

The picture of an agitated president making late-night calls is very different from the calm image the White House has sought to project. The incident testifies to the increased tension between Mr. Clinton and Congress amid the almost daily revelations regarding his past fund-raising practices.

Trying to seize the high ground, Democrats are demanding that Republicans make a commitment to allow campaign-finance-reform legislation to come to the floor this year. But Mr. Clinton's outbursts may only feed Republican complaints that Democrats are stalling on behalf of the embattled president—an important fund-raiser.

The fight is expected to come to a head in the Senate as early as next Wednesday. Mr. Daschle said yesterday that Republicans must promise to bring up campaign reform this spring if Democrats are to support funding for a GOP-backed inquiry of campaign abuses by the White House.

"We will not agree to funding . . . to anything, until we get campaign-finance reform," said the South Dakota Democrat. His statement, the clearest linkage of the two issues to date, is designed to exploit GOP division on this front.

The Republicans' strongest reform advocate, Arizona Sen. John McCain, supports both an independent counsel and a campaign-finance bill, but Majority Leader Trent Lott (R., Miss.) is decidedly cool to overhauling the current system. Caught in the middle is Sen. Fred Thompson (R., Tenn.), who chairs the Senate Governmental Affairs Committee, charged with carrying out the planned inquiry. And some Republicans are openly proposing to scuttle Mr. Thompson's budget if the investigation becomes a vehicle to advance campaign reform.

Mr. Lott last night warned Democrats against filibustering the committee's funding but said he had exhausted efforts to reach a compromise and expected to meet the issue head-on next week.

As the Thompson inquiry has stalled, smaller investigations are springing up. One of the latest comes from a Senate Judiciary subcommittee overseeing the National Bankruptcy Review Commission. The commission's chairman, Brady Williamson, attended a fund-raiser for Mr. Clinton last September that drew a large set of big donors from the bankruptcy professional community.

In an interview this week, Mr. Williamson said he went as a "private citizen" and only after seeking an opinion from the White House counsel's office. But Sen. Charles Grassley (R. Iowa), chairman of the Judiciary subcommittee, said yesterday he had received written correspondence indicating those running the event had pressured members of the banking industry to attend if they wanted to be heard on bankruptcy issues.

In another development, Federal Bureau of Investigation agents who this week raided the Washington offices of the U.S.-Thai Business Council couldn't find records related to Ban Chang International, which shared offices with the council and helped finance it. Pauline Kanchanalak, a major Democratic contributor whose gifts are now under scrutiny by the FBI, worked for Ban Chang and helped organize the council.

Ban Chang is a subsidiary of Ban Chang Group, a conglomerate based in Bangkok, Thailand. Last June Ms. Kanchanalak and a relative gave \$185,000 to the Democratic National Committee in conjunction with a coffee event at the White House with President Clinton, attended by top executives of another Thai conglomerate, CP Group.

People familiar with the matter say the FBI wants to know if Ms. Kanchanalak knows where the records are, but she is currently thought to be in Thailand. Her Wash-

ington-based attorney, and an attorney for Ban Chang in Washington, couldn't be reached for comment.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Hampshire.

MEXICAN CERTIFICATION

Mr. GREGG. Mr. President, I rise to address an issue which has been raised by other Members on this floor, which I believe is of great significance and which must be resolved in the next few days. That is that the Clinton administration has a difficult matter of rendering a decision, in consultation with the Secretary of State, as to whether or not to certify Mexico as a nation that is cooperating in the area of our war on drugs.

There are many factors to consider before making such a decision, but the primary factor for me is what effect does such a decision have on our ability to fight the use of drugs here in the United States? Drug abuse continues to be one of the primary serious problems, primary and most serious problems, our Nation is facing, especially among our young people in our inner cities. Fighting drugs has to be one of the most important goals of this administration and of this Congress.

Since the so-called certification process was begun in the mid-1980's, Mexico has always been deemed to be a nation that is making a strong effort in the drug war, and many of us in Congress have had concerns, and continue to have concerns, about Mexico's progress.

So at some point, you have to evaluate the effects of bestowing certification status on Mexico. Has certification improved Mexico's ability to deal with drug cartels? Have cocaine seizures increased? Are drug dealers being arrested and convicted? Are antimoney-laundering bills being enacted into law in Mexico? And finally, and perhaps most important, are the Mexican law enforcement agencies cooperating with us and are they free of corruption?

