

REMARKS BY SENATOR WILLIAM S. COHEN, WEHRKUNDE CONFERENCE, MUNICH, GERMANY, FEBRUARY 4, 1995

We have entered a new world of disorder and our inability to formulate coherent policies and strategies to deal with ethnic conflicts and the expansion of NATO membership has led to cross-Atlantic fear, confusion, incoherence, and recrimination—a state of affairs not unprecedented for the NATO alliance.

I would like for the moment to offer a few observations on Bosnia to see whether the present is prologue:

1. NATO cannot act unless America leads.
2. America will not lead unless it can persuade the American people that it is imperative for us to do so.

3. The conflict in Bosnia is not perceived to involve American interests that are vital. Rather, it is a quagmire where its inhabitants would rather dig fresh graves than bury old hatreds.

4. The European members of NATO were not willing to wade into the quick sand of ancient rivalries and engage in peacemaking operations so the responsibility was passed to the U.N., which has fewer divisions than the Pope and none of his moral authority.

As a result, we are all bearing witness to the decimation of a nation that was guaranteed protection under the U.N. Charter while the best we can offer is to seek to minimize the bloodshed by denying arms to the victims of aggression.

Our collective acquiescence to aggression may be the lesser of two evils—but it is nonetheless the participation in the evil of ethnic cleansing that we hoped might never again touch the European continent.

We are hesitant to take more aggressive action because the consequences of our action cannot be predicted. The absence of predictability prevents the development of consensus:

Should we do nothing militarily to stop Serbian aggression?

Lift the arms embargo unilaterally if necessary and strike?

Lift and get out of the way—if that is possible?

Time is running out on our Hamlet-like irresoluteness. Before the decision is made to lift the arms embargo, with all of its attendant uncertainties—including the fear of Americanizing the war on the part of some and the hope of doing so on the part of others—we should make an effort to establish the credibility of UNPROFOR's mission and might:

New leadership is required. General Rose has departed. General Smith has taken his place. Mr. Akashi should be asked to resign immediately.

When a no-fly zone or weapons exclusion zone has been declared, it should be enforced, not allowed to be violated with impunity.

No tribute or tolls should be paid by UNPROFOR forces to gain passage to help the victims of war.

No tolerance should be granted for taking hostages or using them as human shields.

If any harm should come to UNPROFOR forces, we should take out every major target that allows the Serbs to continue to wage war. That power should be disproportionate to the transgression and no area in Serbia ruled out of our bomb sites.

UNPROFOR should be given the heavy armor necessary to protect its forces and achieve its humanitarian mission.

If we are unable to give UNPROFOR—whose troops are trapped in the layers of a disastrous dual command structure—the authority and firepower to achieve these ends, then we should remove the forces before the U.N.'s political impotence is allowed to cor-

rode NATO's military integrity and credibility any further than it has already done so.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MIDDLE-CLASS BILL OF RIGHTS TAX RELIEF ACT OF 1995—MESSAGE FROM THE PRESIDENT—PM 17

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, transmitting, a draft of proposed legislation to amend the Internal Revenue Code of 1986 to provide tax relief for the middle-class, together with accompanying papers; which was referred to the Committee on Finance:

To the Congress of the United States:

I am pleased to transmit today for your immediate consideration and enactment the "Middle-Class Bill of Rights Tax Relief Act of 1995." I am also sending you an explanation of the revenue proposals of this legislation.

This bill is the next step in my Administration's continuing effort to raise living standards for working families and help restore the American Dream for all our people.

For 2 years, we have worked hard to strengthen our economy. We worked with the last Congress to enact legislation that will reduce the annual deficits of 1994-98 by more than \$600 billion; we created nearly 6 million new jobs; we cut taxes for 15 million low-income families and gave tax relief to small businesses; we opened export markets through global and regional trade agreements; we invested in human and physical capital to increase productivity; and we reduced the Federal Government by more than 100,000 positions.

With that strong foundation in place, I am now proposing a Middle Class Bill of Rights. Despite our progress, too many Americans are still working harder for less. The Middle Class Bill of Rights will enable working Americans to raise their families and get the education and training they need to meet the demands of a new global economy. It will let middle-income families share in our economic prosperity today and help them build our economic prosperity tomorrow.

The "Middle-Class Bill of Rights Tax Relief Act of 1995" includes three of the four elements of my Middle Class Bill of Rights. First, it offers middle-income families a \$500 tax credit for each child under 13. Second, it includes a tax deduction of up to \$10,000 a year to help middle-income Americans pay for post-secondary education expenses and training expenses. Third, it lets more middle-income Americans make tax-deductible contributions to Individual Retirement Accounts and withdraw from them, penalty-free, for the costs of education and training, health care, first-time home-buying, long periods of unemployment, or the care of an ill parent.

