

more toward the group he was suggesting. I think that sounds sensible to me.

Mr. KERRY. Mr. President, I believe there was an effort on the floor to try to suggest that the tax cut ought to go to people—and I understand the Senator is absolutely correct, if you are talking about the folks under \$30,000 with the earned-income tax credit, you are obviously talking about a group of people who also need an additional amount of money that comes in the form of a check at the lower end of that scale in order to make it meaningful.

That is not what we are talking about. There was a suggestion on the floor of the Senate that the tax cut ought to be limited to those people earning \$100,000 or less, and that can certainly be framed in a combination of payroll credit-family credit or any combination thereof, but at least in terms of keeping faith with the notion of fairness there is a clear juxtaposition, is there not, between those earning \$100,000 or less, a broad-based capital gains tax that might go to old investments versus new investments?

Or, for instance, an estate tax break that goes to people only with \$600,000 or \$700,000 of estate value. It seems those are difficult fairness issues to try to suggest to the American people that we are approaching this seriously.

Mr. CHAFEE. I agree with the Senator from Massachusetts that we want to look at these. We want to be careful we are not giving tax breaks to the very wealthy when we are trying to balance this budget.

One of the suggestions that has come up here as I understand is that we really concentrate more on rewarding those who save. How can we do it? Should the interest on savings accounts be tax-exempt? Or reinstate the IRA's for those who previously have been eclipsed because they had pension plans of some kind?

All of those I think are fruitful ideas. All I am saying is, I think we have the basis here for a resolution to this problem. Again, it will require all of us to back off from entrenched positions.

I hope that the Democrats would agree to the 7-year time schedule. I think that is a reasonable request. If we cannot do this by the year 2002, then we have real problems in this country.

We have no war. We are in peacetime. The country is relatively prosperous. Clearly, we ought to be able to pay our bills and have outgo match income in the year 2002.

Mr. KERRY. Will the Senator yield?

The PRESIDING OFFICER. The Chair will advise the Senator from Rhode Island his time has expired.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

#### BOSNIA

Mr. GLENN. Mr. President, earlier today Bosnia was discussed on the floor

here. I wish to make a few remarks in that regard in the time allotted in morning business, because I think there is a great deal that is misunderstood about the peace process and our involvement in it and what our relationship is to the talks going on in Dayton.

When we talk about the House, they had a lot of discussion in the House, and, of course, they had their vote over there, against any involvement in this or against going in militarily. But what has to be agreed to before we even get involved in any way, what has to be agreed to, is a complete peace agreement. It has to be agreed to, and not only agreed to but the firing has to have stopped before we move in.

There are those who, apparently, assume we are going to have to fight our way in to establish peace and establish a peace as Tito did during the only period in modern history where there has been peace in Yugoslavia. That was a militarily imposed peace on the whole country.

That is not the kind of peace we are talking about. There have to be two conditions met. First, there has to be an agreement. It has to be airtight. It has to be extremely detailed. It has to define exactly what the borders are. It has to define exactly which town is in what sector and what they have agreed to and signed up and said will be the new formation of those cities, those newly emerging countries in that area. So that agreement they are trying to work out in Dayton right now has to be in that fine a detail. It cannot be just a peace agreement that says we will move in and we hope we can establish peace. "Yes, United States and NATO, you come and we know this will all work out." It is not that kind of agreement they are working toward. If I thought it was that kind of agreement, I would not be supporting this process whatsoever.

What they are talking about is a very, very detailed agreement—specific borders. Will this orchard be on this side? Whose territory will it be in? Will the next farm be in somebody else's territory? Will the road junction be in whose territory? That is the kind of detail they are trying to work out on huge maps out there in Dayton. I would say, it will be uphill at best that there will be any agreement coming out of that. I am still of the opinion that it is probably 60-40 against our ever being involved over there, because I doubt the parties will be able to come to that kind of definitive outline on a map as to who has what in their territory. It has to be that way or we should not get involved.

Second, the firing has to have stopped. The firing has to have ceased. Obviously, the next question is, then, if they have that kind of commitment to peace, which they say they have, and that is the reason they are in Dayton talking, and they have come to a definitive peace agreement and firing has

stopped, why does anybody need to go in?

We were over there recently, just 1 month ago this weekend. Four weeks ago this weekend I was part of the Senator STEVENS' Codel over there. We were briefed by our military leadership and by our people and U.N. people in Zagreb and Croatia. We flew into Sarajevo for a period of time, along with 21,000 pounds of peas on a C-130, and out again. We spent about half a day, which does not make us experts in that area, but it was interesting to see it, anyway. Then we came back through Brussels and talked to our Ambassadors there.

