

And for us and this administration to take the limited funds that are available, and use them for hard-core drug addicts, instead of these kids that need the help now that have a chance of being rehabilitated, I think, is basically immoral. If we have enough money left over, sure, I am willing to throw it down the drain by trying to help the hard-core drug addicts as well. And occasionally you will get one that will do a little bit better in treatment, but it is almost none who come through that process who are hard-core drug addicts. It is very, very uphill.

Frankly, with the limited funds we have, we ought to be using them to help those kids who need it and are likely to quit using drugs after the rehabilitation period starts.

Mr. President, I hope that the President and others will do more about this issue. We have all got to do more about this issue, and I am going to continue to speak out until I see some changes in this administration and some changes in our government as a whole. I hope that we will all cooperate in trying to do this because this is not a Republican/Democrat thing and not a pro-administration, anti-administration thing.

These are facts that have to be brought out. Hopefully the administration just does not understand, and once they do, will start doing more about it. And hopefully the President will use his bully pulpit to start fighting these things that are destroying America, financing crime and murders throughout this society, and killing our kids and their futures well into the future.

I thank the Chair, and I yield the floor.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER (Mr. KYL). The Senator from Kentucky is recognized for 10 minutes under the previous order.

(The remarks of Mr. McCONNELL pertaining to the introduction of S. 1378 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. McCONNELL. Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico is recognized for up to 20 minutes.

Mr. BINGAMAN. Thank you, Mr. President.

THE IMPORTANCE OF FEDERAL INVESTMENTS IN RESEARCH AND DEVELOPMENT

Mr. BINGAMAN. Mr. President, I rise this morning to call the Senate's attention to a report that was released yesterday by the Council of Economic Advisors. The report is entitled, "Supporting Research and Development to Promote Economic Growth: The Federal Government's Role."

This report eloquently makes the case for the enormous positive impact

which Federal investments and research and development have in promoting economic growth and providing greater opportunities for our children and for future generations. Most of the debate we have had, Mr. President, about this budget this year has focused on whether particular cuts or reductions or particular tax increases have been fair to one group or another in our country. For example, are the Medicaid cuts too deep? Are the Medicare cuts too deep? Should we be putting an additional financial burden on students in schools? Should Congress be scaling back the earned-income tax credit on low- and moderate-income families while cutting taxes for those who are better off?

But another important part of the debate, the budget debate, needs to be about the impact of what is proposed in this budget on the long-term economic growth of the country. And that is the issue that I would like to focus on here this morning.

The report that was released yesterday by the Council of Economic Advisors makes several crucial points that the congressional majority needs to understand as it embarks on what I see as a disastrous course of slashing Federal civilian research investments by the year 2002. Let me just read a couple sentences from the report.

It says:

Increasing the productivity of the American workforce is the key to higher living standards and stronger economic growth in the future. Evidence indicates that investments in research and development have large payoffs in terms of growth. . . . Indeed, investments in—research and development—are estimated to account for half or more of the increase in output per person. Maintaining or increasing this country's research and development effort is essential if we are to increase the rate of productivity growth and improve American living standards.

The report finds that "many studies have demonstrated that investments in research and development yield high returns to investors and even higher returns to society." The report points out that it is this difference between the returns capturable by a single firm or an individual and the returns to the society as a whole that leads the private sector to underinvest in research and creates the need for public investment in research and development.

Mr. President, this is a need that has been recognized throughout this Nation's history, going back to the first Treasury Secretary of this country, Alexander Hamilton. The report points to the \$30,000 that was appropriated in 1842 to build a telegraph between Washington, DC, and Baltimore, to demonstrate the feasibility of Samuel Morse's new technology.

It points to the 1862 Morrill Act, and that is an act, of course, that has benefited each of our States—Government funding of agricultural research. It points to the enormous benefits that have flowed from the expansion of Federal research investments following

World War II pursuant to the vision that Vannevar Bush described in his report "Science: The Endless Frontier," which was submitted to President Truman in June 1945 at the end of the war.