It is this last point that I think remains the most single significant concern and impediment to certification. The arrest of the Mexican General Jesus Gutierrez Rebollo, the Mexican drug czar in charge of Mexico's counternarcotics efforts, on a charge of bribery, cocaine trafficking and for having ties to organized crime leaders in Mexico's drug cartels, was, in the words of our own United States drug czar, General McCaffrey, a "terrible blow." It really is more than that, of course. To have the chief law enforcement officer in the area of drug enforcement in Mexico turn out to be nothing more than a front man for the Mexican drug cartels undermines all credibility of the effort of Mexico in the area of fighting drugs.

Our intelligence agencies are now conducting a damage assessment to establish how many of our agents, in-

formants and counterdrug operatives were put at risk. It is believed that a very large number have been put at risk, and, in fact, the damage to this intelligence network may exceed the damage that was created in the CIA by the Aldrich Ames case. If you remember, in the Aldrich Ames case a large number of agents and operatives for the CIA died.

When you add up the evidence about the results of certification, you have to wonder what effect it has had on stemming the flow of drugs into this country. Mexico is the source of 70 percent of the cocaine on American streets and is the growing source of the most violent types of drugs. The primary cartels which are now shipping their drugs to the United States are no longer centered in Colombia. They are two cartels centered in Mexico. The antimoney-laundering laws are incomplete and not yet implemented. In short, the battle against drugs being shipped to the United States from Mexico is being lost in Mexico.

In light of the ongoing corruption and the flow of drugs into our Nation, I believe the United States must withhold full certification. The cost of drug abuse to our society remains too high to take any other course. There is no doubt that on the domestic front, we can do a great deal more, and we must. In fact, it was unfortunate that this administration essentially ignored this problem during its first term, but the administration has now turned its attention to this issue, and, hopefully, we can make greater progress. We need strong leadership from the White House. The President does control the bully pulpit and, as we saw with Mrs. Reagan's efforts under the "Just Say No" program in the eighties, the White House can have a dramatic effect on utilization.

But at the same time, we must pursue a more effective policy that will cut off the flow of drugs from source countries like Mexico. I believe that withholding full certification to Mexico would send the right message from the American people to the Government of Mexico, and that message is that the status quo is not acceptable. I urge the President to hear the concerns of our agents on the front lines who cannot trust their Mexican counterparts for fear of being compromised. As the DEA Administrator, Mr. Constantine, stated, "There is not one single law enforcement institution with whom DEA has a really trusting relationship."

It is time, Mr. President, to take strong action, and I strongly suggest that we not pursue certification.

SOCIAL SECURITY

Mr. GREGG. Mr. President, I want to also speak on another subject which is of equal importance. It is of importance, however, to the next generation in a different way. It is of importance in the area of fiscal policy, and that is the question of Social Security.

There is an atmosphere, of course, which has pervaded American politics, and especially politics in Washington, that discussing substantive reform to Social Security laws of our country is to commit political hari-kari; that any discussion of Social Security must be done in the most passive and benign way or else a person in public office will suffer great consequence.

But we can no longer afford to take this head-in-the-sand approach to this absolutely critical and core issue of public policy. We know that the Social Security system is fundamentally broken and that it is headed toward an enormous bankruptcy. We know that if we take no action, purely as a function of demographics, we will see a collapse of the Social Security system in the early part of the next century, and with it probably a collapse of our Nation's finances, as we will simply be unable to bear the load of paying for the system.

This is not a result of having a failed system for the last 40 years. We have had an extraordinary system for the last 40 or 50 years. It is a result simply of the fact that the Social Security system was not structured to deal with the generational demographics which we are headed toward. The post-war baby-boom generation is going to turn the tables of productivity upside down and the tables of who gets and who gives relative to the Social Security system.

Today, approximately 3.1 people pay into the system for every 1 person who takes out. By the time the post-war baby-boom generation is fully taking down its share of Social Security, we will only have two people paying into the system for every one person taking out. That means that by the year 2020, the Social Security system will be running approximately a \$216 billion deficit which will be escalating in a geometric progression.

This deficit will essentially absorb all the discretionary dollars of the U.S. Government, and we simply will be unable to fund the operation of Government, beyond either paying for Social Security or choosing some other course. What will happen is, we will have to create a massive economic disruption to address the issue, probably a national inflation on the order of what happened in the German Weimar Republic after World War I.

So this issue must be addressed. It is like that television ad for an oil filter that says, "You can pay me now or pay me later." By paying now, by doing something now, we can alleviate the problem for the next generation or reduce it dramatically at a low cost, but if we wait until later, the cost to the next generation will be astronomical, and we will not have fulfilled our obligation as passers of the torch.

