war.

Second, beyond any moral arguments, NATO enlargement serves strategic interests of the United States. The national security of our country still depends on a stable and secure Europe where democracy and free markets can flourish. This was the lesson from two world wars and the reason we created NATO in the first place.

Today, the U.S. economy is more tightly tied to the rest of the world than it was in 1949. Thus, America's well-being depends more than ever on an environment of stable market democracies. NATO remains the only organization capable of guaranteeing security and protecting democracy in Europe.

Enlarging NATO will prevent the emergence of a security vacuum in Central Europe. Absent NATO, the states of this region would have no choice but to remain anxious about historical animosities and worry of a resurgent Russia. They would be forced to seek security through national means—creating the possibility of diverging military and security strategies and raising the risk of miscalculation.

NATO enlargement guarantees that there is a single, constructive focus to security and stability in Europe—West, Central, and East. Taking prudent steps now—enlarging NATO gradually to include these new democracies—will reduce the likelihood of a conflict that might later involve the United States.

More than just filling a vacuum, NATO enlargement will ensure that the security environment in Europe remains conducive to U.S. interests, and it will strengthen and expand our base of support in Europe. Ratification will enlarge the secure, democratic, prosperous space in Europe where countries share our values and can act as meaningful partners for the United States, helping promote democracy, free markets, and security beyond the bounds of NATO Europe itself.

Europe has already changed, and NATO enlargement is necessary to adjust to these changes. Not ratifying enlargement at this stage would isolate NATO from the fundamental political and economic changes that are reshaping the continent. A stagnant NATO would be relegated to the ''dustbin of history,'' something the Soviet Union sought and failed to achieve during the cold war.

Equally distressing, failure to ratify enlargement would undercut U.S. leadership in Europe, with consequences well beyond NATO itself. We would not only be demonstrating that we are no longer prepared to play the leading role in European security, a role that has served our common interests well for 50 years, but we would be undermining the only meaningful organization in Europe where the U.S. has a seat at the table.

Moreover, voting against ratification would deliver to hardline Russian nationalists the victory they failed to achieve through threats and intimidation over the past several years. Reformers, who argue that cooperation with the West is the only way to serve the interests of modern Russia, would be proved wrong. Instead, our action would demonstrate that confrontation, not cooperation, is the most effective policy for Russia.

Mr. President, an extraordinary array of the most senior foreign policy and military leaders of this Nation have spoken out in support of NATO enlargement, including former President Bush, two former Vice Presidents, eight former Secretaries of State, six former Secretaries of Defense, five former National Security Advisors, five former Chairmen of the Joint Chiefs of Staff, nine former Chiefs of the Military Services, and some 60 retired four-star generals.

Mr. President, I ask that their declaration of support for NATO enlargement be printed in the RECORD and that the list of names be printed in the RECORD.

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

A DECLARATION OF SUPPORT FOR NATO ENLARGEMENT

The Senate is faced with a historic opportunity—to extend NATO membership to Poland, Hungary, and the Czech Republic. The outcome of this vote will in large measure determine the future of the NATO alliance and whether it will continue to be a vital force for peace and stability in the Europe of the 21st century.

We believe that NATO has been the most effective military alliance in history. It was the centerpiece of the strategy that kept Europe secure and free during the darkest days of the Cold War. Under its protection, Western Europe recovered from the devastation of World War II to enjoy 50 years of increasing stability, prosperity, and freedom. Now, in an expanded NATO, Poland, Hungary, and the Czech Republic can enjoy similar success.

The situation in Europe is very different than during the Cold War. But the need for NATO remains. The admission of Poland, Hungary, and the Czech Republic will make for a stronger NATO. It will strengthen NATO's ability to help Europe set aside old quarrels and overcome a long history of conflict and war. It will eliminate a source of instability that contributed to two World Wars and could again become a source of confrontation and even conflict. It will enhance NATO's ability to deter or defend against the security challenges of the future.

The admission of these three countries into NATO is not directed against Russia. Rather it is directed toward the stability of Europe—stability that will benefit Russia as much as anyone, and will ultimately facilitate a closer relationship between Russia and the United States.

We believe that the cost of bringing these three countries into NATO is manageable especially when compared to the potential cost of not doing so—a Europe moving not toward stability and peace but toward instability and contention.

We believe that Poland, Hungary, and the Czech Republic will make a useful contribution to our common security. They already possess credible military capability and are engaged in adapting their armed forces to the standards of the NATO alliance. They have shown a willingness to participate in collective defense by their contributions during the Gulf War and the Yugoslav crisis. Because of their histories, these nations know that freedom is not free. They take security seriously. They will make good allies.

The upcoming Senate vote is fundamentally a test of whether the United States will stay engaged in the Europe of the 21st century. Since the end of World War II, our nation has expended enormous effort to build a Europe of free and democratic states at peace with one another. For the first time, there is a realistic possibility of achieving this goal. Now is not the time to turn our back on this great project.

The lessons of history are clear. Two World Wars and one Cold one have established beyond question that American security and European security are inseparable. In the aftermath of World War I, America turned its back on Europe, only to have America's sons and daughters pay the price a generation later. We cannot afford to make that mistake again.

The creation of NATO in 1949 took foresight and determination to do what was right. Today, the stakes are just as high. We urge the Senate to reaffirm American engagement in Europe by ratifying the admission of Poland, Hungary, and the Czech Republic to NATO—to secure the peace, security, and prosperity on which we all depend.

General Joe Ashy, USAF (Ret), Former CINCUSSPACE/CINCNORAD.

General George S. Blanchard, USA (Ret), Former CINC, USAREUR COMCENTAG.

General Walter E. Boomer, USMC (Ret), Former Assistant Commandant, USMC.

General Michael P.C. Carns, USAF (Ret), Former Vice Chief of Staff of the Air Force.

General W.L. Creech, USAF (Ret), Former CINCAFLANT.

Admiral William J. Crowe, USN (Ret), Former Chairman, Joint Chiefs of Staff.

General James Dalton, USAF (Ret), Former Chief of Staff, SHAPE.

General Mike Dugan, USAF (Ret), Former Chief of Staff of the Air Force, COMAAFCE.

Admiral Leon Edney, USN (Ret), Former SACLANT.

General Ronald Fogleman, USAF (Ret), Former Chief of Staff of the Air Force.

General Al Gray, USMC (Ret), Former Commandant of the Marine Corps.

General Alfred G. Hansen, USAF (Ret), Former AFLC Commander.

General Monroe Hatch, USAF (Ret), Former Vice Chief of Staff of the Air Force.

General Charles A. Horner, USAF (Ret), Former CINCSPACE/NORAD.

General Andrew P. Iosue, USAF (Ret), Former ATC Commander.

Admiral David E. Jeremiah, USN (Ret), Former Vice Chairman, Joint Chiefs of Staff.

General David Jones, USAF (Ret), Former Chairman, Joint Chiefs of Staff.

General George Joulwan, USA (Ret), Former SACEUR.

General P.X. Kelley, USMC (Ret), Former Commandmant of the Marine Corps.

Admiral Frank B. Kelso, USN (Ret), Former Chief of Naval Operations, SACLANT.

General William L. Kirk, USAF (Ret), Former CINCUSAFE/COMAAFCE.

General Frederick Kroesen, USA (Ret), Former CINC US Army Europe.

General William Livsey, USA (Ret), Former CINC Combined/UN FORCES KOREA.

General John Michael Loh, USAF (Ret), Former Commander, Air Combat Command.

General David M. Maddox, USA (Ret), Former CINC USAREUR.

General Robert T. Marsh, USAF (Ret), Former Commander, AFSC.

General James P. McCarthy, USAF (Ret), Former DCINCEUR.

General Charles McDonald, USAF (Ret), Former AFLC Commander.

General Merrill A. McPeak, USAF (Ret), Former Chief of Staff of the Air Force.

General Jack N. Merritt, USA (Ret), Former U.S. Representative to NATO Military Committee.

General James P. Mullins, USAF (Ret), Former AFLC Commander.

General Carl Mundy, USMC (Ret), Former Commandant, U.S. Marine Corps.

General Wallace Nutting, USA (Ret), Former USCINCRED.

LTC William E. Odom, USA (Ret), Former Director, NSA.

General Glenn K. Otis, USA (Ret), Former CINC US Army Europe.

Admiral William Owens USN (Ret), Former Vice Chairman, Joint Chiefs of Staff.

General Binford Peay, USA (Ret), Former CINC, U.S. Central Command.

General Colin L. Powell, USA (Ret), Former Chairman, Joint Chiefs of Staff.

General Bernard P. Randolph, USAF (Ret), Former Commander, AF Systems Command.

General Robert H. Reed, USAF (Ret), Former Chief of Staff, SHAPE.

General Robert W. RisCassi, USA (Ret), Former VCSA/CINC UNC/USFK.

General Bernard W. Rogers, USA (Ret), Former Army Chief of Staff and SACEUR.

LTG Edward L. Rowny, USA (Ret), Former Special Advisor on Arms Control.

General Crosbie E. Saint, USA (Ret), Former CINC USAREUR.

General H. Norman Schwarzkopf, USA (Ret), Former CINC Central Command & Operation Desert Storm.

General Robert W. Sennewald, USA (Ret), Former CINC Combined/UN FORCES KOREA.

General John Shalikashvili, USA (Ret), Former Chairman, Joint Chiefs of Staff.

General John Shaud, USAF (Ret), Former Chief of Staff, SHAPE.

General John J. Sheehan, USMC (Ret), Former SACLANT/CINC, USACOM.

Admiral Leighton Smith, USN (Ret), Former CINC US Naval Forces Europe.

General Carl Stiner, USA (Ret), Former US CINC, Special Operations Command.

Admiral William Studeman, USN (Ret), Former Deputy Director, Central Intelligence.

General Gordon Sullivan, USA (Ret), Former Chief of Staff of the Army.

General John W. Vessey, USA (Ret), Former Chairman, Joint Chiefs of Staff.

General Carl E. Vuono, USA (Ret), Former Chief of Staff of the Army.

General Volney Warner, USA (Ret), Former CINC, US Readiness Command.

General Larry D. Welch, USAF (Ret), Former Air force Chief of Staff.

General J.J. Went, USMC (Ret), Former Assistant Commandant, USMC.

General Ronald W. Yates, USAF (Ret), Former Commander, AF Materiel Command.

Admiral Elmo R. Zumwalt, Jr., USN (Ret), Former Chief of Naval Operations and Member of Joint Chiefs of Staff.

THE NEW ATLANTIC INITIATIVE STATEMENT ON NATO ENLARGEMENT

(Presented by Richard Holbrooke, Jeane Kirkpatrick, Anthony Lake and Paul Wolfowitz at the Andrew Mellon Auditorium, September 9, 1997)

The New Atlantic Initiative, an international network dedicated to revitalizing and expanding Atlantic ties, released the following statement in support of NATO enlargement on September 9, 1997. The statement was released by Richard Holbrooke, Jeane Kirkpatrick, Anthony Lake, and Paul Wolfowitz at the Andrew Mellon Auditorium, where the original North Atlantic Treaty was signed in April 1949.

NATO was the bulwark of America's successful Cold War strategy of containment. Largely due to NATO, Europe has enjoyed more than fifty years without war among its major powers, the longest such period in modern history.

NATO succeeded not only by providing a shield against aggression from without but also by helping to knit together a community of democracies in which old quarrels faded, the civic culture of democracy sank deep roots, and market economies prospered.

In part because of NATO's success, the Cold War has ended, and with it NATO's original mission. Its larger purpose of ensuring peace and freedom in Europe and the Atlantic region endures. To continue to fulfill this purpose NATO is adapting to an undivided Europe. NATO is no longer an anti-Soviet alliance; nor should it engage in the self-fulfilling prophecy of pre-selecting new enemies. Rather it is defining itself in more positive terms: as an alliance aiming to promote peace and stability in the Atlantic region, devoted to the spread and consolidation of democratic ways in Europe, and capable of protecting Western interests against such future threats as may emerge. At bottom, NATO remains a mutual defense pact, and this solemn commitment gives all of its acts a weight and seriousness that distinguish it from other international organizations.

Crucial to this process of adaptation is NATO's willingness to admit new members able to meet meaningful criteria of democracy and military effort. Otherwise it will remain a relic of the Cold War of diminishing relevance to the contemporary world. Admission to NATO will consolidate democratic transitions, and the prospect of admission will spur reform and the resolution of disputes, as indeed has already happened. In addition, NATO has made clear its desire to develop cooperative security relations among all of the states of the Euro-Atlantic region including Russia. Czech President Vaclav Havel has put it: ''NATO expansion should be perceived as a continuous process, in which the nations of Central and Eastern Europe mature toward the meaning, values and goals of the enlarged and revived alliance.''

To those who say that the nations of central Europe face no threat today, we say that the most likely way to preserve this situation, which has been all too rare, is to extend NATO to that region. To those who say that the addition of these new members will somehow dilute NATO, we say that Poland, Hungary and the Czech Republic, where freedom is dearly cherished having been so recently won, will add strength to NATO. To those who say that expanding NATO will draw new lines in Europe, we say that it will erase old lines, relics of a bitter time, and that NATO's openness to additional accessions means that new lines are not in fact being drawn. To those who worry that Russia will feel threatened, we emphasize that NATO is a defensive alliance that threatens no one and extends a hand of cooperation to Russia.

The decision on NATO expansion is of historic importance. The stakes are high. The issue is clear. Admitting Poland, Hungary and the Czech Republic into NATO will strengthen the alliance, reinforce new democracies, renew the American commitment to Europe, and reaffirm American leadership. To turn back now would be a tragic mistake.

SIGNERS TO NEW ATLANTIC INITIATIVE NATO ENLARGEMENT STATEMENT

(Organizational affiliation given for identification purposes only. Views reflected in the statement are endorsed by the individual, not the institution.)

Richard V. Allen, Former National Security Advisor.

Morris B. Abram, Chairman, United Nations Watch, Former Permanent Representative of the U.S. to the United Nations office in Geneva.

Elliott Abrams, President, Ethics & Public Policy Center, Former Assistant Secretary of State.

David M. Abshire, Former U.S. Ambassador to NATO.

Michael H. Armacost, President, The Brookings Institution, Former Undersecretary of State.

Richard Armitage, President, Armitage Associates L.C. Former Assistant Secretary of Defense.

Bernard Aronson, Chairman, Acon Investments, Former Assistant Secretary of State.

Norman R. Augustine, Chairman, Lockheed Martin Corp., Former Undersecretary of the Army.

James A. Baker, III, Former Secretary of State.

Mira Baratta, Vice President for Programs, Freedom House.

Dennis Bark, Senior Fellow, Hoover Institute.

Michael D. Barnes, Partner, Hogan & Hartson, Former Member of Congress.

Douglas J. Bennet, President, Wesleyan University, Former Administrator, USAID.

Lucy Wilson Benson, President, Benson Associates, Former Undersecretary of State.

Jeffrey T. Bergner, President, Bergner, Bockorny, Clough & Brain.

Coit D. Blacker, Senior Fellow, Institute for International Studies, Stanford University.

J. Kenneth Blackwell, Treasurer, State of Ohio, Former U.S. Ambassador to the UNHRC.

John Bolton, Senior Vice President, American Enterprise Institute, Former Assistant Secretary of State.

David L. Boren, President, University of Oklahoma, Former U.S. Senator.

Zbigniew Brzezinski, Former National Security Advisor.

Richard Burt, Chairman, IEP Advisors, Inc., Former U.S. Ambassador to Germany.

Frank C. Carlucci, III, Former Secretary of Defense.

Ashton B. Carter, Ford Foundation Professor, JFK School of Government, Harvard University, Former Assistant Secretary of Defense.

Hodding Carter, Knight Professor of Journalism, University of Maryland, Former Assistant Secretary of State.

Richard Cheney, Former Secretary of Defense.

Warren Christopher, Former Secretary of State.

Clark M. Clifford, Former Secretary of Defense.

Chester A. Crocker, Research Professor for Diplomacy, School of Foreign Service, Georgetown University.

Ivo H. Daalder, Associate Professor, School of Public Affairs, University of Maryland.

Arnaud de Borchgrave, Senior Advisor, CSIS.

Dennis De Concini, Former U.S. Senator.
Midge Decter, Author.
James Denton, Executive Director, Freedom House.
I.M. Destler, Professor and Director, Center for International and Security Studies, University of Maryland.
Paula J. Dobriansky, Vice President, Director of Washington Office, Council on Foreign Relations.
Bob Dole, Former U.S. Senator.
Pierre S. DuPont, Former Governor of Delaware.
Lawrence Eagleburger, Former Secretary of State.
J.J. Exon, Former U.S. Senator.
Dante B. Fascell, Partner, Holland & Knight, LLP Former Member of Congress.
Douglas J. Feith, Managing Attorney, Feith & Zell, P.C.
Sandra Feldman, President, American Federation of Teachers.
Francis Fukuyama, Hirst Professor of Public Policy, George Mason University.
Evan G. Galbraith, Chairman of the Board, LVMH Inc., Former U.S. Ambassador to France.
Richard N. Gardner, OF Counsel, Morgan, Lewis & Bockius, Former U.S. Ambassador to Italy.
Charles Gati, Senior Vice President, Interinvest.
Jeffrey Gedmin, Executive Director, New Atlantic Initiative Research Fellow, American Enterprise Institute.
Gary L. Geipel, Senior Fellow, Hudson Institute.
David C. Gompert, Professor, U.S. Naval Academy, Former Senior Director for European and Eurasian Affairs, National Security Council.
Stephen J. Hadley, Shea & Gardner, Former Assistant Secretary of Defense.
Alexander M. Haig, Jr., Former Secretary of State.
Edward T. Hanley, General President, Hotel Employees and Restaurant Employees International Union.
Marshall Freeman Harris, Director of Publications and Public Outreach, Freedom House.
Carla A. Hills, Chairman and CEO, Hills & Company, Former U.S. Trade Representative.
Richard Holbrooke, Vice Chairman, Credit Suisse First Boston, Former Assistant Secretary of State.
Walter D. Huddleston, Former U.S. Senator.
Samuel Huntington, Weatherhead University Professor, Harvard University.
Kenneth Jensen, Executive Director, The American Committees on Foreign Relations.
John T. Joyce, President, International Union of Bricklayers and Allied Craftworkers.
Robert Kagan, Senior Associate, Carnegie Endowment for International Peace.
Max M. Kampelman, Chairman, American Academy of Diplomacy, Former Counselor, U.S. Department of State.
Adrian Karatnycky, President, Freedom House.
P.X. Kelley, Gen. USMC (ret.), Former Commandant of the U.S. Marine Corps.
Jack Kemp, Co-director, Empower America, Former Member of Congress.
Zalmay M. Khalizhad, Director, Strategy and Doctrine Program, RAND Corporation.
Lane Kirkland, President Emeritus, AFL–CIO.
Jeane Kirkpatrick, Former U.S. Ambassador to the United Nations.
Henry Kissinger, Former Secretary of State.
William Kristol, Editor, The Weekly Standard.
Melvin Laird, Former Secretary of Defense.
Anthony Lake, Professor, Georgetown University, Former National Security Advisor.
F. Stephen Larabee, Senior Staff Member, RAND Corporation.
Arnold G. Langbo, Chairman of the Board/CEO, Kellogg Company.
Ronald S. Lauder, Chairman, Central European Media Enterprises Ltd.
Michael Ledeen, Resident Scholar, American Enterprise Institute.
I. Lewis Libby, Partner, Dechert, Price & Rhoads, Former Principal Undersecretary of Defense.
Robert J. Lieber, Professor of Government, Georgetown University.
Seymour Martin Lipset, Hazel Professor of Public Policy, George Mason University.
Bette Bao Lord, Chairwoman, Freedom House.
Winston Lord, Former Assistant Secretary of State.
Will Marshall, President, Progressive Policy Institute.
Paul McCracken, Professor Emeritus, University of Michigan Business School, Former Chairman, Council of Economic Advisors.
Dave McCurdy, Chairman, McCurdy Group, Former Member of Congress.
Robert C. McFarlane, Former National Security Advisor.
John Melcher, Former U.S. Senator.
Walter Mondale, Former Vice President of the United States.
John E. Moon, Commander in Chief, Veterans of Foreign Wars of the United States.
Joshua Muravchik, Convenor, New Atlantic Initiative Working Group on NATO Enlargement, Resident Scholar, American Enterprise Institute.
Michael Nacht, Former Assistant Director, U.S. ACDA.
Matthew Nimetz, Partner, Paul, Weiss, Rukind, Wharton & Garrison, Former Undersecretary of State.
James J. Norton, President, Graphic Communications International Union.
Michael Novak, George Frederick Jewett Scholar in Religion, American Enterprise Institute, Former U.S. Ambassador to the UNHRC.
William E. Odom, Ltg. USA (ret.), Director, National Security Studies, Hudson Institute, Former Director, National Security Agency.
Daniel Oliver, Former Chairman, Federal Trade Commission.
John O'Sullivan, Founder and Co-chairman, New Atlantic Initiative, Editor, National Review.
William A. Owens, President, COO, Vice Chairman of the Board, Science Applications International Corporation.
Charles Percy, Chairman, Charles Percy & Associates, Former U.S. Senator.
Richard Perle, Resident Fellow, American Enterprise Institute, Former Assistant Secretary of Defense.
William Perry, Former Secretary of Defense.
Daniel Pipes, Editor, Middle East Quarterly.
Norman Podhoretz, Editor-at-large, Commentary Magazine, Senior Fellow, Hudson Institute.
Colin Powell, Former Chairman of the Joint Chiefs of Staff: Former National Security Advisor.
Dan Quayle, Former Vice President of the United States.
David Rockefeller, Retired banker.
Peter Rodman, Director of National Security Programs, Nixon Center for Peace and Freedom, Former Director, Policy Planning Staff, U.S. Department of State.
William Rogers, Former Secretary of State.
Henry S. Rowen, Senior Fellow, Hoover Institution, Former Assistant Secretary of Defense.
Edward L. Rowny, Ltg. USA (ret.), Former Chief U.S. Negotiator to START talks.
Donald Rumsfeld, Former Secretary of Defense.
Jeffrey D. Sachs, Director, Harvard Institute for International Development.
Jeffrey T. Salmon.
George Shultz, Former Secretary of State.
Dmitri K. Simes, President, Nixon Center for Peace and Freedom.
Paul Simon, Former U.S. Senator.
Alan Simpson, Former U.S. Senator.
Joseph J. Sisco, Former Undersecretary of State.
Leon Sloss, President, Leon Sloss Associates.
Stephen Solarz, President, Solarz Associates, Former Member of Congress.
Helmut Sonnenfeldt, Guest Scholar, The Brookings Institution, Former Counsellor, U.S. Department of State.
Fritz Stern, University Professor Emeritus, Columbia University.
Robert S. Strauss, Akin, Gump, Strauss, Hauer & Feld, Former U.S. Ambassador to Russia.
William O. Studeman, Adm. USN (ret.), Former Deputy Director of Central Intelligence.
Stephen Szabo, Academic Dean, Johns Hopkins SAIS.
Gregory F. Treverton, Director, International Security and Defense Policy, RAND Corporation, Former Vice Chairman, National Intelligence Council.
Cyrus R. Vance, Former Secretary of State.
Stephen W. Walker, Director, Balkan Institute.
Ben J. Wattenberg, Senior Fellow, American Enterprise Institute.
Vin Weber, Partner, Clark & Weinstock, Former Member of Congress.
William H. Webster, Former Director of Central Intelligence.
George Weigel, Senior Fellow, Ethics and Public Policy Center.
W. Bruce Weinrod, Former Deputy Assistant Secretary of Defense.
Ross Williams, President, Secretary/Treasurer, Oklahoma State AFL–CIO.
Paul Wolfowitz, Dean, Johns Hopkins SAIS, Former Undersecretary of Defense.
Ronald B. Woodard, President, Boeing Commercial Airplane Group.
R. James Woolsey, Former Director of Central Intelligence.
Dov S. Zakheim, CEO. SPC International Corporation.
Robert B. Zoellick, Vice President, Fannie Mae, Former Undersecretary of State.
E.R. Zumwalt, Jr., Adm. U.S.N. (Ret.), Former Chief of Naval Operations.

Mr. MCCAIN. Third, Mr. President, because of the moral and strategic interests we have in NATO enlargement, it would be a grave mistake to endanger ratification by delay or by using amendments to the resolution of ratification to mandate specific policies on other separate European security issues.

Some of our colleagues have argued for making ratification contingent on certain other matters of European security policy. I believe the enlargement of NATO warrants our support without further condition.

The protocols on enlarging NATO are short, simple documents that do nothing more than extend the existing NATO treaty, in effect for nearly 50 years, to Poland, the Czech Republic, and Hungary. The protocols say nothing about further enlargement, Russia,

costs, the changing role of the alliance, the EU, or intra-alliance disputes. Past rounds of enlargement have gone forward with little or no conditions attached.

There is something to be said for knowing this historical precedent as it demonstrates the nonpartisan U.S. commitment to NATO, the European security, and to being a reliable partner, setting the kind of example we want our allies to follow on this and many other matters.

Imagine our reaction if the parliament of one of our allies were to attach conditions to NATO enlargement that we would find unacceptable—for example, restricting use of NATO designated forces in strikes against Iraq.

To the extent conditions are attached, they must be of a nature so as not to impede or slow down the ratification of NATO enlargement, here or in other Allied capitals. There are many complicated issues at stake in European security that demand our attention, but these issues cannot and should not be solved through hurried words in the resolution of ratification.

We risk doing more harm than good by mandating simplified solutions to problems where there is need for more thoughtful consideration and where there is no consensus within this body or among our country's foremost experts. This applies in particular to questions about NATO's ''new missions'' and the alliance's strategic concept. Clearly, we need to pay close attention to NATO's growing out-of-area role and its greater emphasis on peacekeeping and crisis management.

In today's world, no longer dominated by an East-West divide in Europe, these new directions of NATO make sense. Rather than seeking to use a resolution of ratification to restrict development of these concepts in NATO, we simply need to continue to do our job in the Senate of exercising oversight to ensure that NATO's evolving strategic concept remains consistent with our treaty commitments and that the United States does not commit to foreign military engagements that do not have sufficient support in the Senate and among the American public.

I do not see the logic in a mandated pause before future rounds of enlargement. It is scarcely necessary, given there will be a de facto pause as the alliance absorbs the first round of new members. The United States always maintains a veto at NATO, and the Senate always has the right of advice and consent. All a pause would do is needlessly tie our own hands and those of a future President in the event a qualified country that could make a real contribution to NATO wanted to join. Even worse, it would eliminate the incentive other Europeans have to spend now the resources necessary to prepare for NATO membership in the future. A mandated pause buys us nothing we do not already have, yet has real down sides.

Burdensharing is an issue of constant concern and debate with our allies. It is a long-term struggle for this country to ensure that we bear only a reasonable and fair share of the costs of our common security through NATO. Enlargement itself already implies a small reduction in the U.S. share of NATO's common expenses, although the total dollar amount will go up as NATO takes on new costs associated with enlargement. But seeking to use the resolution of ratification to mandate further reductions in our share of NATO expenses that have not been consented to by our allies is simply another way to try to scuttle enlargement.

I also fail to see the logic of tying NATO enlargement to decisions by the European Union about its enlargement. Security is an issue in its own right, independent of economics, and we need to fill the security vacuum in Central Europe, bind these countries to the West, and guarantee a stable environment in Europe regardless of the state of European Union enlargement.

Moreover, the European Union is dragging its feet on enlargement. We should not allow this foot-dragging to delay our taking action to enhance security in Europe. The U.S. is not a member of the EU and has almost no influence over its membership decisions. There is no reason for the U.S. to abdicate to the EU the decisions about which countries we will end up defending through NATO and when.

Finally, the EU is negotiating with six candidates for future EU expansion. Three of these countries are the same as the three NATO invitees, but the others include countries such as Cyprus and Estonia for whom near-term NATO membership would be problematic.

In my view, the resolution of ratification, as currently drafted, addresses most of the concerns that Senators have raised in a responsible and thoughtful manner. It does not impose any unacceptable conditions. It calls for a reaffirmation from the administration on a few key points—the primacy of the North Atlantic Council vis-a-vis the NATO-Russia Permanent Joint Council; the maintenance of collective defense, not collective security and out-of-area missions, as the core mission of NATO; and the requirement to keep the costs of enlargement under control and shared equitably among the allies. These are sound policy positions soundly formulated. Neither the administration nor our allies should have any difficulty supporting them.

Mr. President, there is no reason to delay bringing this issue to a vote. This issue has received more attention in the Senate and in public discussion than most other foreign policy issues in recent memory. The proliferation of op-eds, articles, studies, think-tank papers, and conference proceedings is astonishing.

Over the past several years, the Senate has on 14 separate occasions, through unanimous consent resolutions, voice votes, rollcall votes, on things such as the NATO Enlargement Facilitation Act, repeatedly given a strong endorsement to NATO enlargement. We even urged the administration to include one more country in the enlargement talks that was ultimately invited at Madrid.

Several Senate committees have held hearings on NATO enlargement. The Foreign Relations Committee has held numerous hearings and published 552 pages of testimony about the issue. This level of attention has been the most extensive of any previous enlargement of NATO. Ratification of Spain's membership was done by a voice vote. To say that there has not been enough debate is to say that no amount of debate will ever be enough.

The complaints that there has not been sufficient debate—often coupled with a request to postpone such debate—instead seem like an effort by opponents of enlargement to scuttle the issue because they know a majority in the Senate has considered the issue and is prepared to vote in favor.

The issues before us are clear and well defined. For the moral, strategic, and practical reasons I have outlined, the most important thing the Senate can do now is to offer an overwhelming, positive ''yes'' vote on the enlargement of NATO— without crippling amendments—to bring these countries back into the Western fold forever. I urge my colleagues to support the current resolution of ratification with no further amendments.

Mr. President, I thank the majority leader. I thank his staff and others who have contributed enormously to this effort. I want to thank Senator BIDEN and I want to thank Senator HELMS for their efforts. Without their work, we probably would not have gotten this issue to the floor. The majority leader has committed on this issue, and I appreciate his leadership.

But I also cannot help but recall, Mr. President, our former majority leader, Bob Dole, whose op-ed piece appeared in the Washington Times today. I will not take the time in the Senate to read the whole thing, but Senator Dole sums up where he says—and I quote—

> This is no time to postpone or delay action. It is time to act so that other NATO member countries can move ahead with ratification knowing the United States is leading the way.

Senator Dole, throughout his long and illustrious career here, always believed that the United States should lead the way. With our vote in favor of enlargement of NATO, the United States will again, in the words of Bob Dole, lead the way.

UNANIMOUS-CONSENT AGREEMENT—S. CON. RES. 85

Mr. MCCAIN. As in legislative session, I ask unanimous consent that the Senate now proceed to the consideration of S. Con. Res. 85, submitted earlier today by Senator NICKLES and others. I further ask unanimous consent

that no amendments be in order to the resolution or preamble. I further ask unanimous consent that total debate time be limited to 60 minutes, equally divided between the two leaders or their designees, with 10 minutes of the time allotted to the Democratic leader being under the control of Senator BIDEN. I finally ask unanimous consent that following the expiration or yielding back of time, the Senate proceed to a vote on the adoption of the resolution, with no intervening action or debate.

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

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

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Delaware.

CALLING FOR AN END TO THE VIOLENT REPRESSION OF THE PEOPLE OF KOSOVO

Mr. BIDEN. Mr. President, I ask that the resolution on Kosovo be reported.

The PRESIDING OFFICER (Mr. INHOFE). The clerk will report.

The bill clerk read as follows:

A concurrent resolution (S. Con. Res. 85) calling for an end to the violent repression of the people of Kosovo.

The Senate proceeded to consider the concurrent resolution.

Mr. BIDEN. Mr. President, the United States in concert with its allies must act immediately to prevent a resumption of the brutal repression of ethnic Albanians in Kosovo and to get real—not sham—negotiations started.