Yet, there are some very disturbing charts in this report. The first of these charts I want to refer my colleagues to is a chart of nondefense research and development expenditures as a percentage of gross domestic product. What you can see here is that the United States has been lagging behind Japan and Germany in its nondefense research expenditures as a percentage of gross domestic product for more than two decades.

The yellow line is the United States. Japan is now substantially above both the United States and Germany in its investment in research and development, nondefense research and development, as a percentage of its gross domestic product.

This second chart indicates Federal investments, U.S. investments in nondefense research and development and shows very clearly that they have been declining substantially since the 1960's as a percentage of gross domestic product. You can see from the period 1961 to 1996, there was a short period there in the early sixties where there was a substantial increase during the heyday of the space program. It began to come down. It has continued its downward trend, as a general matter, until today, and it is scheduled in this proposed GOP budget for a substantial additional decline in the next several years. That Federal research investment, as this chart shows, will plummet during the next several years.

As the report that was issued yesterday points out, this is a greatly different plan of action from what governments in other parts of the world are doing, particularly Japan and Germany, who are our main rivals economically and technologically. Those countries around the world are seeking to follow the example of the United States, to emulate the successful American model of the last century, just at the same time that we, as a nation, seem bent on abandoning that model or wrecking it. The Council of Economic Advisers' report points out that the Japanese Government recently announced its plans to double its research and development spending by the year 2000.

We have a chart here that I think is a very important chart for people to focus on. This highlights the effect of our congressional budget plan and the effect of the Japanese plan. What you can see is that by the year 1997, Japan will overtake the United States in Government support for nondefense research and development, and that is not as a percentage of our gross domestic product, that is in absolute dollars. You can see that by 1997, the Japanese will be spending more than we will if we stay on the course that has been

laid out in this budget resolution. Obviously, this gets even worse in the years ahead, as you go to the year 2000.

The Council of Economic Advisers' report also points out that there is no basis in historical data to believe that cuts in Federal research and development spending will be compensated for through additional private sector investments. I think this is a very important point, Mr. President.

This next chart, which I really do commend to everybody because I think it has a very important message about how history works, it makes it very clear that there is a correlation between changes in Federal research and development expenditures and changes in private sector research and development expenditures 1 year later. The private sector follows the Federal Government lead in investing in research and development.

The report concludes the correlation means that if Federal research and development support is cut, the Nation is likely to lose future rewards not only from the federally supported research and development that will not be undertaken, but also from the industrial research and development that will not be undertaken as the private sector scales back in response to Federal cuts.

Stated very simply, when the Federal Government spends more on research and development, the private sector follows its lead. When the Federal Government spends less on research and development, the private sector follows its lead and spends less.

Mr. President, this is a horrible position for our country to place itself in as we approach the beginning of the 21st century. These cuts in Federal civilian research and development are not just theoretical numbers out there. These are cuts that are being made in many of the appropriations bills that we are passing on the floor of this Senate.

The energy and water appropriations bill, which we passed on Tuesday, cuts civilian energy research by 17 percent, \$637 million. That was 17 percent from the President's request and it was cut 13 percent, or \$462 million, from the last year's level of funding. Some research and development activity, such as solar and renewable energy research and development, were cut an even larger percentage, 35 percent, in that particular bill.

The same is true in the transportation appropriations bill that we passed on Tuesday. The conference report cut the Transportation Department's R&D budget request by 30 percent from the President's level of request and by 8 percent from last year's level.

In these two bills alone, civilian research and development is cut by almost \$1 billion from the President's request, by over \$500,000 from the fiscal year 1995 level.

Far deeper cuts are coming in the Commerce, State, Justice appropriations bill, in the VA-HUD appropriations bill and in the Labor-HHS appropriations bill.

This is not what we should be doing to our country as we approach the 21st century. If we do not change from this path, I believe that we will condemn future generations and our own children to a less prosperous and less productive America.

I urge my colleagues to read the Council of Economic Advisers' report and think about the consequences, the long-term consequences, of eating the seed corn of our future prosperity.