So I have proposed a piece of legislation which addresses this issue. I recognize that stepping into this water maybe doesn't make political good sense, but I happen to believe that if

we do not step into this water, or if somebody doesn't begin to step into this water, nothing will happen. So I put on the table a proposal on Social Security, which I introduced last week, which addresses the underlying problems of the system.

It has four basic elements, and, as a practical matter, it addresses the next generation—my generation—and younger people's generations as to how they will be impacted. It has very little significant impact on the people who are presently receiving benefits from the Social Security system.

The first element of it, and probably the most magic, unique—I won't use magic, that will be too egotistical a term—the most unique is I am suggesting we take now what is presently the surplus in the system, which surplus we expect to run through the year 2010, and we refund that surplus to the wage earners.

Today, \$20 billion more is paid into the system than is paid out of the system for benefits. That means the wage earners in this country are paying \$29 billion more in taxes than they need to pay under Social Security to support the Social Security system.

My suggestion is that we refund that by reducing the payroll tax by that 1 percent, from 7.5 percent to 6.5 percent, which works out to about 12 percent actually, but a 1-percent reduction. And we allow the wage earner to take that 1-percent savings and put it into a savings account, into a savings vehicle like an IRA or some other personal savings vehicle and invest it for their future. This would allow us to begin to prefund the liability of a system which is now subject to contingent funding.

We now have a pay-as-you-go system. There is no account which is set up for anybody who is on Social Security. What is paid in today is paid out today. This would allow us to begin to prefund that liability and to give working Americans who are under the age of 50 an opportunity to start to save for their retirement. And it would do it without impacting at all—at all—the present benefit structure of senior citizens.

In addition, we must acknowledge that our society is living longer and being more productive. When the Social Security system was officially created, the average life of an American male was 61, and the retirement age was set at 65. Franklin Roosevelt was no fool. Today, the average life expectancy of an American male is 72 and is moving toward 78. Retirement age remains 65.

My proposal, for people who are under the age of 45, would scale up the retirement age and give them lead time to anticipate that. Again, it would affect nobody who is on the system or about to come on the system.

In addition, I do something which is called changing the bench points, which is essentially affluence testing, not for people who are on the system today but people who are under the age of 45.

These are some changes that would bring about a solvent system. They are different, but they are proposals that need to be put on the table and discussed. Mr. President, I thank the indulgence of the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

Mr. GRASSLEY. Thank you, Mr. President.

THE NATIONAL DRUG CONTROL STRATEGY

Mr. GRASSLEY. Mr. President, the drug czar released the national drug control strategy recently, as he is required to do. The President held a press conference to announce the strategy and his budget for fiscal 1998 to combat drug use in this country. This strategy now includes a request for almost \$16 billion. That is about a 5.4-percent increase, which is just about average for recent drug budgets. While I welcome the strategy and the increase, I am concerned that it does not live up to the requirements set out in the law. I am even more concerned that the strategy seems to walk away from the war on drugs. This strategy would seem to have us believe that we can combat the problem of rising teenage drug abuse by simply treating the wounded. It is walking away from a war on drugs to talking about fighting a cancer.

I have heard Mr. McCaffrey on this issue before. The view seems to be that a "war" is the wrong metaphor for our efforts. It seems that we must act as if our problem is more akin to therapy. We must treat the problem of illegal drugs and not combat it. In this view, it is time to trade in our old car for a sleek new model. I appreciate the drug czar's sensitivities on this issue, but quite frankly, this trade-in is going to buy us a lemon.

This walking away from years of efforts to combat drug abuse and instead substituting "phrases about treating a condition" is simply waving a white flag. It sends the signal that instead of combating illegal drugs we must accept them like we would a disease. While I agree that the problem of illegal drug use and smuggling are deeply imbedded in our society, I do not buy the idea that we need to tolerate this situation.

I do not think we gain much by blurring the language we use. I do not believe that we gain ground with our efforts to keep kids off drugs by sending weaker signals about our efforts. This is even more true at a time when kids are using more drugs.

I am concerned that the present strategy simply doesn't have the juice needed to get us moving. The real story about the present situation of drug use in this country today is that we are losing. By the only standard that matters, whether more kids are deciding to use more drugs, our efforts are failing. In every reporting mechanism that we have, it is clear that in the last 5 years, more kids are using more drugs.