The past two weeks have seen appalling massacres of innocent ethnic Albanians in Kosovo by heavily armed Serbian paramilitary forces. Yugoslav President Slobodan Milosevic's black-suited thugs used artillery, armored personnel carriers, heavy caliber machine guns, and even helicopter gunships to carry out their gruesome work.

The pretext for their violence was an ambush of Serbian policy by the secretive Kosovo Liberation Army, which left four policemen dead. But we know that Milosevic had been planning military action in Kosovo for months. He was just waiting for an excuse to issue the final orders.

Not only were supposed members of the Kosovo Liberation Army murdered, but scores of innocent civilians, including women and children, were killed.

There is strong circumstantial evidence indicating that many victims were tortured before being put to death. Demands by Kosovo Albanians for outside forensic investigations before their kin were buried were cruelly denied by the Serbs, who dumped the corpses into mass graves.

Next, the world witnessed the spectacle of survivors exhuming the bodies of their loved ones in order to give them dignified, Muslim burials.

Mr. President, this behavior is worthy of the Dark Ages, not the end of the twentieth century.

Having ordered these massacres and ghoulish follow-up, Milosevic, true to form, attempted to con world opinion.

He sent a delegation to Pristina and offered to talk with the Kosovo Albanians ''without preconditions''—except for the little detail that the Albanians would have to negotiate within the framework of the Republic of Serbia.

In other words, the Kosovo Albanians would have to give up their only bargaining chip at the outset, namely their demand for independence. Some deal.

Moreover, the Belgrade Bully rubbed salt in the wounds of the community whom his storm troopers had just massacred by declaring that he would negotiate with the ''Albanian minority,'' meaning a minority in Serbia, not the ninety percent majority they hold in Kosovo.

No, Mr. President, this was not a serious offer of negotiations. It was vintage Milosevic ''bait and switch.'' Rather than beginning the necessary quiet dialogue, he cynically tried to make a public splash, while continuing to repress.

Once again, the civilized world is faced with a deadly serious challenge.

There is a real possibility that if Milosevic in his Greater Serbian haze tries to ''ethnically cleanse'' Kosovo of its ethnic Albanian population, the violence could spread into a full-scale Balkan War, cutting short the recent progress we have made in Bosnia and fracturing NATO. The cynical side of me tells me part of why he moved when he did was because of Bosnia.

Mr. President, I hope this time we will act without having to have 4 years of convulsions like we had on Bosnia, even though it is a very different circumstance in terms of what is at stake. It is not different in terms of the brutality and the atrocities that have occurred. It is time to act. The bipartisan resolution I am cosponsoring is just a beginning. I believe the United States should immediately reimpose all financial sanctions against Serbia, except for democratic assistance. We should insist that Milosevic lift the repressive martial law in Kosovo and withdraw his storm troopers. The United States must actively facilitate immediate good faith negotiations between Belgrade and Kosovo without preconditions as called for by the contact group to which we belong.

If Milosevic does not unconditionally come to the negotiating table by next week, we should freeze Yugoslavian assets abroad, attempting to exempt assets in Montenegro whose new reformist President has been cooperative in a number of ways. Milosevic and his Serbian colleagues should understand that if the atrocities resume, and if he does not protect lives, human rights, and the autonomy of the people of Kosovo, the pressure from the United States, and hopefully others, will escalate.

I believe the President is right when he suggests that no option should be ruled out. Milosevic is a thug. He is the President of a country but he is a thug. He should be indicted as a war criminal. He should be tried at The Hague. I reiterate what I told him to his face 4 years ago in his office when he asked me what I thought of him. He is a war criminal. He looked at me as if we were having a civilized discussion and said, ''And what do you think of me,'' and I repeat publicly what I said to him privately. I said, ''I think you are a war criminal and should be tried as such.'' Unfortunately, I have never been more correct than I was then. This guy is a thug. We should make no bones about who he is.

Mr. President, I hope that the concurrent resolution for which we have 1 hour of debate here, the concurrent resolution that is introduced by Mr. NICKLES, Mr. DODD, myself, Mr. HELMS, Mr. LIEBERMAN and others, I hope we pass it, and pass it swiftly.

I see my friend from Connecticut. I yield the floor to my friend from Connecticut.

Mr. DODD. I thank my colleague from Delaware for yielding.

While we are on this resolution introduced by Senator NICKLES and I and the distinguished Senator from Delaware, my colleague from Connecticut, Senator LIEBERMAN, and others, let me commend the Senator for the very fine way in which he is managing the effort dealing with NATO expansion. I know in a sense we are interrupting that debate to consider this resolution.

Mr. President, I am very pleased to be a principal sponsor, along with our colleague from Oklahoma and others, of this resolution. I think it is appropriate, in light of events we have all seen in our newspapers and television stations, events that have occurred in Kosovo in the last couple of weeks, to speak, to be heard. I think it is appropriate.

In this body we are oftentimes asked, what do these resolutions mean? What value do they have? People write resolutions with a lot of language, and here are calling for sanctions or expressing outrage over behavior, and it seems just like a lot of words.

I remember, Mr. President, very vividly one of my first days in the Congress of the United States and I had a chance to meet with some refuseniks from the Soviet Union. They were courageously trying to achieve religious freedom for themselves and democracy in the Soviet Union, a very repressive regime. I remember raising the question to a couple of these people, does this have any real value when we speak out with resolutions, and people were wearing bracelets and so forth with the names of refuseniks. And there were those who questioned the wisdom of it, ''Wasn't it more sort of a lot of rhetoric without having much influence?'' I will never forget the response of these people. They said, ''You have no idea how closely the world watches what you say in America. When you speak our names on the floor of the U.S. Senate, when you talk about us, you give

us hope beyond belief. We live, we exist.''

People try to suppress the rights of others or, worse, try to suppress the rights of others by engaging in the worst kinds of atrocities, as we have seen in Bosnia and now Kosovo. They need to know there are people who understand what is happening to them.

So it is entirely appropriate and proper, Mr. President, that we take out an hour today. There may not be many who come here to address this issue, but I am very confident that there will be unanimous support for this resolution. There will be a vote on it in which we will be heard expressing, I think, the outrage of our constituents across this country, regardless of where we live, letting those who are suffering know that their voices are being heard, letting those who perpetrate this violence and outrage know that we know what is going on and we will not forget it.

So to those who raise the issue of whether or not these resolutions have value, I believe they do. It doesn't mean that we are going to solve the problem today or that we are going to necessarily change events dramatically. But we just might save a life or two because of what we say or do here today—maybe more than that. For those reasons, I think it's appropriate and proper that we engage in a discussion of what has happened in Kosovo and to express our concern and outrage about it.

It is a coincidence, in a way, Mr. President, that brings us to this. Unbeknownst to me, my friend and colleague from Oklahoma was working on a resolution just as we were—separately from each other. Last week, I came to the floor with the idea that I might offer such a resolution, and I was told that Senator NICKLES, the colleague of the Presiding Officer, had a similar resolution he was working on. Rather than having two resolutions or trying to sort of paste a resolution together that afternoon, we worked together over the last several days and came up with this resolution that we have both sponsored and endorsed. We will be asking all of our colleagues to support this.

I thank Senator NICKLES and his staff for their cooperation in working out the language that we think will engender the broad-based support of our colleagues. I know all of my colleagues read the same reports that I have, Senator BIDEN has, and others have, detailing the very gross violations that have been perpetrated by the Serbian police and paramilitary units against the people of the Province of Kosovo, particularly the ethnic Albanian community, the overwhelming majority of whom are Muslims. The Albanian community makes up 90 percent of the province's population. More than 80 individuals that we know about have lost their lives in recent days, many of whom are women and children. Others have lost their homes and have been forced to flee from their villages in search of refuge.

Yugoslav President Milosevic, whom my colleague from Delaware has very appropriately and properly identified as a thug, appears to be at the center, once again, of this current tragic situation. Sometimes, Mr. President, we don't know who is responsible for these events. We are outraged by them, but it's difficult to identify those responsible.

I remember for years attending ceremonies to recognize the cream of the young Polish officer corps that had been summarily executed in the forests of Poland back during World War II. There were allegations back and forth as to who had committed the crimes, the Soviets or the Nazis. That issue was never resolved completely in the minds of people until Mikhail Gorbachev opened up the files and we discovered what many felt was the case—that the Soviets in fact had been responsible for that atrocity. But for years the debate raged as to who was responsible.

On this issue, Mr. President, there is no debate. We know directly who is responsible, who has ordered this, who has tolerated it and who, in fact, supported and encouraged it, in my view. That is President Milosevic. The world needs to know that so that his name will ring in the ears of coming generations as somebody who allowed this, permitted it, encouraged it, and supported it happening in his country. Once again, the forces under his control are murdering and intimidating ethnic communities in the former Yugoslavia.

As I said a moment ago, the majority are largely of the Muslim faith. It was reprehensible that Serbian police were in such a hurry to cover up the evidence of their heinous act and surreptitiously burying the dead without according them the proper burial services. Grief-stricken families bravely defied Serbian authorities and dug up their own dead—family members, their own children, wives, sisters—so that these people could be given an appropriate burial service, having been murdered by these police, in keeping with the Muslim religious beliefs and practices for the bodies to be facing to the east. It is imperative that the international human rights observers, members of the Red Cross, and independent journalists be granted access to communities in Kosovo to independently investigate these recent killings. All relevant evidence should be referred to the International War Crimes Tribunal for further investigation and prosecution as expeditiously as possible.

It seems to me, Mr. President, and to those of us who sponsored this resolution, that it would be wrong for the United States to remain silent in the face of such despicable acts; hence, this resolution today. If we were to do so, we would simply, in our view, be encouraging Milosevic and his like to act even more viciously and recklessly than they have in the past, if that were possible, to repress the democratic aspirations of the people of Kosovo. We would also be running the risk that the current conflict would spill over into other countries and pose serious threats to regional peace and security. That must not happen.

Silence, in a sense, is almost the coconspirator of those who perpetrated these crimes. So by raising our voices here and hopefully expressing our unanimous outrage at what is occurring, we do not become the coconspirators, if you will, of these atrocities. Fortunately, President Clinton and Secretary of State Madeleine Albright focused very quickly on this matter. In the context of the so-called ''contact group'' established to monitor the situation in the former Yugoslavia, the United States has sought to galvanize the international community and to speak with one voice on this problem and to agree upon a course of action against the Milosevic regime should it continue its aggression in Kosovo. Today, the Senate will endorse those efforts, and the contact group specifically, by strongly supporting the pending resolution. Moreover, we would be adding our voice to those who call for the international community as a whole to come together behind the initiatives of the contact group. If the international community is prepared to do that, it will improve the prospects for a political solution to this conflict before it grows even more unmanageable.

Mr. President, our colleague from Delaware started to read some of the operative paragraphs in the resolve clause of this resolution. I won't go through and read it all. It is in the RECORD. It does call for a freezing of government funds of Yugoslavia if we don't get compliance by March 25, over the next 5 or 6 days, with the terms set forth by the contact group. It also calls for extremely strong monitoring efforts by the appropriate international groups.

This is not the end of this issue. If we don't see the proper responses in the coming days, as I said a moment ago, those of us who have seen and watched the terrible tragedies that have transpired here want our voices to be heard. We want those in this country who have family members there to know that we care deeply about this. We want those who may hear our voices in the Albanian minority in Kosovo to know that there are voices here—people whose names they may not know, faces they may not recognize, people they may never meet, but who will not be silent in the face of their tragedy.

So, Mr. President, I urge colleagues here to, in a strong bipartisan fashion, support this resolution introduced by Senator NICKLES, myself, and others, so that this body, this U.S. Senate will, on this day in March, express to the people of the world, particularly the people of Yugoslavia and Kosovo, that

we hear their cries and we will do everything in our power to try to see to it that this tragedy comes to an end.

Mr. President, I ask for the yeas and nays on this resolution.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

Mr. BIDEN. Mr. President, while the Senator from Connecticut is on the floor, I will just say one thing. In this case, I think he underestimates what he has undertaken here and the impact of it. This is more than merely a resolution. It calls for a very specific action. The truth of the matter is that, according to my information, every single time we have responded to Milosevic's thuggery, every single time we have threatened action and/or taken action, he has backed down. I happen to think that the one thing that can alter his conduct in Kosovo—because it will reoccur again—the one thing that he pays most attention to is his own naked personal self-interest. He has been playing on this Serbian nationalism as communism has collapsed in the former Yugoslavia like a harp. But even his people are beginning to tire of what he is doing. He has been spreading lies and has been on Belgrade television talking about the awful things that are happening to Serbs—orthodox Serbs—in Kosovo, which are not true. He has been fomenting this kind of awful conduct for some time.

I think, in addition to what we have here in the resolution, that ultimately we are going to have to face up to the fact that he is a war criminal. We should have him tried as one. I think that will change his conduct more than anything else.

But I compliment the Senator from Connecticut for his initiative. In this case, words count. I am confident that if we are able to take this action, in the sense that the administration follows through on the essence of the resolution here, that we can impact upon the circumstances of Kosovo. We are not asking for independence. We are not dictating an outcome. We are dictating an end to the conduct. I think the answer lies in autonomy, which he revoked in 1989. But that is to be negotiated.

But I compliment the Senator on his initiative. Words count here.

I yield the floor.

Is my friend seeking recognition?

Mr. WELLSTONE. I wonder if I could speak on this resolution.

Mr. BIDEN. Parliamentary inquiry: How much time remains?

The PRESIDING OFFICER. There are 7½ minutes remaining.

Mr. BIDEN. I yield 3 minutes to my friend from Minnesota, and the remainder to my friend from Connecticut.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I could speak for 3 hours on this. But I agree with Senator BIDEN from Delaware. This is really one of the situations where words really do matter. I fully support this resolution. I am glad we are speaking out on it.

Several years ago I had a chance to visit Kosovo. It was really an awe-inspiring trip. I, first of all, wanted to go to the former Yugoslavia—I know Senator BIDEN visited there—on my own to see what was in the holocaust taking place; at least the genocide. I never could get to Sarajevo. I never could fly in. But I was able to eventually drive from Zagreb to Belgrade. I met with Milosevic. It was really the only meeting I ever had with someone where I wouldn't shake his hand. We were talking about Kosovo. I was about to visit there. He told me that people were very happy there; that I would find out that there had been a tremendous amount of exaggeration. I couldn't believe he said that to me. It was just outright lying. It was unbelievable.

I went to Kosovo and I met with people who were involved in the nonviolence. As they said then, ''We want to do this in a nonviolent way.'' But time is not neutral. People can't continue to bear their oppression. People couldn't go to medical school. They couldn't go to law school. There were police everywhere. It was an absolute police state where 90 percent of the Albanian people were oppressed by the Serbs. This is not the best of what the Serb people stand for. Now we have this resistance. Now we have the people in Kosovo who are taking a strong stance.

I am opposed to terrorism. We are all opposed to terrorism. Murder is never legitimate. But I must say that I think it is important that we get behind this resolution, and I think it is important that Milosevic know that there will be pressure put on him, and that we are serious about trying to support the people of Kosovo. It is very important that we do this.

I yield the floor.

Mr. BIDEN. Mr. President, I ask unanimous consent that the Presiding Officer be added as a cosponsor to this resolution.

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

Mr. BIDEN. Mr. President, I am told by staff of the majority that there will be some additional time available. If the Senator needs more than the remaining 5 minutes, I am sure we can arrange it.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair, and my friend and colleague from Delaware. He and others, including the Senator from Minnesota, have just finished, and my friend and senior colleague from Connecticut, who is the lead cosponsor of this, has spoken quite eloquently. I really in a sense say amen to what they have said, and will add a few words: First, pride that we have put together a bipartisan resolution here with original cosponsors: Senator NICKLES, Senator DODD, Senator BIDEN, Senator HELMS, myself, and Senator LEVIN.

This speaks volumes about the facts that we have learned. We have learned most recently from the lessons of Bosnian history—the concern, the inaction, the failure to be willing to use force early—that you wonder about whether the application of even diplomatic strength that was clear and resolute would draw a reaction, and, as a result in part, a lot of people suffered, a lot of people died, a lot of bloodshed occurred, and a wider war in Europe was threatened.

When we finally acted—NATO acted—particularly through the air in 1995, the Serbians, who were portrayed as a monster, as an army difficult to contend with in response to the application of force by NATO from the air in 1995, basically found their way to Dayton, and the peace process began. That has led to a much better state. We have learned. We are acting quickly here.

We are building on statements made by former President George Bush, the so-called ''Christmas statement,'' in which he stated quite clearly the vital national interest that the United States has in maintaining peace and stability in Kosovo—that fear being, of course, if we let that go, if we let the Serbian minority continue to suppress the Albanian majority, we will not only have been untrue to our own American principles of freedom and self-determination but that we will have turned our back on a situation that is bound to explode. A people will not long continue to accept the suppression that the minority has visited on the majority in Kosovo without striking back—weakly in some ways against a superior force but resolutely, because that yearning for freedom exists within the hearts of people everywhere, and certainly in the hearts of the Albanians in Kosovo.

That is exactly what is happening now. The fear that President Bush expressed, which is a fear that has been shared across both branches of our Government and both parties, is that a conflict in Kosovo, which is inevitable under the current circumstances, will lead to a wider conflict in Europe, and once again the Balkans will be the match that lights a fire that none of us want to see occur.

That is why the exercise of leadership by the contact groups—Secretary Albright has been very strong, and very purposeful in this regard—here refreshingly after the unhappy experiences we had in the recent crisis in Iraq, we stand side by side with all of our major allies in NATO, and with Russia apparently in urging more than that; in expressing our willingness to impose sanctions on the Serbs, if they do not cease the suppression of the human rights of the Albanian people; if they do not come to the peace table.

With this concurrent resolution, the U.S. Senate has the opportunity, which I am confident we will take soon today,

to express quite clearly: One, that we condemn the Serbian Government in the strongest possible terms for the gross human rights violations against its citizens, including the indiscriminate use of Serbian paramilitary police units against the Albanian population of Kosovo.

This is one of those stories that has not been widely told. But the Albanian people in Kosovo have been subject to persistent, not just discrimination but tyrannical exercise of power to deprive them of their own self-expression, of their own cultural expression, to some extent even of their own religious expression.

We condemn terrorist actions by any groups or any individuals in Kosovo. We urge the international community to respond affirmatively to the call of the contact group for the imposition of broad sanctions against Serbia if it fails to prevent additional atrocities. And we call on our own Government to freeze funds of the Governments of the Federal Republic of Yugoslavia and Serbia if they do not comply by March 25, 1998, with the terms set forth by the contact group.

We ask our Government to demand that the Serbian Government and the ethnic Albanian leadership and representatives of all ethnic and religious groups in Kosovo immediately begin unconditional talks to achieve a peaceful resolution to the conflict in Kosovo and to provide for the exercise of legitimate civil and political rights of all people there.

Then we demand that the international human rights monitors, especially from the Red Cross, who were forced to withdraw from Kosovo be allowed to return immediately in order to be able to report to the world on human rights violations there.

This is a strong, unambivalent statement not just of the concern about the deprivation of human rights that we in the Senate feel but of our sense of purpose about using every element of strength we have with our allies to suppress the conflict and to put the conflicted parties on the path to peace. And that peace will have to recognize the legitimate—indeed, the universal—human rights of the Albanian people of Kosovo.

Mr. President, I was intrigued by an article I read in one of the newspapers within the last week from Belgrade which suggested that Serbian public opinion in Belgrade is not behind the policies of the current Milosevic government in Kosovo which they think will lead to war. People in Serbia have not fallen for the siren appeals to nationalism—as I believe my colleague from Delaware said, an attempt to impose a sense of greater Serbian nationalism as not just an organizing principle but a tyrannical principle to replace communism.

The people of Serbia are like people everywhere else. They have been suffering under this leadership. Their economy is in terrible shape. Their lives are not what they want them to be. Their children have futures much darker than they would like them to be. They want there to be peace.

I read an article written by a Serbian nationalist who said, ''Kosovo is our past; it is not our future. Our future is here, to build a strong, vital, democratic, economically vibrant Serbia.'' Let us hope that those voices are heard. And I think when our voices are heard in the Senate today, we will make room for those more progressive voices in Serbia and peaceful voices in Kosovo to work their will so that the conflict will be ended and self-determination will be the future.

I thank the Chair. I thank my friend from Delaware for his continuing leadership on these and so many other matters of vital interest to our country, and I yield the floor.

Mr. LEVIN. Mr. President, I want to express my strong support for the resolution on Kosovo of which I am an original cosponsor.

The actions of the Serbian special police, who take their orders from Serbian strongman Slobodan Milosevic, in indiscriminately attacking ethnic Albanians residents, including women and children, in Kosovo last week are an abomination. They remind us that it was Milosevic's desire for a Greater Serbia that led to the countless innocent victims in the war in Bosnia. If he is allowed to go unchecked in Kosovo, Milosevic will plunge the Balkans into war again. That cannot be allowed.

The Contact Group, consisting of France, Germany, Italy, Russia, the United Kingdom, and the United States, has been following events in Kosovo closely for some time. On September 24, 1997, the Contact Group expressed its deep concern over tensions in Kosovo and called on the authorities in Belgrade and the leadership of the Kosovar Albanian community to join in a peaceful dialogue. I would also note that in a Joint Statement dated October 1, 1997, the United States and the European Union Presidency strongly condemned the use of force against peaceful demonstrators in Kosovo and called on the international community to join in the condemnation.

The Contact Group repeated its call for peaceful dialogue on January 8, 1998, and on February 25, 1998, but it fell on deaf ears.

On March 8, 1998, the Contact Group condemned the excessive use of force by the Serbian police that resulted in at least 80 fatalities and condemned the repression of non-violent expression of political views. The Contact Group noted that it was not endorsing terrorism and condemned terrorist actions by any group. Additionally, it called upon Belgrade to invite independent forensic experts to investigate the very serious allegations of extrajudicial killings. The Contact Group recommended a number of actions too numerous to detail here and demanded that Milosevic must: Withdraw the special police units and cease action by the security forces affecting the civilian population. Allow access to Kosovo for the International Committee of the Red Cross and other humanitarian organizations as well as by representatives of the Contact Group and other Embassies. Commit himself publicly to begin a process of dialogue, with the leadership of the Kosovar Albanian community. Cooperate in a constructive manner with the Contact Group in the implementation of the actions it recommended which require action by the Federal Republic of Yugoslavia government.

The concurrent resolution, entitled Calling for an end to the violent repression of the people of Kosovo, call for the international community to respond affirmatively to the call of the Contact Group for the imposition of broad-based sanctions against the Government of Serbia if it fails to prevent atrocities by the police and paramilitary groups or does not otherwise comply immediately with the terms set forth by the Contact Group.

Mr. President, Senator JACK REED and I visited Belgrade in January 1997 and were impressed by the massive demonstrations in favor of the opposition ''Together'' movement. The several opposition parties and the students found their common opposition to Milosevic to be a rallying force. I would note that the United States—European Union Joint Statement of October 1, 1997 that I referred to previously, went on to deplore specific actions by Belgrade in removing Zoran Djindjic as the mayor of Belgrade, replacing the editor of Studio B television and packing the station's managing board. It held Milosevic accountable for attempting to reassert political control of the media in Serbia. That is the pattern: take over the media, commit atrocities, arrange for television to only show violence against Serb policeman, and then blame the whole situation on someone else.

Mr. President, I am pleased that the Yugoslav War Crimes Tribunal began its investigation last Tuesday of the recent events in Kosovo. I am also pleased that Secretary of State Madeleine Albright announced last Friday that the United States was making a contribution of $1.075 million to support the Tribunal's effort in Kosovo.

Mr. President, a reading of the concurrent resolution will reveal that there are numerous references to Slobodan Milosevic. That is no accident and we need to send a personal message to him. I urge my colleagues to vote for this resolution.

Mr. D'AMATO. Mr. President, I rise today as a co-sponsor of this concurrent resolution on the Kosovo crisis introduced by my distinguished colleague, Senator NICKLES. I want to thank Senator NICKLES for taking the lead in introducing this resolution on the critical issue of Kosovo.

Many of us in the Senate already know something about Kosovo. If the international community doesn't stop

Slobodan Milosevic's police and paramilitary from using force and violence to terrorize and drive out members of the ethnic Albanian majority in Kosovo, the American people will come to know Kosovo all too well.

The bottom line regarding Kosovo, reflected in this resolution, is that the regime of Slobodan Milosevic in Belgrade continues to deal with the ethnic Albanian majority with guns, knives, and clubs instead of political dialogue. Not having had his fill in Bosnia, Milosevic's regime seems prepared not only to repress the Albanian majority of Kosovo, to harass them, or to discriminate against them because they are not Serbs.

Now, he has begun to slaughter them. In recent weeks, Serbian security forces have taken the offensive in Kosovo, allegedly going after those Albanians responsible for terrorist acts. In so doing, at least 70 people have been killed—men, women and children—in some villages of central Kosovo.

Last week, soon after U.S. envoy Bob Gelbard left the region, the bodies of 50 people were removed from the local morgue and bulldozed into a mass grave, without consulting families and in violation of basic human decency. This could well have been an effort to literally bury the evidence of war crimes, because the International Criminal Tribunal in the Hague has expressed interest and the families have called for investigation by an international team of forensic experts.

These killings threaten far worse crimes, including ethnic cleansing on a scale similar to that in Bosnia. This would pose not only a threat to regional peace, but would be a slap in the face for every state and every person who has worked for peace in the Balkans and justice for victims of past ethnic cleansing.

What is the purpose of this recent violence? Is it to defend Serbian interests from Albanian separatists? No. The purpose is to build hatred, nationalism and tensions in order to maintain and enhance the power of the Milosevic regime.

Milosevic will crack down on his fellow Serbs, whom he claims to defend, if they threaten his rule. While Kosovar Albanians may want to be independent from Serbia, that fact cannot justify massive, criminal repression. While some Kosovar Albanians may be willing to engage in violence to achieve independence, that fact cannot justfy brutal attacks on innocent people. And while Serbia may want to keep Kosovo, Serbia can only lose Kosovo through these bloody, indiscriminate attacks on the Albanian population.

The international community must respond to the violence in Kosovo, and this resolution makes some solid suggestions. Nothing is more important than getting an international presence on the ground in Kosovo now, to help deter further human rights violations and to report those that are taking place. While the resolution calls for the International Red Cross to come into Kosovo, as Chairman of the Commission on Security and Cooperation in Europe, I also want the Organization for Security and Cooperation in Europe, the OSCE, to be allowed to send in a mission. The OSCE had a presence in Kosovo in 1992 and 1993, and it must be allowed to return.

Milosevic must face consequences for his policies. Freezing funds belonging to the Federal Republic of Yugoslavia and Serbia is only a first step, if the Contact Group's terms are not met. Resolve is the only thing Milosevic understands, and resolve is what we must show.

For the violence to stop, Milosevic must be made to believe the so-called Christmas warning issued by President Bush and repeated by President Clinton. Milosevic was warned that we will not let him turn Kosovo into a new battle zone. United States leadership is called for to bring all of the members of the Contact Group into agreement with this strong position. Then, we must stand together and drive the message home.

Finally, and critically important, is the resolution's call for unconditional talks to achieve a peaceful resolution to the conflict in Kosovo and to provide for the exercise of the legitimate civil and political rights of all persons in Kosovo. Clearly, the current situation is untenable. Once violence is halted, the situation is still not stable. The Serbian oppression of the Kosovar Albanian majority is intolerable, and events have gone too far to expect that the people will accept it.

This means that progress must be made toward a genuine political solution to the crisis. This cannot be done in a one-sided fashion. The recent Serbian offer of talks was not serious, and was rejected by the Kosovar Albanian leadership. Milosevic must come to the table seriously, without preconditions. That is the path to peace and stability in Kosovo, and the United States must do all it can to push the parties down that path.

If Kosovo explodes, and it must not be allowed to, it could easily set off a chain reaction leading to wider conflict in the Balkans. For moral and strategic reasons, we cannot let that happen. The stakes are too high, and they involve real, vital United States national interests. The Nickles resolution and its provisions is the right place to start, and I call upon all of my colleagues to support it.

Thank you, Mr. President.

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

The PRESIDING OFFICER (Mr. HAGEL). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NICKLES. 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. NICKLES. Mr. President, I wish to join with my colleagues, Senator LIEBERMAN, Senator BIDEN, and others who have spoken in favor of this resolution. I apologize for being detained. The Budget Committee is in a markup, and we had several votes, so I was not able to be here.

Mr. President, I ask unanimous consent that the following individual Senators be added as cosponsors: Senators KERREY, D'AMATO, KYL, ABRAHAM, GRAMS, WELLSTONE, and INHOFE.

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

Mr. NICKLES. Mr. President, this resolution is a bipartisan resolution which several of us have worked on for the last few days. I thank my friends and colleagues, particularly Senator LIEBERMAN, who worked on this, Senator LEVIN, Senator BIDEN, and other colleagues, Senator LOTT and his staff. We wanted to speak out strongly and condemn the atrocities that have happened recently in Kosovo, not condemning the Serbian people but, frankly, condemning the Serbian leadership and primarily that of Mr. Milosevic. The killings that have happened recently, which culminated in the loss of life of at least 60 people including women and children who were slaughtered by their special police forces, are an atrocity. It needs to be condemned, and we need united action.

This resolution condemns the slaughter, it condemns the atrocities that have happened recently, and it also calls upon the United States and the world community to act together to take action to see that it does not happen again.

The administration was in the process of actually reducing sanctions to the Serbian Government, to Mr. Milosevic. They have now postponed lifting those sanctions.

We also in this legislation say that the United States should freeze funds of the Governments of the Federal Republic of Yugoslavia and Serbia if the Government of Serbia fails to comply by March 25, 1998, with the terms set forth by the contact group. I think that will have some impact. I think that will get his attention.

He has been a very difficult person to deal with. Some of us have met with Mr. Milosevic. I met with him in 1990, along with Senator Dole, Senator MACK, and others. And I will not forget this individual. We wanted to visit Kosovo. We did visit Kosovo. But I remember Mr. Milosevic didn't want us to visit Kosovo, and he went to great lengths to see that we wouldn't go, but we did go. We were greeted by thousands of individuals, mostly Albanians, who wanted to see us and also express to us their desire to have some degree of autonomy, their desire to have some degree of freedom, which was being denied to them at that time by the Serbian leadership, denied in many, many forms—denied in the press, denied in employment; they were persecuted; they were prosecuted; they were harassed. And we have known ever since

then that this area had the potential to explode and to cause significant pain and carnage for a lot of innocent people.

So, Mr. President, this resolution which has overwhelming bipartisan support I hope will extend a good, strong signal to the Milosevic government that they need to join the community of nations, they need to stop ethnic cleansing now.

They need to stop ethnic cleansing now. I think there is strong support, not only for this statement, not only for the sanctions that are called for in this legislation, but I hope across the international community there will be an outrage expressed if there is not a change in behavior by the Milosevic government.

I thank my colleagues for their support for this resolution. I understand—I believe, just for the information of our colleagues, that we expect to vote on this resolution at 6 o'clock, and I hope we will have a unanimous vote as well.

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. NICKLES. 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. NICKLES. Mr. President, for the information of all Senators, I said just a few minutes ago I thought there would be a vote at 6 o'clock. In just a moment I will be yielding back the time and we will have the rollcall vote immediately. Staffs might indicate that to their Senators. We will have the vote in just a couple of minutes.

I thank and compliment Senator DODD of Connecticut because he likewise was working on a resolution. This resolution was an effort by several of us who felt we needed to express condemnation towards the outrageous behavior of Mr. Milosevic. Senator DODD had a resolution, I had a resolution, others were working on them, so we had a good bipartisan effort so the Senate would speak in an united fashion condemning these recent actions. I thank him for his support.