But, when we were there, what we were so impressed with was there is a desire for peace. That is what has started this whole thing. The parties themselves say they are tired of war. The parties themselves say they want peace but are unable to get it. If we have the agreement and we have the cease-fire, why do we need to go? Here are the facts we were told while we were over there.

It is estimated that about 20 to 50 percent of the people involved in the fighting there are what they call the irregulars. They are not people who are part of a regular, organized military militia that accepts commands from above or from Belgrade or anywhere else. They are people who are the irregulars. They are the farmers who are out cutting hay one day. They go up to the lines, up to the next village where there is a battle going on, they take a rifle from someone, they are in the lines for 3 or 4 days while someone else goes back to cut their hay. They are the people who, in the 30-some cease-fires that there have been over there so far, they are the ones who have violated the cease-fire because they basically do not take orders from anyone in particular. So the firing starts again, it spreads, and we have had 30-some cease-fires that have not worked. The fighting starts again.

What is contemplated, and what our role would be over there—if we go in, if there is the airtight agreement, if the firing has stopped—then there would be zones set up between the parties along these borders, well-defined borders, where there would be 2- to 4-kilometer width areas in this that would be patrolled or would be monitored by the NATO forces, of which we would be about one-third of the total NATO force. I do not see that as being bad in that situation.

Now, if there is firing by these irregulars or anyone else, we would put it down immediately. We would hope, because of the massive show of force we are putting in there, there would be no firing. If there is, it would be put down and put down immediately. It would be by NATO rules of engagement, not the U.N. rules of engagement. They are more of a debating society than anything else. But NATO rules of engagement say if you are fired on, you can obliterate that source. I asked General

Joulwan, would we be permitted to take out anybody who fired on any of the NATO forces? Absolutely.

That is key to the whole thing. Will there be any risk? I suppose there is. We have already had three people killed over there when we had Frasure, Kruzell, and Drew, who were in a vehicle that slid off the road and they were killed in the wreck. That is tragic. Our hearts go out to their families on this. I knew one of the gentlemen, Mr. Kruzell, in particular. It is a terrible thing that anybody is killed in a situation like this.

But will there be any danger of accidents like that, or maybe somebody getting killed? There might be. But I would also point out we do not withdraw the Peace Corps from overseas, and the Peace Corps in its history has had 224 people who have died overseas. I was surprised it was that high a number. I would have thought it would have been a very, very few, but the Peace Corps lost 224 people so far, to this date, since its inception.

Like the old saying in aviation, "How do you have complete, 100 percent aviation safety? You keep all the airplanes in the hangar. You do not risk them." Yet we know how much good we have done around the world by being involved to some extent. We have a Christian-Judeo heritage of helping people, alleviating suffering around the world. We supply food, we send out AID programs. Of course, we cannot solve all the world's problems, either with peaceful organizations or with the military. But I think an American leadership in the world has been such a force for good, I would hate to see us go back to trying to be an isolationist America.

I repeat once again, we have to have an agreement, airtight. The firing has to have stopped. Then we go in with minimal risk, with our NATO allies, to try to keep that peace that has been eluding them so far, basically because of the irregulars who do not honor these cease-fires.

Our leadership is important. We restored democracy in Haiti. In the process of doing that, of leading, we have been involved in bringing peace to the Middle East, working on it in Northern Ireland, we see Russian nuclear weapons are no longer aimed at our people. We secured the indefinite extension of a Nuclear Nonproliferation Treaty, which was a big step forward. We achieved real progress toward a Comprehensive Nuclear Test Ban Treaty. We reached an agreement with North Korea to end its nuclear weapons program. These are products of American leadership, and that is just a little, partial list. We have seen democracies growing in South America because of our involvement there.

I think the risk over there, in that Bosnian area, if it is done pursuant to a well-thought-out agreement and a cease-fire, and we go in with a preponderance of force that people understand is going to be used if they break the

peace and if they fire—to me is well worth the risk.

Much has been made out of the fact that we want to provide leadership for NATO. I agree with that. I think our membership in NATO is very important. But that is not just the reason why we go in. That is pointed to, sometimes, as the reason we go in, in effect saying, "There go our NATO people. We better rush out and lead them, because we are the biggest factor in NATO."

I will not agree with that. NATO has to be right. Let us judge this on whether it is right to go in, or wrong to go in, and try to get peace in that area where peace has not taken root for so long, and where some of the actions that have happened there in the past have literally been the sparks that set off two world wars. So, if we can bring peace to that area, to me it is well worth the risk.