The fourth element of my Middle Class Bill of Rights—not included in this legislation—is the GI Bill for America's Workers, which consolidates 70 Federal training programs and creates a more effective system for learning new skills and finding better jobs for adults and youth. Legislation for this proposal is being developed in cooperation with the Congress.

If enacted, the Middle Class Bill of Rights will help keep the American Dream alive for everyone willing to take responsibility for themselves, their families, and their futures. And it will not burden our children with more debt. In my fiscal 1996 budget, we have found enough savings not only to pay for this tax bill, but also to provide another \$81 billion in deficit reduction between 1996 and 2000.

This legislation will restore fairness to our tax system, let middle-income families share in our economic prosperity, encourage Americans to prepare for the future, and help ensure that the United States moves into the 21st Century still the strongest nation in the world. I urge the Congress to take prompt and favorable action on this legislation.

WILLIAM J. CLINTON.
THE WHITE HOUSE, February 13, 1995.

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT—PM 18

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Joint Economic Committee:

To the Congress of the United States:

Two years ago I took office determined to improve the lives of average American families. I proposed, and the Congress enacted, a new economic strategy to restore the American dream. Two years later, that strategy has begun to pay off.

Together we have created an environment in which America's private sector has been able to produce more than 5 million new jobs. Manufacturing employment grew during each month of 1994—the first time that has happened since 1978. We have cut the deficit in

the Federal budget for 3 years running, we have kept inflation in check, and, based on actions I have already taken, the Federal bureaucracy will soon be the smallest it has been in more than 3 decades. We have opened up more new trade opportunities in just 2 years than in any similar period in a generation. And we have embarked on a new partnership with American industry to prepare the American people to compete and win in the new global economy.

In short, America's economic prospects have improved considerably in the last 2 years. And the economy will continue to move forward in 1995, with rising output, falling deficits, and increasing employment. Today there is no country in the world with an economy as strong as ours, as full of opportunity, as full of hope.

Still, living standards for many Americans have not improved as the economy has expanded. For the last 15 years, those Americans with the most education and the greatest flexibility to seek new opportunities have seen their incomes grow. But the rest of our work force have seen their incomes either stagnate or fall. An America that, in our finest moments, has always grown together, now grows apart.

I am resolved to keep the American dream alive in this new economy. We must make it possible for the American people to invest in the education of their children and in their own training and skills. This is the essence of the New Covenant I have called for—economic opportunity provided in return for people assuming personal responsibility. This is the commitment my Administration made to the American people 2 years ago, and it remains our commitment to them today.

THE ADMINISTRATION'S ECONOMIC STRATEGY

Our economic strategy has been straightforward. First, we have pursued deficit reduction to increase the share of the Nation's economic resources available for private investment. At the same time we have reoriented the government's public investment portfolio with an eye toward preparing our people and our economy for the 21st century. We have cut yesterday's government to help solve tomorrow's problems, shrinking departments, cutting unnecessary regulations, and ending programs that have outlived their usefulness. We have also worked to expand trade and to boost American sales to foreign markets, so that the American people can enjoy the better jobs and higher wages that should result from their own high-quality, high-productivity labor. Having fixed the fundamentals, we are now proposing what I call the Middle Class Bill of Rights, an effort to build on the progress we have made in controlling the deficit while providing tax relief that is focused on the people who need it most.

PUTTING OUR OWN HOUSE IN ORDER

The first task my Administration faced upon taking office in January 1993 was to put our own economic

house in order. For more than a decade, the Federal Government had spent much more than it took in, borrowing the difference. As a consequence, by 1992 the Federal deficit had increased to 4.9 percent of gross domestic product—and our country had gone from being the world's largest creditor Nation to being its largest debtor.

As a result of my Administration's deficit reduction package, passed and signed into law in August 1993, the deficit in fiscal 1994 was \$50 billion lower than it had been the previous year. In fact, it was about \$100 billion lower than had been forecast before our budget plan was enacted. Between fiscal 1993 and fiscal 1998, our budget plan will reduce the deficit by \$616 billion. Our fiscal 1996 budget proposal includes an additional \$81 billion in deficit reduction through fiscal 2000.

PREPARING THE AMERICAN PEOPLE TO COMPETE AND WIN

As we were taking the necessary steps to restore fiscal discipline to the Federal Government, we were also working to reorient the government's investment portfolio to prepare our people and our economy for 21st-century competition.

Training and Education. In our new information-age economy, learning must become a way of life. Learning begins in childhood, and the opportunity to learn must be available to every American child—that is why we have worked hard to expand Head Start.

With the enactment of Goals 2000 we have established world-class standards for our Nation's schools. Through the School-to-Work Opportunities Act we have created new partnerships with schools and businesses to make sure that young people make a successful transition to the world of work. We have also dramatically reformed the college loan program. Americans who aspire to a college degree need no longer fear that taking out a student loan will one day leave them overburdened by debt.

Finally, we are proposing to take the billions of dollars that the government now spends on dozens of training programs and make that money directly available to working Americans. We want to leave it up to them to decide what new skills they need to learn—and when—to get a new or better job.

New Technology. Technological innovation is the engine driving the new global economy. This Administration is committed to fostering innovation in the private sector. We have reoriented the Federal Government's investment portfolio to support fundamental science and industry-led technology partnerships, the rapid deployment and commercialization of civilian technologies, and funding for technology infrastructure in transportation, communications, and manufacturing.

A Middle Class Bill of Rights. Fifty years ago the GI Bill of Rights helped transform an economy geared for war into one of the most successful peace-

time economies in history. Today, after a peaceful resolution of the cold war, middle-class Americans have a right to move into the 21st century with the same opportunity to achieve the American dream.

People ought to be able to deduct the cost of education and training after high school from their taxable incomes. If a family makes less than \$120,000 a year, the tuition that family pays for college, community college, graduate school, professional school, vocational education, or worker training should be fully deductible, up to \$10,000 a year. If a family makes \$75,000 a year or less, that family should receive a tax cut, up to \$500, for every child under the age of 13. If a family makes less than \$100,000 a year, that family should be able to put \$2,000 a year, tax free, into an individual retirement account from which it can withdraw, tax free, money to pay for education, health care, a first home, or the care of an elderly parent.

EXPANDING OPPORTUNITY AT HOME THROUGH FREE AND FAIR TRADE

Our efforts to prepare the American people to compete and win in the new global economy cannot succeed unless we succeed in expanding trade and boosting exports of American products and services to the rest of the world. That is why we have worked so hard to create the global opportunities that will lead to more and better jobs at home. We won the fight for the North American Free Trade Agreement (NAFTA) and the Uruguay Round of the General Agreement on Tariffs and Trade (GATT).

Our commitment to free and fair trade goes beyond NAFTA and the GATT. Last December's Summit of the Americas set the stage for open markets throughout the Western Hemisphere. The Asia-Pacific Economic Cooperation (APEC) group is working to expand investment and sales opportunities in the Far East. We firmly believe that economic expansion and a rising standard of living will result in both regions, and the United States is well positioned both economically and geographically to participate in those benefits.

This Administration has also worked to promote American products and services to overseas customers. When foreign government contracts have been at stake, we have made sure that our exporters had an equal chance. Billions of dollars in new export sales have been the result, from Latin America to Asia. And these sales have created and safeguarded tens of thousands of American jobs.

HEALTH CARE AND WELFARE REFORM: THE UNFINISHED AGENDA

In this era of rapid change, Americans must be able to embrace new economic opportunities without sacrificing their personal economic security. My Administration remains committed to providing health insurance coverage for every American and containing

health care costs for families, businesses, and governments. The Congress can and should take the first steps toward achieving these goals. I have asked the Congress to work with me to reform the health insurance market, to make coverage affordable for and available to children, to help workers who lose their jobs keep their health insurance, to level the playing field for the self-employed by giving them the same tax treatment as other businesses, and to help families provide long-term care for a sick parent or a disabled child. We simply must make health care coverage more secure and more affordable for America's working families and their children.

This should also be the year that we work together to end welfare as we know it. We have already helped to boost the earning power of 15 million low-income families who work by expanding the earned income tax credit. With a more robust economy, many more American families should also be able to escape dependence on welfare. Indeed, we want to make sure that people can move from welfare to work by giving them the tools they need to return to the economic mainstream. Reform must include steps to prevent the conditions that lead to welfare dependence, such as teen pregnancy and poor education, while also helping low-income parents find jobs with wages high enough to lift their families out of poverty. At the same time, we must ensure that welfare reform does not increase the Federal deficit, and that the States retain the flexibility they need to experiment with innovative programs that aim to increase self-sufficiency. But we must also ensure that our reform does not punish people for being poor and does not punish children for the mistakes of their parents.