Mr. INHOFE. Mr. President, I think it is very important that we get something in the RECORD here in terms of this Kosovo resolution so that it would be abundantly clear later on that it cannot be misconstrued as to being supportive in any way at the present time or in the future of any type of military action in Kosovo or anyplace in that area.

I am very much concerned over what has happened in Bosnia. I am concerned about our state of readiness—or lack of readiness, I should say—and I certainly feel that if there is one factor that is contributing to our state of readiness, or lack of readiness, it is our activities in Bosnia. Of course, we knew back when we passed the resolution to send troops to Bosnia that our resolution of disapproval died by only three votes, and there was a guarantee by the President of the United States that it would be a 12-month operation, which would cost approximately $1.2 billion. Now it is passing through $8 billion and it looks like it is going to be ongoing.

As a result of that, we are not able to support ground troops should they be called upon in such areas as Iraq, because we are consuming 100 percent of our capability to logistically support ground troops in Bosnia. Specifically, the 21st TACOM in Germany is at over 100 percent capacity, just supporting the logistics support of a ground operation going through into Bosnia. The 86th airlift in Ramstein is absorbed totally with taking care of the air operation to support Bosnia. If there is anything our country cannot afford, it is any type of expansion of that support to any other country in that legion or anyplace else that is going to use those assets.

While I am an original cosponsor of this resolution, I want to be sure to condemn Milosevic and the atrocities that are committed and have been committed in Kosovo, and I want to make it abundantly clear that there are many of us who are supporting this resolution who will oppose any future attempt to send any type of military operation into Kosovo.

I yield the floor.

Mr. NICKLES. Mr. President, not seeing any other Senators on the floor who wish to speak on this issue, I will yield back the remainder of my time and ask for the yeas and nays on the resolution.

The PRESIDING OFFICER. The yeas and nays have already been ordered.

Mr. NICKLES. I thank the Chair.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to S. Con. Res. 85.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Florida (Mr. MACK) is necessarily absent.

I further announce that if present and voting, the Senator from Florida (Mr. MACK) would vote ''yea.''

Mr. FORD. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent.

The PRESIDING OFFICER (Ms. COLLINS). Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 98, nays 0, as follows:

[Rollcall Vote No. 37 Leg.]

YEAS—98

Abraham	Boxer	Cleland
Akaka	Breaux	Coats
Allard	Brownback	Cochran
Ashcroft	Bryan	Collins
Baucus	Bumpers	Conrad
Bennett	Burns	Coverdell
Biden	Byrd	Craig
Bingaman	Campbell	D'Amato
Bond	Chafee	Daschle
DeWine	Hutchison	Nickles
Dodd	Inhofe	Reed
Domenici	Jeffords	Reid
Dorgan	Johnson	Robb
Durbin	Kempthorne	Roberts
Enzi	Kennedy	Rockefeller
Faircloth	Kerrey	Roth
Feingold	Kerry	Santorum
Feinstein	Kohl	Sarbanes
Ford	Kyl	Sessions
Frist	Landrieu	Shelby
Glenn	Lautenberg	Smith (NH)
Gorton	Leahy	Smith (OR)
Graham	Levin	Snowe
Gramm	Lieberman	Specter
Grams	Lott	Stevens
Grassley	Lugar	Thomas
Gregg	McCain	Thompson
Hagel	McConnell	Thurmond
Harkin	Mikulski	Torricelli
Hatch	Moseley-Braun	Warner
Helms	Moynihan	Wellstone
Hollings	Murkowski	Wyden
Hutchinson	Murray	

NOT VOTING—2

Inouye	Mack

The concurrent resolution (S. Con. Res. 85) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 85

Whereas ethnic Albanians constitute ninety percent of the population of the province of Kosovo;

Whereas the human rights situation in Kosovo has recently deteriorated, culminating in the killing of more than 70 ethnic Albanians, including innocent women and children, by Serbian police and paramilitary forces controlled by Yugoslav President Slobodan Milosevic;

Whereas Serbian authorities controlled by Milosevic have attempted to thwart efforts by international forensic experts to determine the cause of death of recent victims by burying the dead against the wishes of their families;

Whereas the current conflict in Kosovo threatens to reignite war in the Balkans, and is thereby a potential threat to regional peace and security;

Whereas the six-nation Contact Group established to monitor the situation in the former Yugoslavia has requested that the Serbian authorities controlled by Milosevic grant International Red Cross personnel access to areas where recent violence and killing have been reported;

Whereas the Contact Group has called upon Milosevic to withdraw special police units from Kosovo and enter into unconditional negotiations with ethnic Albanian political leaders in order to find a peaceful political solution to the conflict or face additional international sanctions;

Whereas a peaceful resolution of the conflict in Kosovo must respect the rights of members of all ethnic and religious groups in Kosovo, all of whose representatives should be involved in negotiations about the resolution of that conflict;

It is the sense of the Senate (the House of Representatives concurring) that—

(1) The United States should condemn the Serbian government controlled by Slobodan Milosevic in the strongest possible terms for the gross human rights violations against its citizens, including the indiscriminate use of Serbian paramilitary police units against the Albanian population of Kosovo;

(2) The United States should condemn any terrorist actions by any group or individual in Kosovo;

(3) The international community should respond affirmatively to the call of the Contact Group for the imposition of broad-based sanctions against the government of Serbia

if it fails to prevent additional atrocities by the police and paramilitary units under its control or does not otherwise comply immediately with the terms set forth by the Contact Group;

(4) The United States should freeze funds of the governments of the Federal Republic of Yugoslavia and Serbia if the government of Serbia fails to comply by March 25, 1998, with the terms set forth by the Contact Group;

(5) Pursuant to the terms set forth by the Contact Group, the United States should demand that the Serbian government and the ethnic Albanian leadership and the representatives of all ethnic and religious groups in Kosovo immediately begin unconditional talks to achieve a peaceful resolution to the conflict in Kosovo and to provide for the exercise of the legitimate civil and political rights of all persons in Kosovo.

(6) The United States should demand that international human rights monitors, especially personnel of the International Red Cross who were forced to withdraw from Kosovo, be allowed to return immediately to Kosovo in order to be able to report on all human rights violations.

Mr. COVERDELL. I move to reconsider the vote.

Mr. COATS. I move to lay it on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call.

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

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

Mr. GRASSLEY. Madam President, I ask unanimous consent to speak as if in morning business.

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

BUDGET SURPLUS

Mr. GRASSLEY. Madam President, Haley's Comet appears and disappears every so many decades. So do balanced budgets in Washington, DC. After 30 years, it looks like our Budget Committee, of which I am a member, will have another balanced budget for the first time, as I said, in 30 years. And it looks like after that we could have surpluses for quite a few years. Of course, that is a very unusual situation from a fiscal standpoint—for this Congress to be faced with balancing the budget 2 or 3 years earlier than we predicted and having surpluses for quite a few years into the future.

That gives us a windfall opportunity to do good. But it also is giving some who are willing to squander this an opportunity and to do it in the form of more spending or in the form of more tax cuts.

Last year's budget deal was, of course, to the benefit of both political parties. We actually did something good. We did it together. And the good benefited our country.

This was very different. It was a bipartisan plan. We wrapped our arms around each other. Both sides should, and do, take credit for doing this good.

But for those who are politically motivated, when the two sides are locked in a policy embrace, there is no discernible difference. And some people just cannot stand that sort of an environment. So they do not like it. So there is a mad rush to declare new ideas to give away the money—money, incidentally, that we do not have yet, legitimately planning to get it as you forecast a good future, but it is not really in our pockets. Yet, it is just like it is burning holes in our pockets. We don't know what to do with it. We need to spend it. We need to get rid of it in some way. Thus, what was done for the good of all taxpayers would be sacrificed for a new round of political operations of picking winners and losers.

For once, we need to take the politics out of what we do and do right for the country. We did that last year. All we have to do is just be patient, and it can evolve this year because this country is on the right track. This Congress' fiscal policy is on the right track.

So, let us do a lot of good by simply doing nothing—being cool-headed and being levelheaded in our policy, the same sort of policy that got us together a year ago with the signing of a bipartisan budget agreement to put this country on a path toward a balanced budget.

For the first time, as our Budget Committee meets to mark up the budget resolution—that is this very day and yesterday as well, and we should have this resolved before the evening is over in our Budget Committee—but for the first time, as we meet to mark up the budget resolution, we are faced not with a growing Federal budget deficit but the possibility, and the very real possibility, of surplus of funds in the Treasury. For the first time we sit to deliberate not on how to corral an out-of-control beast but on how to responsibly maintain the ground which we have gained.

The bipartisan Balanced Budget Act has performed its function well. Last year we established and agreed to live within budget caps. These caps have provided the discipline necessary to begin to get the Federal spending under control. Along with an economic boom that shows little signs of slowing down, the budget caps have helped to bring the Federal Government into a surplus situation.

I urge my colleagues to continue to live within these caps and to continue to practice the spending restraints instituted 8 months ago. To think that the surplus is there to be spent willy-nilly is to break a newly developing trust with the American taxpayers. This trust is not easy to come by. In fact, as I speak, any poll in America asking the question, ''Do you feel that Congress is really serious about balancing the budget?''—they might even say, ''Is the President and the Congress serious about balancing the budget?''—three out of four people would respond negatively to that.

So any thought of breaking this trust that is not easy to come by and is still building will send the wrong signals to our bosses, the taxpayers. Any thought of breaking this trust will send the wrong signal to the financial markets, with dire consequences, in my view.

This budget resolution must help to address the cynicism of the public by continuing to show fiscal responsibility and gradually winning over those three out of four people who do not think, as a result of the bipartisan budget resolution last year, that we are really serious about a sound fiscal policy and continuing to balance the budget and to pay on the national debt.

We have a historic opportunity then just by living by that agreement to do the most good for the American people, and we can continue that process by simply doing nothing because nothing should be done to break the budget caps. That is the fiscal discipline. Nothing should be done then to upset the financial markets. And we would do that if we were to not live by that agreement. Everything should be done to have the Federal Government live within its means, just as every American must do. Every family must balance their checkbook. Every small business or big business must show a profit, or it is soon out of business. And shaped with this is an old adage that at least my party has always lived by: ''The government that governs best governs least.'' That should be our bellwether as we continue the markup of this budget resolution in our committee. Never has this statement been more true than it is right now. Let us not squander the windfall opportunity that has been handed to us by the budget resolution of last year—the bipartisan budget resolution of last year. Let us not, by talking about giving tax decreases on the one hand or on the other hand by setting up eight new entitlement programs, as the President proposed, cause those three out of four people who do not believe we are going to be balancing the budget to be right by being skeptical about how Congress acts on these matters.

We also have the opportunity to do what the President has asked us to do, and that is to strengthen the Social Security System. Until we have come to an agreement on how to make the Social Security System viable for future generations, we should not be spending this surplus. For now, then, doing nothing—in other words nothing new—not setting up eight new entitlement programs or not cutting taxes until we have the money in the pocket and we can plan for what we are really going to do—doing nothing the way things are done by paying off on the national debt, we will have the result then of that downpayment on the Federal debt for the first time since 1969.

This country generally—but specifically the financial markets—has a great deal of confidence in a person

called Alan Greenspan, the Chairman of the Fed. He strongly urged our Budget Committee when he appeared before it, and the Congress generally, to take this rare opportunity to pay down on the Federal debt. I think we should follow his very good advice. Paying down the debt will open up markets for private investors. That will help to reduce interest rates, which helps all of us, and particularly capital-intensive industries like the small industries. Until the public and policymakers reach a much needed consensus on the future of the Social Security System, paying down the debt is the best way to protect Social Security and to maintain it for the baby-boom generation, and to put that system in a sound position as our population grows older—the longevity of our population, as well as the biggest demographic shift in the population of our country that is going to take place when the baby-boom generation retires in the year 2010.

It has been somewhat amazing to me to have seen in the last several weeks the number of people with proposals to spend money that we don't have in our pockets yet. I am not only talking about the budget surplus but what to do with revenue—and we don't even know how much will come in—by the proposed tobacco settlement. Everyone wants a piece of the pie before it has even been baked. We don't even know how big the pie will ultimately be or if there will even be a pie to covet.

It is irresponsible to spend money that is not in the bank. We ought to cool it and just wait and see if it is there. And, if it is there, then we can. Even if there is something to be done with it and you know exactly what it is and you can make wiser decisions of creating a new program or a wiser decision of how to reform taxes and to cut taxes, whether it is a surplus or the tobacco money—but particularly in the case of the tobacco money—using the proposed tobacco money to pay for specific programs before the money is in hand is the old smoke-and-mirrors game. We must be responsible and wait to spend any tobacco money and not spend it until it is in the bank.

In general, I think that Senator DOMENICI, the chairman of the Budget Committee, has put together a very good mark in regard to the possibility of doing something with taxes. He is not spending the surplus on any tax provisions of this budget. The Finance Committee, if it wants to change some taxes, has to find new money to pay for that. That is a responsible way to approach taxes. So the chairman's mark is a very good mark. If we have an opportunity on taxes, then we need to push for tax fairness.

However, I strongly disagree with those who advocate large tax cuts that dig into the surplus that we don't even have in our pocket yet, and to do it at this point in time. The time for a large tax cut is after we have retired some of our national debt, giving the three out of four people in this country who do not believe that we are serious about balancing the budget an opportunity to know that we are. And the surest way to do that would be to pay down the national debt. This is how we can best serve all taxpayers.

So let us not squander this chance to ease the debt burden. Let us use this windfall opportunity to provide a better future for our children. Like us, our children must also have the opportunity to realize their dreams and goals. And this budget should help to restore the American dream.

The fiscal discipline which I talk about, which I think the Budget Committee will exercise this very day as we vote out the budget document, will have a lasting positive influence on our children's and grandchildren's future.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. LOTT. Madam President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak for up to 5 minutes each.

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

TRIBUTE TO THE RAMS OF LITTLE RHODY

Mr. CHAFEE. Madam President, yesterday, many in America honored St. Patrick—but all week long in Rhode Island—veneration belongs to the University of Rhode Island Rams basketball team.

The so-called experts said it couldn't be done—and, admittedly, the odds were against them. After all, the little Rhodys of the world just aren't supposed to beat the college basketball powerhouses like the Jayhawks of Kansas. But somewhere along the way to Oklahoma City, someone forgot to tell that to the Rhode Island Rams.

Someone forgot to tell Tyson Wheeler—the same Tyson Wheeler who was once told he was too short to play college basketball at all—that the Davids of Rhode Island couldn't beat the Goliaths of Kansas.

Someone forgot to tell that to Cuttino Mobley, who always gives his best whether it is in Keaney Gym or in the national spotlight, that Rhode Island couldn't beat one of the best teams in the nation.

And clearly, someone forgot to tell Antonio Reynolds-Dean and Luther Clay that they weren't supposed to be able to compete with the much taller and perhaps stronger inside presence of the Kansas All-Americans.

There's a word on Rhode Island's state flag that these Rhode Island Rams have come to symbolize—that word is ''Hope''. It's a sentiment we hold dear in my home state—and one which was displayed for all the world to see. We may be the smallest state, but we know that means: we must always try harder. It's a philosophy to always give your very best, and to never give up.

That's the kind of fighting spirit that turns the cause of ''Hope'' on our flag into the action of ''courage'' on the court.

Rhode Island's advance to the ''Sweet Sixteen'' provides a needed reminder that at one time or another, we've all been underdogs. Whether it be in schoolyard, or in the workplace, or on the basketball court, each and every one of us has faced seemingly insurmountable odds at one time or another in our lives.

That's what makes Rhode Island's recent win over the Kansas Jayhawks that much sweeter. For the Rhode Island Rams have given us more than a wonderful basketball season. They've reminded us that the Davids can beat the Goliaths of this world. They have sent a signal to the underdog in all of us—that if one perseveres and gives one's best, there indeed is always hope.

So, Madam President, I congratulate the Rhode Island Rams and applaud the example they have set. Rams Coach Jim Harrick and all of his players have earned a special place in the hearts of Rhode Island and the nation.

I, along with the people of my state, am proud of their accomplishments. These fine young men have set an example which we'll treasure for years to come.

They have given us ''Hope.'' Go Rams!

A PLUS ACCOUNTS

Mr. KYL. Madam President, I rise in strong support of the A Plus Accounts bill that was introduced by the Senator from Georgia, Senator PAUL COVERDELL.

This legislation does several things. It would allow more people to save for education in tax-preferred education savings accounts. The savings could be used for higher education, as well as education at the elementary and secondary levels. The bill would extend the existing tax exclusion for employer-provided educational assistance through the year 2002, and it would provide an exclusion for distributions from qualified state tuition programs. It would also raise the small-issuer exception so that local governments can issue more bonds to finance school construction.

Perhaps the most important provision of the bill is also the most controversial. I am talking about the provisions that expand the allowable uses

of education savings accounts to include elementary and secondary education. And I want to take a few moments to make three brief points about that.

First, I think it is important to point out that we are not talking about a new subsidy for private or parochial schools. To the contrary, we are talking about allowing families to keep more of what they earn—after all, it is their money—to send their children to the elementary or secondary school of their choice.

We already go far beyond what would be allowed by this bill when we provide federal financial assistance to students at the college level, including students who attend private or religious institutions. No one argues that such choice harms public colleges or universities. In fact, it is choice and competition that has made our nation's colleges and universities the best in the world. So I am perplexed why anyone would fear giving parents more choice and control at the elementary and secondary levels, as well. That is where the real crisis in education exists today, and it is where choice and competition will do the most good.

Second, the people who stand to gain the most from this legislation are those of more modest means who might not have the same choice or opportunity without the help that the Coverdell bill would provide. Of the people opting for Catholic schools, for example, 68 percent have annual incomes of $35,000 or less. Wealthier people obviously have the means to send their children to the school of their choice whether they receive a tax break or not.

Third, providing families with tax incentives for education savings will not decrease federal or state funding for public schools by a single dime. The fact is, Congress is likely to approve increases in funding for education in addition to the incentives that would come with the Coverdell bill.

Frankly, Madam President, I think it is a big mistake to assume that public schools cannot compete successfully with other institutions. Many public schools have very well-regarded programs—programs that meet or exceed what is offered to students elsewhere—and it is likely that these schools would not only retain their current student body, but add to it with barriers to choice removed. And with additional enrollment would come additional funds for their budgets.

It is true that failing schools would be forced to improve or face declining enrollment. But is it really our goal to force students with few financial resources to remain in a failing environment? Should they not have the same options that others have to find a school that better meets their needs?

In recent Senate hearings, low-income parents questioned why the schoolhouse door is often closed to their children—why they are kept from moving their children to schools that can better meet their children's needs? Why their children cannot attend safer schools? They are right to ask these questions. They deserve—their children deserve—access to a quality education.

In my opinion, the single best thing we could do to improve the quality of education in this country is give parents more choice and control over where they send their children. It is an idea with broad support among the American people. A 1997 poll conducted by the Center for Education Reform found support for school choice among the general public at 82 percent. The Joint Center for Political and Economic Studies reported support among African Americans at more than 70 percent. It is an idea whose time has come.

I support the Coverdell legislation.

DEATH KNELL OF THE PANAMA CANAL?

Mr. HELMS. Madam President, I commend to the attention of my colleagues a significant book entitled, ''Death Knell of the Panama Canal?'', by Capt. G. Russell Evans (USCG, Ret.).

In this, his second book on the subject, Captain Evans sets forth the facts and his analysis of the skullduggery that led to the ill-conceived 1977 Panama Canal Treaties.

The Panama Canal Treaties were a foolish giveaway of a critical waterway built with U.S. taxpayers' dollars. I vigorously opposed the 1977 treaties, and to this day I regret that the United States Senate approved them—by one vote.

Madam President, the Panama Canal is essential to the continued economic and strategic health of the United States and many of our allies. In his introduction to the book, distinguished former Chairman of the Joint Chiefs of Staff, Admiral Thomas J. Moorer (USN, Ret.), writes that ''about 95% of our routine logistics support goes by sea.''

These military vessels, like their commercial counterparts, rely on the Canal to move quickly between the Atlantic and Pacific oceans. Since the United States began to hand over the Canal and its operations to Panamanian authorities, the maintenance of the Canal has slipped noticeably. The Canal is showing the effects of the neglect, and is now in a shocking state of disrepair.

This essential maritime passage, a vital connection for international trade, is falling apart, and I fear that the deterioration of Canal facilities will increase as the Clinton Administration, following in the misguided path of the 1977 treaties, continues to hand over the Canal to Panamanian authorities.

In light of the Panama Canal's critical importance, the United States simply cannot afford to squander the opportunity to secure access to facilities in the Canal Zone for our military to carry out essential missions and defend the security of the Canal.

It is clearly in the best interests of both the United States and Panama to maintain a U.S. military presence there. The people of Panama consistently show, through opinion polls, that they do not want the United States to abandon its military bases. Without a U.S. presence, the Canal will be left undefended, this cannot be allowed to happen.

Today, many former Carter Administration officials who engineered the Panama Canal giveaway in 1977 are serving in the Clinton Administration. Nevertheless, I will continue to press the Administration to reach a new agreement with the government of Panama to secure a U.S. military presence in that vital area.

On September 5, 1996, the Senate approved my legislation, Senate Concurrent Resolution 14, urging the President to do just that.

As Admiral Moorer states succinctly, ''the clock is ticking,'' and I believe Senators will find Captain Evans' book an invaluable reference to understanding the importance of the Canal—and the risks we run should the Canal fall into the wrong hands—or into disrepair.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING MARCH 13TH

Mr. HELMS. Madam President, the American Petroleum Institute's report for the week ending March 13, that the U.S. imported 6,636,000 barrels of oil each day, 1,213,000 fewer barrels than the 7,849,000 imported each day during the same week a year ago.

While this is one of the rare weeks when Americans imported slightly less oil than a year ago, Americans nonetheless relied on foreign oil for 50.8 percent of their needs last week, and there are no signs that the upward spiral will abate. Before the Persian Gulf War, the United States obtained approximately 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970s, foreign oil accounted for only 35 percent of America's oil supply.

Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the U.S.—now 6,636,000 barrels a day.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Madam President, at the close of business yesterday, Tuesday, March 17, 1998, the Federal debt stood at $5,536,663,723,483.42 (Five trillion, five hundred thirty-six billion, six hundred sixty-three million, seven hundred twenty-three thousand, four hundred eighty-three dollars and forty-two cents).

One year ago, March 17, 1997, the Federal debt stood at $5,363,307,000,000

(Five trillion, three hundred sixty-three billion, three hundred seven million).

Five years ago, March 17, 1993, the Federal debt stood at $4,214,956,000,000 (Four trillion, two hundred fourteen billion, nine hundred fifty-six million).

Ten years ago, March 17, 1988, the Federal debt stood at $2,482,751,000,000 (Two trillion, four hundred eighty-two billion, seven hundred fifty-one million).

Fifteen years ago, March 17, 1983, the Federal debt stood at $1,227,720,000,000 (One trillion, two hundred twenty-seven billion, seven hundred twenty million) which reflects a debt increase of more than $4 trillion—$4, (Four trillion, three hundred and eight billion, nine hundred forty-three million, seven hundred twenty-three thousand, four hundred eighty-three dollars and twenty-four cents) during the past 15 years.

WOMEN'S HISTORY MONTH

Mr. HATCH. Madam President, I rise today to recognize March as ''Women's History Month.'' It is appropriate that, at this time, we credit the countless women who have contributed so much to our society. In particular, I would like to draw attention to some of the women who have helped to shape the history of Utah.

From its beginnings, Utah has relied heavily on the strength of women. The first groups of American settlers that crossed the continent to establish their homes in what is now Utah consisted of both men and women. Besides the simple rigors of walking hundreds of miles across the Great Plains and Rocky Mountains, these courageous pioneer women braved many trials such as extreme winter cold, lack of provisions, and the death of loved ones. They struggled to provide for the basic needs of their families. Sadly, many women had to witness the burial of their children and husbands along the way. Upon arriving in the valleys of the mountains, these pioneer women toiled along with the men to establish farms, schools, businesses, and towns. Their hard work, and dedication are reflected in the character of our State even today.

Politically, Utah was a leader in recognizing the rights of women, and involving them in the process of government. Much has and will be said of the valiant efforts of women's suffrage activists such as Susan B. Anthony, Elizabeth Cady Stanton, and Carrie Chapman Catt. This group of national heroes includes a Utahn by the name of Emmeline Wells. As an advocate for women's rights, Mrs. Wells worked to achieve a political voice for Utah women. She won her first battle in 1870, when the territorial legislature legally gave Utah women the right to vote.

Unfortunately, the U.S. Congress stripped Utah women of their voting rights in 1887. Undaunted, Mrs. Wells and others formed the Woman Suffrage Association of Utah, the purpose of which was to reclaim their voting rights. These women finally succeeded in 1896, when Utah was admitted into the Union as a State with a constitution providing female suffrage. Emmeline Wells remained an active member of the Woman's Republican League and the National Suffrage Association, and kept up the suffrage campaign on the national level.

I am proud to say that Utah was ahead of its time in this respect. By the end of 1896, only Utah, Idaho, Wyoming, and Colorado recognized women's right to vote. No other States granted this right for another 14 years. Later in 1896, the people of Utah elected Martha Hughes Cannon to be their first female state senator. And, proving that the past is prologue, women continue to play significant, influential leadership roles in our State. In 1991, Deedee Corradini was elected mayor of Salt Lake City, Utah's largest city and the seat of State government. In 1992, Olene Walker was elected Utah's Lieutenant Governor, and two recent members of Utah's delegation to the U.S. Congress have been women.

Women have also added much to Utah's cultural heritage. A prime example is Alice Merrill Horne. She was an educator and prolific artist at the turn of the century. As a twenty-three year old in 1891, Alice was appointed chairperson of the Utah Liberal Arts Committee for the 1893 Columbian Exposition in Chicago. She published a book of poems composed by women for the exposition.

Alice Merrill Horne became the second woman elected to the Utah House of Representatives in 1898. As an elected official, she continued to encourage cultural development. She moved a bill for the State to create the Nation's first art institute, which would encourage the fine arts, hold an annual art exhibition, and start a state-owned art collection. As a memorial to her, the state collection bears her name.

Today's women continue the tradition of Mrs. Horne. In 1997, the Women's Center Advisory Board at Utah State University named a number of recipients of the Women Over 65 Achievement Awards. Among them was Ruth Call. Ruth became director of the Unicorn Theater in 1957. In this capacity she has brought beauty and happiness into the lives of children in Cache Valley by allowing them to participate in the performing arts. Since 1957, she has continued to influence children's lives through the theater, as a Girl Scout leader, and by her involvement in local art groups. Ruth Call is only one of the many modern unsung heroes who quietly enrich the lives of many.

Ever since Utah's earliest periods, women have contributed in many ways in the professional sector. Patty Sessions was a pioneer midwife and horticulturist who developed her own strain of plums. Singer Emma Lucy Gates founded an opera company. Before her election to the state senate, Martha Hughes Cannon was a very successful medical doctor.

Now more than ever, women are an integral part of the State's business sector. According to the National Foundation for Women Business Owners, between 1987 and 1996, the number of women-owned firms along Utah's Wasatch Front increased by 87 percent. Thus, Utah is among the top 10 states in the Nation for growth of women-owned firms. The NFWBO also said that women-owned companies represent 38 percent of all businesses in the area, employ 21 percent of all workers, and generate 24 percent of all sales.

This is an exciting time for women's athletics as well. On the heels of Olympic gold medals for our teams in both the Summer and Winter Games, women's soccer, softball, basketball, and hockey have found a new popularity in the United States. This is combined with gold medals in more traditionally popular sports like figure skating, track and field, and gymnastics to showcase the athletic talent that abounds among our women. My State is very proud to be home to the Utah Starzz, one of the teams in the new Women's National Basketball Association. I'm a big fan.

We are also very proud of the many female college athletes in our universities. Several of my State's college teams have achieved great success. In particular, I want to draw attention to one native Utahn who is leaving her mark on history.

As a junior on the Brigham Young University track and field team, Tiffany Lott made 1997 a banner year. Set the world record in the 55-meter hurdles by running 7.30 seconds at the Western Athletic Conference indoor championships. This eclipsed the eight-year-old record previously held by the great Jackie Joyner Kersee. Tiffany also won the heptathalon at the NCAA Championships. En route to her victory, she scored the third-highest point total in the history of the women's pentathlon. These feats, among others, led Track & Field News magazine to name Tiffany Lott the female college athlete of the year.

I have only touched on some of the many important achievments of Utah's women throughout our history. However, I cannot begin to give enough credit to the women who have added the most to our civilization, those who have influenced each one of us in some way. I wish to salute the countless women who have borne, nurtured, raised, instructed, and loved their children. I cannot think of a more important responsibility than that of a mother. Ironically, those who have had the greatest impact on us as a people are also those who receive the least public recognition.

I invite my colleagues to join in celebrating Women's History Month by recognizing all that women have contributed to this Nation in both large and small ways. Much of the progress of America is owed to the perseverance, ingenuity, and dedication of women.

TRIBUTE TO LIEUTENANT PETER OLSON

Mr. LOTT. Madam President, I would like to recognize the professional dedication, vision and public service of Lieutenant Peter Olson who is leaving the United States Navy to join the staff of Senator PHIL GRAMM. Lieutenant Olson, has served with distinction for the past 9 years in Naval Service. It is a privilege for me to recognize his many outstanding achievements and to commend him for the superb service he has provided this legislative body, the Navy and our great Nation.

Lieutenant Olson is a graduate of Rice University and the University of Texas School of Law. After passing the Texas Bar Examination, he attended the Navy's Aviation Officer Candidate School in Pensacola, Florida, and was commissioned an Ensign in May 1989. He proceeded to flight training where he received his ''Wings of Gold'' and was designated a Naval Aviator in March 1991.

Lieutenant Olson received training in the P–3C ''Orion'' Maritime Patrol Aircraft with Patrol Squadron THIRTY-ONE, at NAS Moffett Field, California. He reported for duty with the ''White Lightnings'' of Patrol Squadron SEVENTEEN (VP–17) stationed at NAS Barbers Point, Hawaii, where he made deployments to Misawa, Japan, and Diego Garcia, British Indian Ocean Territories.

Among his shore assignments, Lieutenant Olson has served with distinction at the Navy's Bureau of Personnel in the Enlisted Advancements Division and as an intern with the Logistics Directorate of the Joint Chiefs of Staff.

Lieutenant Olson joined the Navy's Senate Liaison team in March 1996. During his service as a Navy Liaison Officer, he provided members of the Senate Armed Services Committee, and personal staffs, with timely support regarding Navy plans, programs and constituent casework. He has helped maintain the best trained, best equipped, and best prepared Navy in the world.

Madam President, Peter Olson, his wife Nancy, and daughter Kate, have made many sacrifices during his 9-year Navy career. He has served proudly with a dedication and enthusiasm that only comes from our Nation's best and brightest. Among Lieutenant Olson's many awards and decorations are the Joint Service Commendation Medal and the Navy Commendation Medal. He is a great credit to both the Navy and the country. The Nation and our military are indebted to Lieutenant Olson for his many years of distinguished service. As he now departs to begin a new career with Senator GRAMM, I call upon my colleagues from both sides of the aisle to wish him 'fair winds and following seas'.

MESSAGES FROM THE HOUSE

At 3:56 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2864. An act to require the Secretary of Labor to establish a program under which employers may consult with State officials respecting compliance with occupational safety and health requirements.

H.R. 2877. An act to amend the Occupational Safety and Health Act of 1970.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 238. Concurrent resolution authorizing the use of the Capitol Ground for breast cancer survivors event sponsored by the National Race for the Cure.

The message further announced that the House has passed the following bill, without amendment:

S. 758. An act to make certain technical corrections to the Lobbying Disclosure Act of 1995.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–339. A resolution adopted by the Military Order of the World Wars relative to the Quadrennial Defense Review; to the Committee on Appropriations.

POM–340. A resolution adopted by the Military Order of the World Wars relative to the defense industrial base; to the Committee on Appropriations.

POM–341. A resolution adopted by the Military Order of the World Wars relative to the U.S. Coast Guard; to the Committee on Appropriations.

POM–342. A resolution adopted by the Military Order of the World Wars relative to the combat readiness and funding for U.S. fighting forces; to the Committee on Appropriations.

POM–343. A resolution adopted by the Military Order of the World Wars relative to the total force policy and viable National Guard and Reserve forces; to the Committee on Armed Services.

POM–344. A resolution adopted by the Military Order of the World Wars relative to military service; to the Committee on Armed Services.

POM–345. A resolution adopted by the Military Order of the World Wars relative to the Buy American Program; to the Committee on Armed Services.

POM–346. A resolution adopted by the Military Order of the World Wars relative to the Reserve Officer Training Corps and Junior Reserve Officer Training Corps program; to the Committee on Armed Services.

POM–347. A resolution adopted by the Board of Regents of the University of Hawaii relative to the appointment of the Chairperson of the Federal Deposit Insurance Corporation; to the Committee on Banking, Housing, and Urban Affairs.

POM–348. A resolution adopted by the Military Order of the World Wars relative to the initiatives of the People's Republic of China in the U.S.; to the Committee on Commerce, Science, and Transportation.

POM–349. A resolution adopted by the Military Order of the World Wars relative to a World War II memorial; to the Committee on Energy and Natural Resources.

POM–350. A resolution adopted by the Military Order of the World Wars relative to U.S. forces in peacekeeping operations; to the Committee on Foreign Relations.

POM–351. A resolution adopted by the Military Order of the World Wars relative to military voting rights legislation; to the Committee on Rules and Administration.

POM–352. A resolution adopted by the Council of the City of Burbank, California relative to Filipino veterans of World War II; to the Committee on Veterans' Affairs.

POM–353. A resolution adopted by the Southern Governors' Association relative to the National Guard; to the Committee on Armed Services.

POM–354. A resolution adopted by the Southern Governors' Association regarding self-determination for Puerto Rico; to the Committee on Energy and Natural Resources.

POM–355. A resolution adopted by the Southern Governors' Association regarding reauthorization of the Federal surface transportation program; to the Committee on Environment and Public Works.

POM–356. A joint resolution adopted by the Legislature of the State of California; ordered to lie on the table.

SENATE JOINT RESOLUTION NO. 33

Whereas, Legislation has been introduced in the United States House of Representatives (H.R. 2625) and the United States Senate (S. 1297) to rename the Washington National Airport as the ''Ronald Reagan Washington National Airport''; and

Whereas, Ronald Reagan was elected Governor of the State of California in 1966 and reelected in 1970; and

Whereas, Subsequently, Ronald Reagan in 1980 was elected the 40th President of the United States and reelected in 1984; and

Whereas, During his administration, President Reagan signed into law legislation from Congress to stimulate economic growth, curb inflation, increase employment, and strengthen national defense; and

Whereas, Naming the travel gateway into the nation's capital after President Ronald Reagan is a fitting tribute to his legacy of prosperity and freedom; and, therefore, be it

Resolved by the Senate and the Assembly of the State of California, jointly, That the Legislature of the State of California encourages the President and the Congress of the United States to enact legislation to rename the Washington National Airport as the ''Ronald Reagan Washington National Airport''; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BROWNBACK:

S. 1790. A bill to amend title II of the Social Security Act to ensure the integrity of the Social Security trust funds by requiring the Managing Trustee to invest the annual surplus of such trust funds in marketable interest-bearing obligations of the United States and certificates of deposit in depository institutions insured by the Federal Deposit Insurance Corporation, and to protect such trust funds from the public debt limit; to the Committee on Finance.

By Mrs. FEINSTEIN:

S. 1791. A bill to provide for an alternative penalty procedure for States that fail to

meet Federal child support data processing requirements; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. KERREY):

S. 1792. A bill to reduce social security payroll taxes, and for other purposes; to the Committee on Finance.

By Mr. GRAHAM:

S. 1793. A bill to amend the Internal Revenue Code of 1986 to reform the Internal Revenue Service, and for other purposes; to the Committee on Finance.

By Mr. HARKIN:

S. 1794. A bill to provide for the adjudication of certain claims against the Government of Iraq and to ensure priority for United States veterans filing such claims; to the Committee on the Judiciary.

By Mr. HAGEL (for himself, Mr. GRAMS, Mr. ROBERTS, Mr. CHAFEE, and Mr. DOMENICI):

S. 1795. A bill to reform the International Monetery Fund and to authorize United States participation in a quota increase and the New Arrangements to Borrow of the International Monetary Fund, and for other purposes; to the Committee on Foreign Relations.

By Mr. BINGAMAN (for himself, Mr. INOUYE, and Mrs. MURRAY):

S. 1796. A bill to amend the Higher Education Act to 1965 to increase postsecondary education opportunities for Hispanic students and other student populations underrepresented in postsecondary education; to the Committee on Labor and Human Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MACK (for himself, Mrs. FEINSTEIN, Mr. LOTT, Mr. DASCHLE, Mr. HATCH, Mr. LEAHY, Mr. ABRAHAM, Mr. AKAKA, Mr. ALLARD, Mr. BAUCUS, Mr. BENNETT, Mr. BIDEN, Mr. BOND, Mrs. BOXER, Mr. BREAUX, Mr. BROWNBACK, Mr. BRYAN, Mr. CAMPBELL, Mr. CHAFEE, Mr. CLELAND, Mr. COCHRAN, Ms. COLLINS, Mr. COVERDELL, Mr. CRAIG, Mr. D'AMATO, Mr. DEWINE, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. DURBIN, Mr. ENZI, Mr. FAIRCLOTH, Mr. FORD, Mr. FRIST, Mr. GLENN, Mr. GORTON, Mr. GRAMM, Mr. GRASSLEY, Mr. GREGG, Mr. HAGEL, Mrs. HUTCHISON, Mr. KOHL, Mr. INHOFE, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERREY, Ms. LANDRIEU, Mr. LAUTENBERG, Mr. LEVIN, Mr. LIEBERMAN, Mr. LUGAR, Mr. MCCONNELL, Ms. MIKULSKI, Mr. MOYNIHAN, Ms. MOSELEY-BRAUN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. NICKLES, Mr. REED, Mr. ROBB, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SESSIONS, Mr. SMITH of New Hampshire, Mr. SMITH of Oregon, Ms. SNOWE, Mr. SPECTER, Mr. STEVENS, Mr. THOMAS, Mr. TORRICELLI, Mr. WARNER, Mr. WELLSTONE, and Mr. COATS):

S. Res. 198. A resolution designating April 1, 1998, as ''National Breast Cancer Survivors' Day''; to the Committee on the Judiciary.

By Mr. NICKLES (for himself, Mr. DODD, Mr. BIDEN, Mr. HELMS, Mr. LIEBERMAN, Mr. LEVIN, Mr. KYL, Mr. KERREY, Mr. D'AMATO, Mr. ABRAHAM, Mr. WELLSTONE, Mr. GRAMS, Mr. INHOFE, Mr. CLELAND, and Mr. COVERDELL):

S. Con. Res. 85. A concurrent resolution calling for an end to the violent repression of the people of Kosovo; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. FEINSTEIN:

S. 1791. A bill to provide for an alternative penalty procedure for States that fail to meet Federal child support data processing requirements; to the Committee on Finance.

THE CHILD SUPPORT PERFORMANCE ACT OF 1998

Mrs. FEINSTEIN. Mr. President, I am introducing today the Child Support Performance Act of 1998. This legislation decreases penalties for those 14 states who did not make the child support enforcement system deadline last October.

This legislation decreases the overall penalties to 4% of the child support administrative funds in the first year, and increases the penalties by 4% each year up to 20%. However, if the state meets the benchmark goals it set out with HHS at the beginning of the year, 75% of the penalties would be forgiven each year. This provision encourages states to set realistic goals for the year and recognizes their progress each year instead of the all or nothing approach under current law.

The current penalties for not having the child support enforcement system up and running are enormous. States would be penalized all their TANF (AFDC) funding and their child support administration funds for the year.

The total loss in TANF funds and child support administrative funds from the 14 states amount to over $8 billion per year. More specifically, California would lose $4 billion. Illinois would lose $654 million. Michigan would lose $857 million. Pennsylvania would lose $794 million.

There is enough blame to go around for the states' failures to meet the child support enforcement systems deadline.

The lengthy private sector contractor procurement and federal approval processes; many vendors' inability to complete work to specifications within the time allowed; the long time needed to convert large caseloads into a new system; the difficulties inherent in a single system conversion in large states like California.

All of us would agree that the huge financial penalties imposed on 14 or more states would cause hardship to the children and families in the affected states. However, since over 30% of all child support cases are interstate collection cases, the penalties would have a nationwide impact.

What this means is that children in Kansas or Georgia will not be able to get child support from parents in California, Pennsylvania or the other 12 states who face the devastating penalties.

For the 14 states who face such devastating prospects, without my legislation, the rigid one statewide system requirement and the harsh penalty imposed on states would impoverish 19 million families with children nationwide.

Let me also point out the unfairness of current penalties on Los Angeles County. For California, 25% of the penalty will be borne by LA County, the largest county in the nation, serving 550,000 families. Despite the fact that LA County completed its system by the October deadline and could be certified as recognized by HHS in its March 2, 1998 proposed rules, LA County will be penalized along with the rest of California.

This is unfair and wrong. As I propose in my legislation, when counties have met the system requirement by building their own system with separate HHS funding, their portion should be exempted from the total penalties imposed on a state.

The House of Representatives recently passed CLAY SHAW'S legislation, H.R. 3130, that lowered the penalties for those states who did not meet the October 1st deadline last year. Representative SHAW's bill lowers the penalties but remains very harsh for those states who missed the deadline but who are on their way to becoming certified within a year or two.

Under Shaw's bill, California alone would face $12 million in penalty in the first year and up to $60 million in the forth year, denying 2.36 million impoverished families in California of their child support. It will not hurt the state, but only those families we are trying to help.

In other big states like Illinois, approximate 730,000 families with children may not get their child support because the state faces $2.7 million in penalties during the first year, and up to $13.5 million in the fourth year.

For Michigan, 1.5 million families with children may not get their child support because the state faces $3.27 million in penalties during the first year, up to $16.3 million in the fourth year.

Some, argue that these cuts are necessary to punish the states for not coming into compliance, but the reality is, that again only hurts the families with children.

Mr. President, the bottom line is, if we don't have child support enforcement systems up and running, children and families don't get their child support. 14 states do not have a child support enforcement system and imposing harsh penalties will not encourage states to perform better but debilitate their ability to serve.

Thank you, Mr. President. I urge all the members to support this legislation and I ask unanimous consent that a copy of the bill be printed in the RECORD.

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

S. 1791

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Child Support Performance Act of 1998''.

SEC. 2. ALTERNATIVE PENALTY PROCEDURE APPLICABLE TO FEDERAL CHILD SUPPORT DATA PROCESSING REQUIREMENTS.

(a) IN GENERAL.—Section 455(a) of the Social Security Act (42 U.S.C. 655(a)) is amended by adding at the end the following:

''(4)(A) If—

''(i) the Secretary determines that a State plan under section 454 would (in the absence of this paragraph) be disapproved for the failure of the State to comply with section 454(24)(A), and that the State has made and is continuing to make a good faith effort to so comply; and

''(ii) the State has submitted to the Secretary a corrective compliance plan that describes how the State will achieve such compliance, which has been approved by the Secretary,

then the Secretary shall not disapprove the State plan under section 454, and the Secretary shall reduce the amount otherwise payable to the State under paragraph (1)(A) of this subsection for the fiscal year by the penalty amount.

''(B) In this paragraph:

''(i) The term 'penalty amount' means, with respect to a failure of a State to comply with section 454(24)—

''(I) 4 percent of the penalty base, in the case of the 1st fiscal year in which such a failure by the State occurs;

''(II) 8 percent of the penalty base, in the case of the 2nd such fiscal year;

''(III) 12 percent of the penalty base, in the case of the 3rd such fiscal year;

''(IV) 16 percent of the penalty base, in the case of the 4th such fiscal year; or

''(V) 20 percent of the penalty base, in the case of the 5th or any subsequent such fiscal year.

''(ii) The term 'penalty base' means, with respect to a failure of a State to comply with section 454(24) during a fiscal year, the amount otherwise payable to the State under paragraph (1)(A) of this subsection for the preceding fiscal year, minus the applicable share of such amount which would otherwise be payable to any county to which the Secretary granted a waiver under the Family Support Act of 1988 (Public Law 100-485; 102 Stat. 2343) for 90 percent enhanced Federal funding to develop an automated data processing and information retrieval system provided that such system was implemented prior to October 1, 1997.

''(C)(i) The Secretary shall waive a penalty under this paragraph for any failure of a State to comply with section 454(24)(A) during fiscal year 1998 if, by December 31, 1997, the State has submitted to the Secretary a request that the Secretary certify the State as having met the requirements of such section and, by June 1, 1998, the Secretary has provided the certification as a result of a review conducted pursuant to the request.

''(ii) If a State with respect to which a reduction is made under this paragraph for a fiscal year achieves compliance with the milestones in the corrective compliance plan for that year by the beginning of the succeeding fiscal year, the Secretary shall increase the amount otherwise payable to the State under paragraph (1)(A) of this subsection for the succeeding fiscal year by an amount equal to 75 percent of the reduction for the fiscal year.

''(iii) The Secretary shall reduce the amount of any reduction that, in the absence of this clause, would be required to be made under this paragraph by reason of the failure of a State to achieve compliance with section 454(24)(B) during the fiscal year, by an amount equal to 20 percent of the amount of the otherwise required reduction, for each State performance measure described in section 458A(b)(4) with respect to which the applicable percentage under section 458A(b)(6) for the fiscal year is 100 percent, if the Secretary has made the determination described in section 458A(b)(5)(B) with respect to the State for the fiscal year.

''(D)(i) Subject to clause (ii), the preceding provisions of this paragraph (except for subparagraph (C)(i)) shall apply, separately and independently, to a failure to comply with section 454(24)(B) in the same manner in which the preceding provisions apply to a failure to comply with section 454(24)(A).

''(ii) The requirement under clause (i) to impose a separate and independent penalty amount for a fiscal year for a failure to comply with section 454(24)(B) shall not apply in the case of any State that the Secretary determines has achieved, by such date as the Secretary may specify, compliance with the milestones of the corrective compliance plan submitted by the State that the Secretary determines are necessary for the State to progress toward certification under section 454(24)(B).''.

(b) INAPPLICABILITY OF PENALTY UNDER TANF PROGRAM.—Section 409(a)(8)(A)(i)(III) of such Act (42 U.S.C. 609(a)(8)(A)(i)(III)) is amended by inserting ''(other than section 454(24))'' before the semicolon.

SEC. 3. AUTHORITY TO WAIVE SINGLE STATEWIDE AUTOMATED DATA PROCESSING AND INFORMATION RETRIEVAL SYSTEM REQUIREMENT.

(a) IN GENERAL.—Section 452(d)(3) of the Social Security Act (42 U.S.C. 652(d)(3)) is amended to read as follows:

''(3) The Secretary may waive any requirement of paragraph (1) or any condition specified under section 454(16), and shall waive the single statewide system requirement under sections 454(16) and 454A, with respect to a State if—

''(A) the State demonstrates to the satisfaction of the Secretary that the State has or can develop an alternative system or systems that enable the State—

''(i) for purposes of section 409(a)(8), to achieve the paternity establishment percentages (as defined in section 452(g)(2)) and other performance measures that may be established by the Secretary;

''(ii) to submit data under section 454(15)(B) that is complete and reliable;

''(iii) to substantially comply with the requirements of this part; and

''(iv) in the case of a request to waive the single statewide system requirement, to—

''(I) meet all functional requirements of sections 454(16) and 454A;

''(II) ensure that the calculation of distribution of collected support is according to the requirements of section 457;

''(III) ensure that there is only 1 point of contact in the State for all interstate case processing and coordinated intrastate case management;

''(IV) ensure that standardized data elements, forms, and definitions are used throughout the State; and

''(V) complete the alternative system in no more time than it would take to complete a single statewide system that meets such requirement;

''(B)(i) the waiver meets the criteria of paragraphs (1), (2), and (3) of section 1115(c); or

''(ii) the State provides assurances to the Secretary that steps will be taken to otherwise improve the State's child support enforcement program; and

''(C) in the case of a request to waive the single statewide system requirement, the State has submitted to the Secretary separate estimates of the total cost of a single statewide system that meets such requirement, and of any such alternative system or systems, which shall include estimates of the cost of developing and completing the system and of operating the system for 5 years, and the Secretary has agreed with the estimates.''.

(b) PAYMENTS TO STATES.—Section 455(a)(1) of such Act (42 U.S.C. 655(a)(1)) is amended—

(1) by striking ''and'' at the end of subparagraph (B);

(2) by striking the semicolon at the end of subparagraph (C) and inserting '', and''; and

(3) by inserting after subparagraph (C) the following:

''(D) equal to 66 percent of the sums expended by the State during the quarter for an alternative statewide system for which a waiver has been granted under section 452(d)(3), but only to the extent that the total of the sums so expended by the State on or after the date of the enactment of this subparagraph does not exceed the least total cost estimate submitted by the State pursuant to section 452(d)(3)(C) in the request for the waiver.''.

By Mr. HARKIN:

S. 1794. A bill to provide for the adjudication of certain claims against the Government of Iraq and to ensure priority for United States veterans filing such claims; to the Committee on the Judiciary.

THE GULF WAR VETERANS' IRAQI CLAIMS PROTECTION ACT OF 1998.

Mr. HARKIN. Mr. President, I rise today to introduce important legislation for the men and women of our armed forces who served in the Persian Gulf during operation Desert Shield and Desert Storm.

The U.S. Government has $1.3 billion in impounded Iraqi funds from the Gulf War. U.S. businesses, the U.S. government, private citizens and over 3,000 American veterans have currently filed over $5 billion in claims against these funds. No criteria exists for dispersing these funds and no system of priorities is in place to ensure a fair settlement.

I believe the U.S. should protect those who safe guarded the interests of America during the Gulf War by ensuring their ability to file for claims against the impounded Iraqi money. My legislation, ''The Gulf War Veterans' Iraqi Claims Protection Act of 1998,'' will put to rest, once and for all, lingering concerns about who should have priority in receiving these funds.

This legislation will:

Grant priority status to all retired, reserve or active duty members of the U.S. Armed Forces who may wish to file claims arising out of Iraq's invasion of Kuwait;

Establish a fund in the U.S. Treasury for payment of these claims; and

Create a formula for payments based on priority status.

Mr. President, no one disputes that many U.S. businesses and many American non-veteran citizens have legitimate claims to this money. However, I firmly believe that our Gulf War veterans, who risked their lives for their country and our freedom, deserve the highest priority in having their claims resolved. I hope all of my colleagues will join me in supporting our Gulf War veterans by supporting this legislation.

I have a copy of a letter from the Veterans of Foreign Wars (VFW) in support of this legislation which I ask

unanimous consent be printed in the RECORD along with the text of the legislation.

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

S. 1794

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Gulf War Veterans' Iraqi Claims Protection Act of 1998''.

SEC. 2. ADJUDICATION OF CLAIMS.

(a) CLAIMS AGAINST IRAQ.—The United States Commission is authorized to receive and determine the validity and amounts of any claims by nationals of the United States against the Government of Iraq.

(b) DECISION RULES.—In deciding claims under subsection (a), the United States Commission shall apply, in the following order

(1) applicable substantive law, including international law; and

(2) applicable principles of justice and equity.

(c) PRIORITY CLAIMS.—Before deciding any other claim against the Government of Iraq, the United States Commission shall, to the extent practical, decide all pending non-commercial claims of active, retired, or reserve members of the United States Armed Forces, retired former members of the United States Armed Forces, and other individuals arising out of Iraq's invasion and occupation of Kuwait or out of the 1987 attack on the USS Stark.

(d) APPLICABILITY OF INTERNATIONAL CLAIMS SETTLEMENT ACT.—To the extent they are not inconsistent with the provisions of this Act, the provisions of title I (other than section 2(c)) and title VII of the International Claims Settlement Act of 1949 (22 U.S.C. 1621–1627 and 1645–1645o) shall apply with respect to claims under this Act.

SEC. 3. CLAIMS FUNDS.

(a) IRAQ CLAIMS FUND.—The Secretary of the Treasury is authorized to establish in the Treasury of the United States a fund (hereafter in this Act referred to as the ''Iraq Claims Fund'') for payment of claims under section 2(a). The Secretary of the Treasury shall cover into the Iraq Claims Fund such amounts as are allocated to such fund pursuant to subsection (b).

(b) ALLOCATION OF PROCEEDS FROM IRAQI ASSET LIQUIDATION.—

(1) IN GENERAL.—The President shall allocate funds resulting from the liquidation of assets pursuant to section 4 in the manner the President determines appropriate between the Iraq Claims Fund and such other accounts as are appropriate for the payment of claims of the United States Government, subject to the limitation in paragraph (2).

(2) LIMITATION.—The amount allocated pursuant to this subsection for payment of claims of the United States Government may not exceed the amount which bears the same relation to the amount allocated to the Iraq Claims Fund pursuant to this subsection as the sum of all certified claims of the United States Government bears to the sum of all claims certified under section 2(a). As used in this paragraph, the term ''certified claims of the United States Government'' means those claims of the United States Government which are determined by the Secretary of State to be outside the jurisdiction of the United Nations Commission and which are determined to be valid, and whose amount has been certified, under such procedures as the President may establish.

SEC. 4. AUTHORITY TO VEST IRAQI ASSETS.

The President is authorized to vest and liquidate as much of the assets of the Government of Iraq in the United States that have been blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) as may be necessary to satisfy claims under section 2(a), as well as claims of the United States Government against Iraq which are determined by the Secretary of State to be outside the jurisdiction of the United Nations Commission.

SEC. 5. REIMBURSEMENT FOR ADMINISTRATIVE EXPENSES.

(a) DEDUCTION.—In order to reimburse the United States Government for its expenses in administering this Act, the Secretary of the Treasury shall deduct 1.5 percent of any amount covered into the Iraq Claims Fund.

(b) DEDUCTIONS TREATED AS MISCELLANEOUS RECEIPTS.—Amounts deducted pursuant to subsection (a) shall be deposited in the Treasury of the United States as miscellaneous receipts.

SEC. 6. PAYMENTS.

(a) IN GENERAL.—The United States Commission shall certify to the Secretary of the Treasury each award made pursuant to section 2. The Secretary of the Treasury shall make payment, out of the Iraq Claims Fund, in the following order of priority to the extent funds are available in such fund:

(1) Payment of $10,000 or the principal amount of the award, whichever is less.

(2) For each claim that has priority under section 2(c), payment of a further $90,000 toward the unpaid balance of the principal amount of the award.

(3) Payments from time to time in ratable proportions on account of the unpaid balance of the principal amounts of all awards according to the proportions which the unpaid balance of such awards bear to the total amount in the Iraq Claims Fund that is available for distribution at the time such payments are made.

(4) After payment has been made of the principal amounts of all such awards, pro rata payments on account of accrued interest on such awards as bear interest.

(5) After payment has been made in full of all the awards payable out of the Iraq Claims Fund, any funds remaining in that fund shall be transferred to the general fund of the Treasury of the United States.

(b) UNSATISFIED CLAIMS.—Payment of any award made pursuant to this Act shall not extinguish any unsatisfied claim, or be construed to have divested any claimant, or the United States on his or her behalf, of any rights against the Government of Iraq with respect to any unsatisfied claim.

SEC. 7. AUTHORITY TO TRANSFER RECORDS.

The head of any Executive agency may transfer or otherwise make available to the United States Commission such records and documents relating to claims authorized to be adjudicated by this Act as may be required by the United States Commission in carrying out its functions under this Act.

SEC. 8. STATUTE OF LIMITATIONS; DISPOSITION OF UNUSED FUNDS.

(a) STATUTE OF LIMITATIONS.—Any demand or claim for payment on account of an award that is certified under this Act shall be barred one year after the publication date of the notice required by subsection (b).

(b) PUBLICATION OF NOTICE.—

(1) IN GENERAL.—At the end of the 9-year period specified in paragraph (2), the Secretary of the Treasury shall publish a notice in the Federal Register detailing the statute of limitations provided for in subsection (a) and identifying the claim numbers and awardee names of unpaid certified claims.

(2) PUBLICATION DATE.—The notice required by paragraph (1) shall be published 9 years after the last date on which the Secretary of the Treasury covers into the Iraq Claims Fund amounts allocated to that fund pursuant to section 3(b).

(c) DISPOSITION OF UNUSED FUNDS.—

(1) DISPOSITION.—At the end of the 2-year period beginning on the publication date of the notice required by subsection (b), the Secretary of the Treasury shall dispose of all unused funds described in paragraph (2) by depositing in the Treasury of the United States as miscellaneous receipts any such funds that are not used for such additional payments.

(2) UNUSED FUNDS.—The unused funds referred to in paragraph (1) are any remaining balance in the Iraq Claims Fund.

SEC. 9. DEFINITIONS.

As used in this Act:

(1) EXECUTIVE AGENCY.—The term ''Executive agency'' has the meaning given that term by section 105 of title 5, United States Code.

(2) GOVERNMENT OF IRAQ.—The term ''Government of Iraq'' includes agencies, instrumentalities, and controlled entities (including public sector enterprises) of that government.

(3) UNITED NATIONS COMMISSION.—The term ''United Nations Commission'' means the United Nations Compensation Commission established pursuant to United Nations Security Council Resolution 687 (1991).

(4) UNITED STATES COMMISSION.—The term ''United States Commission'' means the Foreign Claims Settlement Commission of the United States.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, DC, March 18, 1998.

Hon. TOM HARKIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR HARKIN: On behalf of the VFW and its 2.1 million members I thank you for taking the initiative to introduce The Gulf War Veterans' Iraqi Claims Protection Act of 1998. The bill will ensure that individual veterans claims are given a priority for receiving compensation from Iraqi assets frozen in the United States by our Government.

The VFW has consistently taken the position since 1993 that veterans of Desert Shield and Desert Storm should have priority status regarding compensation from Iraq for injury and illness they received in line of duty.

Again, thank you for your show of strong support on behalf of all veterans, especially those who went to the Persian Gulf, fought the war, and in some cases suffered personal injuries, material losses, and even death. It will be our pleasure to participate in any manner necessary to further assist you in this effort.

Sincerely,

JOHN E. MOON,
Commander-in-Chief.

By Mr. HAGEL (for himself, Mr. GRAMS, Mr. ROBERTS and Mr. CHAFEE, and Mr. DOMENICI):

S. 1795. A bill to reform the International Monetary Fund and to authorize United States participation in a quota increase and the New Arrangements to Borrow of the International Monetary Fund, and for other purposes; to the Committee on Foreign Relations.

THE INTERNATIONAL MONETARY FUND REFORM ACT

Mr. HAGEL. Mr. President, today I am joining with Senators GRAMS, ROBERTS, CHAFEE, and DOMENICI in introducing the International Monetary Fund Reform Act. This legislation is the product of weeks of work and negotiation we have undertaken to develop

a package of very tough—but achievable—reforms for the IMF. We all agree that there must be IMF reform. But relevant, workable, and achievable reforms are what we must put in place.

It's in America's national interest for Congress to move swiftly to support the full $18 billion request for the IMF. Our actions—or inactions—will have real short-term and long-term economic consequences for America's interests in Asia and around the world. This morning, I chaired a hearing in the Foreign Relations Committee that showed how important the IMF is to American agriculture and our ability to build and keep markets overseas. We cannot discount the importance of the message our actions or inactions here will send. A stable Asian marketplace is in America's interest.

We are introducing this legislation today so that all our colleagues can review the compromise language we have put together. As the debate on this issue unfolds, we intend to remain actively involved.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1795

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''International Monetary Fund Reform Act of 1998''.

SEC. 2. DEFINITION.

For purposes of this Act, the term ''appropriate congressional committees'' means the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on International Relations and the Committee on Banking and Financial Service of the House of Representatives.

TITLE I—INTERNATIONAL MONETARY FUND

SEC. 101. PARTICIPATION IN QUOTA INCREASE.

The Bretton Woods Agreements Act (22 U.S.C. 286–286mm) is amended by adding at the end the following:

''SEC. 61. QUOTA INCREASE.

''(a) IN GENERAL.—The United States Governor of the Fund may consent to an increase in the quota of the United States in the Fund equivalent to 10,622,500,000 Special Drawing Rights.

''(b) SUBJECT TO APPROPRIATIONS.—The authority provided by subsection (a) shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.''.

SEC. 102. CONDITIONS FOR RELEASE OF FUNDS.

(a) LIMITATIONS ON FUNDING.—Notwithstanding any other provision of law, any funds appropriated or otherwise made available for an increase in the quota of the United States in the International Monetary Fund pursuant to this title shall not be available for such increase until the Secretary of the Treasury makes the certifications described in subsection (b) and (c) to the appropriate congressional committees.

(b) CERTIFICATION REGARDING TRANSPARENCY.—The certification described in this subsection means a certification by the Secretary of the Treasury to the appropriate congressional committees that the United States is taking all necessary and appropriate steps to—

(1) ensure that the internal processes of the IMF becomes open and transparent;

(2) strengthen the ability of all countries, Congress, and the public to obtain timely and accurate information about the decision making process and other internal processes of the IMF;

(3) obtain routine release to the public of IMF documents, including official working papers, past evaluations, all Letters of Intent, and Policy Framework Papers.

(4) provide for greater accessibility, for both policymakers and members of the public, of the IMF and its staff; and

(5) obtain timely and complete publication of the Article IV consultations conducted by the IMF for each member country.

(c) CERTIFICATION REGARDING FUTURE LENDING STANDARDS.—The certification described in this subsection means a certification by the Secretary of the Treasury of the appropriate congressional committees that the International Monetary Fund routinely seeks, as a standard condition for lending and other uses of the Fund's resources, that borrower countries be required to—

(1) comply with the borrower country's international trading obligations including, if applicable, with the standards of the World Trade Organization;

(2) comply with appropriate international banking and financial standards and not engage in the pattern or practice of improper government-directed lending to favored industries, enterprises, parties, or institutions; and

(3) have or be developing bankruptcy laws and procedures to provide for liquidation and restructuring of businesses, and make progress toward assuring nondiscriminatory treatment of domestic and foreign creditors, debtors, and other concerned persons.

(d) REPORT.—Not later than October 1, 1998, and not later than March 1 of each year thereafter, the Secretary of the Treasury shall submit to the appropriate congressional committees a report describing the steps taken by the United States to achieve the objectives set forth in subsection (b) and progress made toward achieving such objectives.

TITLE II—NEW ARRANGEMENTS TO BORROW

SEC. 201. NEW ARRANGEMENTS TO BORROW.

Section 17 of the Bretton Woods Agreements Act (22 U.S.C. 286e–2 et seq.) is amended—

(1) in subsection (a)—

(A) by striking ''and February 24, 1983'' and inserting ''February 24, 1983, and January 27, 1997''; and

(B) by striking ''4,250,000,000'' and inserting ''6,712,000,000'';

(2) in subsection (b), by striking ''4,250,000,000'' and inserting ''6,712,000,000''; and

(3) in subsection (d)—

(A) by inserting ''or the Decision of January 27, 1997,'' after ''February 24, 1983,''; and

(B) by inserting ''or the New Arrangements to Borrow, as applicable'' before the period at the end.

By Mr. BINGAMAN (for himself, Mr. INOUYE, and Mrs. MURRAY):

S. 1796. A bill to amend the Higher Education Act to 1965 to increase post-secondary education opportunities for Hispanic students and other student populations underrepresented in post-secondary education; to the Committee on Labor and Human Resources.

THE HIGHER EDUCATION FOR THE 21ST CENTURY ACT

Mr. BINGAMAN. Mr. President, I am glad to be here today to introduce the Higher Education for the 21st Century Act, which is also cosponsored by Senators INOUYE and MURRAY.

THE IMPORTANCE OF IMPROVING POST-SECONDARY EDUCATION FOR HISPANIC AND NATIVE AMERICANS

Improving the quality and availability of postsecondary opportunities for Hispanics and Native Americans is one of my top priorities during the reauthorization of the Higher Education Act.

I was one of the authors and lead supporters of the original Hispanic Serving Institutions proposal that was enacted in 1992.

I also authored the Educational Equity for Land Grant Status Act of 1994, and the Tribally Controlled, Post—Secondary Vocational Institutions Program that helps institutions such as Crownpoint.

EXAMPLES FROM NEW MEXICO

Like others, I have many of these institutions in my state:

Hispanic serving institutions such as Albuquerque Technical Vocational Institute and Santa Fe Community College, and

Tribal colleges such as Crownpoint Institute of Technology, the Southwest Indian Technical institute, and the Institute for American Indian Arts.

As I will describe, these institutions are essential lifelines for so many Hispanic and Native American students who aspire to post-secondary education.

STRONG BIPARTISAN SUPPORT FOR HISPANIC SERVING INSTITUTIONS AND TRIBAL COLLEGES AND UNIVERSITIES

I am also glad to report to that the proposals contained in this legislation has the support of a broad, bipartisan group of members in both the House and Senate, as well as the Administration:

In the last two weeks, 19 Senators from both sides of the aisle joined in sending letters to the Labor Committee expressing their strong support for these goals.

Over 30 Members of the House have joined to cosponsor companion legislation, HR 2495.

The Administration has proposed parallel provisions in its recommendations for the reauthorization of the Higher Education Act.

HOW THE CURRENT TITLE III WORKS

Under current law, there are only limited provisions for HSIs, and no provisions at all for Tribal Colleges.

Title III, called ''Strengthening Institutions'' is intended to provide grants to colleges that serve large populations of low-income and minority students, enabling them to improve the quality of their programs:

There are several special provisions to support Historically Black Colleges;

There is a small provision that allows some HSIs that meet highly restrictive eligibility requirements to receive funds; and

There is no special provision for the particular needs of Tribal Colleges.

STREAMLINING AND EXPANDING HISPANIC SERVING INSTITUTIONS

While they make up only about 3 percent of all colleges and universities, HSIs educate over half of all Hispanic Americans nationwide.

In fact, HSIs account for over 45 percent of the Associate's degrees earned by Hispanics nationwide, and almost 50 percent of Bachelor's degrees.

Though the current HSI program is very successful, there are several aspects that I believe should be improved. This bill would:

Increase the HSI authorization from $45 to $100 million;

Create a new Part C within Title III specifically for HSIs; and,

Eliminate cumbersome and inequitable data collection requirements about parents' educational attainment.

CREATING NEW OPPORTUNITIES FOR TRIBAL COLLEGES AND UNIVERSITIES

This bill also helps tribal colleges and universities (or ''TCUs''), by creating a funding stream that would enable them to compete for similar grants under the Higher Education Act.

At present, there are 30 tribal colleges in 12 states serving over 25,000 students from 200 tribes, which continue to be among the most underfunded institutions of higher education in the nation.

However, Tribal Colleges or Universities have been hampered by a legacy of inadequate and unstable funding, because they do not have large resource bases to draw on and generally do not receive State funding.

This bill:

Creates a new Part D within Title III specifically for TCUs;

Establishes an FY99 authorization level of $50 million; and

Includes ALL tribal colleges—including those land grant institutions such as Crownpoint Institute of Technology that are currently excluded from the Tribal Community Colleges Act.

WHY HSIS AND TCUS NEED THESE PROGRAMS

One of the main reasons these changes are needed has to do with the limited educational opportunities and disproportionately low educational achievement of both Hispanics and Native Americans in most parts of the country.

Over 40 percent of Hispanic students do not complete a bachelor's degree, and 30 percent of young Hispanics have not graduated from high school.

Only 8.9 percent of American Indian and Alaska Native Youth earn 4 year bachelor's degrees or higher academic degrees compared to 20.3% of the Nation as a whole.

This is not to say that there aren't needy students at all types of institutions around the country but simply to point out that American Indian and Hispanic students—and the colleges that educate them—are among the most needy.

UNCLEAR PROGRESS ON THESE ISSUES IN THE LABOR COMMITTEE

Despite the strong support for these changes, it is unclear at present if the House Education Committee or the working group in the Labor Committee will agree to make significant changes.

In the House Education Committee there has been some notable progress, including a new $10 million section for Tribal Colleges and an increased authorization level for HSIs.

However, in recent Labor Committee drafts there have been only minor changes for HSIs, and no action at all to support tribal colleges.

CONCLUSION

This Act contains changes that have tremendous importance both symbolically and substantively that will provide opportunities Congress to lead the way in helping the most needy institutions helping the most disadvantaged students.

Knowing that Senator JEFFORDS and Senator KENNEDY and other members of the Labor Committee are longstanding supporters of tribal colleges and HSIs, I am hoping that the Committee will be persuaded of the need to make these changes.

I urge my colleagues to lend their support to this Act, and call on my friends in the Labor Committee to include these provisions in the reauthorization of the Higher Education Act.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1796

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the ''Higher Education for the 21st Century Act''.

(b) REFERENCES.—Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed as an amendment or repeal of a section or other provision, the reference shall be considered to be made to that section or provision in the Higher Education Act of 1965 (20 U.S.C. 1001 et seq).

SEC. 2. HISPANIC-SERVING INSTITUTIONS.

(a) IN GENERAL.—Title III (20 U.S.C. 1051 et seq.) is amended—

(1) by redesignating parts C and D (20 U.S.C. 1065 et seq. and 1066 et seq.) as parts E and F, respectively;

(2) by redesignating section 331 (20 U.S.C. 1065) as section 341;

(3) by redesignating sections 351, 352, 353, 354, 356, 357, 358, and 360 (20 U.S.C. 1066, 1067, 1068, 1069, 1069b, 1069c, 1069d, and 1069f) as sections 361, 362, 363, 364, 365, 366, 367, and 368, respectively;

(4) by repealing section 316 (20 U.S.C. 1059c); and

(5) by inserting after part B the following:

''PART C—HISPANIC-SERVING INSTITUTIONS

''SEC. 331. FINDINGS.

''Congress makes the following findings:

''(1) The disparity in educational opportunity between Hispanics and other Americans has become increasingly apparent. Hispanic student participation in higher education has remained basically stagnant with only 8 percent of Hispanic students attending higher education, and with Hispanic students experiencing a high school drop out rate in excess of 30 percent. Hispanics have the lowest college participation rates of any major race or ethnic group and attain degrees at a much lower rate than white students.

''(2) Efforts to correct this severe underrepresentation of Hispanics in postsecondary education have been woefully inadequate. All too often, responses that could be found were targeted too broadly, constructed too narrowly, or underfunded. With the single exception of the Pell Grant program, Federal higher education programs severely underserve Hispanics.

''(3) Hispanic-serving institutions of higher education have contributed significantly to providing equal educational opportunities for Hispanic students, particularly students from low-income and educationally disadvantaged families. Hispanic-serving institutions serve a unique function within the Nation's higher education community. While constituting only 3 percent of the Nation's higher education institutions, they served more than half of all Hispanic students enrolled in postsecondary education.

''(4) Hispanic-serving institutions shoulder the burden of providing high-quality educational opportunities for the fastest growing segment of the Nation's population. This population has the Nation's highest secondary school drop out rate and an exceedingly low level of participation in Federal higher education intervention programs such as Upward Bound. It also has historically been subjected to educational, economic, and political discrimination. Absent the existence of these necessary and critical institutions, Hispanic students would be less likely to have access to the benefits of postsecondary education. However, many Hispanic-serving institutions lack adequate institutional and financial resources to fully meet the growing postsecondary educational needs of this target population.

''(5) Providing financial assistance to eligible Hispanic-serving institutions to enable them to strengthen their institutional, academic, and fiscal resources, and to increase their services for Hispanic and other low-income, educationally disadvantaged students will increase the institutions' viability and self-sufficiency and will enable Hispanic-serving institutions to meet better the critical 21st century needs of the Nation.

''SEC. 332. PROGRAM AUTHORIZED.

''(a) IN GENERAL.—The Secretary shall provide grants and related assistance to Hispanic-serving institutions to enable such institutions to improve and expand their capacity to serve Hispanic students and other low-income individuals.

''(b) AUTHORIZED ACTIVITIES.—

''(1) TYPES OF ACTIVITIES AUTHORIZED.—Grants awarded under this section shall be used by Hispanic-serving institutions of higher education to assist such institutions to plan, develop, undertake, and carry out programs.

''(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—Such programs may include—

''(A) purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

''(B) renovation and improvement in classroom, library, laboratory, and other instructional facilities;

''(C) support of faculty exchanges, and faculty development and faculty fellowships to assist in attaining advanced degrees in their field of instruction;

''(D) curriculum development and academic instruction;

''(E) purchase of library books, periodicals, microfilm, and other educational materials;

''(F) funds and administrative management, and acquisition of equipment for use in strengthening funds management;

''(G) joint use of facilities such as laboratories and libraries; and

''(H) academic tutoring and counseling programs and student support services.

''SEC. 333. GRANTS FOR GRADUATE AND PROFESSIONAL PROGRAMS.

''(a) IN GENERAL.—The Secretary shall provide grants and related assistance to Hispanic-serving institutions with graduate and professional programs to enable such institutions to improve and expand graduate and professional opportunities for Hispanic students and other students underrepresented in graduate education.

''(b) AUTHORIZED ACTIVITIES.—Grants awarded under this section shall be used by Hispanic-serving institutions—

''(1) to recruit Hispanic students and other students underrepresented in graduate education to enroll in graduate and professional programs;

''(2) to provide stipends for such students;

''(3) to increase the capacity of the institution to serve such students by increasing faculty or counselling services for such students; or

''(4) to expand the number of Hispanic and other underrepresented graduate and professional students that can be served by the institution by expanding courses and institutional resources.

''SEC. 334. APPLICATION PROCESS.

''(a) INSTITUTIONAL ELIGIBILITY.—Each Hispanic-serving institution desiring to receive assistance under this part shall submit to the Secretary such enrollment data as may be necessary to demonstrate that the institution is a Hispanic-serving institution as defined in section 336, along with such other data and information as the Secretary may by regulation require.

''(b) APPLICATIONS.—Any institution which is determined by the Secretary to be a Hispanic-serving institution (on the basis of the data and information submitted under subsection (a)) may submit an application for assistance under this part to the Secretary. Such application shall include—

''(1) a 5-year plan for improving the assistance provided by the Hispanic-serving institution to Hispanic students and other low-income individuals; and

''(2) such other information and assurance as the Secretary may require.

''(c) PRIORITY.—With respect to applications for assistance under section 332, the Secretary shall give priority to applications that contain satisfactory evidence that such institution has entered into or will enter into a collaborative arrangement with at least one local educational agency to provide such agency with assistance (from funds other than funds provided under this part) in reducing Hispanic dropout rates, improving Hispanic rates of academic achievement, and increasing the rates at which Hispanic secondary school graduates enroll in higher education.

''SEC. 335. SPECIAL RULE.

''No Hispanic-serving institution that is eligible for and receives funds under this part may receive funds under part A or B during the period for which funds under this part are awarded.

''SEC. 336. DEFINITIONS.

''For purposes of this part:

''(1) HISPANIC-SERVING INSTITUTION.—The term 'Hispanic-serving institution' means an institution of higher education which—

''(A) is an eligible institution under section 312(b);

''(B) at the time of application, has an enrollment of undergraduate full-time equivalent students that is at least 25 percent Hispanic students; and

''(C) provides assurances that not less than 50 percent of its Hispanic students are low-income individuals.

''(2) LOW-INCOME INDIVIDUAL.—The term 'low-income individual' means an individual from a family whose taxable income for the preceding year did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of the Census.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 368(a) (as redesignated by subsection (a)(3)) (20 U.S.C. 1069f(a)) is amended—

(1) in paragraph (1)—

(A) by striking ''(A)'' after ''PART A.—'';

(B) by striking ''(other than section 316)''; and

(C) by striking subparagraph (B);

(2) by redesignating paragraph (3) as paragraph (4);

(3) in paragraph (4) (as redesignated by paragraph (2))—

(A) by striking ''C.—'' and inserting ''E.—''; and

(B) by striking ''part C,'' and inserting ''part E,''; and

(4) by inserting after paragraph (2) the following:

''(3) PART C.—(A) There are authorized to be appropriated to carry out part C (other than section 332), $80,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(B) There are authorized to be appropriated to carry out section 332, $20,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

SEC. 3. AMERICAN INDIAN TRIBAL COLLEGES AND UNIVERSITIES.

(a) AMENDMENT.—Title III (20 U.S.C. 1051 et seq.) is amended by inserting after part C (as added by section 2(a)(5)) the following:

''PART D—STRENGTHENING AMERICAN INDIAN TRIBAL COLLEGES AND UNIVERSITIES

''SEC. 351. FINDINGS AND PURPOSE.

''(a) FINDINGS.—Congress makes the following findings:

''(1) Indian tribes are domestic dependent nations, which exercise inherent sovereign authority over their members and territories, and as governments, Indian tribes have the authority to administer educational institutions.

''(2) Historically, the education system in the United States has encouraged American Indian and Alaska Native students to forgo their Native language and culture in favor of Western language and culture, and those educational practices have been damaging to Indian students and their communities.

''(3) In general, American Indian and Alaska Native youth have a lower economic status than students in the Nation as a whole, and roughly twice as many American Indian and Alaska Native youth live below the poverty line as compared to youth in the general population.

''(4) In general, American Indian and Alaska Native youth have a lower educational attainment level than youth in the Nation as a whole, and only 8.9 percent of American Indian and Alaska Native students earn 4-year bachelor's degrees or higher academic degrees compared to 20.3 percent of the students in the Nation as a whole.

''(5) Tribal Colleges or Universities have been established by tribal governments to make postsecondary educational opportunities available in American Indian communities, including general equivalency diplomas (GED's), remedial instruction, and academic, vocational, and technical programs similar to those offered by public and private colleges and universities.

''(6) In addition, Tribal Colleges or Universities fulfill unique and vitally important missions of preserving, recording, teaching, and fostering Native languages and cultures.

''(7) Tribal Colleges or Universities are well suited to serve American Indian communities because Tribal Colleges or Universities are physically located in the communities that they serve and are attuned to Native languages and cultures.

''(8) Tribal Colleges or Universities have been hampered by a lack of adequate and stable funding resources because, unlike State land-grant institutions, Tribal Colleges or Universities do not have large resource bases to draw on, and Tribal Colleges or Universities generally do not receive State funding. This lack of funding seriously threatens the continued viability of some of these institutions.

''(9) Based on the United States unique trust responsibility to American Indians, financial assistance to establish, support, and strengthen the physical plants, financial management, academic resources, and endowments of the Tribal Colleges or Universities is appropriate to enhance these institutions and to expand the capacity of these institutions to serve American Indian students.

''(b) PURPOSE.—It is the purpose of this part to improve the academic quality, technological capacity, instructional management, and fiscal stability of eligible Tribal Colleges or Universities in order to strengthen the ability of Tribal Colleges or Universities to make a substantial contribution to the higher education resources of the Nation.

''SEC. 352. DEFINITIONS.

''For the purposes of this part—

''(1) the term 'Indian' means a person who is a member of an Indian tribe;

''(2) the term 'Indian tribe' means any Indian or Alaska native tribe, band, nation, pueblo, village, or community that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians;

''(3) the term 'Tribal College or University' means an institution of higher education which is formally controlled, or has been formally sanctioned, or chartered, by the governing body of an Indian tribe or tribes, or which meets the criteria for eligibility set forth in section 354(a); and

''(4) the term 'institution of higher education' means an institution of higher education as defined by section 1201(a), except that clause paragraph (2) of such section shall not be applicable.

''SEC. 353. GRANTS TO INSTITUTIONS; GENERAL AUTHORIZATION AND USE OF FUNDS.

''(a) GRANTS.—From the amounts made available under section 368(a)(4) for any fiscal year, the Secretary shall make grants, to Tribal Colleges or Universities that meet the requirements of subsection (a) of section 354 and have applications approved by the Secretary, to carry out the activity described in subsection (b).

''(b) AUTHORIZED ACTIVITIES.—

''(1) IN GENERAL.—Grant funds under this section may be used for any of the following purposes:

''(A) Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes.

''(B) Construction, maintenance, renovation, and improvement in classroom, library, laboratory, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services.

''(C) Support of faculty exchanges, faculty development, and faculty fellowships to assist faculty in attaining advanced degrees in their field of instruction.

''(D) Academic instruction in disciplines in which American Indians are underrepresented.

''(E) Purchase of library books, periodicals, and other educational materials, including telecommunications program material.

''(F) Tutoring, counseling, and student service programs designed to improve academic success.

''(G) Funds management, administrative management, and acquisition of equipment for use in strengthening funds management.

''(H) Joint use of facilities, such as laboratories and libraries.

''(I) Establishing or improving a development office to strengthen or improve contributions from alumni and the private sector.

''(J) Establishing or enhancing a program of teacher education designed to qualify students to teach in elementary or secondary schools, with a particular emphasis on teaching American Indian children and youth, that shall include, as part of such program, preparation for teacher certification.

''(K) Establishing community outreach programs which will encourage American Indian elementary school and secondary school students to develop the academic skills and the interest to pursue postsecondary education.

''(L) Investing in the technological improvement of the Tribal College or University's administration of funds made available to students under title IV.

''(M) Other activities proposed in the application submitted pursuant to section 354 that are approved by the Secretary as part of the review and acceptance of such application.

''(2) ENDOWMENT FUND.—

''(A) IN GENERAL.—A Tribal College or University may use not more than 20 percent of the grant funds provided under this part to establish or increase an endowment fund at the institution.

''(B) MATCHING REQUIREMENT.—In order to be eligible to use grant funds in accordance with subparagraph (A), the Tribal College or University shall provide matching funds from non-Federal sources, in an amount equal to not less than 50 percent of the Federal funds used in accordance with paragraph (1), for the establishment or increase of the endowment fund.

''(c) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to a Tribal College or University that proposes to carry out a program that strengthens the technological capabilities of institutions, as determined by the Secretary.

''(d) PLANNING GRANTS.—The Secretary may award a grant under this part to a Tribal College or University for a period of 1 year for the purpose of preparing a technological needs assessment, a plan, and an application for a grant under this section.

''SEC. 354. ELIGIBILITY AND APPLICATIONS.

''(a) ELIGIBILITY.—To be eligible to receive assistance under this part, an institution shall meet the following criteria:

''(1) INSTITUTION.—An institution shall—

''(A) receive assistance under the Tribally Controlled Community College Assistance Act of 1978;

''(B) receive assistance under part H of title III of the Carl D. Perkins Vocational and Applied Technology Education Act;

''(C) receive assistance under the Act of November 2, 1921 (commonly known as the 'Snyder Act') (42 Stat. 208, chapter 115; 25 U.S.C. 13);

''(D) receive assistance under the American Indian, Alaska Native, and Native Hawaiian Culture and Art Development Act; or

''(E) receive funding under the Equity in Educational Land Grant Status Act of 1994.

''(2) ACCREDITATION.—An institution that is accredited by a nationally recognized accrediting agency or association determined by the Secretary to be a reliable authority for the quality of training offered, or is, according to such an agency or association, making reasonable progress toward accreditation.

''(b) APPLICATION.—Any institution desiring to receive assistance under this part shall submit an application to the Secretary at such time and in such manner as the Secretary may by regulation reasonably require. Each such application shall include—

''(1) a 5-year plan for improving the assistance provided by the Tribal College or University to Indian students, increasing the rates at which Indian secondary school students enroll in higher education, and increasing overall postsecondary retention rates for Indian students; and

''(2) measurable goals for the institution's proposed activities, including a plan for how the institution intends to achieve the goals.

''(c) SPECIAL RULE.—For the purposes of this part, a Tribal College or University that is eligible for and receives funds under this part shall not receive funds under part A during the period for which the funds under this part are awarded.''.

(b) CONFORMING AMENDMENTS.—Part F (as redesignated by section 2(a)(1)) (20 U.S.C. 1066 et seq.) is amended—

(1) in section 361(b)(1) (as redesignated by section 2(a)(3)) (20 U.S.C. 1066(b)(1)), by striking ''part C)'' and inserting ''part E)'';

(2) in section 361(b)(6) (as redesignated by section 2(a)(3)) (20 U.S.C. 1066(b)(6)), by striking ''section 357'' and inserting ''section 366, except that for purposes of part D, paragraphs (2) and (3) of such section shall not apply'';

(3) in section 362 (as redesignated by section 2(a)(3)) (20 U.S.C. 1067), by striking ''part A'' each place the term appears and inserting ''part A, C, or D'';

(4) in section 363(a)(2) (as redesignated by section 2(a)(3)) (20 U.S.C. 1068(a)(2)), by striking ''Native American colleges and universities'' and inserting ''American Indian Tribal Colleges and Universities'';

(5) in section 363(a)(3)(A) (as redesignated by section 2(a)(3)) (20 U.S.C. 1068(a)(3)(A)), by inserting after ''special consideration for grants awarded under part B'' the following: '', and of the types of activities referred to in section 353 that should receive special consideration for grants awarded under parts C and D'';

(6) in section 365(a) (as redesignated by section 2(a)(3)) (20 U.S.C. 1069b(a)), by inserting '', C, or D'' after ''institution eligible under part B'';

(7) in section 366 (as redesignated by section 2(a)(3)) (20 U.S.C. 1069c)—

(A) by striking ''The funds'' and inserting ''(a) IN GENERAL.—''; and

(B) by adding at the end the following new subsection:

''(b) EXCEPTION.—For purposes of part D of this title, paragraphs (2) and (3) of subsection (a) shall not apply.'';

(8) in section 368(a) (as redesignated by section 2(a)(3)) (20 U.S.C. 1069f(a)), by inserting after paragraph (3) (as added by section 2(b)(4)) the following:

''(4) PART D.—There are authorized to be appropriated to carry out part D, $50,000,000 for fiscal year 1999 and such sums as may be necessary for each of the four succeeding fiscal years.''; and

(9) in section 368(e) (as redesignated by section 2(a)(3)) (20 U.S.C. 1069f(e))—

(A) by striking ''(3)'' and inserting ''(4)'';

(B) by striking ''part C'' and inserting ''part E''; and

(C) by striking ''section 331'' and inserting ''section 341''.

ADDITIONAL COSPONSORS

S. 195

At the request of Mrs. HUTCHISON, the names of the Senator from Mississippi [Mr. LOTT], the Senator from Delaware [Mr. BIDEN], the Senator from Idaho [Mr. CRAIG], and the Senator from Pennsylvania [Mr. SPECTER] were withdrawn as cosponsors of S. 195, a bill to abolish the National Endowment for the Arts and the National Council on the Arts.

At the request of Mr. D'AMATO, his name was withdrawn as a cosponsor of S. 195, supra.

S. 351

At the request of Mrs. MURRAY, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 351, a bill to provide for teacher technology training.

S. 567

At the request of Mr. SMITH, the name of the Senator from Illinois [Mr. DURBIN] was added as a cosponsor of S. 567, a bill to permit revocation by members of the clergy of their exemption from social security coverage.

S. 614

At the request of Mr. BREAUX, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 614, a bill to amend the Internal Revenue Code of 1986 to provide flexibility in the use of unused volume cap for tax-exempt bonds, to provide a $20,000,000 limit on small issue bonds, and for other purposes.

S. 887

At the request of Ms. MOSELEY-BRAUN, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 887, a bill to establish in the National Service the National Underground Railroad Network to Freedom program, and for other purposes.

S. 1260

At the request of Mr. GRAMM, the names of the Senator from Kansas [Mr. BROWNBACK], the Senator from Arizona [Mr. MCCAIN], and the Senator from Arkansas [Mr. HUTCHINSON] were added as cosponsors of S. 1260, a bill to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to limit the conduct of securities class actions under State law, and for other purposes.

S. 1283

At the request of Mrs. HUTCHISON, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 1283, a bill to award Congressional gold medals to Jean Brown Trickey, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wair, Ernest Green, Elizabeth Eckford, and Jefferson Thomas, commonly referred collectively as the ''Little Rock Nine'' on the occasion of the 40th anniversary of the integration of the Central High School in Little Rock, Arkansas.

S. 1334

At the request of Mr. BOND, the name of the Senator from New Jersey [Mr.

LAUTENBERG] was added as a cosponsor of S. 1334, a bill to amend title 10, United States Code, to establish a demonstration project to evaluate the feasibility of using the Federal Employees Health Benefits program to ensure the availability of adequate health care for Medicare-eligible beneficiaries under the military health care system.

S. 1618

At the request of Mr. MCCAIN, the names of the Senator from Mississippi [Mr. LOTT] and the Senator from Oregon [Mr. SMITH] were added as cosponsors of S. 1618, a bill to amend the Communications Act of 1934 to improve the protection of consumers against ''slamming'' by telecommunications carriers, and for other purposes.

S. 1705

At the request of Ms. MOSELEY-BRAUN, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 1705, a bill to amend the Internal Revenue Code of 1986 to expand the incentives for the construction and renovation of public schools.

S. 1737

At the request of Mr. MACK, the name of the Senator from Wyoming [Mr. ENZI] was added as a cosponsor of S. 1737, a bill to amend the Internal Revenue Code of 1986 to provide a uniform application of the confidentiality privilege to taxpayer communications with federally authorized practitioners.

S. 1748

At the request of Mr. MACK, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 1748, a bill to amend the Internal Revenue Code of 1986 to provide that the reduced capital gains tax rates apply to long-term capital gain from property with at least a 1-year holding period.

S. 1760

At the request of Mr. LEVIN, the names of the Senator from Wisconsin [Mr. KOHL] and the Senator from Wisconsin [Mr. FEINGOLD] were added as cosponsors of S. 1760, a bill to amend the National Sea Grant College Program Act to clarify the term Great Lakes.

S. 1764

At the request of Mr. THURMOND, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1764, a bill to amend sections 3345 through 3349 of title 5, United States Code (commonly referred to as the ''Vacancies Act'') to clarify statutory requirements relating to vacancies in certain Federal offices, and for other purposes.

S. 1789

At the request of Mr. MOYNIHAN, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 1789, a bill to amend title XVIII of the Social Security Act and the Employee Retirement Income Security Act of 1974 to improve access to health insurance and medicare benefits for individuals ages 55 to 65 to be fully funded through premiums and anti-fraud provision, and for other purposes.

SENATE RESOLUTION 155

At the request of Mr. LOTT, the names of the Senator from Tennessee [Mr. THOMPSON] and the Senator from Montana [Mr. BURNS] were added as cosponsors of Senate Resolution 155, a resolution designating April 6 of each year as ''National Tartan Day'' to recognize the outstanding achievements and contributions made by Scottish Americans to the United States.

SENATE RESOLUTION 194

At the request of Mrs. HUTCHISON, the names of the Senator from California [Mrs. FEINSTEIN] and the Senator from Idaho [Mr. KEMPTHORNE] were added as cosponsors of Senate Resolution 194, a resolution designating the week of April 20 through April 26, 1998, as ''National Kick Drugs Out of America Week.''

SENATE RESOLUTION 195

At the request of Mrs. HUTCHISON, the names of the Senator from Mississippi [Mr. LOTT], the Senator from New York [Mr. D'AMATO], the Senator from Delaware [Mr. BIDEN], the Senator from Idaho [Mr. CRAIG], the Senator from California [Mrs. BOXER], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of Senate Resolution 195, a resolution designating the week of March 22 through March 28, 1998, as ''National Corrosion Prevention Week.''

SENATE CONCURRENT RESOLUTION 85—CALLING FOR AN END TO THE VIOLENT REPRESSION OF THE PEOPLE OF KOSOVO

Mr. NICKLES (for himself, Mr. DODD, Mr. BIDEN, Mr. HELMS, Mr. LIEBERMAN, Mr. LEVIN, Mr. KYL, Mr. KERREY, Mr. D'AMATO, Mr. ABRAHAM, Mr. WELLSTONE, Mr. GRAMS, Mr. INHOFE, Mr. CLELAND, and Mr. COVERDELL) submitted the following concurrent resolution; which was considered and agreed to.

S. CON. RES. 85

Whereas ethnic Albanians constitute ninety percent of the population of the province of Kosovo;

Whereas the human rights situation in Kosovo has recently deteriorated, culminating in the killing of more than 70 ethnic Albanians, including innocent women and children, by Serbian police and paramilitary forces controlled by Yugoslav President Slobodan Milosevic;

Whereas Serbian authorities controlled by Milosevic have attempted to thwart efforts by international forensic experts to determine the cause of death of recent victims by burying the dead against the wishes of their families;

Whereas the current conflict in Kosovo threatens to reignite war in the Balkans, and is thereby a potential threat to regional peace and security;

Whereas the six-nation Contact Group established to monitor the situation in the former Yugoslavia has requested that the Serbian authorities controlled by Milosevic grant International Red Cross personnel access to areas where recent violence and killing have been reported;

Whereas the Contact Group has called upon Milosevic to withdraw special police units from Kosovo and enter into unconditional negotiations with ethnic Albanian political leaders in order to find a peaceful political solution to the conflict or face additional international sanctions; and

Whereas a peaceful resolution of the conflict in Kosovo must respect the rights of members of all ethnic and religious groups in Kosovo, all of whose representatives should be involved in negotiations about the resolution of that conflict: Now, Therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress—

(1) the United States should condemn the Serbian government controlled by Slobodan Milosevic in the strongest possible terms for the gross human rights violations against its citizens, including the indiscriminate use of Serbian paramilitary police units against the Albanian population of Kosovo;

(2) the United States should condemn any terrorist actions by any group or individual in Kosovo;

(3) the international community should respond affirmatively to the call of the Contact Group for the imposition of broad-based sanctions against the government of Serbia if it fails to prevent additional atrocities by the police and paramilitary units under its control or does not otherwise comply immediately with the terms set forth by the Contact Group;

(4) the United States should freeze funds of the governments of the Federal Republic of Yugoslavia and Serbia if the government of Serbia fails to comply by March 25, 1998, with the terms set forth by the Contact Group;

(5) pursuant to the terms set forth by the Contact Group, the United States should demand that the Serbian government and the ethnic Albanian leadership and the representatives of all ethnic and religious groups in Kosovo immediately begin unconditional talks to achieve a peaceful resolution to the conflict in Kosovo and to provide for the exercise of the legitimate civil and political rights of all persons in Kosovo; and

(6) the United States should demand that international human rights monitors, especially personnel of the International Red Cross who were forced to withdraw from Kosovo, be allowed to return immediately to Kosovo in order to be able to report on all human rights violations.

SENATE RESOLUTION 198—DESIGNATING ''NATIONAL BREAST CANCER SURVIVORS' DAY''

Mr. MACK (for himself, Mrs. FEINSTEIN, Mr. LOTT, Mr. DASCHLE, Mr. HATCH, Mr. LEAHY, Mr. ABRAHAM, Mr. AKAKA, Mr. ALLARD, Mr. BAUCUS, Mr. BENNETT, Mr. BIDEN, Mr. BOND, Mrs. BOXER, Mr. BREAUX, Mr. BROWNBACK, Mr. BRYAN, Mr. CAMPBELL, Mr. CHAFEE, Mr. CLELAND, Mr. COCHRAN, Ms. COLLINS, Mr. COVERDELL, Mr. CRAIG, Mr. D'AMATO, Mr. DEWINE, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. DURBIN, Mr. ENZI, Mr. FAIRCLOTH, Mr. FORD, Mr. FRIST, Mr. GLENN, Mr. GORTON, Mr. GRAMM, Mr. GRASSLEY, Mr. GREGG, Mr. HAGEL, Mrs. HUTCHISON, Mr. KOHL, Mr. INHOFE, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERREY, Ms. LANDRIEU, Mr. LAUTENBERG, Mr. LEVIN, Mr. LIEBERMAN, Mr. LUGAR, Mr. MCCONNELL, Ms. MIKULSKI, Mr. MOYNIHAN, Ms. MOSELEY-BRAUN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. NICKLES, Mr.

