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## Senate

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

### PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer: Allow the Psalmist to tune your heart to make this a day of praise.

*Bless the Lord, O my soul; and all that is within me, bless his holy name.*

*Bless the Lord, O my soul, and forget not all his benefits.—Psalm 103:1-2.*

Let us pray:

Almighty God, Sovereign of this Nation, we praise You for Your amazing grace. Your unlimited love casts out fear, Your unqualified forgiveness heals our memories, Your undeserved faithfulness gives us courage, Your unfailing guidance gives us clear direction, Your presence banishes our anxieties. You know our needs before we ask You, and Your spirit gives us the boldness to ask for what You are ready to give. You give us discernment of the needs of others so that we can be servant leaders. Your love for us frees us to love, forgive, uplift, and encourage people around us. We commit this day to be one in which we are initiative communicators of Your grace. We open ourselves to Your holy spirit. Gracious God, we are ready for a great day filled with Your grace. In the name of the Mighty Mediator. Amen.

### RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished acting majority leader is recognized.

### SCHEDULE

Mr. KYL. Mr. President, on behalf of the leader, leader time is reserved. There will be a period for morning business until 12 noon today. At noon,

it is the leader's intention to turn to the House message to accompany the budget reconciliation bill to appoint conferees on the part of the Senate. Several motions may be made with respect to appointing conferees, and therefore rollcall votes can be expected on those motions.

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

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

The assistant 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 President, I ask unanimous consent that the order for the quorum call be rescinded.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 (Mr. KYL). Without objection, it is so ordered.

Mr. DASCHLE. I wish the Presiding Officer a good morning.

### INCREASING THE DEBT LIMIT

Mr. DASCHLE. Mr. President, yesterday, Treasury Secretary Robert Rubin sent a letter to the congressional leadership warning that a refusal to pass an increase in the debt limit by November 6 would force the Treasury Department to take extraordinary actions in the coming days, actions for which the American taxpayers would foot the bill.

The Secretary indicated that these moves might include not fully investing the Federal Employees Retirement System, the Government Securities Investment Fund, the G fund, calling back Treasury cash balances held in our depository banks, and suspending the issuance of savings bonds.

These defensive actions, regrettably, may become necessary under the circumstances.

Some weeks ago, the Speaker of the House suggested that congressional Republicans might find it acceptable for the U.S. Government to default on its obligations if it proves to be useful le-

verage in the coming budget battles. Unfortunately, these comments, once dismissed as political posturing, now could be prophetic.

Mr. President, Secretary Rubin's warnings ought to be heeded. Political considerations should not dictate congressional action on the debt ceiling.

The debt limit is serious economic business. It should not be a part of the budget debate. The reputation of this Nation throughout the world would be irrevocably damaged if the full faith and credit of the U.S. Government becomes shaky and suspect.

Because this is such a serious matter, I was disappointed to read in yesterday's papers the characterization by the majority leader that Secretary Rubin's credibility and integrity are somehow in question in this debate.

Nothing could be further from the truth.

Secretary Rubin is engaged in a critical effort to discharge his responsibilities to the taxpayers by preventing the U.S. Government from defaulting on its debt obligations for the first time in more than 200 years.

Moreover, Secretary Rubin has made repeated efforts to meet with the Republican leadership and to make other senior Treasury officials available to answer questions and clarify disputed numbers.

No one has credibly disputed what the Treasury has said. It seems to me clear that these attacks on Secretary Rubin represent a classic case of shooting the messenger.

Meanwhile, there seems to be an ongoing effort on the other side of the aisle to distract the public from the real issue in the debt limit debate—namely, that a default will cause taxpayers to pay for generations to come in higher interest rates on the trillions of dollars in public debt which this Nation must finance in national and international capital markets.

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



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It is my understanding that a meeting between President Clinton and Republican leaders has been scheduled today to discuss this very matter. I certainly hope that this can be the first step in an effort to resolve the dispute over the debt limit outside the political context in which we will debate our very real differences over the budget.

I ask unanimous consent that a copy of Secretary Rubin's letter to the Speaker be printed in the RECORD.

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

DEPARTMENT OF THE TREASURY,  
Washington, DC, October 31, 1995.

Hon. NEWT GINGRICH,  
Speaker of the House, House of Representatives,  
Washington, DC.

DEAR MR. SPEAKER: In anticipation of our meeting tomorrow I want to provide information that you should have as background for your consideration of our request for a prompt increase in the debt limit.

First, I have set forth in an appendix both our current projections and a history of our projections over the past several months.

Second, I want to make clear that if Congress fails to act by Wednesday, November 1, it will disrupt our normal auction process and could force Treasury to take additional actions that involve the interests of federal retirees, commercial banks, and purchasers of savings bonds.

As you know from my letter of October 24, and as we discussed in detail with your staff yesterday, the Treasury Department's normal quarterly refunding auctions are scheduled to be announced tomorrow, November 1. The auctions themselves are scheduled to be held during the week of November 6, and settlement is scheduled for November 15 and 16.

There may well be significant costs of disrupting our usual Treasury auction schedule. If there has been no increase in the debt limit by tomorrow morning, our announcement must put prospective bidders on notice that the auctions might have to be delayed or even cancelled. After such a contingent announcement, "when issued" trading in the securities to be auctioned cannot occur. Dealers may be less able to pre-market securities, and their risk of participation in the auction may thus be increased, raising the costs of the borrowing.

