

inordinate, unhealthy fear of the specter of inflation. That has caused the kind of hair-trigger approach that they have at the Fed that any time there is even the specter on the horizon of inflation, they will move to increase interest rates, to the point now, that the bond markets react even before they do it because they think they are going to do it.

So I am going to discuss the 100 percent increase in interest rates, 1994 to 1995, why that happened, why at least I think it happened, and the fact that interest rates should have come back down to that previous level by now and could come down, not in one fell swoop, but could have over a period of time. That could have really strengthened our economy.

As I said, that is nothing personal. I agree with Mr. DORGAN. I have nothing personal against Mr. Greenspan. I assume he is a very bright, intelligent individual. But I believe that his policies, I believe that his mindset, are locked in the past. After all, this is an individual who as late as last year in committee on the record said that he did, indeed, believe in going back to the gold standard, he would support going back to the gold standard.

Well, I do not know how many economists believe that. But I think you get that kind of mindset that says, yes, he would like to be on the gold standard again. Well, that may have been a good thing at one time, but the world has moved, the economy has moved. We are in a little different situation today. I daresay anyone who believes that we ought to go back to the gold standard is the same kind of person who would have this inordinate attitude that we must keep relatively high interest rates no matter what, even if inflation is less than 2 percent.

I believe it does a disservice to our economy, it does a disservice to America, and it does a disservice to our next generation of young people coming along. We need to grow this economy. We can do all we want here in the Congress. Because of budget constraints, there is nothing we are going to do that could in any way affect the growth of our economy as much as lowering interest rates by the Fed could. That probably will not happen as long as we have Mr. Greenspan.

(The remarks of Mr. HARKIN pertaining to the introduction of S. 1876 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

BOSNIA

Mr. INHOFE. Mr. President, I have been very distressed, as many people have, over the recent developments in Bosnia, statements that have been made, attributed to a number of our high-ranking officials, including Secretary of Defense William Perry.

Many of us were quite outspoken in our opposition to sending troops into Bosnia back when the decision was

made by the President and his administration. I can remember having the resolution of disapproval that I had with Senator HUTCHISON. We only lost that by four votes. One of the selling points on the floor was this is going to be a mission that will be completed, successfully completed, and the troops will be out in a period of 12 months. None of us believed that at that time.

I can remember so well on October 17 of 1995, the Senator from New Mexico, Senator BINGAMAN, asked the question of Secretary Perry: "What do we contemplate as far as a remaining presence once the one-year period is up, or once the IFOR troop development is complete? Would we expect to see some residual NATO force remain?"

Secretary Perry responded:

"I expect that the security—that the function of external forces maintaining security will be accomplished by then . . . The IFOR, the NATO force which is responsible, an external force for maintaining security—we expect that function to be completed in one year and the forces to be completely removed."

Later in testimony before the Senate Armed Services Committee, he said: "The implementation force will complete its mission in a period not to exceed 12 months. We believe this will be more than adequate to accomplish the needed tasks that will allow the peace to be self-sustaining. As we did in Haiti, we anticipate the IFOR will go in heavy and, if successful"—a key phrase—"would begin drawing down significantly far in advance of the final exit date," that exit date being 12 months.

We keep hearing how successful the operation is, so we assume, if successful, that condition has been met. He was talking about drawing down the forces far in advance of the 12-month period that he committed to.

I suggest the commitment was much stronger. I asked in that committee meeting: "Are you saying to this committee on the record that 12 months is it, and after 12 months we are out of there?"

I remember that distinctly because I asked the question of General Shalikashvili: "Can you tell me any time in military history when you had an exit strategy that is geared to time as opposed to events." That was October 17.

General Shalikashvili, the Chairman of the Joint Chiefs of Staff, also responded at that time to a question asked by Senator ROBB of Virginia. The response was: "From a military perspective," this is General Shalikashvili, Chairman of the Joint Chiefs of Staff, the top guy, "From a military perspective, as I evaluated the tasks we wished this force to accomplish, it was my judgment that in fact can be done in 12 months or less."

Right after that, Mr. President, I wanted to see for myself, and I spent some time and went over to Bosnia, went alone, and talked to a number of the commanders. Not a single U.S.