REED, Mr. ROBB, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SESSIONS, Mr. SMITH of New Hampshire, Mr. SMITH of Oregon, Ms. SNOWE, Mr. SPECTER, Mr. STEVENS, Mr. THOMAS, Mr. TORRICELLI, Mr. WARNER, Mr. WELLSTONE, and Mr. COATS) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 198

Whereas breast cancer strikes an estimated 178,700 women and 1,600 men in the United States annually;

Whereas breast cancer strikes 1 out of every 9 American women during an average woman's lifetime;

Whereas breast cancer is the leading cause of death among American women between the ages of 35 and 54;

Whereas during this decade, it is estimated that more than 1,800,000 women and 12,000 men will be diagnosed with breast cancer in the United States;

Whereas when breast cancer is detected at an early stage, the 5 year survival rate is 97 percent;

Whereas according to the United States Centers for Disease Control and Prevention, the percentage of American women who die from breast cancer has begun to decline;

Whereas according to the United States Centers for Disease Control and Prevention, the mortality rate among American women with breast cancer decreased during the period from 1990 to 1995; and

Whereas breast cancer survivors have shown tremendous courage and determination in the face of adversity: Now, therefore, be it

Resolved, That the Senate—

(1) designates April 1, 1998, as ''National Breast Cancer Survivors' Day''; and

(2) requests the President to issue a proclamation calling upon the people of the United States to observe the day with appropriate programs and activities.

AMENDMENTS SUBMITTED

THE EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

ROTH AMENDMENT NO. 2019

Mr. ROTH proposed an amendment to the bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes; as follows:

Strike all after the enacting clause and insert:

SECTION 1. SHORT TITLE; AMENDMENT TO 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Parent and Student Savings Account PLUS Act''.

(b) AMENDMENT TO 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; amendment to 1986 Code; table of contents.

TITLE I—TAX INCENTIVES FOR EDUCATION

Sec. 101. Modifications to education individual retirement accounts.

Sec. 102. Exclusion from gross income of education distributions from qualified State tuition programs.

Sec. 103. Extension of exclusion for employer-provided educational assistance.

Sec. 104. Additional increase in arbitrage rebate exception for governmental bonds used to finance education facilities.

Sec. 105. Exclusion of certain amounts received under the National Health Corps Scholarship program.

Sec. 106. Treatment of qualified public educational facility bonds as exempt facility bonds.

TITLE II—REVENUE

Sec. 201. Clarification of deduction for deferred compensation.

Sec. 202. Modification to foreign tax credit carryback and carryover periods.

TITLE I—TAX INCENTIVES FOR EDUCATION

SEC. 101. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(1) IN GENERAL.—Section 530(b)(2) (defining qualified higher education expenses) is amended to read as follows:

''(2) QUALIFIED EDUCATION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified education expenses' means—

''(i) qualified higher education expenses (as defined in section 529(e)(3)), and

''(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)).

Such expenses shall be reduced as provided in section 25A(g)(2).

''(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include amounts paid or incurred to purchase tuition credits or certificates, or to make contributions to an account, under a qualified State tuition program (as defined in section 529(b)) for the benefit of the beneficiary of the account.''

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—Section 530(b) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

''(4) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified elementary and secondary education expenses' means—

''(i) expenses for tuition, fees, academic tutoring, special needs services, books, supplies, computer equipment (including related software and services), and other equipment which are incurred in connection with the enrollment or attendance of the designated beneficiary of the trust as an elementary or secondary school student at a public, private, or religious school, or

''(ii) expenses for room and board, uniforms, transportation, and supplementary items and services (including extended day programs) which are required or provided by a public, private, or religious school in connection with such enrollment or attendance.

''(B) SPECIAL RULE FOR HOMESCHOOLING.—Such term shall include expenses described in subparagraph (A)(i) in connection with education provided by homeschooling if the requirements of any applicable State or local law are met with respect to such education.

''(C) SCHOOL.—The term 'school' means any school which provides elementary education or secondary education (kindergarten through grade 12), as determined under State law.''

(3) SPECIAL RULES FOR APPLYING EXCLUSION TO ELEMENTARY AND SECONDARY EXPENSES.—Section 530(d)(2) (relating to distributions for qualified higher education expenses) is amended by adding at the end the following new subparagraph:

''(D) SPECIAL RULES FOR ELEMENTARY AND SECONDARY EXPENSES.—

''(i) IN GENERAL.—The aggregate amount of qualified elementary and secondary education expenses taken into account for purposes of this paragraph with respect to any education individual retirement account for all taxable years shall not exceed the sum of the aggregate contributions to such account for taxable years beginning after December 31, 1998, and before January 1, 2003, and earnings on such contributions.

''(ii) SPECIAL OPERATING RULES.—For purposes of clause (i)—

''(I) the trustee of an education individual retirement account shall keep separate accounts with respect to contributions and earnings described in clause (i), and

''(II) if there are distributions in excess of qualified elementary and secondary education expenses for any taxable year, such excess distributions shall be allocated first to contributions and earnings not described in clause (i).''

(4) CONFORMING AMENDMENTS.—Subsections (b)(1) and (d)(2) of section 530 are each amended by striking ''higher'' each place it appears in the text and heading thereof.

(b) MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) (defining education individual retirement account) is amended by striking ''$500'' and inserting ''the contribution limit for such taxable year''.

(2) CONTRIBUTION LIMIT.—Section 530(b) (relating to definitions and special rules), as amended by subsection (a)(2), is amended by adding at the end the following new paragraph:

''(5) CONTRIBUTION LIMIT.—The term 'contribution limit' means $500 ($2,000 in the case of any taxable year beginning after December 31, 1998, and ending before January 1, 2003).''

(3) CONFORMING AMENDMENTS.—

(A) Section 530(d)(4)(C) is amended by striking ''$500'' and inserting ''the contribution limit for such taxable year''.

(B) Section 4973(e)(1)(A) is amended by striking ''$500'' and inserting ''the contribution limit (as defined in section 530(b)(5)) for such taxable year''.

(c) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Section 530(b)(1) (defining education individual retirement account) is amended by adding at the end the following flush sentence:

''The age limitations in the preceding sentence shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).''

(d) CORPORATIONS PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended by striking ''The maximum amount which a contributor'' and inserting ''In the case of a contributor who is an individual, the maximum amount the contributor''.

(e) NO DOUBLE BENEFIT.—Section 530(d)(2) (relating to distributions for qualified education expenses), as amended by subsection (a)(3), is amended by adding at the end the following new subparagraph:

''(E) DISALLOWANCE OF EXCLUDED AMOUNTS AS CREDIT OR DEDUCTION.—No deduction or credit shall be allowed to the taxpayer under any other section of this chapter

for any qualified education expenses to the extent taken into account in determining the amount of the exclusion under this paragraph.''

(f) TECHNICAL CORRECTIONS.—

(1)(A) Section 530(b)(1)(E) (defining education individual retirement account) is amended to read as follows:

''(E) Any balance to the credit of the designated beneficiary on the date on which the beneficiary attains age 30 shall be distributed within 30 days after such date to the beneficiary or, if the beneficiary dies before attaining age 30, shall be distributed within 30 days after the date of death to the estate of such beneficiary.''

(B) Section 530(d) (relating to tax treatment of distributions) is amended by adding at the end the following new paragraph:

''(8) DEEMED DISTRIBUTION ON REQUIRED DISTRIBUTION DATE.—In any case in which a distribution is required under subsection (b)(1)(E), any balance to the credit of a designated beneficiary as of the close of the 30-day period referred to in such subsection for making such distribution shall be deemed distributed at the close of such period.''

(2)(A) Section 530(d)(1) is amended by striking ''section 72(b)'' and inserting ''section 72''.

(B) Section 72(e) (relating to amounts not received as annuities) is amended by inserting after paragraph (8) the following new paragraph:

''(9) EXTENSION OF PARAGRAPH (2)(B) TO QUALIFIED STATE TUITION PROGRAMS AND EDUCATIONAL INDIVIDUAL RETIREMENT ACCOUNTS.—Notwithstanding any other provision of this subsection, paragraph (2)(B) shall apply to amounts received under a qualified State tuition program (as defined in section 529(b)) or under an education individual retirement account (as defined in section 530(b)). The rule of paragraph (8)(B) shall apply for purposes of this paragraph.''

(3) Section 530(d)(4)(B) (relating to exceptions) is amended by striking ''or'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', or'', and by adding at the end the following new clause:

''(iv) an amount which is includible in gross income solely because the taxpayer elected under paragraph (2)(C) to waive the application of paragraph (2) for the taxable year.''

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1998.

(2) TECHNICAL CORRECTIONS.—The amendments made by subsection (f) shall take effect as if included in the amendments made by section 213 of the Taxpayer Relief Act of 1997.

SEC. 102. EXCLUSION FROM GROSS INCOME OF EDUCATION DISTRIBUTIONS FROM QUALIFIED STATE TUITION PROGRAMS.

(a) IN GENERAL.—Section 529(c)(3)(B) (relating to distributions) is amended to read as follows:

''(B) DISTRIBUTIONS FOR QUALIFIED HIGHER EDUCATION EXPENSES.—

''(i) IN GENERAL.—No amount shall be includible in gross income under subparagraph (A) if the qualified higher education expenses of the designated beneficiary during the taxable year are not less than the aggregate distributions during the taxable year.

''(ii) DISTRIBUTIONS IN EXCESS OF EXPENSES.—If such aggregate distributions exceed such expenses during the taxable year, the amount otherwise includible in gross income under subparagraph (A) shall be reduced by the amount which bears the same ratio to the amount so includible (without regard to this subparagraph) as such expenses bear to such aggregate distributions.

''(iii) ELECTION TO WAIVE EXCLUSION.—A taxpayer may elect to waive the application of this subparagraph for any taxable year.

''(iv) IN-KIND DISTRIBUTIONS.—Any benefit furnished to a designated beneficiary under a qualified State tuition program shall be treated as a distribution to the beneficiary for purposes of this paragraph.

''(v) DISALLOWANCE OF EXCLUDED AMOUNTS AS CREDIT OR DEDUCTION.—No deduction or credit shall be allowed to the taxpayer under any other section of this chapter for any qualified higher education expenses to the extent taken into account in determining the amount of the exclusion under this paragraph.''

(b) DEFINITION OF QUALIFIED HIGHER EDUCATION EXPENSES.—Section 529(e)(3)(A) (defining qualified higher education expenses) is amended to read as follows:

''(A) IN GENERAL.—The term 'qualified higher education expenses' means expenses for tuition, fees, academic tutoring, special needs services, books, supplies, computer equipment (including related software and services), and other equipment which are incurred in connection with the enrollment or attendance of the designated beneficiary at an eligible educational institution.''

(c) COORDINATION WITH EDUCATION CREDITS.—Section 25A(e)(2) (relating to coordination with exclusions) is amended—

(1) by inserting ''a qualified State tuition program or'' before ''an education individual retirement account'', and

(2) by striking ''section 530(d)(2)'' and inserting ''section 529(c)(3)(B) or 530(d)(2)''.

(d) TECHNICAL CORRECTION.—Section 529(c)(3)(A) is amended by striking ''section 72(b)'' and inserting ''section 72''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1998.

(2) TECHNICAL CORRECTION.—The amendment made by subsection (d) shall take effect as if included in the amendments made by section 211 of the Taxpayer Relief Act of 1997.

SEC. 103. EXTENSION OF EXCLUSION FOR EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) IN GENERAL.—Section 127(d) (relating to termination of exclusion for educational assistance programs) is amended by striking ''May 31, 2000'' and inserting ''December 31, 2002''.

(b) REPEAL OF LIMITATION ON GRADUATE EDUCATION.—The last sentence of section 127(c)(1) (defining educational assistance) is amended by striking '', and such term also does not include any payment for, or the provision of any benefits with respect to, any graduate level course of a kind normally taken by an individual pursuing a program leading to a law, business, medical, or other advanced academic or professional degree''.

(c) EFFECTIVE DATES.—

(1) EXTENSION.—The amendment made by subsection (a) shall apply to expenses paid with respect to courses beginning after May 31, 2000.

(2) GRADUATE EDUCATION.—The amendment made by subsection (b) shall apply to expenses paid with respect to courses beginning after December 31, 1997.

SEC. 104. ADDITIONAL INCREASE IN ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS USED TO FINANCE EDUCATION FACILITIES.

(a) IN GENERAL.—Section 148(f)(4)(D)(vii) (relating to increase in exception for bonds financing public school capital expenditures) is amended by striking ''$5,000,000'' the second place it appears and inserting ''$10,000,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued after December 31, 1998.

SEC. 105. EXCLUSION OF CERTAIN AMOUNTS RECEIVED UNDER THE NATIONAL HEALTH CORPS SCHOLARSHIP PROGRAM.

(a) IN GENERAL.—Section 117(c) (relating to the exclusion from gross income amounts received as a qualified scholarship) is amended—

(1) by striking ''Subsections (a)'' and inserting the following:

''(1) IN GENERAL.—Except as provided in paragraph (2), subsections (a)''; and

(2) by adding at the end the following new paragraph:

''(2) NATIONAL HEALTH CORPS SCHOLARSHIP PROGRAM.—Paragraph (1) shall not apply to any amount received by an individual under the National Health Corps Scholarship Program under section 338A(g)(1)(A) of the Public Health Service Act.''

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to amounts received in taxable years beginning after December 31, 1993.

SEC. 106. TREATMENT OF QUALIFIED PUBLIC EDUCATIONAL FACILITY BONDS AS EXEMPT FACILITY BONDS.

(a) TREATMENT AS EXEMPT FACILITY BOND.—Subsection (a) of section 142 (relating to exempt facility bond) is amended by striking ''or'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', or'', and by adding at the end the following:

''(13) qualified public educational facilities.''

(b) QUALIFIED PUBLIC EDUCATIONAL FACILITIES.—Section 142 is amended by adding at the end the following:

''(k) QUALIFIED PUBLIC EDUCATIONAL FACILITIES.—

''(1) IN GENERAL.—For purposes of subsection (a)(13), the term 'qualified public educational facility' means any school facility which is—

''(A) part of a public elementary school or a public secondary school,

''(B) except as provided in paragraph (6)(B)(iii), located in a high-growth school district, and

''(C) owned by a private, for-profit corporation pursuant to a public-private partnership agreement with a State or local educational agency described in paragraph (2).

''(2) PUBLIC-PRIVATE PARTNERSHIP AGREEMENT DESCRIBED.—A public-private partnership agreement is described in this paragraph if it is an agreement—

''(A) under which the corporation agrees—

''(i) to do 1 or more of the following: construct, rehabilitate, refurbish, or equip a school facility, and

''(ii) at the end of the contract term, to transfer the school facility to such agency for no additional consideration, and

''(B) the term of which does not exceed the term of the underlying issue.

''(3) SCHOOL FACILITY.—For purposes of this subsection, the term 'school facility' means—

''(A) school buildings,

''(B) functionally related and subordinate facilities and land with respect to such buildings, including any stadium or other facility primarily used for school events, and

''(C) any property, to which section 168 applies (or would apply but for section 179), for use in the facility.

''(4) PUBLIC SCHOOLS.—For purposes of this subsection, the terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as in effect on the date of the enactment of this subsection.

''(5) HIGH-GROWTH SCHOOL DISTRICT.—For purposes of this subsection, the term 'high-growth school district' means a school district established under State law which had an enrollment of at least 5,000 students in the second academic year preceding the date of the issuance of the bond and an increase in student enrollment of at least 20 percent during the 5-year period ending with such academic year.

''(6) ANNUAL AGGREGATE FACE AMOUNT OF TAX-EXEMPT FINANCING.—

''(A) IN GENERAL.—An issue shall not be treated as an issue described in subsection (a)(13) if the aggregate face amount of bonds issued by the State pursuant thereto (when added to the aggregate face amount of bonds previously so issued during the calendar year) exceeds an amount equal to the greater of—

''(i) $10 multiplied by the State population, or

''(ii) $5,000,000.

''(B) ALLOCATION RULES.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the State may allocate in a calendar year the amount described in subparagraph (A) for such year in such manner as the State determines appropriate.

''(ii) RULES FOR CARRYFORWARD OF UNUSED AMOUNT.—With respect to any calendar year, a State may make an election under rules similar to the rules of section 146(f), except that the sole carryforward purpose with respect to such election is the issuance of exempt facility bonds described in section 142(a)(13).

''(iii) SPECIAL ALLOCATION RULE FOR SCHOOLS OUTSIDE HIGH-GROWTH SCHOOL DISTRICTS.—A State may elect to allocate an aggregate face amount of bonds not to exceed $5,000,000 from the amount described in subparagraph (A) for each calendar year for qualified public educational facilities without regard to the requirement under paragraph (1)(A).''

(c) EXEMPTION FROM GENERAL STATE VOLUME CAPS.—Paragraph (3) of section 146(g) (relating to exception for certain bonds) is amended—

(1) by striking ''or (12)'' and inserting ''(12), or (13)'', and

(2) by striking ''and environmental enhancements of hydroelectric generating facilities'' and inserting ''environmental enhancements of hydroelectric generating facilities, and qualified public educational facilities''.

(d) EXEMPTION FROM LIMITATION ON USE FOR LAND ACQUISITION.—Section 147(h) (relating to certain rules not apply) is amended—

(1) by adding at the end the following:

''(3) EXEMPT FACILITY BONDS FOR QUALIFIED PUBLIC EDUCATIONAL FACILITIES.—Subsection (c) shall not apply to any exempt facility bond issued as part of an issue described in section 142(a)(13) (relating to qualified public educational facilities).'', and

(2) by striking ''MORTGAGE REVENUE BONDS, QUALIFIED STUDENT LOAN BONDS, AND QUALIFIED 501(C)(3) BONDS'' in the heading and inserting ''CERTAIN BONDS''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 1998.

TITLE II—REVENUE

SEC. 201. CLARIFICATION OF DEDUCTION FOR DEFERRED COMPENSATION.

(a) IN GENERAL.—Section 404(a) (relating to deduction for contributions of an employer to an employee's trust or annuity plan and compensation under a deferred-payment plan) is amended by adding at the end the following new paragraph:

''(11) DETERMINATIONS RELATING TO DEFERRED COMPENSATION.—

''(A) IN GENERAL.—For purposes of determining under this section—

''(i) whether compensation of an employee is deferred compensation, and

''(ii) when deferred compensation is paid, no amount shall be treated as received by the employee, or paid, until it is actually received by the employee.

''(B) EXCEPTION.—Subparagraph (A) shall not apply to severance pay.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendment made by subsection (a) to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account in such first taxable year.

SEC. 202. MODIFICATION TO FOREIGN TAX CREDIT CARRYBACK AND CARRYOVER PERIODS.

(a) IN GENERAL.—Section 904(c) (relating to limitation on credit) is amended—

(1) by striking ''in the second preceding taxable year,'', and

(2) by striking ''or fifth'' and inserting ''fifth, sixth, or seventh''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to credits arising in taxable years beginning after December 31, 2000.

MURRAY AMENDMENT NO. 2020

(Ordered to lie on the table.)

Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill, H.R. 2646, supra; as follows:

At the end, add the following:

TITLE ____—SENSE OF CONGRESS

SEC. ___01. SENSE OF CONGRESS.

Congress makes the following findings:

(1) Qualified teachers in small classes can provide students with more individualized attention, spend more time on instruction and less on other tasks, cover more material effectively, and are better able to work with parents to help the parents further their children's education.

(2) Rigorous research has shown that students attending small classes in the early grades make more rapid educational progress than the students in larger classes, and that those achievement gains persist through at least the 8th grade. For example:

(A) In a landmark 4-year experimental study of class size reduction in grades kindergarten through grade 3 in Tennessee, researchers found that students in smaller classes earned significantly higher scores on basic skills tests in all 4 years and in all types of schools, including urban, rural, and suburban schools.

(B) After 2 years in reduced class sizes, students in the Flint, Michigan Public School District improved their reading scores by 44 percent.

(3) The benefits of smaller classes are greatest for lower-achieving, minority, poor, and inner-city children. One study found that urban 4th-graders in smaller than average classes were ¾ of a school year ahead of their counterparts in larger than average classes.

(4) Smaller classes allow teachers to identify and work sooner with students who have learning disabilities and, potentially, can reduce those students' need for special education services in the later grades.

(5) Students in smaller classes are able to become more actively engaged in learning than their peers in large classes.

(6) Efforts to improve educational outcomes by reducing class sizes in the early grades are likely to be successful only if well-qualified teachers are hired to fill additional classroom positions and if teachers received intensive, continuing training in working effectively in smaller classroom settings.

(7) State certified and licensed teachers help ensure high quality instruction in the classroom.

(8) According to the National Commission on Teaching and America's Future, the most important influence on student achievement is the expertise of their teachers. One New York City study comparing high- and low-achieving elementary schools with similar student characteristics, found that more than 90 percent of the variation in achievement in mathematics and reading was due to differences in teacher qualifications.

(9) Our Nation needs more qualified teachers to meet changing demographics and to help students meet high standards, as demonstrated by the following:

(A) Over the next decade, our Nation will need to hire over 2,000,000 teachers to meet increasing student enrollments and teacher retirements.

(B) 1 out of 4 high school teachers does not have a major or minor in the main subject that they teach. This is true for more than 30 percent of mathematics teachers.

(C) In schools with the highest minority enrollments, students have less than a 50 percent chance of getting a science or mathematics teacher who holds a degree in that field.

(D) In 1991, 25 percent of new public school teachers had not completed the requirements for a license in their main assignment field. This number increased to 27 percent by 1994, including 11 percent who did not have a license.

(10) We need more teachers who are adequately prepared for the challenges of the 21st century classroom, as demonstrated by the fact that—

(A) 50 percent of teachers have little or no experience using technology in the classroom; and

(B) in 1994, only 10 percent of new teachers felt they were prepared to integrate new technology into their instruction.

(11) Teacher quality cannot be further compromised to meet the demographic demand for new teachers and smaller class sizes. Comprehensive improvements in teacher preparation and development programs are also necessary to ensure the effectiveness of new teachers and the academic success of students in the classroom. These comprehensive improvements should include encouraging more institutions of higher education that operate teacher preparation programs to work in partnership with local educational agencies and elementary and secondary schools; providing more hands-on, classroom experience to prospective teachers; creating mentorship programs for new teachers; providing high quality content area training and classroom skills for new teachers; and training teachers to incorporate technology into the classroom.

(12) Efforts should be made to provide prospective teachers with a greater knowledge of instructional programs that are research-based, of demonstrated effectiveness,

replicable in diverse and challenging circumstances, and supported by networks of experts and experienced practitioners.

(13) Several States have begun serious efforts to reduce class sizes in the early elementary grades, but these actions may be impeded by financial limitations or difficulties in hiring qualified teachers.

(14) The Federal Government can assist in this effort by providing funding for class size reductions in grades 1 through 3, and by helping to ensure that the new teachers brought into the classroom are well-qualified.

SEC. ___02. SENSE OF CONGRESS.

It is the sense of Congress that Congress should support efforts to hire 100,000 new teachers to reduce class sizes in first, second, and third grades to an average of 18 students per class all across America.

HUTCHISON AMENDMENT NO. 2021

(Ordered to lie on the table.)

Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill, H.R. 2646, supra; as follows:

At the end, add the following:

TITLE ____—EQUAL EDUCATIONAL OPPORTUNITY

SEC. ___01. EQUAL EDUCATIONAL OPPORTUNITY.

(a) SHORT TITLE.—This section may be cited as the ''Equal Educational Opportunity Act''.

(b) AMENDMENTS TO ESEA.—Subsection (b) of section 6301 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7351) is amended—

(1) in paragraph (7), by striking ''and'' after the semicolon;

(2) in paragraph (8), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(9) education reform projects that provide same gender schools and classrooms, as long as comparable educational opportunities are offered for students of both sexes.''.

McCAIN AMENDMENT NO. 2022

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to the bill, H.R. 2646, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. MULTILINGUALISM STUDY.

(a) FINDINGS.—Congress finds that even though all residents of the United States should be proficient in English, without regard to their country of birth, it is also of vital importance to the competitiveness of the United States that those residents be encouraged to learn other languages.

(b) RESIDENT OF THE UNITED STATES DEFINED.—In this section, the term ''resident of the United States'' means an individual who resides in the United States, other than an alien who is not lawfully present in the United States.

(c) STUDY.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Comptroller General of the United States (referred to in this section as the ''Comptroller General'') shall conduct a study of multilingualism in the United States in accordance with this section.

(2) REQUIREMENTS.—

(A) IN GENERAL.—The study conducted under this section shall ascertain—

(i) the percentage of residents in the United States who are proficient in English and at least 1 other language;

(ii) the predominant language other than English in which residents referred to in clause (i) are proficient;

(iii) the percentage of the residents described in clause (i) who were born in a foreign country;

(iv) the percentage of the residents described in clause (i) who were born in the United States;

(v) the percentage of the residents described in clause (iv) who are second-generation residents of the United States; and

(vi) the percentage of the residents described in clause (iv) who are third-generation residents of the United States.

(B) AGE-SPECIFIC CATEGORIES.—The study under this section shall, with respect to the residents described in subparagraph (A)(i), determine the number of those residents in each of the following categories:

(i) Residents who have not attained the age of 12.

(ii) Residents have attained the age of 12, but have not attained the age of 18.

(iii) Residents who have attained the age of 18, but have not attained the age of 50.

(iv) Residents who have attained the age of 50.

(C) FEDERAL PROGRAMS.—In conducting the study under this section, the Comptroller General shall establish a list of each Federal program that encourages multilingualism with respect to any category of residents described in subparagraph (B).

(D) COMPARISONS.—In conducting the study under this section, the Comptroller General shall compare the multilingual population described in subparagraph (A) with the multilingual populations of foreign countries—

(i) in the Western hemisphere; and

(ii) in Asia.

(d) REPORT.—Upon completion of the study under this section, the Comptroller General shall prepare, and submit to Congress, a report that contains the results of the study conducted under this section, and such findings and recommendations as the Comptroller General determines to be appropriate.

D'AMATO (AND OTHERS) AMENDMENT NO. 2023

(Ordered to lie on the table.)

Mr. D'AMATO (for himself, Mr. DASCHLE, Ms. SNOWE, and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by them to the bill. H.R. 2646, supra; as follows:

At the appropriate place, insert the following:

TITLE ____—WOMEN'S HEALTH AND CANCER

SEC. ___01. SHORT TITLE.

This Act may be cited as the ''Women's Health and Cancer Rights Act of 1998''.

SEC. ___02. FINDINGS.

Congress finds that—

(1) the offering and operation of health plans affect commerce among the States;

(2) health care providers located in a State serve patients who reside in the State and patients who reside in other States; and

(3) in order to provide for uniform treatment of health care providers and patients among the States, it is necessary to cover health plans operating in 1 State as well as health plans operating among the several States.

SEC. ___03. AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(a) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (as added by section 603(a) of the Newborns' and Mothers' Health Protection Act of 1996 and amended by section 702(a) of the Mental Health Parity Act of 1996) is amended by adding at the end the following new section:

''SEC. 713. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER AND COVERAGE FOR RECONSTRUCTIVE SURGERY FOLLOWING MASTECTOMIES.

''(a) INPATIENT CARE.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides medical and surgical benefits shall ensure that inpatient coverage with respect to the treatment of breast cancer is provided for a period of time as is determined by the attending physician, in his or her professional judgment consistent with generally accepted medical standards, in consultation with the patient, to be medically appropriate following—

''(A) a mastectomy;

''(B) a lumpectomy; or

''(C) a lymph node dissection for the treatment of breast cancer.

''(2) EXCEPTION.—Nothing in this section shall be construed as requiring the provision of inpatient coverage if the attending physician and patient determine that a shorter period of hospital stay is medically appropriate.

''(b) RECONSTRUCTIVE SURGERY.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides medical and surgical benefits with respect to a mastectomy shall ensure that, in a case in which a mastectomy patient elects breast reconstruction, coverage is provided for—

''(1) all stages of reconstruction of the breast on which the mastectomy has been performed;

''(2) surgery and reconstruction of the other breast to produce a symmetrical appearance; and

''(3) the costs of prostheses and complications of mastectomy including lymphodemas;

in the manner determined by the attending physician and the patient to be appropriate. Such coverage may be subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the plan or coverage. Written notice of the availability of such coverage shall be delivered to the participant upon enrollment and annually thereafter.

''(c) NOTICE.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan shall provide notice to each participant and beneficiary under such plan regarding the coverage required by this section in accordance with regulations promulgated by the Secretary. Such notice shall be in writing and prominently positioned in any literature or correspondence made available or distributed by the plan or issuer and shall be transmitted—

''(1) in the next mailing made by the plan or issuer to the participant or beneficiary;

''(2) as part of any yearly informational packet sent to the participant or beneficiary; or

''(3) not later than January 1, 1998;

whichever is earlier.

''(d) NO AUTHORIZATION REQUIRED.—

''(1) IN GENERAL.—An attending physician shall not be required to obtain authorization from the plan or issuer for prescribing any length of stay in connection with a mastectomy, a lumpectomy, or a lymph node dissection for the treatment of breast cancer.

''(2) PRENOTIFICATION.—Nothing in this section shall be construed as preventing a group

health plan from requiring prenotification of an inpatient stay referred to in this section if such requirement is consistent with terms and conditions applicable to other inpatient benefits under the plan, except that the provision of such inpatient stay benefits shall not be contingent upon such notification.

''(e) PROHIBITIONS.—A group health plan, and a health insurance issuer offering group health insurance coverage in connection with a group health plan, may not—

''(1) deny to a woman eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section;

''(2) provide monetary payments or rebates to individuals to encourage such individuals to accept less than the minimum protections available under this section;

''(3) penalize or otherwise reduce or limit the reimbursement of an attending provider because such provider provided care to an individual participant or beneficiary in accordance with this section;

''(4) provide incentives (monetary or otherwise) to an attending provider to induce such provider to provide care to an individual participant or beneficiary in a manner inconsistent with this section; and

''(5) subject to subsection (f)(3), restrict benefits for any portion of a period within a hospital length of stay required under subsection (a) in a manner which is less favorable than the benefits provided for any preceding portion of such stay.

''(f) RULES OF CONSTRUCTION.—

''(1) IN GENERAL.—Nothing in this section shall be construed to require a woman who is a participant or beneficiary—

''(A) to undergo a mastectomy or lymph node dissection in a hospital; or

''(B) to stay in the hospital for a fixed period of time following a mastectomy or lymph node dissection.

''(2) LIMITATION.—This section shall not apply with respect to any group health plan, or any group health insurance coverage offered by a health insurance issuer, which does not provide benefits for hospital lengths of stay in connection with a mastectomy or lymph node dissection for the treatment of breast cancer.

''(3) COST SHARING.—Nothing in this section shall be construed as preventing a group health plan or issuer from imposing deductibles, coinsurance, or other cost-sharing in relation to benefits for hospital lengths of stay in connection with a mastectomy or lymph node dissection for the treatment of breast cancer under the plan (or under health insurance coverage offered in connection with a group health plan), except that such coinsurance or other cost-sharing for any portion of a period within a hospital length of stay required under subsection (a) may not be greater than such coinsurance or cost-sharing for any preceding portion of such stay.

''(4) LEVEL AND TYPE OF REIMBURSEMENTS.—Nothing in this section shall be construed to prevent a group health plan or a health insurance issuer offering group health insurance coverage from negotiating the level and type of reimbursement with a provider for care provided in accordance with this section.

''(g) SAFE HARBORS.—The provisions of this section shall not be applicable to any group health plan for any plan year for which such plan has voluntarily sought and received certification from the National Cancer Institute, or any similar entity authorized by the Secretary, that such plan provides appropriate coverage, consistent with the objectives of this section, for mastectomies, lumpectomies and lymph node dissection for the treatment of breast cancer.

''(h) PREEMPTION, RELATION TO STATE LAWS.—

''(1) IN GENERAL.—Nothing in this section may be construed to prohibit a State from establishing, implementing or continuing in effect any standard or requirement not prohibited by this section unless such standard or requirement is inconsistent with, in conflict with, or prevents the application of a standard or requirement of this section. With respect to a standard or requirement that is directly or indirectly prohibited by this section, a State may not establish, implement or continue in effect any requirement or standard that is different from or in addition to, or that is not otherwise identical with, or does not provide patient protections similar to, the standards or requirements established under this section.

''(2) PREEMPTION.—Nothing in this section shall be construed to affect or modify the provisions of section 514 with respect to group health plans.''.

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974, as amended by section 603 of the Newborns' and Mothers' Health Protection Act of 1996 and section 702 of the Mental Health Parity Act of 1996, is amended by inserting after the item relating to section 712 the following new item:

''Sec. 713. Required coverage for minimum hospital stay for mastectomies and lymph node dissections for the treatment of breast cancer and coverage for reconstructive surgery following mastectomies.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to plan years beginning on or after the date of enactment of this Act.

(2) SPECIAL RULE FOR COLLECTIVE BARGAINING AGREEMENTS.—In the case of a group health plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified before the date of enactment of this Act, the amendments made by this section shall not apply to plan years beginning before the later of—

(A) the date on which the last collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of enactment of this Act), or

(B) January 1, 1999.

For purposes of subparagraph (A), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this section shall not be treated as a termination of such collective bargaining agreement.

SEC. ___04. AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT RELATING TO THE GROUP MARKET.

(a) IN GENERAL.—Subpart 2 of part A of title XXVII of the Public Health Service Act (as added by section 604(a) of the Newborns' and Mothers' Health Protection Act of 1996 and amended by section 703(a) of the Mental Health Parity Act of 1996) is amended by adding at the end the following new section:

''SEC. 2706. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER AND COVERAGE FOR RECONSTRUCTIVE SURGERY FOLLOWING MASTECTOMIES.

''(a) INPATIENT CARE.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides medical and surgical benefits shall ensure that inpatient coverage with respect to the treatment of breast cancer is provided for a period of time as is determined by the attending physician, in his or her professional judgment consistent with generally accepted medical standards,in consultation with the patient, to be medically appropriate following—

''(A) a mastectomy;

''(B) a lumpectomy; or

''(C) a lymph node dissection for the treatment of breast cancer.

''(2) EXCEPTION.—Nothing in this section shall be construed as requiring the provision of inpatient coverage if the attending physician and patient determine that a shorter period of hospital stay is medically appropriate.

''(b) RECONSTRUCTIVE SURGERY.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides medical and surgical benefits with respect to a mastectomy shall ensure that, in a case in which a mastectomy patient elects breast reconstruction, coverage is provided for—

''(1) all stages of reconstruction of the breast on which the mastectomy has been performed;

''(2) surgery and reconstruction of the other breast to produce a symmetrical appearance; and

''(3) the costs of prostheses and complications of mastectomy including lymphodemas;

in the manner determined by the attending physician and the patient to be appropriate. Such coverage may be subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the plan or coverage. Written notice of the availability of such coverage shall be delivered to the enrollee upon enrollment and annually thereafter.

''(c) NOTICE.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan shall provide notice to each participant and beneficiary under such plan regarding the coverage required by this section in accordance with regulations promulgated by the Secretary. Such notice shall be in writing and prominently positioned in any literature or correspondence made available or distributed by the plan or issuer and shall be transmitted—

''(1) in the next mailing made by the plan or issuer to the participant or beneficiary;

''(2) as part of any yearly informational packet sent to the participant or beneficiary; or

''(3) not later than January 1, 1998;

whichever is earlier.

''(d) NO AUTHORIZATION REQUIRED.—

''(1) IN GENERAL.—An attending physician shall not be required to obtain authorization from the plan or issuer for prescribing any length of stay in connection with a mastectomy, a lumpectomy, or a lymph node dissection for the treatment of breast cancer.

''(2) PRENOTIFICATION.—Nothing in this section shall be construed as preventing a plan or issuer from requiring prenotification of an inpatient stay referred to in this section if such requirement is consistent with terms and conditions applicable to other inpatient benefits under the plan, except that the provision of such inpatient stay benefits shall not be contingent upon such notification.

''(e) PROHIBITIONS.—A group health plan, and a health insurance issuer offering group health insurance coverage in connection with a group health plan, may not—

''(1) deny to a woman eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for

the purpose of avoiding the requirements of this section;

''(2) provide monetary payments or rebates to individuals to encourage such individuals to accept less than the minimum protections available under this section;

''(3) penalize or otherwise reduce or limit the reimbursement of an attending provider because such provider provided care to an individual participant or beneficiary in accordance with this section;

''(4) provide incentives (monetary or otherwise) to an attending provider to induce such provider to provide care to an individual participant or beneficiary in a manner inconsistent with this section;

''(5) provide financial or other incentives to a physician or specialist to induce the physician or specialist to refrain from referring a participant or beneficiary for a secondary consultation that would otherwise be covered by the plan or coverage involved; and

''(6) subject to subsection (f)(3), restrict benefits for any portion of a period within a hospital length of stay required under subsection (a) in a manner which is less favorable than the benefits provided for any preceding portion of such stay.

''(f) RULES OF CONSTRUCTION.—

''(1) IN GENERAL.—Nothing in this section shall be construed to require a woman who is a participant or beneficiary—

''(A) to undergo a mastectomy or lymph node dissection in a hospital; or

''(B) to stay in the hospital for a fixed period of time following a mastectomy or lymph node dissection.

''(2) LIMITATION.—This section shall not apply with respect to any group health plan, or any group health insurance coverage offered by a health insurance issuer, which does not provide benefits for hospital lengths of stay in connection with a mastectomy or lymph node dissection for the treatment of breast cancer.

''(3) COST SHARING.—Nothing in this section shall be construed as preventing a group health plan or issuer from imposing deductibles, coinsurance, or other cost-sharing in relation to benefits for hospital lengths of stay in connection with a mastectomy or lymph node dissection for the treatment of breast cancer under the plan (or under health insurance coverage offered in connection with a group health plan), except that such coinsurance or other cost-sharing for any portion of a period within a hospital length of stay required under subsection (a) may not be greater than such coinsurance or cost-sharing for any preceding portion of such stay.

''(4) LEVEL AND TYPE OF REIMBURSEMENTS.—Nothing in this section shall be construed to prevent a group health plan or a health insurance issuer offering group health insurance coverage from negotiating the level and type of reimbursement with a provider for care provided in accordance with this section.

''(g) SAFE HARBORS.—The provisions of this section shall not be applicable to any group health plan or health insurance issuer in connection with a group health plan for any plan year for which such plan has voluntarily sought and received certification from the National Cancer Institute, or any similar entity authorized by the Secretary, that such plan provides appropriate coverage, consistent with the objectives of this section, for mastectomies, lumpectomies and lymph node dissection for the treatment of breast cancer.

''(h) PREEMPTION, RELATION TO STATE LAWS.—

''(1) IN GENERAL.—Nothing in this section may be construed to prohibit a State from establishing, implementing or continuing in effect any standard or requirement not prohibited by this section unless such standard or requirement is inconsistent with, in conflict with, or prevents the application of a standard or requirement of this section. With respect to a standard or requirement that is directly or indirectly prohibited by this section, a State may not establish, implement or continue in effect any requirement or standard that is different from or in addition to, or that is not otherwise identical with, or does not provide patient protections similar to, the standards or requirements established under this section.

''(2) PREEMPTION.—Nothing in this section shall be construed to affect or modify the provisions of section 514 of the Employee Retirement Income Security Act of 1974 with respect to group health plans.''.

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to group health plans for plan years beginning on or after the date of enactment of this Act.

(2) SPECIAL RULE FOR COLLECTIVE BARGAINING AGREEMENTS.—In the case of a group health plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified before the date of enactment of this Act, the amendments made by this section shall not apply to plan years beginning before the later of—

(A) the date on which the last collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of enactment of this Act), or

(B) January 1, 1999.

For purposes of subparagraph (A), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this section shall not be treated as a termination of such collective bargaining agreement.

SEC. ___05. AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT RELATING TO THE INDIVIDUAL MARKET.

(a) IN GENERAL.—Subpart 3 of part B of title XXVII of the Public Health Service Act (as added by section 605(a) of the Newborn's and Mother's Health Protection Act of 1996) is amended by adding at the end the following new section:

''SEC. 2752. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER.

''The provisions of section 2706 shall apply to health insurance coverage offered by a health insurance issuer in the individual market in the same manner as they apply to health insurance coverage offered by a health insurance issuer in connection with a group health plan in the small or large group market.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to health insurance coverage offered, sold, issued, renewed, in effect, or operated in the individual market on or after the date of enactment of this Act.

SEC. ___06. AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.

(a) IN GENERAL.—Chapter 100 of the Internal Revenue Code of 1986 (relating to group health plan portability, access, and renewability requirements) is amended by redesignating sections 9804, 9805, and 9806 as sections 9805, 9806, and 9807, respectively, and by inserting after section 9803 the following new section:

''SEC. 9804. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER AND COVERAGE FOR RECONSTRUCTIVE SURGERY FOLLOWING MASTECTOMIES.

''(a) INPATIENT CARE.—

''(1) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides medical and surgical benefits shall ensure that inpatient coverage with respect to the treatment of breast cancer is provided for a period of time as is determined by the attending physician, in his or her professional judgment consistent with generally accepted medical standards, in consultation with the patient, to be medically appropriate following—

''(A) a mastectomy;

''(B) a lumpectomy; or

''(C) a lymph node dissection for the treatment of breast cancer.

''(2) EXCEPTION.—Nothing in this section shall be construed as requiring the provision of inpatient coverage if the attending physician and patient determine that a shorter period of hospital stay is medically appropriate.

''(b) RECONSTRUCTIVE SURGERY.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, that provides medical and surgical benefits with respect to a mastectomy shall ensure that, in a case in which a mastectomy patient elects breast reconstruction, coverage is provided for—

''(1) all stages of reconstruction of the breast on which the mastectomy has been performed;

''(2) surgery and reconstruction of the other breast to produce a symmetrical appearance; and

''(3) the costs of prostheses and complications of mastectomy including lymphodemas;

in the manner determined by the attending physician and the patient to be appropriate. Such coverage may be subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the plan or coverage. Written notice of the availability of such coverage shall be delivered to the participant upon enrollment and annually thereafter.

''(c) NOTICE.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan shall provide notice to each participant and beneficiary under such plan regarding the coverage required by this section in accordance with regulations promulgated by the Secretary. Such notice shall be in writing and prominently positioned in any literature or correspondence made available or distributed by the plan or issuer and shall be transmitted—

''(1) in the next mailing made by the plan or issuer to the participant or beneficiary;

''(2) as part of any yearly informational packet sent to the participant or beneficiary; or

''(3) not later than January 1, 1998;

whichever is earlier.

''(d) NO AUTHORIZATION REQUIRED.—

''(1) IN GENERAL.—A, attending physician shall not be required to obtain authorization from the plan or issuer for prescribing any length of stay in connection with a mastectomy, a lumpectomy, or a lymph node dissection for the treatment of breast cancer.

''(2) PRENOTIFICATION.—Nothing in this section shall be construed as preventing a plan or issuer from requiring prenotification of an inpatient stay referred to in this section if

such requirement is consistent with terms and conditions applicable to other inpatient benefits under the plan, except that the provision of such inpatient stay benefits shall not be contingent upon such notification.

''(e) PROHIBITIONS.—A group health plan, and a health insurance issuer offering group health insurance coverage in connection with a group health plan, may not—

''(1) deny to a woman eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section;

''(2) provide monetary payments or rebates to individuals to encourage such individuals to accept less than the minimum protections available under this section;

''(3) penalize or otherwise reduce or limit the reimbursement of an attending provider because such provider provided care to an individual participant or beneficiary in accordance with this section;

''(4) provide incentives (monetary or otherwise) to an attending provider to induce such provider to provide care to an individual participant or beneficiary in a manner inconsistent with this section;

''(5) provide financial or other incentives to a physician or specialist to induce the physician or specialist to refrain from referring a participant or beneficiary for a secondary consultation that would otherwise be covered by the plan or coverage involved; and

''(6) subject to subsection (f)(3), restrict benefits for any portion of a period within a hospital length of stay required under subsection (a) in a manner which is less favorable than the benefits provided for any preceding portion of such stay.

''(f) RULES OF CONSTRUCTION.—

''(1) IN GENERAL.—Nothing in this section shall be construed to require a woman who is a participant or beneficiary—

''(A) to undergo a mastectomy or lymph node dissection in a hospital; or

''(B) to stay in the hospital for a fixed period of time following a mastectomy or lymph node dissection.

''(2) LIMITATION.—This section shall not apply with respect to any group health plan, or any group health insurance coverage offered by a health insurance issuer, which does not provide benefits for hospital lengths of stay in connection with a mastectomy or lymph node dissection for the treatment of breast cancer.

''(3) COST SHARING.—Nothing in this section shall be construed as preventing a group health plan or issuer from imposing deductibles, coinsurance, or other cost-sharing in relation to benefits for hospital lengths of stay in connection with a mastectomy or lymph node dissection for the treatment of breast cancer under the plan (or under health insurance coverage offered in connection with a group health plan), except that such coinsurance or other cost-sharing for any portion of a period within a hospital length of stay required under subsection (a) may not be greater than such coinsurance or cost-sharing for any preceding portion of such stay.

''(4) LEVEL AND TYPE OF REIMBURSEMENTS.—Nothing in this section shall be construed to prevent a group health plan or a health insurance issuer offering group health insurance coverage from negotiating the level and type of reimbursement with a provider for care provided in accordance with this section.

''(g) SAFE HARBORS.—The provisions of this section shall not be applicable to any group health plan or health insurance issuer in connection with a group health plan for any plan year for which such plan has voluntarily sought and received certification from the National Cancer Institute, or any similar entity authorized by the Secretary, that such plan provides appropriate coverage, consistent with the objectives of this section, for mastectomies, lumpectomies and lymph node dissection for the treatment of breast cancer.

''(h) PREEMPTION, RELATION TO STATE LAWS.—

''(1) IN GENERAL.—Nothing in this section may be construed to prohibit a State from establishing, implementing or continuing in effect any standard or requirement not prohibited by this section unless such standard or requirement is inconsistent with, in conflict with, or prevents the application of a standard or requirement of this section. With respect to a standard or requirement that is directly or indirectly prohibited by this section, a State may not establish, implement or continue in effect any requirement or standard that is different from or in addition to, or that is not otherwise identical with, or does not provide patient protections similar to, the standards or requirements established under this section.

''(2) PREEMPTION.—Nothing in this section shall be construed to affect or modify the provisions of section 514 of the Employee Retirement Income Security Act of 1974 with respect to group health plans.''.

(b) CONFORMING AMENDMENTS.—

(1) Sections 9801(c)(1), 9805(b) (as redesignated by subsection (a)), 9805(c) (as so redesignated), 4980D(c)(3)(B)(i)(I), 4980D(d)(3), and 4980D(f)(1) of such Code are each amended by striking ''9805'' each place it appears and inserting ''9806''.

(2) The heading for subtitle K of such Code is amended to read as follows:

''Subtitle K—Group Health Plan Portability, Access, Renewability, and Other Requirements''.

(3) The heading for chapter 100 of such Code is amended to read as follows:

''CHAPTER 100—GROUP HEALTH PLAN PORTABILITY, ACCESS, RENEWABILITY, AND OTHER REQUIREMENTS''.

(4) Section 4980D(a) of such Code is amended by striking ''and renewability'' and inserting ''renewability, and other''.

(c) CLERICAL AMENDMENTS.—

(1) The table of contents for chapter 100 of such Code is amended by redesignating the items relating to sections 9804, 9805, and 9806 as items relating to sections 9805, 9806, and 9807, and by inserting after the item relating to section 9803 the following new item:

''Sec. 9804. Required coverage for minimum hospital stay for mastectomies and lymph node dissections for the treatment of breast cancer and coverage for reconstructive surgery following mastectomies.''.

(2) The item relating to subtitle K in the table of subtitles for such Code is amended by striking ''and renewability'' and inserting ''renewability, and other''.

(3) The item relating to chapter 100 in the table of chapters for subtitle K of such Code is amended by striking ''and renewability'' and inserting ''renewability, and other''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to plan years beginning on or after the date of enactment of this Act.

(2) SPECIAL RULE FOR COLLECTIVE BARGAINING AGREEMENTS.—In the case of a group health plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified before the date of enactment of this Act, the amendments made by this section shall not apply to plan years beginning before the later of—

(A) the date on which the last collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of enactment of this Act), or

(B) January 1, 1999.

For purposes of subparagraph (A), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this section shall not be treated as a termination of such collective bargaining agreement.

NOTICES OF HEARINGS

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION AND RECREATION

Mr. THOMAS. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on National Parks, Historic Preservation, and Recreation.

The hearing will take place on Thursday, April 30, 1998 at 2 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on title IV of S. 1693, a bill to renew, reform, reinvigorate, and protect the National Park System, and S. 624, a bill to establish a competitive process for the awarding of concession contracts in units of the National Park System, and for other purposes.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on National Parks, Historic Preservation and Recreation, Committee on Energy and Natural Resources, United States Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Jim O'Toole of the subcommittee staff at (202) 224–5161 or Shawn Taylor at (202) 224–6969.

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION AND RECREATION

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The hearing will take place on Thursday, April 30, 1998 at 2 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on titles VI, VII, VIII, and XI of S. 1693, a bill to renew, reform, reinvigorate, and protect the National Park System.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on National Parks, Historic Preservation and Recreation, Committee on Energy and Natural Resources, United States Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Jim O'Toole of the subcommittee staff at (202) 224–5161 or Shawn Taylor at (202) 224–6969.

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION AND RECREATION

Mr. THOMAS. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on National Parks, Historic Preservation, and Recreation.

The hearing will take place on Thursday, May 14, 1998 at 2 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on titles IX and X of S. 1693, a bill to renew, reform, reinvigorate, and protect the National Park System, and S. 1614, a bill to require a permit for the making of motion picture, television program, or other forms of commercial visual depiction in a unit of the National Park System or National Wildlife Refuge System.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on National Parks, Historic Preservation and Recreation, Committee on Energy and Natural Resources, United States Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Jim O'Toole of the subcommittee staff at (202) 224–5161 or Shawn Taylor at (202) 224–6969.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ALLARD. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Wednesday, March 18, 1998, at 10 a.m. for a hearing on the topic of ''oversight of the Implementation of the Vacancies Act.''

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

COMMITTEE ON THE JUDICIARY

Mr. ALLARD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, March 18, 1998 at 10:30 a.m. in room 226 of the Dirksen Senate Office Building to hold a hearing on ''Judicial Nominations.''

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

COMMITTEE ON RULES AND ADMINISTRATION

Mr. ALLARD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, March 18, 1998 beginning at 9:30 a.m. until business is completed, to conduct an oversight hearing on the fiscal year 1999 budget and operations of the Smithsonian Institution, the Kennedy Center, and the Woodrow Wilson International Center for Scholars.

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

COMMITTEE ON SMALL BUSINESS

Mr. ALLARD. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate for a hearing entitled ''The President's Fiscal Year 1999 Budget Request for the Small Business Administration.'' The hearing will begin at 9:30 a.m. on Wednesday, March 18, 1998, in room 428A Russell Senate Office Building.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. ALLARD. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a joint hearing with the House Committee on Veterans' Affairs to receive the legislative presentation of the Disabled American Veterans. The hearing will be held on March 18, 1998, at 9:30 a.m., in room 345 of the Cannon House Office Building.

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

SUBCOMMITTEE ON ACQUISITION AND TECHNOLOGY

Mr. ALLARD. Mr. President, I ask unanimous consent that the Subcommittee on Acquisition and Technology of the Committee on Armed Services be authorized to meet at 9:30 a.m. on Wednesday, March 18, 1998, in open session, to review the status of acquisition reform in the Department of Defense.

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

SUBCOMMITTEE ON COMMUNICATIONS

Mr. ALLARD. Mr. President, I ask unanimous consent that the Subcommittee on Communications of the Commerce, Science, and Transportation Committee be authorized to meet on Wednesday, March 18, 1998, on Wall Street view of Telecommunications Act.

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

SUBCOMMITTEE ON FINANCIAL SERVICES AND TECHNOLOGY

Mr. ALLARD. Mr. President, I ask unanimous consent that the Subcommittee on Financial Services and Technology of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, March 18, 1998, to conduct a hearing on the Office of Thrift Supervision's Year 2000 preparedness.

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

SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY, EXPORT AND TRADE PROMOTION

Mr. ALLARD. Mr. President, I ask unanimous consent that the Subcommittee on International Economic Policy, Export and Trade Promotion be authorized to meet during the session of the Senate on Wednesday, March 18, 1998, at 10 a.m. to hold a hearing.

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

SUBCOMMITTEE ON INTERNATIONAL SECURITY, PROLIFERATION, AND FEDERAL SERVICES

Mr. ALLARD. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Subcommittee on International Security, Proliferation, and Federal Services to meet on Wednesday, March 18, 1998 at 2 p.m. for a hearing on ''The Comprehensive Test Ban Treaty and Nuclear Nonproliferation''.

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

SUBCOMMITTEE ON PERSONNEL

Mr. ALLARD. Mr. President, I ask unanimous consent that the Subcommittee on Personnel of the Committee on Armed Services be authorized to meet on Wednesday, March 18, 1998, at 2 p.m. in open session, to receive testimony on active and reserve military and civilian personnel programs and the service safety programs in review of the Defense authorization request for fiscal year 1999 and the Future Years Defense Program.

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

ADDITIONAL STATEMENTS

THE RETIREMENT OF CIA INSPECTOR GENERAL FRED HITZ

• Mr. GLENN. Mr. President, I rise to pay tribute to Fred Hitz, who will soon be retiring from his position as CIA Inspector General. I have known Fred since he worked in the Department of Energy's congressional affairs' office in the 1970's, and I have gotten to know Fred particularly well since he became the first statutory CIA Inspector General in November of 1990. As Fred heads off to teach at Princeton University—his alma mater, I would simply note that the CIA's loss will be Princeton's gain.

As the first statutory CIA IG, all of Fred's moves have been relentlessly scrutinized as his mission was often met with a great deal of apprehension. Fred was faced with the significant challenge of establishing an internal, yet independent, oversight mechanism within the CIA that served the DCI, and had certain responsibilities to the Congressional oversight committees. Over seven years later, because of Fred Hitz's tenacity, integrity, and respect for the Central Intelligence Agency, the CIA Office of Inspector General has matured, and today provides the effective, professional oversight that Congress intended when the CIA IG Act was passed in 1989. This has been no small achievement.

In over 7 years of service as the CIA IG, Fred Hitz and his office have generated hundreds of quality products, and have advanced the national security of the United States by demonstrably improving the efficiency and effectiveness of this important agency. Fred has overseen the conduct of increasingly sophisticated and highly

visible audits, inspections and investigations that have enhanced the accountability of the CIA and preserved the trust of CIA management, Congress and the public.

Fred has developed and promoted standards of accountability that have brought consistency and fairness to the Agency's handling of employee performance issues. He has greatly strengthened the Office of Inspector General by expanding the size of its professional cadre and the scope of its efforts, as well as by insisting that its audits, inspections and investigations be conducted with thoroughness, strict objectivity and an unwavering devotion to quality. In so doing, Fred has garnered the Office of Inspector General the respect, admiration and trust of CIA managers, counterparts throughout the Intelligence Community and the U.S. Government—and the Congressional intelligence oversight committees.

As a result of Fred's leadership, the CIA's Office of Inspector General has become a bulwark of independence and professionalism, assuring the American people that their nation's premier intelligence organization is conducting its activities efficiently, effectively and under the rule of law.

Mr. President, the CIA and the nation owe Fred Hitz a great deal of gratitude for his fine work at the Central Intelligence Agency. I wish Fred all the best in all of his future endeavors.●

INTELSAT WORKING PARTY'S RECOMMENDATION TO SPIN OFF A PRIVATE COMPANY

● Mr. BURNS. Mr. President, I rise today to offer my congratulations to the INTELSAT Working Party, which recently met here in Washington, DC, and finalized its recommendations concerning the spin-off of a private entity from this inter-governmental treaty organization to compete in the global satellite communications marketplace. These recommendations, which must be ratified by the 142 Member-Nations of INTELSAT in the coming weeks, were made in consultation with the U.S. Department of Commerce, the U.S. Department of State, the U.S. Department of Justice, the Federal Communications Commission, and the White House. With that many cooks in the kitchen, it's astounding that any agreement was reached. This is a landmark achievement which deserves our applause.

I view this agreement as a significant and positive first step in the process of this intergovernmental treaty organization. As many of my colleagues are probably aware, I am presently working with Members of the Commerce Committee to craft legislation that will foster a competitive environment in the vibrant industry of satellite communications. I have already conducted a hearing on this matter before the Subcommittee on Communications and have another scheduled to take place in April. Furthermore, over the past several months, I, along with my colleagues in the Senate, have met with a wide range of domestic and international satellite communications companies, including representatives from several Member Nations of INTELSAT. Sometime prior to the upcoming hearing, we will introduce legislation which will create a more competitive marketplace where consumers worldwide will reap the benefits of enhanced communications services at reduced costs. I look forward to working with my colleagues in the House, specifically, Chairman BLILEY, Representative MARKEY, Chairman TAUZIN and others, to arrive at the most constructive legislation.

Until that time, I encourage my colleagues to keep an open mind as we move forward to resolving this very difficult issue. Once again, I want to offer my congratulations to INTELSAT for taking this important first step toward privatization. I will be watching the discussion in Brazil with great interest, and I hope that the Working Party's recommendation with respect to the spin-off are adopted, so that we will soon see the consumer benefits from another competitor in the private marketplace.●

TRIBUTE TO CHARLES TOLCHIN

● Mr. LEAHY. Mr. President, recently Charles Tolchin made remarks at the ground breaking at the new NIH Clinical center. While speeches at ground breakings are not normally something of note, these are.

Charles Tolchin suffered from cystic fibrosis and normally would not have lived even into his teens. Today, he is nearly 30, has survived a double-lung transplant, and has shown it is possible to completely beat the odds.

He makes it clear that he did this with the help of the people at NIH, and I ask that the text of his statement be printed in the RECORD so that this achievement can be shared with all.

The statement follows:

A LIVING SHRINE TO MY HEROS

(By Charles Tolchin)

The new Mark Hatfield Clinical Research Center is a living shrine to my heros. NIH researchers define dedication, faith, and infectious enthusiasm. They have made an enormous impact on my life.

I have Cystic Fibrosis, A genetic lung and digestive disease affecting 30,000 Americans. When I was five, doctors used the sweat test to diagnose me. It was developed here at NIH forty years ago by Dr. Paul D'Saint Agnese and is still the primary diagnostic tool for CF.

Over the past ten years, NIH has invested millions of dollars in CF research. That investment has reaped a golden return. In 1989, NIH funded scientists Francis Collins, Jack Riordan and Lap Chee Tsui, isolated the gene that causes CF. Since then, CF has led the pack in gene replacement therapy. Scientists are now trying to create a delivery system for inserting healthy genes into patients' lungs.

NIH funds research designed to gain a deeper understanding of CF on a molecular level. Why do CF lung cells act in the abnormal manner that they do? Every year, when I hear a lecture on the latest breakthroughs, I'm amazed at the art on the slides. It used to be very simple: here's a cf cell. But now, the art is highly defined, illustrating how the CF Transmembrane Regulator fails to transport water, sodium and chloride across the cell wall.

This gained knowledge is leading to new treatments, also funded by NIH. In 1993, the FDA approved a new drug for CF, Pulmozyme, aimed at thinning the thick mucous that plugs our lungs. I inhaled it twice a day for four years. NIH research has led to the development of nebulized Tobramycin, and Ciprofloxacin, two highly effective antibiotics. Both have fought biological warfare in my lungs. NIH research has led to the use of ibuprofen to reduce inflammation in the lungs. And NIH research led to the Flutter device, which I used three times a day to help cough up my mucous.

What impact has all of this research had on my life? When I was diagnosed at the age of 5, life expectancy was 8. Now, I'm 29, and life expectancy is 31. My whole life, that number has gone up because of the great strides in CF research.

I have also benefitted from NIH's outstanding clinical care. I became a patient back in 1977. I have received outstanding care from nurses who define compassion. Many have treated me for over ten years, adding the rare dimension of continuity to medicine. Pharmacists, x-ray technicians, respiratory therapists and nutritionists have all contributed their talents to my well-being. Finally, the physicians at NIH are world-class. My doctor, Milica Chernick, is a fine example. Having a lung disease means an endless procession of cold stethoscopes on your chest. Dr. Chernick always made sure to warm hers before taking a listen.

Because of NIH clinical care, and NIH and CF Foundation research, I stayed healthy enough to receive a double lung transplant at the University of North Carolina, Chapel Hill, this past April. The changes in my life have been profound. No longer do I spend five hours a day on respiratory therapy. I sleep all night without coughing. In fact, I never cough. Now I have the energy to go out and do things all day, to shed an isolated existence for one of vitality and stimulation.

The changes in my life have also been subtle. The only rule I broke after transplant was that I started driving a week before my doctors granted me permission. When I did so for the first time, I felt wind on my arms and realized that it was my own breath. When I went swimming for the first time after my transplant, I realized that I didn't need to keep a gym bag with a box of kleenex by the side of the pool.

Throughout my lifetime, medicine and research have dovetailed together. Clinical care at NIH kept me healthy enough to receive my transplant. Research at NIH helped provide the therapies I received.

We still do not have a cure for CF, but thanks to brilliant scientists and NIH's deep commitment, I am confident we will. In this living shrine, my heros fight against time, against persistent and pervasive adversaries, and against the unknown. I for one, am extremely grateful.●

RETIREMENT OF MR. LEONARD G. CAMPBELL

● Mr. WARNER. Mr. President, I rise today to pay tribute to Mr. Leonard Grove Campbell—one of our federal government's finest public servants and a distinguished son of the Commonwealth of Virginia. At the end of

this month, he will retire from a truly distinguished career of over 37 years of exemplary service to his country.

Mr. Campbell was well-prepared for his distinguished career. After graduating from the University of Virginia with a degree in economics, he entered Officer Candidate School in 1963 and began his first career with the United States Navy. Mr. Campbell served as a weapons officer aboard the USS Iwo Jima in the Pacific—service which included tours in Vietnam. He completed his active duty service in the Navy in 1967, and retired from the Naval Reserves in 1983 as a Commander.

After completing his active duty service with the Navy, Mr. Campbell went to work for the Department of Commerce as a senior economist in the Balance of Payments Division. In 1973, he began a remarkable 25-year career with the Department of Defense.

I am proud to honor him today for his tremendous accomplishments, and to recognize the support and sacrifices of his wife, Lois, and his daughters, Lisa and Kristin, who wisely followed in their father's footsteps as UVA graduates.

The quality of Mr. Campbell's work has been recognized by every Administration he has served. He has received the Presidential Rank Award for Meritorious Service, the Department of Defense Distinguished Civilian Service Award, the Department of Defense Meritorious Civilian Service Award, and the Department of Defense Exceptional Civilian Service Award.