I urge my colleagues to think about the consequences of falling behind other industrialized nations in research and development and ultimately in productivity and standard of living. There is a clear and a constructive role for the Federal Government in investing in research. It has been carried out since the beginning of our Republic and, on a very large scale, it has been carried out since the Second World War. It has served our Nation well. It should not be lightly discarded as a collateral casualty of the effort to balance the budget.

IMPORTANCE OF SENATE RATIFICATION OF START II TREATY

Mr. BINGAMAN. Mr. President, I wish to speak for a few moments on another matter. This is a subject of profound importance that the Senate is not dealing with at the moment, and that is providing our advice and consent to ratification of the START II Treaty.

The START II Treaty is one that was negotiated and signed during the Bush administration.

It is so clearly in our national interest to proceed with that treaty that I have heard literally no dissent on that subject. Yet, it remains bottled up in the Foreign Relations Committee, apparently, as a hostage in a dispute over whether the chairman of the committee will get his way in the consolidation of our foreign affairs agencies.

In my view, this is profoundly wrong. Getting rid of several thousand nuclear weapons in Russia is so clearly in our national interest that it is, to me, tragic that the treaty is caught up in the sort of brinkmanship that has come to characterize the new congressional majority's approach to legislating. If it is not the daily public threat to refuse to raise the debt limit, it is the quiet threat we hear to torpedo the SALT II Treaty and the Chemical Weapons Convention.

Let me read into the RECORD some statements made by various people—most of who happen to be Republican—in favor of the START II Treaty.

President George Bush: "The START II Treaty is clearly in the interest of the United States and represents a watershed in our efforts to stabilize the nuclear balance and further reduce strategic defensive arms."

Senator HELMS, chairman of the Foreign Relations Committee:

I am persuaded that the 3,000 to 3,500 nuclear weapons allowed Russia and the United States in this START treaty does not meet reasonable standards of safety.

He made that statement on February 3 of this year.

The Heritage Foundation, in the briefing book that they prepared for new Members of this Congress: "The START II Treaty will serve U.S. interests and should be approved for ratification."

The former Chairman of the Joint Chiefs of Staff, Gen. Colin Powell:

"With a U.S. force structure of about 3,500 nuclear weapons, we have the capability to deter any actor in the other capital no matter what he has at his disposal."

The present Chairman of the Joint Chiefs of Staff, General Shalikashvili, said: "I strongly urge prompt Senate advice and consent on the ratification of START II."

Senator RICHARD LUGAR of this body said: "If new unfriendly regimes come to power, we want those regimes to be legally obligated to observe START limits."

Senator MCCAIN said: "With the conclusion of the START II, the threat of nuclear war has been greatly reduced, and our relationship with the former Soviet Union established on a more secure basis."

Mr. President, let me also read into the RECORD a statement made by the President's press secretary on October 20, in response to yet another postponement of the Senate Foreign Relations Committee business meeting on this issue. This is headlined, "The White House Office of the Press Secretary."

It says:

The President expressed concern today about the postponement of yesterday's Senate Foreign Relations Committee business meeting. He urged the Senate to complete its consideration of both the START II Treaty and the Chemical Weapons Convention and to provide its advice and consent to their ratification as soon as possible.

I ask unanimous consent that the full statement 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,
Washington, DC, October 20, 1995.

STATEMENT BY THE PRESS SECRETARY

The President expressed concern today about the postponement of yesterday's Senate Foreign Relations Committee business meeting. He urged the Senate to complete its consideration of both the START II Treaty and the Chemical Weapons Convention and to provide its advice and consent to their ratification as soon as possible.

"START II and the CWC are of critical importance to U.S. national security," the President declared. "They will help create a safer world for all Americans, and for our friends and allies. We need these two vital treaties now."

START II will continue the process begun by START I of achieving deep reduction in Russian nuclear weapons. This will further diminish the nuclear threat and advance U.S. nonproliferation interests.

The Chemical Weapons Convention will ban an entire class of weapons of mass destruction. Its nonproliferation provisions