NATO or U.N. commander thought the peace in Bosnia could be achieved in anything close to 12 months. I thought I would talk to the people in the northeast sector, which is that sector assigned for our troops, our thousands of troops that would go over there and accomplish some mission that is still not real clear to me. I could not get there, only to find out that no American had been up there in the northeast sector.

I remember so well a very attractive British general by the name of Rupert Smith, who we will be hearing a lot from. He is quite a figure. He took pity on me after the second or third day and agreed to help me get up there. So we did, in a driving snowstorm, go up to the northeast sector, where we talked to those individuals up there with the United Nations.

The commander at that time, from Norway, was General Haukland, who said at that time when I said, "Can you assure us that our participation up in this northeast sector can be done and the mission accomplished and we can be out of here in 12 months," and they all started laughing. General Haukland used the analogy, he said, "Senator, it is like putting your hand in water and then leaving it there 12 months, and you take it out of there and everything is back the way it was, and you cannot tell your hand was there in the first place." He started talking about the responsibilities we would have to keep peace up there. At one time, when I said, "12 months," he said, "You mean 12 years."

"No, we mean 12 months."

It was a very distressing experience. When we came back, we had another Senate Armed Services Committee, and we repeated the questions to Secretary of Defense Bill Perry and General John Shalikashvili. Again, they were emphatic that it would be done. Of course, that is when we had the lengthy debate on the resolution.

I will read to you out of the CONGRESSIONAL RECORD from December 13 from this floor, right here, quoting myself:

But the administration cannot have it both ways. President Clinton cannot say that our vital interests are threatened in Bosnia and at the same time pledge that we will be out of Bosnia in a year. If two vital interests—European security and NATO alliance—are truly threatened in Bosnia, how can there be a one-year statute of limitations on our response? Since when are American vital interests only worth one year's commitment? . . . If there are vital interests at stake, the administration should be honest and tell the American people that we are committed to Bosnia for a longer period of time.

In the last few days, Tuesday's Washington Post: " * * * A consensus is growing among senior NATO officials that a substantial NATO-led follow-on force will likely patrol Yugoslavia well into 1997, according to alliance officials in and Western diplomats."

Strong indications are that United States troops will stay in Bosnia for much longer than 1 year.

Finally, yesterday, the other shoe dropped, and Secretary Perry said,

"NATO will not want simply to give up on the investment that we have made in Bosnia."

This is a kind of a creep that we get into. We make a commitment, and while mission creep is a very realistic thing, this is commitment creep. We are now saying we will be there for a longer period of time.

I wanted to be proven wrong, but I was right when I said on this floor on December 13, 1995, and I have to repeat it now because this will become a major issue:

The simple truth, Mr. President, is that the Republic of Bosnia and Herzegovina is about to become America's pet country. The United States of America is going to own Bosnia and all of her problems just as soon as the 1st armored division sets up in Tuzla. Does anyone really believe that we will leave Bosnia in a year if the threat to her stability remains? Does anyone really believe after arming, training, and equipping the Bosnian army for a year that we will stand by and watch if our pet army is on the verge of defeat? Of course not; if Bosnia is as important as the administration says it is, we will stay in Bosnia as long as we have to . . . I say to my colleagues—

December 13.

We are on the verge of what may be a very long commitment.

I am not saying that to say we were prophetic at that time, Mr. President. I am only saying that we made that statement. I firmly believe there are more than four Senators who would have voted for the resolution of disapproval if the administration had been honest with us and admitted to us that our commitment was going to be longer than 1 year. They were not honest with us. They were not honest with America. That was just a commitment that happens to coincide with the reelection in November of this current year.

I think it is something we have to address. We will have to make a decision. Are we going to stay in until some tragedy takes place? I remember so well—I am not being partisan, I am not just being a Republican on this floor—it was George Bush in December 1992 that sent the first American troops over to another commitment that we had, with the idea they would be coming back in 90 days, and of course Bill Clinton took office in January 1993, and the troops stayed over in Somalia. It was not until 18 of our troops were brutally murdered and their corpses dragged through the streets of Mogadishu that the American people finally put enough pressure on the administration to bring our troops home.