Mr. Campbell has served as the key advisor on budget issues for nine Secretaries of Defense and nine Department Comptrollers. His recommendations on a wide range of vital issues were constantly sought by the Pentagon leadership and greatly helped the Department robustly defend the funding requirements which support U.S. forces and missions. Year in and year out, his sage counsel and sound advice produced the best possible, yet fiscally responsible, spending plans to satisfy the nation's national security needs.

Mr. Campbell always brought exceptional insight and skill to the many diverse challenges presented to and undertaken by him. He is one of the few individuals in the Department who understands and can explain succinctly the complexities contained in numerous legislative proposals. On many occasions, his advice assured the adoption of sound spending decisions that supported major Defense Department requirements while remaining consistent with the President's budget priorities and prevailing perspectives in the Congress. His comprehensive knowledge, the consummate clarity by which he explained issues, his exceptional skill in guiding senior officials through the intricacies and restrictions of legislation, and his tireless dedication were immensely valuable to a whole generation of Department of Defense leaders, to our armed forces, and to U.S. national security.

The ultimate result of Mr. Campbell's performance within the Department of Defense over the last 25 years was that senior U.S. leaders, both in Congress and in the Defense Department, benefited enormously from his extensive knowledge, exceptional dedication, superb political sensitivity, and wise judgment. His invaluable contributions allowed our nation's leaders to make the wisest possible allocation of declining defense resources while maintaining America's future security.

Mr. Campbell has had a career of singular merit and has earned the profound gratitude of the American people. I wish him well in his future endeavors.●

MIKE JACOBS OF THE GRAND FORKS HERALD

● Mr. DORGAN. Mr. President, the Herald's editor, Mike Jacobs, was in Washington recently to receive an award he richly deserves. He was named ''Editor of the Year'' by the National Press Foundation for his and the Herald's remarkable achievements during last year's flood and fires in Grand Forks. I want to add my words of thanks to Mike and to the entire staff of the Herald for their outstanding work during extraordinarily difficult circumstances.

I saw firsthand how much it meant to the people of Grand Forks that their hometown newspaper never missed a day of printing throughout the city's crisis.

When the Herald arrived at shelters and emergency centers it flew off the racks. Clusters of people would gather around and jointly read it. They were starved for news of their city and devoured the paper.

Yet even more than a conduit of information, the Grand Forks Herald was a symbol of a community determined to survive and endure.

That the Herald was there at all was wondrous. Its building was completely flooded and then soon burned to the ground. The homes of nearly every employee of the Herald were inundated by flood waters.

Yet, the Herald, led by Editor Mike Jacobs, never faltered, never missed an edition. It found a temporary office in the grade school of a nearby small town, located alternative presses and devised creative methods of distributing the paper to its readers and flourished. In doing so, it gave hope, inspiration and purpose to its community.

As the city has overcome the worst disaster in North Dakota history, its citizens have marched back with resilience, fortitude and inspirational spirit. Mike Jacobs, the Grand Forks Herald and the city of Grand Forks have triumphed and I salute them.●

The 100TH ANNIVERSARY OF PEPSI COLA

● Mr. FAIRCLOTH. Mr. President, I rise today to recognize the 100th Anniversary of Pepsi Cola and salute New Bern, N.C., as the birthplace of Pepsi. Originally known as ''Brad's Drink,'' Pepsi-Cola was invented in 1898 by Caleb Bradham in his pharmacy at the corner of Middle and Pollock Streets in New Bern, N.C. Today, Pepsi-Cola spans the globe with profits exceeding $1 billion. Yet, this company continues to recognize its origins through its investment in the communities which fostered its growth. Therefore, I extend congratulations to Pepsi-Cola on this milestone, and I salute the city and people of New Bern on this historic anniversary.●

AMBASSADOR WOLF RECOGNIZED

● Mr. GLENN. Mr. President, I am very proud to commend former Ambassador Milton A. Wolf of Cleveland, Ohio, on his recognition by the Ohio Senate.

Ambassador Wolf is truly one of the leading citizens of my state and has spent a lifetime learning, building and helping his hometown of Cleveland, our state and nation and people all over the world.

Milt Wolfe grew up in Cleveland and attended Glenville High School, but like many of us his education was interrupted by World War II. After serving in the Army Air Forces in the Pacific, Milt started out to be a doctor but went on to attend the Ohio State University and earned a degree in chemistry and biology and later at Case Institute of Technology a degree in civil engineering. In the construction business Milt built homes in Shaker Heights and Parma and Euclid. He went on to build high-rises and shopping centers. He continued his education and received a masters degree in economics from Case Western Reserve University in 1973.

In 1977, President Carter appointed Milt as our Ambassador to Austria and a delegate to the U.N. Conference on Science and Technology for Development in 1979. He served as a host in Vienna for the summit conference between Soviet President Brezhnev and President Carter on the Strategic Arms Limitation Treaty in 1979.

When Milt returned to Cleveland from Austria, he continued to serve by teaching economics at Case Western Reserve University. He has worked long and hard in support of the American Jewish Joint Distribution Committee. This committee provides millions of dollars to a variety of humanitarian assistance programs of relief, rescue, and reconstruction in over fifty nations. As president of the committee from 1992 until 1995 and currently as Chairman of the Board, Ambassador Wolf has been able to directly help people all over the world.

As a member of the Board of Trustees of the Ohio State University from 1986 until 1996 and Chairman of the Board in 1996 he made significant contributions as an educational leader of one the nation's largest universities. He clearly expressed his philosophy in education

when he said that the wealth of the country is in it people. He said, ''We have to have a highly educated population if we are going to compete in the next century.''

Milt continues to support improvements in our educational system, but has never neglected his own continuing education. In 1993, Milt earned a Ph.D. in economics from Case Western.

He continues to serve the community as a member of the Board of Trustees of Case Western Reserve University, and on the boards of the Cleveland Clinic, Mount Sinai Health Care System and the Cleveland Orchestra.

Last November Ambassador Wolf received the Austrian Cross of Honor for Science and Art—First Class bestowed by the Ambassador of the Republic of Austria in New York. Last December the Ohio State University granted Ambassador Wolf an honorary Doctor of Diplomacy degree.

In its resolution of recognition of Ambassador Wolf's receipt of the Austrian Cross of Honor, the Ohio Senate stated

> At a time when the international landscape is dominated by images of conflict and antagonism, and in an era when hostility both within and between countries could spell disaster for the whole planet, every attempt to forge closer ties among citizens of diverse backgrounds and beliefs is of urgent significance. In this context, you have shown how very much a diligent, conscientious person can accomplish, and you can be proud that your commitment to promote global harmony through language, learning, and letters has inspired many who know you to dedicate themselves similarly.

Milt Wolfe has set an example for us all in his efforts for all people. He is a builder, an educator and a humanitarian. Milt is a successful businessman who made time for helping others. I am proud of his friendship. My wife Annie joins me in congratulating him on this much deserved recognition.●

TRIBUTE TO BOB RAWLINGS

● Mr. ALLARD. Mr. President, I rise today to pay tribute to an individual who has made a significant contribution to the journalistic profession in the state of Colorado.

Bob Rawlings, publisher and editor of the Pueblo Chieftain and Sunday Chieftain and Star-Journal, has worked at the same newspaper for more than 51 years. During his tenure at the newspaper he has worked as a reporter, advertising salesman, General Manager, and since 1980 has served as Publisher and Editor. In 1984 he was selected to be president of the Star-Journal Publishing Corporation, which owns and operates both newspapers.

In 1985–86, Bob Rawlings served as President of the Colorado Press Association. He also has served as a member and past-chairman of the Colorado Bar-Press Committee, and is a past president of the Rocky Mountain Ad Manager's Association.

He was voted ''Colorado Newspaper Person of the Year'' in 1989, and was selected ''Citizen of the Year'' in 1993 by the Pueblo Chamber of Commerce. In 1994, Bob Rawlings was honored as ''Colorado Business Leader of the Year,'' and at this year's Colorado Press Association's Annual Convention in February, Bob was presented with the ''Gold Rule Makeup Award,'' which is the highest honor a member of the press can achieve in Colorado.

For more than a half-century, Bob Rawlings has served his community, state and nation. He represents the best and the brightest of his profession, and the citizens of Pueblo and the state of Colorado are honored to call him one of their own. It is individuals like Bob Rawlings who make America great. It is my pleasure to honor him and thank him for all he has done, and all that he will continue to do for Pueblo and Colorado.●

TRIBUTE TO THE 1998 U.S. WOMEN'S OLYMPIC ICE HOCKEY TEAM

● Mr. GREGG. Mr. President, I rise to commend the United States Women's Ice Hockey Team for its outstanding gold medal achievement during the 1998 Winter Games in Nagano, Japan. A proud America witnessed the outstanding teamwork and determination exhibited by the team in going undefeated and winning the gold medal in the inaugural women's Olympic ice hockey competition. New Hampshire is especially proud of three young women from our state who contributed to the success of the U.S. team: Tara Mounsey of Concord, Katie King of Salem, and Tricia Dunn of Derry.

Just nine years ago, the U.S. women's ice hockey program did not even exist. Now, U.S. women's ice hockey is the best in the world, and the team's youngest player, Angela Ruggiero, is off to college with an Olympic gold medal and some memories to cherish for a lifetime.

Leading up to Olympic competition, everyone knew Canada was the favorite, having a slight edge in winning seven of thirteen previous meetings between the U.S. and Canada. As the record shows, however, the United States was not far behind and was underrated by the international competition.

A thrilling comeback in the first game of the round robin grabbed the nation's attention and showed that this team could overcome adversity and win against a powerful team from Canada, by scoring six goals in the last ten minutes to prevail 7–4.

The team just didn't quit although they were down 4–1 with only ten minutes to play. Much like forward Katie King who refused to quit after she was rejected from the U.S. national team during sophomore year in college three years ago and much like defensive player Tara Mounsey, who refused to hang up her skates after she sprained her knee just two weeks before the Olympics. This team persevered and worked hard until it was successful. These young women represent America's commitment to hard work and self-sacrifice, and they inspired us with their performance both on and off the ice.

After coming back to defeat Canada, the U.S. team's confidence swelled and they swept away the opposition, beating Japan twice, China 5–0, Sweden 7–1, Finland 4–2, and Canada 3–1 in the gold medal game.

Team star Tara Mounsey has just celebrated her 20th birthday and her New Hampshire teammates Katie King and Tricia Dunn have all joined in the festivities surrounding their Olympic victory, including a celebration at the Statehouse in Concord.

As a United States Senator from New Hampshire, I wanted to pay tribute to the U.S. Women's Ice Hockey Team and give special mention to three ladies from New Hampshire who made us so proud of them at the Olympics.

I congratulate all of the members of the 1998 United States Women's Olympic Ice Hockey Team: Goaltenders Sara DeCosta and Sarah Tueting; Defensive players: Tara Mounsey, Angela Ruggiero, Colleen Coyne, Sue Merz, Vicki Movessian, and Chris Bailey; Forwards Lisa Brown-Miller, Karen Bye, Laurie Baker, Sandra Whyte, A.J. Mleczko, Jenny Schmidgall, Shelley Looney, Alana Blahoski, Katie King, Team Captain Cammi Granato, Gretchen Ulion, and Tricia Dunn; Head Coach Ben Smith, Assistant Coach Tom Mutch and Team Leader Amie Hilles. Ladies and coaches, we salute you and wish you well in your future endeavors.●

HUMAN RIGHTS IN TURKEY

● Mr. LEAHY. Mr. President, on February 23, 1998 in Ankara, Turkey, a penal court handed down an important decision regarding human rights. Eleven board members of Turkey's largest independent human rights group, the Human Rights Association, were acquitted of charges of disseminating separatist propaganda and inciting racist and ethnic enmity at a December 1996 meeting. A request by prosecutors to close the organization was also rejected.

Turkish Prime Minister Mesut Yilmaz has pledged to make progress in protecting human rights, and the February 23rd decision is a commendable step forward by the Turkish Government in that process. Hopefully, the decision will encourage human rights advocates to pursue reforms in Turkey and protect them from similar persecution in the future. An active civil society in which people can organize and express their opinions without fear of prosecution and official harassment is essential to the fulfillment of Prime Minister Yilmaz's goal.

Unfortunately, this step forward was recently marred by a step back. On

March 12, 1998, a Turkish court acquitted ten policemen who were accused of beating and sexually abusing a group of teenagers. According to an article in the ''Washington Post'', the teenagers were arrested in December 1995 on charges of scrawling leftist graffiti and of belonging to a radical leftist armed group, a charge for which they were later acquitted. Over the course of the eleven days in which they were detained by police, the teenagers were allegedly blindfolded, stripped, molested, raped with police batons, and subjected to electric shocks to the genitals.

According to the State Department's 1997 Country Report on Human Rights Practices, a judge in the case not only allowed the policemen to remain on active duty during the trial, he also relieved them of their obligation to personally appear in the courtroom. While these ten policemen walk freely, the teenagers will struggle with the physical and emotional consequences of their ordeal for years to come.

Turkish officials have made some attempts to reduce abuses perpetrated by security officials against detainees. However, despite a constitutional ban on torture, improvements in government cooperation with foreign human rights inspection teams and new police training programs, torture remains common. According to the State Department, the climate of impunity fostered by the rarity of convictions of police or other security officials for killings and torture, ''remains the single largest obstacle to reducing human rights abuses.''

Mr. President, I welcome Prime Minister Yilmaz's pledge to make progress on implementing human rights reforms. I applaud the recent decision to acquit the members of the Human Rights Association. However, as the brutal incident involving the teenagers illustrates, there is a great deal more to be done. Turkish officials must take an active, visible, and sustained role in addressing all facets of human rights—from promoting civil and political liberties to upholding the rule of law. Lasting reforms will not be realized in Turkey until Prime Minister Yilmaz's pledge is backed by consistent efforts to bring human rights violators to justice.●

MASTER CHIEF ELECTRONICS TECHNICIAN (SURFACE WARFARE QUALIFIED) JOHN HAGAN, MASTER CHIEF PETTY OFFICER OF THE NAVY

● Mr. KEMPTHORNE. Mr. President, on March 27, 1998, Master Chief John Hagan passes on the duties of Master Chief Petty Officer of the Navy after more than five years in this prestigious position. When Master Chief Hagan steps aside and hands responsibilities to Master Chief James L. Herdt, he ends the longest tenure of any Senior Enlisted Advisor to serve our great Navy.

Through his tenure in office, Master Chief Hagan has traveled the globe listening to and answering the needs of Sailors. His extensive travels have included stops on every continent—from the northern reaches of Naval Air Station Keflavik, Iceland, to the ice capped McMurdo Station, Antarctica. He has shared Christmas day with Sailors deployed onboard ships in the Arabian Gulf and July 4th visiting Sailors at Naval Support Activity Naples, Italy. In every way, on every day, he has dedicated his life to serving Sailors, not only during his service as Master Chief Petty Officer of the Navy, but throughout more than 32 years of service since his initial enlistment in Asheville, North Carolina.

Master Chief Hagan worked very hard to gain the support of Congress on a variety of issues on behalf of Sailors. Every Sailor serving today and every Sailor who serves in the future owes a debt of gratitude for the service of John Hagan. Master Chief Hagan garnered support for volunteer education issues making it possible for those serving at sea to complete college courses. His work ensured Sailors housing allowances better meets their actual needs to ensure safe, affordable housing. Master Chief Hagan worked closely with Congress to facilitate the revitalization of family housing and bachelor quarters throughout the Navy, and his work facilitated a greater understanding in Congress of the full spectrum of issues unique to Sailors.

Master Chief Hagan participated in virtually every decision impacting the lives of enlisted Sailors over the last five and one-half years. He helped strengthen the core of Navy's Recruit Training at Naval Training Center Great Lakes, participated in the establishment of leadership training through the Navy's Leadership Continuum, building the quality of the Navy's Senior Enlisted Academy, improving the Navy Physical Fitness program, increasing the number of females serving onboard surface warships and so many more.

Master Chief Hagan faced many challenges head on during his tenure. Not the least of which were concerns over the Navy's traditional Chief Petty Officer Initiation. Master Chief Hagan met this challenge head on by guiding this event away from any reasonable criticism into a season of events the Navy can point to with great pride. Today, CPO Initiation Season begins the day the list of those selected for promotion is announced and ends eight weeks later with the formal advancement ceremony. This season includes a series of team building exercises, social events, physical fitness training and efforts to link with Naval heritage. Master Chief Hagan will long be remembered within the Navy for producing the Naval Heritage/Core Values Reading Guide. This part of CPO Initiation Season requires the Navy's newly selected Chief Petty Officers to read a book of non-fiction, Naval heritage to facilitate a discussion of the Navy's Core Values of Honor, Courage and Commitment. This encourages Sailors to link with their heritage and better understand the qualities required of Sailors.

Master Chief Hagan stepped forward in May 1996 to speak on behalf of all Sailors at the Memorial Service for Admiral Mike Boorda, Chief of Naval Operations. Hagan said of Admiral Boorda, ''He was the leader we longed for and looked to; he came from among us and rose so high, always remembering the lonely, insecure, frightened recruit, which all of us are in the beginning, before we discover that the Navy is a family.'' Those words were true of Mike Boorda and they are true of John Hagan.

In March 1997 he spoke to the assembled brigade of midshipmen at the United States Naval Academy where he told the Navy's leaders of the next century ''The very honor of our Navy and our nation has been repeatedly upheld by Sailors throughout our history.'' Master Chief Hagan has not only upheld the very honor of our Navy and our nation, he has raised the stake to new heights.

Today's Navy is the greatest Navy the world has ever known and this can be said in clear conscious because of the service of Master Chief John Hagan.●

APPOINTMENT BY THE MAJORITY LEADER

The PRESIDING OFFICER. The Chair, on behalf of the Majority Leader, pursuant to Public Law 105–119, appoints A. Mark Neuman, of Illinois, to serve as a member of the Census Monitoring Board, vice Max W. Williams, of Mississippi.

PRINTING OF SENATE DOCUMENTS

Mr. LOTT. Madam President, I ask unanimous consent that the following Senate Documents be reprinted in the usual number: Senate document 99–33, Senate document 98–29, and Senate document 97–20.

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

GREEK INDEPENDENCE DAY

Mr. LOTT. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 324, S. Res. 171.

The PRESIDING OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 171) designating March 25, 1998, as ''Greek Independence Day: A National Day of Celebration of Greek and American Democracy.''

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BIDEN. Madam President, today, we commemorate the great moment

when Greece began to reassert its historic role as a leading light of democracy. In 1821, when valiant Greeks raised the flag of revolt against their Ottoman Turk oppressors, they were striking a blow for liberty that captivated freedom-loving men and women all over Europe, and in the young American Republic. Thomas Jefferson was inspired enough to become involved in the Greek struggle in the twilight of his life. In the summer of 1823 the Greek Hellenist and patriot Adamantios Koraes wrote to our third president, requesting advice on drawing up a constitution for the liberated Greece he was certain would be achieved.

Jefferson's lengthy reply detailed his views on the fundamentals of democracy—freedom of religion, freedom of person (habeas corpus), trial by jury, the exclusive right of legislation and taxation reserved to the representatives of the people, and freedom of the press. The 80-year-old scholar-president concluded his letter with a moving tribute to Greece's unique importance to the world.

It took nearly a decade more of struggle until Greeks once again became masters in their own house. And maintaining Greece's independence and freedom over the ensuing 163 years has proven not to be easy.

Greece has had to cope with internal divisions and external threats. Seemingly unending arguments over the Greek constitution and form of government occupied much of the nineteenth century. Then came the two Balkan wars, World War I, the Anatolian War, World War II, the Civil War that pitted Greek against Greek, and after a peaceful, if troubled, interlude, the short-lived dictatorship of the Colonels.

Thankfully, today we can celebrate nearly a quarter-century of restored democracy and peace in Greece. Greece is now solidly integrated economically and politically in the European Union.

Greece's relations with most of its neighbors have improved. Despite some lingering problems, relations are relatively good with the Former Yugoslavian Republic of Macedonia and with Albania. Greece continues to maintain a solid relationship with Bulgaria.

I will not hide the fact that—like every other country—Greece still faces formidable problems. Athens' relations with Ankara remain stormy. Turkey continues its illegal occupation of Northern Cyprus and its belligerent behavior in the Aegean.

Moreover, the state of the Greek economy still leaves much to be desired. Let us be honest—as in the United States, there have been gross inefficiencies and wasteful policies. Greece will have to put its financial house in order if it hopes to take part fully in the ambitious integration that the European Union foresees in the coming years. I am confident that Prime Minister Simitis' reform program will bear fruit.

Improving Greece's economy and finding ways to improve relations with Turkey are daunting tasks. But one look at hard-working, talented Greek-Americans, assures me that Greeks everywhere will continue to triumph over adversity and will remain an inspirational democratic ally.

Mr. LOTT. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at this point in the RECORD.

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

The resolution (S. Res. 171) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 171

Whereas the ancient Greeks developed the concept of democracy, in which the supreme power to govern was invested in the people;

Whereas the Founding Fathers of the United States of America drew heavily upon the political experience and philosophy of ancient Greece in forming our representative democracy;

Whereas the founders of the modern Greek state modeled their government after that of the United States in an effort to best imitate their ancient democracy;

Whereas Greece is one of the only 3 nations in the world, beyond the former British Empire, that has been allied with the United States in every major international conflict this century;

Whereas the heroism displayed in the historic World War II Battle of Crete epitomized Greece's sacrifice for freedom and democracy as it presented the Axis land war with its first major setback and set off a chain of events which significantly affected the outcome of World War II;

Whereas these and other ideals have forged a close bond between our 2 nations and their peoples;

Whereas March 25, 1998, marks the 177th anniversary of the beginning of the revolution which freed the Greek people from the Ottoman Empire; and

Whereas it is proper and desirable to celebrate with the Greek people and to reaffirm the democratic principles from which our 2 great nations were born: Now, therefore, be it

Resolved, That the Senate—

(1) designates March 25, 1998, as ''Greek Independence Day: A National Day of Celebration of Greek and American Democracy''; and

(2) requests the President to issue a proclamation calling upon the people of the United States to observe the day with appropriate ceremonies and activities.

AUTHORIZING THE USE OF THE CAPITOL GROUNDS

Mr. LOTT. Madam President, I ask unanimous consent that the Senate proceed to the consideration of H. Con. Res. 238, which was received from the House.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 238) authorizing the use of the Capitol Grounds for a breast cancer survivors event sponsored by the National Race for the Cure.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. LOTT. I ask unanimous consent the resolution be agreed to, the motion to reconsider be laid upon the table, and that any statements on this resolution appear in the RECORD at this point.

There being no objection, the concurrent resolution (H. Con. Res. 238) was considered and agreed to.

PERMITTING THE USE OF THE ROTUNDA OF THE CAPITOL FOR A CEREMONY

Mr. LOTT. Madam President, I ask unanimous consent the Senate proceed to the consideration of H. Con. Res. 206, which was received from the House.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 206) permitting the use of the rotunda of the Capitol for a ceremony as part of the commemoration of the days of remembrance of victims of the Holocaust.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. LOTT. Madam President, I ask consent the resolution be deemed agreed to and the motion to reconsider be laid upon the table.

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

The concurrent resolution (H. Con. Res. 206) was deemed agreed to.

ORDERS FOR THURSDAY, MARCH 19, 1998

Mr. LOTT. Madam President, before closing I ask consent that when the Senate completes its business today it stand in adjournment until 9:30 a.m. on Thursday, March 19; immediately following the prayer, the routine requests through the morning hour be granted and the Senate then begin a period for the transaction of morning business until the hour of 11:30 a.m. with Senators permitted to speak up to 5 minutes each with the following exceptions: Senator COVERDELL or his designee, 30 minutes from 9:30 until 10:00; Senator REID, 30 minutes from 10:00 until 10:30; Senator HAGEL or his designee, 30 minutes from 10:30 until 11 a.m.; Senator TORRICELLI for 10 minutes; Senator BRYAN for 10 minutes; and Senator GRAHAM of Florida for 10 minutes.

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

Mr. LOTT. I also ask unanimous consent that at 11:30 a.m. the Senate proceed to executive session to resume

consideration of treaty document 105–36 dealing with the NATO expansion.

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

Mr. LOTT. Madam President, I further ask unanimous consent that at 5:15 p.m., the time prior to the previously scheduled cloture vote on H.R. 2646, the Coverdell A+ education account bill, be equally divided in the usual form between Senator COVERDELL and Senator DASCHLE.

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

PROGRAM

Mr. LOTT. So then tomorrow the Senate will be in the morning business period from 9:30 until 11:30. Under the previous consent, then at 11:30 we will go back to the NATO expansion treaty. All Senators with amendments to the treaty are encouraged to contact the managers of the treaty with their amendments in hopes of making considerable progress on the treaty during Thursday's session. I want to emphasize the bulk of the day tomorrow, from 11:30 until 5:15, that entire time, will be devoted to discussion or debate on the NATO enlargement issue. We hope that amendments can be offered. We want to give the Senate ample time to think about this issue and debate it, have amendments and to have votes.

We are double-tracking it now, while we await the cloture votes on the education bill, but that is quite often done. It is in no way intended to diminish the importance of NATO enlargement. It is, in fact, intended to begin the process for Senators and the American people in every way possible to think about this issue, make sure we are doing the right thing. And I think it is the right thing to have the NATO enlargement.

Then, when we complete the education bill, whenever that comes, we will meet with interested and involved Senators on both sides, see how much more time is needed, what other amendments are pending, and then we would stay on it until it is completed. I hope we could get that done by a reasonable time next week, hopefully Wednesday or Thursday. But it is a very important issue and we will continue working on it until we are convinced that Senators are satisfied they have had their say. Then we would go to the recorded vote.

Also, under the previous consent, then, at 5:15 the Senate would debate H.R. 2646, the Coverdell education bill, for 30 minutes prior to the previously scheduled 5:45 cloture vote on the bill.

We may actually move that time a little bit so that we can have an earlier vote. As a matter of fact, Madam President, I will change my earlier unanimous consent request and ask consent that the cloture votes previously ordered on H.R. 2646 now occur at 5:15 p.m. and the debate time earlier agreed to actually occur now at 4:45.

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

Mr. LOTT. I want to remind all Members that first-degree amendments to H.R. 2646 must be filed by 1 p.m. on Thursday, and second-degree amendments must be filed by 4:45 tomorrow—it's now 4:15—under the most recent agreement. Second-degree amendments must be filed by 4:15.

In addition, the Senate may consider other legislative or Executive Calendar business cleared for Senate action. We do have some Executive Calendar items I hope we can take up before the end of the week.

So Members can anticipate rollcall votes throughout Thursday's session with the ones that I have already mentioned scheduled for sure to occur at, I believe, 5:15 now.

ORDER FOR ADJOURNMENT

Mr. LOTT. If there is no further business to come before the Senate, I ask the Senate stand in adjournment under the previous order, following the remarks of Senator CONRAD.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

TOBACCO LEGISLATION

Mr. CONRAD. I thank the Chair. Madam President, I especially thank her for locating me properly in North Dakota. We are very sensitive about that up our way, as you can imagine. I also thank the leader for accommodating me in this way.

Moments ago, we heard the Senator from Iowa speak on the budget and the fact that we are considering the budget in the Budget Committee. I wanted to make just a few observations on what is occurring there and what has led us to this point.

In 1993, the Democrats passed an economic plan that was a 5-year plan. That plan cut spending and it also raised income taxes on the wealthiest 1.5 percent of the people in this country. Many criticized us for that plan at the time, doubting that it would reduce the deficit as we believed, doubting that it would strengthen the economy as we believed, and doubting that it would reduce unemployment and inflation as we believed. But now we are able to look back and see the record and the record is clear. The 1993 economic plan has worked and worked remarkably well. It worked so well that this year we are actually contemplating a balanced budget on a unified basis. That will be the first time in 30 years that the United States has had a balanced budget on a unified basis. When I use those words ''on a unified basis,'' that simply means that we are looking at all of the spending and all of the revenue of the Federal Government. All of them are put together. They are accumulated in order to determine balance.

As a result of that economic policy and economic plan that was put in place, we have enjoyed a remarkable economic resurgence in this country. We have very strong economic growth, the lowest unemployment in 24 years, the lowest inflation in 30 years. The size of the Government in relationship to the size of our entire economy has been coming down steadily. We have the smallest size of Government in this country in 30 years. But the job is not yet done, because it is also true that we continue to use Social Security trust fund surpluses in order to achieve balance. So the next great challenge is to stop using the Social Security trust fund surpluses. That is why the President has called on us to save Social Security first, before we use any of those surpluses for any other purpose.

The Democrats subscribe to that position. I am pleased to report in the budget that has been put before us by the chairman of the Budget Committee, he, too, has subscribed to the notion of saving Social Security first and not using the surpluses for any other purpose until we resolve the long-term solvency of the Social Security system. But we do have a problem with the budget resolution laid down by the chairman today. The problem that we have is that many of us believe that it endangers comprehensive tobacco legislation, comprehensive national tobacco policy. The reason for that is in the chairman's mark he has provided that if we do get revenues from tobacco, that they can only be used for the Medicare system.

Madam President, I would be the first to acknowledge the great importance of the Medicare system. But I do not believe that the chairman's mark solves the Medicare problem. I do not think he makes any representation that it does.

What is required to save Medicare for the long term is Medicare reform. That is why we have a bipartisan commission that worked this year to prepare us an outline as to how we strengthen Medicare for the long term.

But I think it is also fair to say that Medicare is not a national tobacco policy, and we need a national tobacco policy. If we are going to have comprehensive legislation, if we are going to have a resolution of the tobacco controversy, the experts have told us we need a comprehensive plan, one that has as its highest priority protecting the public health, one that has as its highest priority the reduction of teen smoking, because we all know that 90 percent of smokers start before they are 19, fully half start before age 14.

So if we are really going to do something to protect the public health, we need to act to prevent people from taking up the habit. That means if we get tobacco revenues, we should use part of that money for smoking cessation programs, smoking prevention programs, countertobacco advertising programs, health research, and, yes, Medicare, and we Democrats also believe, yes, Social Security.

We believe some of the money should be saved for strengthening both Medicare and Social Security, but we don't

believe that it is appropriate to limit the use of the funds for only one purpose—strengthening Medicare. We don't believe that is appropriate. We believe if we are going to have a national tobacco policy, that some of the funds, a relatively modest amount of the total, be reserved for smoking cessation, smoking prevention, countertobacco advertising, health research, and other programs that have been advocated by the experts that have come before us.

The irony is, every comprehensive bill that is before this body uses the funds not just for Medicare but for these other purposes as well. The bill presented by Senator MCCAIN, the chairman of the Commerce Committee, the bill presented by Senator LUGAR, the chairman of the Agriculture Committee, the bill put before us by Senator HATCH, the chairman of the Judiciary Committee—all Republicans, all committee chairmen—they have not said in their comprehensive bills we just use the money for Medicare. No; they have said, to have a comprehensive national tobacco policy, we have to do more than that; we have to have a tobacco control program that really helps us stop the 400,000 deaths that occur every year in this country because of the use of tobacco products.

Madam President, we urge our colleagues to listen to Dr. Koop, who wrote to us today that the approach of the chairman of the Senate Budget Committee is inadequate—in fact, he used the words ''woefully inadequate''—to counter the scourge of tobacco. We should listen to the American Cancer Society that wrote to the committee today and said just using the money for Medicare is not adequate. We should listen to the American Lung Association that said in a letter to the committee today, just using the money for Medicare is not going to help us solve the challenge of addiction, disease, and death brought to this country by the use of tobacco products.

Madam President, hopefully, before this matter is resolved out here on the Senate floor, we will be able to get together on a comprehensive plan. I hope we are able to do that. I dedicate myself to that purpose, and I hope other Senators will as well.

I thank the Chair and yield the floor.

ADJOURNMENT UNTIL TOMORROW AT 9:30 A.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 9:30 a.m. on Thursday, March 19.

Thereupon, the Senate, at 7:04 p.m., adjourned until Thursday, March 19, 1998, at 9:30 a.m.