REINVENTING GOVERNMENT

Taking power away from Federal bureaucracies and giving it back to communities and individuals is something everyone should be able to support. We need to get government closer to the people it is meant to serve. But as we continue to reinvent the Federal Government by cutting regulations and departments, and moving programs to the States and communities where citizens in the private sector can do a better job, let us not overlook the benefits that have come from national action in the national interest: safer foods for our families, safer toys for our children, safer nursing homes for our elderly parents, safer cars and highways, and safer workplaces, cleaner air and cleaner water. We can provide more flexibility to the States while continuing to protect the national interest and to give relief where it is needed.

The New Covenant approach to governing unites us behind a common vision of what is best for our country. It seeks to shift resources and decision-making from bureaucrats to citizens, injecting choice and competition and individual responsibility into national policy. In the second round of rein-

venting government, we propose to cut \$130 billion in spending by streamlining departments, extending our freeze on domestic spending, cutting 60 public housing programs down to 3, and getting rid of over 100 programs we do not need. Our job here is to expand opportunity, not bureaucracy—to empower people to make the most of their own lives. Government should be leaner, not meaner.

THE ECONOMIC OUTLOOK

As 1995 begins, our economy is in many ways as strong as it has ever been. Growth in 1994 was robust, powered by strong investment spending, and the unemployment rate fell by more than a full percentage point. Exports soared, consumer confidence rebounded, and Federal discretionary spending as a percentage of gross domestic product hit a 30-year low. Consumer spending should remain healthy and investment spending will remain strong through 1995. The Administration forecasts that the economy will continue to grow in 1995 and that we will remain on track to create 8 million jobs over 4 years.

We know, nevertheless, that there is a lot more to be done. More than half the adult work force in America is working harder today for lower wages than they were making 10 years ago. Millions of Americans worry about their health insurance and whether their retirement is still secure. While maintaining our momentum toward deficit reduction, increased exports, essential public investments, and a government that works better and costs less, we are committed to providing tax relief for the middle-class Americans who need it the most, for the investments they most need to make.

We live in an increasingly global economy in which people, products, ideas, and money travel across national borders at lightning speed. During the last 2 years, we have worked hard to help our workers take advantage of this new economy. We have worked to put our own economic house in order, to expand opportunities for education and training, and to expand the frontiers of free and fair trade. Our goal is to create an economy in which all Americans have a chance to develop their talents, have access to better jobs and higher incomes, and have the capacity to build the kind of life for themselves and their children that is the heart of the American dream.

WILLIAM J. CLINTON.

THE WHITE HOUSE, February 13, 1995.

MESSAGES FROM THE HOUSE

At 4 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following bills, in which it requests the concurrence of the Senate:

H.R. 668. An act to control crime by further streamlining deportation of criminal aliens; and

H.R. 729. An act to control crime by a more effective death penalty.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 668. An act to control crime by further streamlining deportation of criminal aliens; to the Committee on the Judiciary.

H.R. 729. An act to control crime by a more effective death penalty; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-412. A communication from the Director of the Office of Management and Budget, transmitting, pursuant to law, the Office's Sequestration Preview Report for fiscal year 1996; pursuant to the order of August 4, 1977; referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

EC-413. A communication from the Secretary of Commerce, transmitting, pursuant to law, the 1994 annual report of the Visiting Committee on Advanced Technology of the National Institute of Standards and Technology; to the Committee on Commerce, Science and Transportation.

EC-414. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report entitled "Performance Profiles of Major Energy Producers 1993"; to the Committee on Energy and Natural Resources.

EC-415. A communication from the Secretary of Transportation, transmitting, pursuant to law, the Department's fiscal year 1994 report relative to Superfund; to the Committee on Environment and Public Works.

EC-416. A communication from the Acting Inspector General of the Department of the Interior, transmitting, pursuant to law, a report entitled, "Accounting for Fiscal Year 1993 Reimbursable Expenditures of Environmental Protection Agency Superfund Money, Water Resources Division, U.S. Geological Survey"; to the Committee on Environment and Public Works.

EC-417. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, prospectuses for three U.S. courthouses; to the Committee on Environment and Public Works.

EC-418. A communication from the Inspector General of the Federal Emergency Management Agency, transmitting, pursuant to law, a report relative to the temporary and permanent relocation components of the Superfund Program during fiscal year 1993; to the Committee on Environment and Public Works.

EC-419. A communication from the Chairman of the Physician Payment Review Commission, transmitting, pursuant to law, a report relative to Medicare beneficiaries; to the Committee on Finance.

EC-420. A communication from the Assistant Secretary of State, Legislative Affairs, transmitting, pursuant to law, a report relative to the payment of a reward pursuant to 22 U.S.C. Section 2708; to the Committee on Foreign Relations.