I see the same type of analogy right here, that we could leave them there indefinitely. I can tell you right now if they do not stay with that 1-year commitment, it will not be just another few days, another week or another month; it will be exactly as every U.N. commander, U.N. and NATO force that we dealt with said it was going to be and predicted, as we told the American people.

It is going to be a much longer period of time. This is a very serious thing.

We are going to have American troops at risk. It is far more serious than the other one; that is, while we are deploying troops all around the world on missions that are either peacemaking or peacekeeping—and the world is expecting us to do this now all the way from the Near East to the Far East to the Middle East—now they are expecting us to come in on the Golan and come into the Gaza on peacemaking and peacekeeping missions at the same time we are sending our American troops. We are depleting our very scarce resources. As I said earlier on the floor today, we have been cutting our military budgets each year for 12 consecutive years, and we are in the same position we were back in 1980.

So it exacerbates that problem to think we are going to be leaving troops over there longer than this period of time. I am deeply distressed about developments in the Middle East, and about the things we are hearing out of Iraq.

I remember so well when the Saddam Hussein—the guy who murders his own grandchildren—made a statement 5 years ago that if we had waited 5 years to invade Kuwait he would have had the capability of reaching the United States with a missile with a weapon of mass destruction. This is a very serious thing.

So we are making it even worse by leaving troops in place where the President committed to the American people the troops would be out in a period of 12 months. I never believed they would. Most of the people here never believed they would. I suggested there are many people who would have voted in favor of a resolution of disapproval to keep our troops out of it. Now we are in the position where I would lead the charge to support our troops over there, but we have to go back to the original mission, keep our commitment to the American people, and keep our commitment to this Congress and to the Senate Armed Services Committee.

So I serve notice to the administration at this time that it is not going to be easy for them to leave our troops over there past the time that they promised and committed to us the troops would be back.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

NOMINATION OF ALAN GREENSPAN TO BE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The Senate continued with the consideration of the nomination.

Mr. GRASSLEY. Mr. President, I am very pleased to support the reappointment of Alan Greenspan to the chairmanship of the Federal Reserve Board. If we want to do something about the economy, if we want to do something about creating jobs and keeping the

economy moving, it seems to me that the first step we can take is the quick approval of the nomination of Alan Greenspan. It has been on the agenda quite a while. I think that we ought to move forward.

I have had a chance to observe several Chairmen of the Federal Reserve Board. I look at what these Chairmen do not in the way of specific policy but in the way of bringing stability, in the way of bringing confidence, to the system. It seems to me that Alan Greenspan has been very good at bringing confidence to the system. Confidence is very important in a free market economy. Particularly where a Government like ours is so dominate in the economy, with about 23 percent of the gross national product being our Federal budget. The fact that we may make erratic decisions in Government, or unpredictable decisions, or even send the signal that we might be about to make some bad decision, can have a very tremendous impact upon the economy; whether the President makes the decision, or whether the Congress makes it. The public is very suspicious of the Government making irresponsible decisions in an election year. All of this brings a lack of confidence in Government action, having a very detrimental impact upon the economy.

So when you have a steady hand like Chairman Greenspan tends to have, it seems to me that it builds confidence. He has given a very good stewardship to the American financial system. He has had a very consoling influence over the economy. He has had a sound policy.

If we are going to build the economy and create jobs, it means that we need to approve this type of steady person to be Chairman of the Federal Reserve Board. The fact that we are raising some questions about whether he should be confirmed and that we are taking so long to get him confirmed, seems to me to be disconcerting to a lot of people who otherwise, if they had confidence that Congress is going to make responsible decisions, would move forward with those business, economic, and investment decisions that are going to create jobs.

So I think the reappointment of Alan Greenspan is nothing but good news for jobs and for the economy. He has had the confidence of three Presidents of different philosophies. I believe he has proven himself to be an effective inflation fighter. Big Government types might be disappointed in the announcement. But the fact is that Chairman Greenspan has held the line on inflation, and that has been a big part of helping the economy grow.

The economy I believe grows because Greenspan himself is a personality. There is a certain amount of confidence building in what he does. He kind of leadership exudes confidence through his personality. This confidence is so necessary for job creation, or I should say for the investment that brings about job creation.