NATO leadership, I think, is, important, and NATO has been looked at by too many Americans, I believe, as just some sort of a remnant of the cold war, and let us forget it and move out of NATO. Is it still important? I do believe NATO is important. It is important. NATO leadership is what is moving us into the organization for security and cooperation in Europe working with the European Union. We have a Partnership for Peace, which is in its fledgling days but becoming more and more important. The North Atlantic Cooperation Council was formed in 1991. That is moving ahead, and really is a good force for peace in that part of the world. We are the biggest factor in NATO. I think it is important that we retain that. But I do not see our leadership of NATO as just being the only reason we should move into that particular area.

I know my time is up. Do not forget for 1 minute that we have to have an airtight agreement. We have to have a cease-fire, and on that basis we move in to try to give peace a chance in that very, very tough area of the world.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from North Dakota.

Mr. DORGAN. Mr. President, it is my understanding that we are in morning business under a 10-minute rule.

The PRESIDING OFFICER. The Senator is correct.

Mr. DORGAN. Mr. President I wanted to respond to the Senator from Rhode Island and some others today. I found his remarks to be particularly interesting and helpful, and, as is often the case, I find myself agreeing with a fair amount of what he says. He is sensible, and moderate, which is probably difficult for many these days. I saw a cartoon recently in which someone was pointing at someone else and saying "There is no room for moderates here." The fact is that there is a lot of room for moderates. There are moderates in

both political parties who generally do not view things from the extremes and who want to solve problems. I hope we will find a way, using some common sense, to engage in an attempt to find solutions to some of the vexing problems we have in this country.

The Senator from Georgia was on the floor talking about trash television a few moments ago. My sense is that people in this country are concerned about two principal areas, and he hit on one of those. One is economic security. The fact is that many Americans are having more trouble finding a job, and many others are finding that their wages are declining. Sixty percent of American families are working harder for less money and are losing income. This means less economic security. I think people are very concerned about that.

They are also concerned about the diminution of values—the lowering of standards in this country. And part of that relates to trash television and violence on television. We can do something about some of these things, but not all of them. We must address some of the issues in the home and in the community. But some of these problems represent public policy areas as well.

In the area of economic security, one of the things that is often discussed—and one that I agree with—is that we have to put our fiscal house in order at some point. We cannot continue to run enormous debts year after year. We cannot spend money we do not have forever.

I would not have a problem if next year we spent \$400 billion we did not have—and therefore incur a deficit next year of \$400 billion—if with that \$400 billion we cured cancer just like that. I would say that was a pretty good investment. You amortize that over the next 40, 50, 70 years, and it would be worth paying off the \$400 billion deficit incurred to cure cancer.

But that is not what these deficits are about. These are systemic deficits in the operating budgets of this country. You cannot continue that. You must address it.

That is why I said last evening that I commend the majority party for a reconciliation bill that contains some things that are good. It contains some awful things as well, and I think some bad priorities. I am glad the President is going to veto it. I do not support it. But it has a good number of things that make a lot of sense. There are a good number of things in that reconciliation bill that both sides would agree to. But there are some major elements of the reconciliation bill that must be changed because, as we address the deficit in this country—and ultimately we must do it together—we must find a compromise. We should not ask the portion of the American people who have the least to bear the biggest burden of all the spending cuts, and then turn to the small portion of those who

have the most and give them the largest share of the tax cuts. We have to try to fix some of those things.

With respect to where we are today, the shutdown ought to end. The reconciliation bill is passed. The President is going to veto it. Negotiations, in my judgment, ought to begin immediately to try to find a solution to the impasse and a solution to the reconciliation bill. The question ought not be whether we have a reconciliation bill. The question is not whether we address the budget deficit and lead to a balanced budget. The question is, how do we do that? Not whether, but how?

There is no good reason, in my judgment, to have a continued government shutdown. There is no juice left in that lemon for anybody—not for any political party, and not for any political leader. This shutdown does not make any sense.

I probably contribute to some of the concerns about the language that has been used during the shutdown. I read on the floor statements by the Speaker of the House, who in April said, "We are going to create a titanic standoff and shut down the Government." Those are the facts. However, I am not saying that only one party is at fault here. The fact is that there is lots of room for blame. There has been lots of language uttered in these past few days that has caused a lot of chaos in the political system. But we find ourselves in a circumstance where we have people who say it is either our way or it is no way. If you do not do it our way, we will shut the Government down. The fact is Government works by consent. This is a democracy. For 200 years we have had impasses over wars, over depressions, over dozens and dozens of vexing, troublesome issues. The way those impasses have been solved is that people with good will, with common sense, have come together and said, "Let us reason. Let us find a way to meet the goal, to work out this problem together."

I want to mention a couple of things that were in the reconciliation bill which causes a lot of problems.

Medicare—do we need to reduce the rate of growth in Medicare and Medicaid? Yes, we do. Not just in Medicare and Medicaid but in the price of health care generally for families, for businesses, for governments. The price of health care, the escalation of health care costs year after year somehow has to be addressed. But no one can any longer believe that what is in this reconciliation bill will address the price escalation in Medicare by saying to senior citizens you will have the same quality health care and you will not pay more for it. Everyone understands this approach means senior citizens will get less and pay more.

The tax cut—many of us feel very strongly that the facts show every dollar of this tax cut will be borrowed. I would love to have somebody come and explain why that is not true. Regrettably, it is true. Every dollar of the

proposed \$245 billion tax cut will be borrowed and will add to the national debt, which adds to the burden of those children we have been talking about.

On the car radio on the way in this morning, I heard a woman who had called the radio to talk about the shutdown. She said both of her parents, regrettably, have to go to a nursing home, one because of Alzheimer's and one who had a stroke. They have been there 5 years and started out with an asset base of \$400,000 to \$600,000. Now much of that is gone. She called and said, "My worry is for when their assets are gone—and I believe that their assets should be used to pay for their care—my parents will not have an entitlement to Medicaid." When their assets are gone, under this new proposal, they will not have guaranteed coverage under Medicaid. That will be up to the States. Maybe the States will decide that nursing home care is an entitlement for her parents. Maybe not. She was worried about that.

That is a significant change. That was in this budget reconciliation bill. I mentioned last evening the differences in spending priorities that have been talked about and for which the CR was fought over this weekend—cuts of 40 percent out of a little program called Star Schools; only \$25 million is spent on Star Schools and that will be cut by 40 percent. The bill the Senate passed the other day, which I voted against, doubles the amount of money spent on star wars despite the fact that is was not requested by the Pentagon.

I think these priorities are wrong. I do not say that in a pejorative way. I say that in my judgment we can do a lot better for this country than those priorities.

I mentioned yesterday that in this thick reconciliation plan, there are two little things buried—among dozens and dozens—that I bet nobody in the Chamber knew about. One is a provision to repeal the alternative minimum tax provisions we put in place in 1986. That little thing that nobody knows about means that 2,000 corporations will receive \$7 million each in tax cuts.

Let me say that again: 2,000 corporations will receive a tax cut of \$7 million each.

Another little provision is labeled 956(A). I bet no one in the Chamber knows what it is. Well, it deals with the repeal of the circumstance of deferral with respect to income that is deferred for tax purposes by foreign subsidiaries of American corporations. They have the money over there. Now, we have certain passive rules that say you have to repatriate the money you pay taxes on. This little nugget in here says we are going to spend hundreds of millions of dollars to tell those companies that have moved jobs overseas, moved jobs out of this country: By the way, we are going to reward you even more for it.

Those things do not make any sense. We ought not vote for a bill that includes things like that.

I bet there is no one in the Senate who knew that provision was in that plan. I am talking about a couple little provisions—there are dozens and dozens and dozens of those little nuggets—that say to big interests, special interests: Guess what? It is time to smile. We are offering up to you an enormous reward at a time when we say to kids, we do not have room for you in the Head Start Program; at a time when we say to kids benefiting from the Star Schools Program that we are sorry, you are going to have to cut back.

My point is that this debate is about priorities and choices. All of us, it seems to me, in the coming days can do better. And I stand here as one who says let us balance the budget. Let us do it the right way. Let us all engage in debate about choices and agree. Seven years is just fine with me. In fact, we could do it within 5 if the Federal Reserve Board will take the boot off the neck of Americans and allow us a little economic growth. But let us discuss it together—the Senator from Rhode Island is absolutely right—use some common sense and do the right thing for this country.

Mr. President, I thank you for your indulgence. I yield the floor.

#### BUDGET PRIORITIES

Mr. KERRY. Mr. President, I would like to pick up, if I may, where the Senator from North Dakota leaves off.

He talked about the dozens and dozens of nuggets that are in this bill. I know my colleague from Massachusetts is going to talk about some of those specific items. I would like to speak for a moment, if I may, about the word that the Senator from North Dakota kept using about priorities.

I wish to emphasize, as I think every Democrat wants to emphasize, this debate is not about whether to balance the budget. We keep hearing Republican friends come to the floor, and they keep saying we have to do this because this is the only way to balance the budget. If we do not do this, the Democrats will not balance the budget. They do not want to balance the budget.

Mr. President, this is not the only way to balance the budget. That is what this fight is about. And, indeed, the majority of Democrats have voted to balance the budget, balance it in 7 years—balance the budget. We voted for a 9-year balancing of the budget. The balancing of the budget is not what is at issue before America today. What is at issue is what choices will we make as we balance it.

Now, it is uncontested—every analysis of our economy shows—that those Americans we keep talking about, the Americans who work every day the hardest, the people who go and punch in a clock or the people who are the nitty-gritty of the production of goods in this country, are working harder, and they are making less money for their effort. They have less ability to