Should Congress fail to take action to raise the debt ceiling by November 6, we will be required once again to depart from our best financial management practices by canceling the scheduled auctions, and may be forced to take further steps to ensure that outstanding debt remains within the limit and that we have cash available to pay the Government's obligations.

As I have indicated in my previous letters, there are a limited number of actions we may be forced to take many of which have legal and practical implications. One such example would include Treasury's action to stop reinvesting the so-called G-Fund (the Federal Employees Retirement System's Government Securities Investment Fund). Securities held in the G-Fund mature and are reinvested on a daily basis, and the governing law provides for an automatic restoration of any lost interest when reinvestment resumes. Because of the inherent volatility of financing flows, such action may be required even prior to the week of November 6th. Furthermore, it will be necessary to call back Treasury cash balances held in our depository banks. This action will inconvenience those commercial banks with whom the Federal Government does business.

Also, should Congress fail to act, Treasury may be forced to suspend the issuance of Savings Bonds—an action that would not only require us to send notices to the 80,000 issuing agents, but also would disrupt millions of Americans' use of a safe and convenient investment for their savings.

While these actions can provide some very limited relief, at the cost of creating significant dislocations and anxieties, it should be clearly understood that they will not be sufficient to substitute fully for the funding that we would ordinarily raise through the regular mid-November refinancings and that should be announced tomorrow. Stated another way, these temporary actions will not satisfy the continuing need for cash to fund the obligations and operations of the Government after November 14. Absent extraordinary steps, Congress must increase the debt limit obligations maturing November 15 and 16.

Finally, you should know that there are various other measures Treasury has been reviewing to avoid default should Congress not increase the debt limit by November 15, including actions involving the Civil Service Retirement Fund, but all such measures present uncertainties involving serious legal and practical issues and have significant costs and other adverse consequences.

Furthermore, the U.S. government's need for financing will not end on November 15 and 16. The financing calendar we distributed last week, and discussed in detail with your staff yesterday, showed four auctions in the last two weeks of November, and additional cash management bills may be needed. Successful completion of those auctions is critical to raising cash to make vital benefit payments on December 1 and during the week of December 4. As we have mentioned before, the months of October, November and the first half of December traditionally have very large seasonal cash deficits due to the absence of any large tax payment dates.

You and other members of the leadership have raised the prospect that Congress might enact a temporary debt limit increase, and we have expressed our total availability to work toward that end. Last Friday, at the President's direction, I proposed that the debt limit be increased by \$85 billion, to \$4.985 trillion. I would hope to discuss this proposal, and any other approaches you might have, at our meeting tomorrow.

Sincerely,

ROBERT E. RUBIN,  
Secretary of the Treasury.

#### MORNING BUSINESS

The PRESIDING OFFICER. The Chair announces that under the previous order the time from 9:30 until 10:30 shall be under the control of the Democratic leader or his designee, and under the previous order the time from 10:30 until 12 noon shall be under the control of the majority leader or his designee.

Mr. DASCHLE. 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.

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

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

Mrs. FEINSTEIN. Mr. President, I ask that I be recognized to speak in morning business.

The PRESIDING OFFICER. That is the Senator's right.

Mrs. FEINSTEIN. I thank the Chair very much.

#### OBSTRUCTION OF FOREIGN RELATIONS COMMITTEE BUSINESS

Mrs. FEINSTEIN. Mr. President, I wish to elaborate on some remarks I made yesterday about the objection pending against the short-term extension of the Middle East Peace Facilitation Act.

Yesterday, the distinguished majority leader came to the Senate floor and said that although he would like to pass the extension, it is being blocked by the chairman of the Foreign Relations Committee. The majority leader went on to say that the Senator from North Carolina is within his rights to block this legislation, and indeed he is because every Senator has that right.

I want this morning to ask the distinguished chairman of the Foreign Relations Committee to consider changing his mind about holding up the Middle East Peace Facilitation Act.

I spoke yesterday and indicated that in July a group of Members of this body joined together, Republican and Democrat, in cosponsoring a bill which would extend the Middle East Peace Facilitation Act for 18 months, and virtually every Member joined in expressing support for that course.

Here we are in November, and the act has been suspended as of last night, which means that economic aid to the Palestinians committed to by this Nation has stopped. The PLO office in Washington will be forced to close its doors. And as my colleagues know, this is because of an unrelated issue that is going on. That unrelated issue is the dispute over the State Department authorization bill.

Negotiations have been ongoing on that bill between Senator KERRY and Senator HELMS. It is my understanding that at present they are stalemated, but because of failure to reach an agreement, the Foreign Relations Committee has been virtually shut down. I think this is wrong in the interest of U.S. foreign policy and of the Senate weighing in on these issues.

We have been unable to take up any ambassadorial nominations in business meetings for a period of weeks, to report them out to the full Senate for confirmation. At the present time, there are at least 18 ambassadorial nominees waiting to have their nominations considered by the committee. They include nominees to serve in some of the most important countries in the world.

The nominee for China has had a hearing, but is pending action in the committee; the same is true for the nominees for Pakistan and Indonesia. These include Jim Sasser, Tom Simons and Stapleton Roy. Nominees for other countries are waiting. South Africa: James Joseph is waiting. Sri Lanka: Peter Burleigh is waiting. Thailand: