

empower parents on behalf of their children to give them real educational opportunity.

I yield the floor.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1998—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the clerk will report H.R. 2266, the conference report.

The legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the H.R. 2266 having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by majority of the conferees.

The Senate proceeded to consider the conference report.

(The conference report is printed in the House proceedings of the RECORD of September 23, 1997.)

The PRESIDING OFFICER. The Senator from Alaska.

PRIVILEGE OF THE FLOOR

Mr. STEVENS. Mr. President, I ask unanimous consent that the following Members of the staff of the Defense Appropriations Subcommittee be granted the privilege of the floor during consideration of the conference report to accompany H.R. 2266: Sid Ashworth, Susan Hogan, Jay Kimmitt, Gary Reese, Mary Marshall, John Young, Mazie Mattson, Michelle Randolph, Charlie Houy, Emelie East, and Mike Morris, a legislative fellow detailed to the committee from the Department of Defense.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, the conference report on H.R. 2269, the Department of Defense Appropriations Act for Fiscal Year 1998, closely follows the bill passed by the Senate on July 15.

The bill provides \$247.5 billion in new budget authority for the Department, an amount within the levels set in the budget agreement with the White House.

As in July, the conference report reflects a bipartisan effort, and I am grateful to my friend and colleague from Hawaii, Senator INOUE, for his partnership in bringing this bill back to the Senate, and bringing it back as a very good bill.

The House passed the conference report by a vote of 356 to 65, today.

The full text of the conference report, and the accompanying statement of the managers was printed in yesterday's CONGRESSIONAL RECORD.

The print of House Report 105-265 has been available to all Members today.

The tables and descriptive text of the statement of the managers details the funding levels for all the programs considered by the conferees—I will not take the Senate's time to summarize those adjustments.

I do want to highlight the toughest policy issue we faced—continued fund-

ing for operations in and around Bosnia.

The House of Representatives in its original bill passed a provision which was a total prohibition on spending for any operations in Bosnia after June 30, 1998.

Personally, I believe we should withdraw our forces from Bosnia.

Secretary Cohen and General Ralston met with us, and urged us not to take that unilateral step, at this time.

Prior to this conference, several of us traveled to the United Kingdom, for the periodic United States-United Kingdom interparliamentary meetings.

In those talks some of us came to appreciate better the total dependence by our European allies on the United States forces in Bosnia.

The compromise we reached retains the position of the House that we bring our forces out of Bosnia by June 30, but the President can waive that requirement if he certifies to the Congress the forces must stay in the interest of our national security.

The President must also inform the Congress on seven points: First, the reasons for the deployment; second, the number of personnel to be deployed; third, the duration of the mission; fourth, the mission and objectives; fifth, the exit strategy for U.S. forces; sixth, the costs for operations past June 30; and seventh, the impact on morale and retention.

This certification to Congress will constitute the first time this President has informed the Congress about Bosnia before deploying or extending our forces there.

I want to recognize the leadership of my good friend from Kansas, Senator PAT ROBERTS, who contributed to our discussions in the United Kingdom following the visit he made to the continent. And it was his ideas that he passed on to me that really led to the compromise that we have reached in this conference.

The Congress and the American people, Senator ROBERTS told me, deserve to know why our forces are in Bosnia and how long they must stay. The provision in this bill requires such a statement.

The President is also expected to submit a supplemental appropriations request for additional amounts needed to maintain our forces in Bosnia if he decides to keep them there without damaging the readiness or the quality of life of our Armed Forces.

Virtually every program funded in this bill when we originally passed it the House and the Senate were funded differently. And ultimately we had to find a compromise level between those two bills. We actually had to eliminate some \$4.5 billion of items that were funded in one bill or the other.

Let me point out just some instances.

In the case of the Dual Use Applications Program, we sustained the full \$125 million that was provided by the Senate. That is \$25 million more than the House had provided.

On ACTD's, we reached an even split with the House, which provides \$81 million—nearly a 50 percent increase compared to the level appropriated for fiscal year 1997.

For overseas humanitarian, disaster, and civic aid, we again split the difference with the House providing \$47 million.

One program where we sustained the full administration request is in the Cooperative Threat Reduction Program, known as the "Nunn-Lugar" initiative.

Secretary Cohen made the strong plea for the full \$382 million sought by the President, and we have convinced the conference to accommodate that request.

I again want to thank all conferees on both sides, and especially the House Chairman, Congressman BILL YOUNG, and the ranking member, Congressman JACK MURTHA.

I feel very proud about the work that was done by the conference working as a team.

I urge all Members of the Senate to vote in favor of approving the conference report before the Senate.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUE. Mr. President, I rise this moment to express my complete support for the conference report on the defense appropriations bill for fiscal year 1998.

As Chairman STEVENS noted, this bill is within the budget allocation provided by the committee for defense funding.

The amounts provided represents an increase of \$5.4 billion, 2 percent above the amounts available during the current fiscal year.

Mr. President, it is my view that this increase is very modest, and is fully justified under the circumstances.

The increase is necessary to allow us to continue to modernize our forces, to protect readiness, and to fully fund a 2.8-percent cost-of-living increase for our men and women in uniform. And it allows us to protect the priorities of the Members of the Senate.

This conference agreement is a compromise which I believe all Members should support.

The bill was passed by the House with two controversial matters to which the administration strongly objected to—the B-2, and Bosnia. This conference report has dealt with those matters to the satisfaction of the administration.

On the B-2 bomber, the conferees have provided the President with \$331 million to begin the purchase of additional B-2 bombers. However, it is up to the President to determine whether to buy more aircraft, or to upgrade the existing fleet of B-2 bombers. Mr. President, I for one hope the President chooses to buy more B-2's. But here the choice is his.

On Bosnia, the conferees agreed that consistent with the current plans of

the administration all United States troops be removed from Bosnia by June 30th of next year. However, if the President certifies that it is in our national interest to maintain our presence in and around Bosnia, he can waive the restriction by consulting with and informing the Congress of his decision. And should the President decide to keep the forces in Bosnia, as Chairman STEVENS noted, he shall submit a supplemental, if additional funds are required to pay for this deployment.

Mr. President, this is an agreement which can be supported by both the Congress and the President.

We should be grateful to Chairman STEVENS and the House conferees for negotiating this very workable compromise.

I would like to also mention the hard work of the staff under the staff director, Mr. Steve Cortese, and on the minority side, Mr. Charlie Houy.

Mr. President, I think it should be noted that the staff worked long hours—in one instance throughout the whole night—to ensure that this conference report was completed before the end of this fiscal year. I believe that the Senate owes them its gratitude for their efforts.

Mr. President, this is a good conference report. I urge all my colleagues to support its adoption.

Once again, may I express to my colleagues my great pleasure in being able to serve them, together with Chairman STEVENS. We are fortunate to have Chairman STEVENS at the helm.

Thank you, Mr. President. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. Mr. President, I thank the distinguished Chairman of the Appropriations Committee, and ranking member. Everyone involved in our military and our national security owes Senator STEVENS and Senator INOUE a depth of gratitude for their outstanding leadership.

Mr. President, I rise in strong support of the provisions contained in the defense appropriations bill—so kindly referred to by the chairman as the Roberts amendment—that will force the Clinton administration to clearly and articulately justify our policy in the use of military forces in Bosnia. Additionally, Mr. President, these provisions will also force Congress to debate the Bosnian dilemma and our policy in that shattered region.

These provisions are about being honest with the American public.

Specifically, these provisions require the President to certify to Congress by May 15 of next year that the continued presence of U.S. forces in Bosnia is in our national security interests, and why.

He must state the reasons for deployment, and the expected duration of deployment.

He must provide numbers of troops deployed, estimate the dollar costs in-

involved, and give the effect of such deployment on overall effectiveness of our U.S. forces.

Most importantly, the President must provide a clear statement of our mission, and our objective.

And he must provide an exit strategy for bringing our troops home.

If these specifics are not provided to the satisfaction of the Congress, funding for military deployment in Bosnia will end next May.

Let me repeat: We are requiring the administration—and, yes; the Congress—to clearly articulate our Bosnia policy, justify use of military forces, and tell us when and under what circumstances our troops can come home.

That is not asking too much.

In my view, events of recent weeks make this an urgent matter. It has become increasingly clear to me that in the wake of the Dayton accords, and after drifting for months, and with elections on the near horizon and the crippling winter only weeks away, the United States went from peacekeeping to peace enforcement with what I consider to be dubious tactics.

Troop protection, refugee relocation, democracy building, economic restoration, and, oh, by the way, if we run across a war criminal let's arrest him. Those goals have been replaced.

So today we see increased troop strengths—perhaps up to 16,000—we have picked a U.S. candidate in the election process, we have embarked upon an aggressive disarmament and location, and capture and prosecution of war criminals.

Is this mission creep, or is it long overdue action, Mr. President? And will these goals accomplish realistic progress?

Item: The world was treated to the spectacle of American troops, the symbol of freedom's defenders, taking over a Bosnia television station in an effort to muzzle its news. The troops were stoned by angry citizens. We gave the TV station back.

Item: In the country where benevolent leaders are scarce, we have chosen up sides, supporting the cause of one candidate over another. It is a cynical approach, it seems to this Senator, to foreign policy that says to the world, "Sure, he—or she—is a dictator, but he's our dictator." At least for the time being.

Item: Elections were conducted but to cast ballots—listen up—to cast ballots many citizens had to be bussed back to their homes, which they cannot now, or may never, occupy to vote for officials who will never serve unless SFOR stands at the ready.

In the Civil War in the United States, Quantrill's Raiders sacked Lawrence, then fled to Missouri. Should his ruffians have been bussed back to Lawrence to vote for city council? That makes about as much sense.

Item: A United States diplomat overruled a Norwegian judge, whose decision disqualified candidates with ties to indicted war crime suspect Radovan

Karadzic. Members of the group overseeing the elections threatened to resign. Posters of Elmer Fudd—I am not making this up. That's right, the cartoon character Elmer Fudd sprouted up as a protest to "free" elections by one faction.

NATO forces, which include U.S. troops, have been cast into the role of cops on the beat chasing war crimes suspects. Just arrest Mr. Karadzic, we are told, try him for war crimes, and our problems will be solved.

Mr. President, as the New York Times pointed out recently, much as we do not like it, "Mr. Karadzic reflects widely held views in Serbian society." Those views are real.

Do these events reflect a sound, defensible Bosnian policy that is in our national interest? Or do they sound an ominous alarm as America is dragged down into a Byzantine nightmare straight out of a Kafka novel?

I visited Bosnia, like many of my colleagues. I talked with the troops in August, met with the officers, met with intelligence officials. They are outstanding individuals. They deserve our support, our respect, our gratitude. They are doing an outstanding job, Mr. President, even though they have not been given a coherent mission.

Just this past week, Gen. Hugh Shelton, our outstanding nominee for Chairman of the Joint Chiefs of Staff, was asked at his confirmation hearing by Senator MCCAIN of Arizona whether there is a strategy to remove United States troops from Bosnia, and the general was stumped. Let me repeat that. The general admitted he was aware of no exit strategy by the administration. That awareness is repeated in Tazar, Mr. President, which is our staging base in southern Hungary, 7 days in for our troops and 7 days out. We have no clear idea of how to extract them.

If the provisions of this bill do nothing else, they should force a major re-examination of our Bosnian involvement from top to bottom.

Now, our former Secretary of Defense, Casper Weinberger, articulated six conditions for military intervention, Mr. President. I repeat them here today just to show how much our Bosnian policy is lacking. He said troops should be committed only when the following things happen: No. 1. Vital national interests are threatened. I do not think that is the case in Bosnia. The United States clearly intends to win. We did win. We stopped the fighting. But the political settlement is contrary to the means by which we stopped the fighting. We separated the ethnic groups. Now we are trying to put them back together again. The intervention has precisely defined political and military objectives. As the former Secretary of Defense said, there is reasonable assurance that intervention will be supported by the American people and the Congress. The commitment of American forces and their objectives can be

reassessed and adjusted, if necessary. And, finally, Secretary Weinberger said this: The commitment of forces to combat is undertaken as a last resort.

As Chairman STEVENS will tell you, our involvement in Bosnia has come at a large price. There are approximately 10,000 troops. I personally think it is closer to 16,000. That is nearly one-third of the 35,000 NATO troops involved. From 1996 to 1998, costs are estimated to be \$7.8 billion—almost \$8 billion. That figure, too, may escalate.

In justifying our policy in Bosnia, the administration must include a plan to fund the costs. Do they intend to take these rising costs out of the current defense budget, money we need for modernization and procurement and quality of life for the armed services to protect our vital national security interests? Or is the administration prepared to come clean and ask for the money up front?

Finally, I offer these thoughts. All of us in this body, and I know President Clinton, Secretary of State Albright, Secretary of Defense Cohen, all of us, desperately want lasting peace in Bosnia—all of our allies as well. We want the killing to stop. We have stopped the killing. We want stability in that part of the world, permanent peace and permanent stability. But wishing it does not make it so.

Richard Grenier, writing for the Washington Times put it this way:

Generally speaking, Serbs didn't love Croats, Croats didn't love Serbs, nor do either of them love Muslims. Reciprocally, Muslims love neither the Croats or Serbs. What happened to the lessons we are supposed to have learned in Beirut and Somalia? What happened to our swearing off mission creep?

But here we go again in Bosnia. Once again, our goal was at first laudably humanitarian: to stop the killing. But it expanded as we thought how wonderful it would be if we could build a beautiful, tolerant, multiethnic Bosnia on the model of American multiculturalism.

I respond. The Bosnian situation is complex. It is shrouded by centuries—centuries—of conflict that only a few understand. What we have seen in recent months is a lull in the fighting, not the end. It is a fragile "peace," held together only by a continued presence of military force. How long can that continue? Are we prepared to pay the price?

This week, National Security Adviser Sandy Berger said the United States must remain engaged in Bosnia beyond June of this year but that continued American troop presence has not yet been decided. It is time to decide.

Now, compare that statement with the advice of former Secretary of State, Dr. Henry Kissinger, who wrote just this week:

America has no national interest for which to risk lives to produce a multiethnic state in Bosnia.

Mr. President, no more drift. No more drift. It is time for candor, for honesty and clear purpose. Let the debate begin.

I urge acceptance of these provisions. We owe them as a debt of honesty to the American people. We owe them to our military men and women with their lives on the line.

I yield the floor.

The PRESIDING OFFICER. The time yielded to the Senator from Kansas has expired.

Mr. INOUE. Mr. President, I am pleased to yield 2 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island has 5 minutes of his own already.

Mr. INOUE. Yes.

Mr. REED. I thank the Chair.

I rise to express my support for the defense appropriations conference agreement, and I commend my colleagues, particularly Senator STEVENS and Senator INOUE, for their great work on this measure.

I am particularly pleased that an important provision in the conference report is language which will allow Newport News and Electric Boat, this country's only two manufacturers of submarines, to team together to design and build the next generation of attack submarines. Without this language, these shipyards and our submarine program could be endangered. With this language, however, we will continue to build the Navy's most valuable weapon, a silent and very effective submarine. Work will commence on the new attack submarines, which will boast great stealth and great strength with advanced war-fighting capabilities, yet will be smaller, more flexible and more cost effective.

This teaming agreement will preserve America's vital submarine industry base, which encompasses over 3,000 high-technology companies in 44 States. This conference report brings us one step closer to ensuring that the United States continues to maintain the finest submarine force in the world.

Since the first day I arrived in Congress, there has been a strong debate over the future of the U.S. naval submarine program. There are those who believe that the era of the submarine ended with the end of the cold war. But a majority of my colleagues and I believe that our submarine fleet needs to be maintained and modernized and that it will serve us as well in the future as it has in the past.

In a time when the mission of our armed services is constantly changing and a threat could emerge anywhere in the world, we need such flexibility. I think it is fitting to note the comments of our respected Chairman of the Joint Chiefs of Staff, Gen. John Shalikashvili, on the eve of his retirement. General Shalikashvili said, "Submarines are an integral part of U.S. global influence and presence. Their stealth and endurance provide the unified commander enormous capabilities across the full spectrum of conflict."

I believe that the provisions in this defense appropriations agreement indi-

cate that the submarine has proven itself. This legislation allocates scarce defense dollars to build up the submarine industrial base, to procure new torpedoes, to procure new submarine periscopes, and to assure excellent training programs for our submarine crews. This agreement will provide funding for the completion of the *Seawolf* program and for the first new attack submarine.

This report shows support for the submarine procurement program as well as a logical and cost-effective way to harness the expertise and skill of our Nation's submarine builders.

I would like particularly to again thank Chairman STEVENS and Senator INOUE for their continued support, Senator WARNER for his efforts on the committee, and all of those who have played a critical role in ensuring that our submarine fleet will continue to be the finest in the world, that our sailors will go forth with the best ships in the world and that with their service and these ships we will continue to protect America and defend our principles.

I thank the Senator for the time. I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COATS. Mr. President, I think under the previous order I am to be recognized for 15 minutes.

The PRESIDING OFFICER. The Senator from Indiana has 15 minutes under the previous order and is recognized.

Mr. COATS. Mr. President, I rise to address this question of the defense appropriations bill with some degree of disappointment.

First of all, I am disappointed that an appropriations bill is going to be passed out of this Congress ahead of the authorization. That is not the way it is supposed to work. It renders much of the work done by the authorization committee this year of no effect in some of the critical areas. I do not blame the Appropriations Committee, however. There are 4 days remaining before the end of the fiscal year. The clock is ticking. Senate Armed Services and the House didn't get the job done in time, and the Appropriations Committee was patient in giving us that time. I regret that we were not able to get our authorization act together. So I am not here to condemn the Appropriations Committee.

I do, however, want to express my disappointment, sincere disappointment, that as chairman of the Air and Land Subcommittee the actions that we have taken in the Senate Armed Services Committee to address the question of TACAIR and where we are going in the future were forfeited in the negotiations with the House; that the Senate deferred to the House position particularly on the issue of F-22 funding, and I want to discuss that because there are consequences, I believe, to that decision.

First, a little bit of history.

Our committee withheld approximately \$500 million in development and

advanced procurement funds, and I want to state the reasons why we did so. It was not done on a whim. It was not done on a number picked out of the air. It was done as a result of a process of our methodical oversight of the F-22 program that dates back at least to the 103d Congress.

Here are the facts. The F-22 program as we speak today is approximately \$2.2 billion over budget for development alone. There is speculation that F-22 production could also run several billion dollars over program estimates. In fact, in just the last 2 years, the Air Force has cut the number of aircraft to be bought in the next 6 years from 128 to only 70, and yet there has been no decrease in program costs to the taxpayer or money freed up for Department of Defense expenditures in other areas. Yet we have not been told by the Air Force or the contractors how the F-22 program got to be in this situation.

Those of us on the Armed Services Committee felt it was time to definitively put this program on notice, and that is what we attempted to do.

Now, Mr. President, I say that as a supporter of the F-22. I think it is fair to say our committee is a strong supporter of the F-22. I have visited production facilities and engine facilities for the F-22. It is a leap ahead in technology. It lays the basis for our crucial joint strike fighter program. It will give us air dominance in the future. Had I thought that the actions we had taken in any way jeopardized further development of the F-22, I would not have considered them.

But to those who have argued that we must fully support the F-22 air dominance fighter because it is the No. 1 procurement priority of the Department of the Air Force without any questions, without any reservations, without any reports, without any event-based decisionmaking, I think those people are missing the point. They are missing the point of the consequences of doing so and the consequences to other systems.

Let me also say that I, in addition to supporting F-22, I support the importance of air dominance as a joint warfighting capability. But, we have to remember that the F-22 is just one piece of the Department of Defense TACAIR recapitalization strategy. We are acting like it is the whole thing.

As a matter of fact, the Navy's F/A-18EF is the Navy's No. 1 priority, and the Marine Corps has placed its priority on the joint strike fighter yet to be developed. So we are looking to balance our approach in joint warfighting capability across the full spectrum of military operations. If the F-22 program is not brought under control, it will severely jeopardize a prudent balance in TACAIR recapitalization.

So the issue before us is not support for the relative priority of the F-22 program. The issue before us is, does that support imply that we should blindly throw billions of dollars at the

program without some accountability? The issue is the viability of the F-22 program, and it is exactly because of the high priority of the F-22 that we need to send a powerful message to the Air Force and to the contractors that the Senate is watching, that we are watching the restructuring, and we are watching for schedule slippage, and we are watching for cost overruns. It is time to hold F-22 to a realistic level of accountability. It is time to end the promises of performance and cost control and instead focus on results. We do so because we want to protect the F-22. We want it to be a viable program, and we do not want it to go the way of other programs that have not been held accountable.

So, therefore, I regret deeply that the Senate yielded to the House, that we were not able to get the authorization approved, that we yielded to the House in the appropriations process and we are simply giving the Air Force and giving the contractor exactly what they asked for without any explanations, without any details, and without any accountability features built in.

Let me explain a little bit about why the Armed Services Committee's actions on the F-22 are good policy.

In the National Defense Authorization Act for fiscal year 1995, the Senate requested the Department of Defense and the General Accounting Office assess and provide us a report on the degree of concurrency—that is the testing-while-you-are-buying process that goes on sometimes in these programs; you are buying the planes at the same time you are testing them; many of us would argue that you need to test first and make sure that what you are buying is what you think you are buying—and we asked them for this report on risk, also. In April 1995, we received those reports and the Department of Defense report concluded, just a little over 2 years ago, "there is no reason, based upon risk/concurrency considerations to introduce a program stretch at this time." So we thought, fine, everything is on track.

At the same time the GAO conclude that the F-22 program involved considerable risk and that there may be adverse consequences from concurrent development and production. Furthermore, they felt the need for the F-22 program "is not urgent," it quoted, based on the threat and viability of the F-15 program.

Then we went into 1996. We held hearings. In those hearings surfaced additional concerns about the level of concurrent production and development, projected F-22 weight and specific fuel consumption. We came back in the National Defense Authorization Act for 1996 to, once again, require the Department of Defense to respond to 21 specific questions. And they did respond and indicated, again, that the level of concurrency in the program was acceptable using departmental risk criteria.

In short, less than 2 years ago, the Senate was being told the program was on track, no problems. Now in 1997, we held hearings and surfaced still yet other concerns about the F-22's transition from this engineering, manufacturing and development phase to production, based on what one witness calls an "event driven program that ensures that key production criteria are met as a prerequisite for production decisions." That gave us some assurance. Correspondingly, the Senate then included in the 1997 National Defense Authorization bill a requirement that the Department of Defense undertake a cost analysis and report on their events-based decisionmaking criteria.

We took them at their word. We said fine, give us a report. Within the last year, the Air Force commissioned a Joint Evaluation Team which concluded that the F-22 development program was \$2.2 billion over cost, and that much more time would be needed for testing. This was the first time that we had been notified that the F-22 was in trouble, despite numerous years of hearings and reports back from the Air Force. So, based on this information the committee held—I chaired—two additional hearings in 1997, on tactical aviation. And we learned then that the Air Force canceled four preproduction vehicles that it previously indicated were a key to the program going forward. And then it took that money, \$700 million, and put it back into development. This action, to infuse hundreds of millions of dollars into development, was taken by the Air Force again without specifying how the program had been changed, identifying cost-control measures, and describing the level of risk that remains. They have not told us how the program got in this shape. They have only told us that they have found the funds to fix it. They found the funds to fix it by canceling four preproduction aircraft, thereby jeopardizing a necessary step testing for most development programs, which they say now is not necessary, and taking that money and pumping it into engineering and manufacturing development.

They also promised that event-based decisionmaking would keep the F-22 program on track. We asked them to report on this aspect of the program. The Air Force said it would give us a report on it. They did. That report, 6 months late: 18 words. Here is the Air Force report. Specific exit criteria:

First EMD aircraft first flight complete.
Complete engine initial flight release.
Air vehicle interim production readiness review complete.

What does that tell us? This is the report that it took them 6 months to put together to respond to what we asked for, what we thought was legitimate?

Furthermore, each of these three events were supposed to have been completed before the fiscal year even started. What kind of confidence does that provide, for a program with nearly \$20 billion in development and well

over \$40 billion in procurement? We are talking about \$60 billion here. Consequently, the Senate Armed Services Committee came to the conclusion that, if tactical air modernization is going to be viable in the future from both a technical perspective and the perspective of affordability, that we had to take some action now in the F-22 program to achieve and ensure performance and cost-control goals. Therefore, I recommended to the Senate, and the Senate agreed, that we not permit the infusion of an additional \$420 million into F-22 research and development until we understand how this program came to be in this present condition.

Some people are going to argue that these actions are too severe. But I think it is just the opposite. We believe the actions that we have taken help to ensure the program's success. Remember, this is just the development phase and it is more than \$2 billion over budget. It was not that long ago that then Secretary of Defense Cheney canceled the Navy A-12 program because it was \$1 billion over cost. Now we have a plane more than \$2 billion over cost.

I have deep concern over whether we can maintain continuing support politically for the F-22 program here in Congress, and with the American people, if we cannot adequately address these cost overruns and explain to the American people that we are taking prudent steps to make sure that this does not continue. The steps that we have taken are not designed to put the program in jeopardy. They are designed to save the program. They are designed to demonstrate that we recognize there are problems and we must hold the contractors accountable.

We are told the Air Force and the contractors have this agreement. They don't have an agreement. All they have said is that they have agreed to agree; they have agreed to agree that there will not be any more cost overruns, that they will deliver on time. And I pray and hope—and maybe have some confidence—that they can do that. But the agreement has not been negotiated. It is not in print. It does not have signatures on the bottom line. And until it does, I think it is reasonable to withhold some funds so we know that those agreements are going to be guaranteed and performed.

What is in jeopardy if the F-22 does not get on track? I suggest four very important things. We may end up

treating the F-22 like we did the B-2, producing far fewer than we need but only what we can afford, and then we have an inadequate tactical air program for the future. Also, we could lose support for the next aircraft carrier, the CVN-77. In fact, I believe it's the advanced procurement for the smart-buy initiative that was to save taxpayers \$600 million on this carrier that was taken by the appropriators to fund the F-22. We may not get that carrier. Third, we may lose the Joint Strike Fighter. We cannot consider throwing more money at three TACAIR programs, given the low levels of procurement for land and sea systems. F-22 cost growth cannot be permitted to eat the lion's share of the funding pie. The Navy is absolutely counting on the Joint Strike Fighter to complement the F/A-18E/F. The Marine Corps has put their entire TACAIR future solely in the hands of the Joint Strike Fighter. If the Joint Strike Fighter does not come through on time, then we are going to have to radically rethink whether or not there will even be Marine Corps TACAIR in the future.

We all know that from a political standpoint there will not be a Joint Strike Fighter if we cannot control the F-22 cost. This places the Navy and the Marine Corps in deep jeopardy.

Finally, continued F-22 cost growth could rob funds from other key Air Force modernization initiatives, whether they be TACAIR, strategic airlift, or the communications and intelligence programs which the entire joint force will have to rely on for information superiority in the 21st century.

In short, we need to be confident and ensure ourselves that the F-22 program is under control. We don't know how else to get their attention. I found that the best way is to say: No performance, no money.

No, Mr. President, we did that some time back. We were confronted with a very similar cost and performance problem with the development of the C-17—a marvelous airplane, but they could not get their act together. So we told the manufacturer you either come in at cost or you are not going to building more planes. As a result, there was a huge banner erected in the production plant, which said, "Build 40 at cost, or no more." Guess what, they built 40 at cost and now we have a multiyear procurement of 120 C-17's. This is a success story because Congress held the line, and I am dis-

appointed that we have lost that opportunity with this action.

We should all ask ourselves whether the F-22 program would benefit from a similar policy from this body.

The PRESIDING OFFICER (Mr. ABRAHAM). The time of the Senator has expired.

Mr. DOMENICI. Mr. President, the pending conference report accompanying H.R. 2266, the Department of Defense appropriations bill, provides \$247.7 billion in new budget authority and \$164.7 billion in new outlays for Department of Defense programs for fiscal year 1998.

When outlays from prior-year budget authority and other completed actions are taken into account, the final bill totals \$247.7 billion in budget authority and \$244.4 billion in outlays for fiscal year 1998.

This legislation provides for military pay, procurement, research and development, operations and maintenance, and various other important activities of the Department of Defense and the U.S. military services throughout the world. This bill provides for the readiness, current, and future weapons systems, and all the other necessities of our national defenses—except for military construction and Department of Energy atomic energy defense activities—that enable our Armed Forces to protect U.S. national interests at home and abroad. It is certainly one of the most important pieces of legislation that Congress passes each year.

The spending in this conference report falls within the revised section 302(b) allocation for the Defense Appropriations Subcommittee. I commend the distinguished chairman, the Senator from Alaska, for bringing this bill to the floor within the subcommittee's revised allocation.

The bill provides important increases over the President's request for 1998. It is fully consistent with the bipartisan budget agreement that the President and Congress concluded earlier this year. I urge the adoption of the conference report.

Mr. President, I ask unanimous consent that a table displaying the Budget Committee scoring of the conference report be placed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

H.R. 2266, DEFENSE APPROPRIATIONS, 1998—SPENDING COMPARISONS—CONFERENCE REPORT

(Fiscal year 1998, in millions of dollars)

	Defense	Nondefense	Crime	Mandatory	Total
Conference Report:					
Budget authority	247,485	27		197	247,709
Outlays	244,167	31	197		244,395
Senate 302(b) allocation:					
Budget authority	247,485	27	197		247,709
Outlays	244,232	31		197	244,460
President's request:					
Budget authority	243,700	27		197	243,924
Outlays	243,874	31		197	244,102
House-passed bill:					
Budget authority	248,111	27		197	248,335
Outlays	244,527	31		197	244,755
Senate-passed bill:					
Budget authority	246,988			197	247,185

	Defense	Nondefense	Crime	Mandatory	Total
Outlays	244,185	7		197	244,389
Conference Report compared to: Senate 302(b) allocation:					
Budget authority					
Outlays	-65				-65
President's request:					
Budget authority	3,785				3,785
Outlays	293				293
House-passed bill:					
Budget authority	-626				-626
Outlays	-360				-360
Senate-passed bill:					
Budget authority	497	27			524
Outlays	-18	24			6

Note: Details may not add to total due to rounding. Totals adjusted for consistency with current scorekeeping conventions.

Mr. DORGAN. Mr. President, I rise to speak in strong support of the Defense appropriations conference report, which the Senate is now considering.

The distinguished chairman and the distinguished ranking member, Senators STEVENS and INOUE, working with our House counterparts, have done a remarkable job in fashioning a truly balanced bill that will meet our Nation's security needs for the 21st century. I would like to salute Senators STEVENS and INOUE for their leadership and skill in balancing the competing needs of our Nation's military.

I also would like to thank the chairman and ranking member for working with me to address some Defense issues that are of a very high priority to North Dakota. Let me just highlight some of these matters.

B-52 BOMBERS

First, this Defense spending bill provides an additional \$57.3 million above the administration's budget request to fully fund our Nation's fleet of B-52 bombers. My colleagues will recall that we deployed 66 B-52's during Operation Desert Storm, and that these planes dropped 40 percent of the ordnance dropped by allied forces during the Persian Gulf war. Yet the administration has consistently recommended sending 23 of these valuable planes to the boneyard. I am pleased that the bill now before us specifically rejects that suggestion.

As those who fly B-52's out of Minot Air Force Base know, the B-52 is a highly capable bomber, one that can continue to contribute to our national defense through at least 2030. Nearly every part of the B-52 has been replaced or modernized, and we have spent over \$4 billion in recent years to upgrade and update these planes. The B-52's that entered service in the 1960's still have only about one-third of the flight hours of the average 747 now in commercial service.

If we were left with 71 B-52's, only about 44 of the aircraft would be combat-coded, making it impossible for us to repeat the B-52's gulf war performance in any future regional conflict, much less hold some in reserve for a second regional conflict or a nuclear role.

Lastly, to retire strategic bombers would reduce Russia's incentives to ratify the START II Treaty. This

major arms control agreement will help us achieve greater strategic stability. But we should not throw away bargaining chips before the Duma acts to approve START II.

AIR BATTLE CAPTAIN

In another area of interest to my State, this bill provides \$450,000 for the Air Battle Captain Program at the University of North Dakota's Center for Aerospace Sciences. Most importantly, report language accompanying the bill also directs that the program continue to accept new students. The Air Battle Captain Program trains helicopter pilots for the Army efficiently and cost effectively, and most of its graduates have gone on to become Army aviators. When the graduates reach Fort Rucker, they arrive as commissioned second lieutenants and are able to forego the primary flight training, thus enabling the Army to assign them to combat units 8 months ahead of their contemporaries.

FLOOD RELIEF

As my colleagues will recall, this spring the Red River Valley suffered its worst flooding in recorded history. When the water finally won, a 500-year flood emptied Grand Forks, ND, a city of 50,000 people, and sent 4,000 residents to the Grand Forks Air Force Base for shelter. Many of the base personnel who fought the flood for weeks, and who hosted evacuees when the flood water breached the dikes, were themselves flood victims. Over 700 military personnel were forced to evacuate during this disaster. And 406 service members have suffered losses to personal property, including 95 families whose homes were extensively damaged.

This Defense appropriations bill ensures that these personnel will not be victims of unintended discrimination as well as flooding.

If these service members had lived on base, they would be eligible to file a claim with the Department of Defense for losses incident to service. The Air Force pays such claims pursuant to section 3721 of title 31 of the United States Code. But as the law now stands, military personnel living off base are not eligible to file such claims, even though they are stationed at Grand Forks Air Force Base as a result of their military service.

Section 8120 of the bill would simply permit the Air Force to reimburse

these service members for their losses despite the fact that they lived off base. The bill makes available up to \$4.5 million of the funds already available to the Department of Defense for paying claims.

Let me assure my colleagues that section 8120 supplements private insurance and benefits provided by the Federal Emergency Management Agency. Air Force practices and FEMA regulations prohibit duplication. Service members with private insurance will have to file claims against that insurance before the Air Force will pay claims under this provision.

LEADERSHIP AND HARD WORK

Mr. President, none of these aspects of the bill would have been approved by the Senate or would have survived conference with the House were it not for the support and leadership provided by the distinguished chairman of the subcommittee, Senator STEVENS, and the distinguished ranking member, Senator INOUE. I would like to acknowledge their willingness to help in these areas and to thank them for their assistance.

Let me also take this opportunity to put in a good word for the hard-working staff of the Defense Appropriations Subcommittee. My thanks and congratulations go in particular to Senator STEVENS's able lieutenant, staff director Steve Cortese, and to Charlie Huoy, who handles these issues for Senator INOUE. And I am also grateful for the skilled efforts of Susan Hogan, John Young, Mazie Mattson, and Emelie East.

I urge my colleagues to support this conference report. Thank you, Mr. President. I yield the floor.

BOSNIA POLICY

Mr. BYRD. Mr. President, the President's National Security Advisor, Mr. Sandy Berger, two days ago made an important statement on U.S. policy toward Bosnia, in particular the question of keeping United States' ground forces in the region beyond June of 1998, in order to keep the peace in an area where political reconciliation has lagged behind the actual military separation of the opposing forces. It is not surprising that political, economic and social reconciliation would proceed at a pace commensurate with the levels of extensive brutality and violence which characterized the Bosnia conflict prior

to the introduction of U.S.-led NATO forces two years ago. In what might be characterized as a trial balloon, Mr. Berger stated, according to the New York Times of yesterday, September 24, 1997, that the "international community" will be required to "stay engaged in Bosnia in some fashion for a good while to come."

The question is for how long should the United States remain while expending billions of defense dollars and risking the erosion of U.S. readiness by tying our forces down in Bosnia? The problem, as I see it, is that our European partners have said that they will not remain on the ground in Bosnia unless the United States does, and when we leave, they will. I find this to be a very unreasonable position, in that Bosnia is not paramount in the vital interests of the U.S., and at some point our European allies should consider taking the responsibility for acting as the military security force in that European country. This is not to say that the U.S. could not provide continued logistical, intelligence, and other supporting roles while the Europeans take their turn at bat in Bosnia.

I call the attention of my colleagues to the provision in the Department of Defense conference report, Section 8132 which requires the President to certify, by May 15, 1998, his intentions regarding keeping our forces in Bosnia on the ground beyond June 30, 1998. The certification must include the reasons for the deployment, the size and duration of the deployment, the missions of our military forces, the exit strategy for our forces, the costs of the deployment, and the impact of it on the morale, retention, and effectiveness of U.S. forces. This is a very good, very complete provision, and it will trigger a debate, as it should, in this body, regarding the future policy of the United States in Bosnia.

Mr. DODD. Mr. President, I rise today in support of the Defense Appropriations conference report. First, I'd like to recognize Senator STEVENS and Senator INOUE for the fine work they did in working through the conference issues with their House counterparts. I think that after this vote, it will be clear that the vast majority of this body supports the balance this report strikes between the changing needs of our Armed Forces and the constraints imposed by necessary spending reductions.

I felt that the conferees made the right decision by endorsing the submarine teaming agreement. That endorsement ends the costly battle between our two submarine builders, saves the taxpayers money, and preserves competition in the research and development phase of submarine building. While some oppose this plan, no one argues the point that this agreement will save the Navy hundreds of millions of dollars over the building plan contained in last year's bill. Furthermore, this plan maintains competition for new ideas on how to improve

the new attack submarine. In sum, we have two fine shipyards working together overall to decrease the cost to taxpayers even while they compete on sub-systems to ensure continued technological advancement.

On a related matter, I'm heartened to see that this report provides funding to complete the *Seawolf* submarine program. This building program has clearly undergone radical changes as a result of the end of the cold war. At one point, this nation expected to build 30 *Seawolf*-class submarines and now that number has been reduced to just 3 in favor of the less-costly new attack submarine. So this Nation has already throttled back in terms of its submarine plans; now it's time to move forward with our new plan.

This conference report also increases the number of Blackhawk helicopters to 28, 10 more than the President requested. And it asks for two navy CH-60 helicopters as well as advance procurement money for that Navy version of the Blackhawk. These additional aircraft reveal once again that the Blackhawk is this Nation's most capable helicopter. Derivatives of this helicopter are at work for nearly every branch of the U.S. Armed Forces as well as 15 foreign countries. As capable and versatile as these helicopters are, however, National Guard adjutant generals throughout the country remind us year after year that they do not have enough. In fact, a conservative reading of the numbers reveals that the National Guard has a shortfall of over 400 Blackhawks. Meanwhile, the production line for these aircraft will shut down in a couple of years. The plan for coping with that shortfall is to rely on Vietnam-era UH-1 helicopters as we move into the next century. Frankly, as the National Guard stands at the front line of defense against devastating natural disasters, they deserve better. I hope the President's next budget request reflects their requirements.

On a brighter note, this committee made the tough decisions between modernizing military equipment and cutting costs. I was glad to see that the committee agreed with the Defense Department's requests for the C-17 cargo aircraft, the F-22 program, and the emerging Comanche helicopter program. These prudent decisions in support of cost-effective programs will provide vital support for our military forces well into the 21st century.

Finally, Mr. President, let me congratulate the conferees on completing this bill, the largest of the 13 appropriations bills, before the end of the fiscal year. There was a lot of hard work in negotiations that allowed this bill to move forward and I'm sure that this body and the Nation appreciates their efforts.

Mr. STEVENS. Mr. President, I have 8 minutes, roughly. I yield 4 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for up to 4 minutes.

Mrs. HUTCHISON. Mr. President, I thank the chairman, Senator STEVENS, and Senator INOUE, for producing a defense appropriations bill that will fund the defense needs of our country. It will create a quality of life improvement for those who are serving in our military, and it will give us, to the extent that we can, the equipment that we need for our young men and women to do this job.

I want to point out particularly one part of this bill that I think is a major step for this Senate and for our country. That is the part that provides for a cutoff of funds for the Bosnia deployment after June 30, 1998, unless the President comes to Congress 45 days before that time and shows us exactly why he would want to extend the forces, how much it would cost, what it is going to do—what the mission is, and what the exit strategy is. This is what we have been asking the President for, for 2 years.

When we started this deployment over the objections of many of us in this Congress, it was for 1 year, from November 1995 to November 1996. Then the continuation came with very little consultation from Congress, certainly no previous consultation, and we started in January 1997 until now; it was set for June 1998. But even today the New York Times editorialized, "Still No Exit Strategy on Bosnia."

Congress is saying to the President, we want to see an exit strategy. Many of us are concerned that we are drifting into a potential commitment that we do not understand, that the American people do not understand. They do not see a need for it because they don't see the strategy. It seems, if you are looking at Bosnia, that the military mission is to keep the parties apart. But the political mission is to bring them together, perhaps bring them together prematurely.

I have been to the Balkans six times. I was there in August. I walked on the streets of Brcko. I talked to the Serbs. I talked to the Muslim residents. I asked them if they were helping each other move into the neighborhoods to bring the refugees back. They acted like the others weren't there. They are not helping each other. They are not ready for this move. If we are going to try to continue to force this resettlement, is it an inherently peaceful move? Or are we disrupting the peace that we would like to put into Bosnia today?

Mr. President, I think what this bill does is say, once and for all, we are going to have consultation. We are not going to allow a mission creep, such as we have seen in Somalia. We are not going to allow a mission creep, such as we have seen in Vietnam. We are not going to allow our young men and women, who are serving in Bosnia, to give their lives before we have a policy in this country about what our mission is there. We are going to do it, I hope, in the light of day, taking into consideration what the U.S. security interest

is, what it is going to cost us, what our relationship is to our allies.

These are the questions we must address before we put our young men and women into a mission that has no end.

So, Mr. President, I commend the leaders of the armed services and Defense Appropriations Subcommittee. I am on that subcommittee. Under the leadership of Chairman STEVENS and cochairman, Senator INOUE, with Senator PAT ROBERTS, with Senator RUSS FEINGOLD, we are trying to fashion a policy that the American people will agree is the right policy for our country.

Mr. President, I ask unanimous consent that the New York Times editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STILL NO EXIT STRATEGY ON BOSNIA

Having already stretched America's troop commitment in Bosnia from 12 to 30 months, the Clinton Administration has begun an effort to prepare public opinion for the possibility of an even longer stay. That is the way to read Samuel Berger's speech at Georgetown University on Tuesday, when he linked the duration of American involvement to a notably ambitious set of policy goals. Mr. Berger, the President's national security adviser, is too hasty. Instead of managing the public relations of a longer stay, he should be using the time to try to produce a workable exit strategy by the June deadline.

Everyone wants to unified, democratic and prospering Bosnia. But Congressional Republicans are right to warn that American soldiers cannot remain deployed until that goal is fully achieved. What was regrettably absent from Mr. Berger's speech was any sense of driving toward departure. It is clear from the speech that Mr. Berger and Secretary of State Madeleine Albright plan to spend the time between now and June urging President Clinton once again to push back the withdrawal deadline.

Lack of an exit strategy has been a consistently troubling omission ever since Mr. Clinton first sent American troops into Bosnia at the end of 1995. On Tuesday, Administration officials spoke about the need to begin planning by February for the next phase of military involvement. By our calendar it is still September, and such a focus on the hypothetical future is premature. The Administration has nine months to clarify the specific military talks that need to be accomplished before Bosnia is secure enough to allow a full American withdrawal. Senator Kay Bailey Hutchison speaks for many Republicans and, no doubt, a number of Democrats when she warns the White House that without such an exit strategy, Congress will fight any extension requests.

Common sense argues against igniting a renewed war in Bosnia by precipitously withdrawing NATO troops. We readily concede that withdrawal deadlines cannot be set in cement without regard to protecting the progress that has already been made. Future events could even warrant an extended presence. But the Administration is tilting the wrong way, and the current mindset of Mr. Clinton's foreign-policy team suggests that it will not discover a way out in the absence of a Congressional revolt.

When Mr. Clinton first proposed sending American troops to Bosnia, skeptics argued that guaranteeing full respect for the Dayton peace agreements could take decades. The Administration countered that all it

meant to do was give the Bosnians a year to build the peace outlined at Dayton. As that one-year deadline approached, the White House gave the original mission a new name and extended it for 18 months. Now, as the Administration seems to be preparing for yet another extension, Congress may have to force it to show that fundamental American interests require a continued military presence in Bosnia.

The two strongest arguments for staying are the persistence of deadly hatreds that could spark renewed hostilities once outside troops withdraw and the statements by various European governments that once American troops depart, their troops will be withdrawn as well. But the irresponsibility of Bosnian fractional leaders and European allies should not push Washington into an expanded definition of America's own vital interests.

The United States has all along had a limited interest in Bosnia, consisting mainly of preventing the slaughter of civilians and preserving the unity and effectiveness of the NATO alliance. Beyond that there are some desirable goals, like bringing war crimes suspects to trial and allowing refugees to return to their homes. These warrant strong diplomatic exertions, supplemented, at least through June, by carefully planned military actions. There is a lot NATO troops can still do in this regard before their currently scheduled withdrawal date.

Building a united and peaceful Bosnia is ultimately up to the people of Bosnia. Policing Europe in the absence of acute threats like shooting wars is primarily the responsibility of European nations themselves. If the Bosnians will not work together and the Europeans will not shoulder greater security responsibilities on their own, the breach cannot be filled indefinitely with American troops.

Mr. FEINGOLD. Mr. President, I would like to join the Senator from Texas [Mrs. HUTCHISON] in highlighting the provisions in Department of Defense appropriations bill, as agreed to in conference, concerning the deployment of United States troops in Bosnia.

The conferees agreed to include—in legislative language—a provision that stipulates that no funds may be made available for the deployment of United States ground forces in Bosnia after June 30, 1998—a date the President himself has specified—unless the President submits to the Congress a certification that the continued presence of our troops is necessary to protect our national security interests. In this certification, the President will have to justify for the Congress and the American people the reasons for such determination and specify details concerning the deployment. These include: the number of military personnel to be deployed, the expected duration of the deployment, the mission and objectives of the deployment, and the exit strategy for the U.S. forces who have been deployed.

But most importantly, Mr. President, President Clinton will have to detail the costs associated with any deployment after June 30, 1998. This is perhaps the most troubling aspect of our involvement in Bosnia. After originally being told that the mission would cost the American people some \$2 billion, recent estimates indicate that we will

soon have spent well over \$7 billion to deploy U.S. troops. Mr. President, that is more than a threefold increase. With the language included in the bill before us today, the administration will now have to be much more clear about the potential costs of continuing deployment in the region. I think this is vitally important so that we, the Members of the U.S. Congress, and the American people we represent will have a better idea of the financial implications of a mission that I feel has already gone on much too long with too little to show for it.

Because of my concerns about this mission, concerns which I have detailed on the Senate floor many times before, I have joined with the Senator from Texas [Mrs. HUTCHISON] in developing a Senate Bosnia Working Group. She and I both feel that it is time to think about what policy alternatives we may have with respect to U.S. involvement in the Balkans.

The compromise language arrived at by the conferees, while perhaps not as strong as I would have liked, hopefully represents a first step toward the development of a policy that we can all be more comfortable with.

So Mr. President, I thank all the conferees for their efforts in this area.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, I yield the Senator from Virginia 4 minutes, but I might say, Mr. President, to the Senator from Arizona, we thought he might proceed first. If he doesn't use all his time, there will be more time for us.

Mr. MCCAIN. Mr. President, I thank Senator STEVENS and Senator INOUE.

I have the usual objections. One of them is particularly egregious: \$250,000 to transfer commercial cruise ship shipbuilding technology to U.S. Navy shipyards and to establish a monopoly for a single cruise line in the Hawaiian Islands, for which there is a competitor already who wants to compete there. The people who tour the Hawaiian Islands and who live there are going to pay for that. I find it regrettable.

Mr. MCCAIN. Mr. President, the effects of over 10 years of cuts in defense spending are being acutely felt by the men and women who serve in uniform. Enough has been said on this floor about issues like pilot retention, maintenance backlogs and modernization problems all caused by the confluence of declining resources and high operational tempos that I will not dwell on them here today. Suffice to say, I applaud the decision by Congress to add \$3.6 billion to the amount allocated for national defense reflected in the legislation before us today. The defense appropriations bill rightfully addresses some of these problems with funds added during congressional budget negotiations earlier this year.

The examples of waste, as usual, are many. I'm not sure whether I should be nervous about an imminent threat to our national security from another

solar system or galaxy. What or who is out there that warrants over \$3.5 million in unrequested funds being added to the defense budget for the Sacramento Peak Observatory and the Southern Observatory for Astronomical Research? I am cognizant of the very real risk that Earth may someday be threatened by a comet or asteroid, but this is a problem already receiving ample attention from the scientific community using other federal and private dollars. I question whether we should be using defense dollars to fund these observatories.

I have to confess to also being concerned about the increasing amount of defense dollars being earmarked for medical research programs despite the fact that the National Institutes for Health exists precisely to perform such research. Each area of research, whether diabetes, prostate cancer or HIV, carries with it an entirely sympathetic constituency for whom my heart goes out. That does not, however, justify the cynical use of defense dollars to conduct such research. To oppose this spending sets one up at as heartless. After all, who could oppose medical research. That, however, is precisely why Members of Congress like to use the defense budget: opponents of these earmarks risk antagonizing people suffering from serious illness or who have relatives with these afflictions. The point has to be made, however, that medical research not related to military service belongs with NIH—not DoD.

Mr. President, the tortuous process through which Members of Congress contort themselves to conjure up national security rationalizations for parochial projects is absurd. It degrades this institution and further undermines public confidence in their elected officials. The \$8 million in this bill for the Pacific Disaster Center is a case in point, as is the \$9 million for the Monterey Institute for Counter-Proliferation Analysis. The latter is illustrative of the growing trend toward establishing endless numbers of research institutes irrespective of the existence of other centers and government agencies already performing such work.

It is in this light that I find particularly disturbing the inclusion in this bill of \$3 million for the establishment of a "21st Century National Security Study Group." Neither House nor Senate bill included this item, but suddenly it finds itself in the Conference Report. Not only is this group wholly unnecessary—after all, how many more such studies do we really need, especially given the number produced without federal dollars—but it was never even brought before either chamber of Congress prior to now.

This is ridiculous. What possible practical utility can this study group have? Is Congress so enamored of insinuating itself into the process of formulating our National Security and Military Strategies that it needs to mandate that some smart people get

together and do what they're already doing in Department of Defense doctrinal and warfighting centers and research institutes all over America? Perhaps our counterparts in the House where I understand this program originated have lost sight of why they are here.

I do not know why the defense appropriations conference report includes \$5 million to expand the North Star Borough Landfill; \$20 million not requested by the Defense Department for an integrated family of test equipment; \$50 million—\$50 million—for an Industrial Modernization program to assist in the commercial reutilization of government industrial complexes no longer used by the government. Local government and chambers of commerce have been performing this task just fine throughout the base closure process. Similarly, why do the communities surrounding Fort Ord and San Diego get a combined \$15 million in defense conversion money earmarked in this bill? Was it necessary to double the amount requested for the Young Marines program? Should Congress really be in the business of legislating monopolies for individual cruise ship lines, as is done in this bill?

This body has important business to which it must attend. I believe I have made my point. I won't even dwell on the \$100,000 in the bill to preserve a Revolutionary War-era gunboat located at the bottom of Lake Champlain. There isn't time. Mr. President, the hemorrhaging of defense dollars for nondefense and highly questionable purposes is inexcusable during a period when we are struggling with vital questions of long-term military readiness. I hope to live to see the day Members of Congress see the light and cease this destructive practice of filling appropriations bills with garbage. It just has to stop.

I ask unanimous consent that a list of objectionable provisions in the bill be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

OBJECTIONABLE PROVISIONS IN H.R. 2266, CONFERENCE AGREEMENT ON FISCAL YEAR 1998 DEFENSE APPROPRIATIONS BILL

BILL LANGUAGE

\$35 million earmarked for the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund.

Section 8009 mandates that funding be available for graduate medical education programs at Hawaii-based Army medical facilities.

Section 8030 prohibits the use of funds appropriated in the bill to reduce or disestablish the 53rd Weather Reconnaissance Squadron of the Air Force Reserve, based at Keesler Air Force Base, Mississippi.

Section 8056 sets aside \$8 million (unauthorized) for mitigation of environmental impacts on Indian lands.

Section 8078 requires the Army to utilize the former George Air Force Base.

Section 8097 directs a \$13 million grant to the Intrepid Sea-Air-Space Foundation to refurbish the U.S.S. Intrepid.

Section 8099 compels the Air Force to send its officers through Air Force Institute of

Technology irrespective of cost relative to civilian institutions.

Section 8109 earmarks \$250,000 to transfer commercial cruise ship shipbuilding technology to U.S. Navy shipyards and establishes a monopoly for a single cruise line in the Hawaiian islands.

Section 8130 earmarks \$3 million for establishment of a "21st Century National Security Study Group" [NOT IN EITHER BILL.]

Section 8131 establishes another panel to review the requirement for B-2 bombers, with an appropriation of unlimited funds as requested by the panel members.

REPORT LANGUAGE

\$5 million is earmarked for the expansion of the North Star Borough Landfill.

The Department of the Air Force is "urged" to work closely with the William Lehman Aviation Center at Florida Memorial College.

\$50 million is earmarked for projects and programs to convert former government facilities and complexes to commercial use.

\$72 million is earmarked for the Youth Challenge, Innovative Reading Training, and Starbase Youth Programs.

\$100,000 is earmarked for the preservation of a Revolutionary War gunboat discovered on the bottom of lake Champlain.

The Department of the Army is directed to re-award the Joint Tactical Terminal contract.

The Army is "urged" to allocate \$750,000 to connect four historically-black colleges to the Army High Performance Computing Center in Minneapolis and provides an additional \$500,000 for work stations at the colleges.

A Diagnostic Imaging Technology Center of Excellence is required to be established at Walter Reed Army Hospital and \$4 million is earmarked for one particular program, all without benefit of competitive processes.

\$3 million is earmarked for the Terfenol-D program, under the proviso that the work be performed in partnership with the National Center for Excellence in Metal Working Technology.

Conference report budget tables

[Procurement in millions of dollars]

Army	
C-XX Medium-Range Aircraft	23.0
UH-60 Blackhawk Mods	3.0
EFOG-M	13.3
MELIOS	5.0
All Terrain Cranes	8.0
Navy/Marine Corps	
CH-60 Helicopters	30.4
KC-130J Aircraft	120.0
AN/AAQ-22	2.0
Ground Proximity Warning System	4.0
Air Force	
B-2A Increase	156.9
WC-130J Aircraft	118.0
WC-130J Spares	14.8
GATM	17.5
F-16 OBOGS	1.1
U-2 Sensor Glass	24.0
U-2 SYERS	5.0
MEECN	8.5
Defense-Wide	
JSLIST Industrial Production	10.0
M17-LDS Water Sprayers	2.0
7 HMVV Medical Shelters	3.0
Reserves and National Guard	
Including the following Aircraft:	
T-39 Replacement Aircraft	10.0
C-130J	226.0
KC-135 Re-Engining	52.0
F-16 Avionics Intermediate Shop	32.0

Conference report budget tables—
Continued

[Procurement in millions of dollars]	
Total	320.0
RESEARCH, DEVELOPMENT, TEST AND EVALUATION	
Army	
Environmental Quality Tech- nology:	
Gallo Center	4.0
Commercialization of Tech- nologies to Lower Defense Cost Initiative	5.0
Bioremediation Education, Science, & Technology Center	4.0
Plasma Energy Pyrolysis Sys- tem	6.0
Radford Environmental Devel- opment & Management Pro- gram	5.0
Environmental Projects at the WETO Facility	7.0
Small Business Development Program	5.4
Agriculturally based remedi- ation in Pacific Island Ecosystems	4.0
Computer based land manage- ment	4.0
Military Engineering Technology: Molten carbonate fuel cells tech- nology	6.0
Medical Advanced Technology:	
Army-managed peer-reviewed breast cancer research	135.0
Emergency telemedicine	2.5
Volume Angiocat (VAC)	4.0
Periscopic minimally-invasive surgery	3.0
Proton beam	4.0
Munitions Standardization, Effec- tiveness & Safety:	
Blast Chamber—Anniston Army Depot	2.0
Explosive waste incinerator	1.1
Navy	
Industrial Preparedness	55.0
Oceanographic and Atmospheric Technology:	
Autonomous underwater vehi- cle/sensor development	10.0
Ocean partnerships	12.0
Medical Development:	
Bone marrow	34.0
National Biodynamics Lab	2.6
Biocide materials research	5.5
Freeze dried blood	1.5
Dental research	2.0
Mobile medical monitor	2.0
Rural health	3.0
Natural gas cooling/desiccant demonstration	2.5
Manpower, Personnel and Training Advanced Technology Develop- ment:	
Virtual reality environment/ training research	3.69
Center for Integrated Manufac- turing Studies	2.0
Environmental Quality and Logis- tics Advanced Techn.:	
250KW proton exchange mem- brane fuel cell	1.7
Visualization of technical in- formation	2.0
Smart Base	6.3
Undersea Warfare Advanced Tech- nology: COTS airgun as an acous- tic source	3.0
Air Force	
HAARP	5.0
ALR-69 PLAID	5.0

Conference report budget tables—
Continued

[Procurement in millions of dollars]	
Missile Technology Demonstration flight testing	4.8
Scorpius	5.0
Hypersonic wind tunnel design study	2.0
Defense-Wide	
Agile Port Demonstration	5.0
University Research Initiatives:	
DEPSCOR	10.0
Southern Observatory for As- tronomical Research	3.0
Tactical Technology:	
Simulation based design (Gulf Coast Region Maritime Cen- ter)	3.0
Center of Excellence for Re- search in Ocean Sciences	7.0
Materials and Electronics Tech- nology: Cryogenic electronics	6.0
Defense Special Weapons Agency:	
Bioenvironmental research	5.0
Nuclear weapons effects core competencies	12.0
Counterproliferation Support:	
HAARP	3.0
Advanced Electronics Tech- nologies:	
Lithographic & Alternative Semiconductor Processing (LAST)	18.0
Laser plasma x-ray source tech- nology	5.0
Defense Imagery and Mapping Pro- gram; USIGS Improv	5.0
Other Department of Defense Programs	
Defense Health Program:	
Hepatitis A Vaccine	17.0
Military Health Information Services	7.0
Pacific Island Health Care Pro- gram	5.0
Brown Tree Snakes	1.0
Cancer Control Program	8.9
Army Research Institute	5.4
Military Nursing Research	5.0
Disaster Management Training Holloman Air Force Base	5.0
Restoration of Army O&M (VAC)	8.0
Drug Interdiction and Counter- Drug Activities	
Source Nation Support: Riverine Interdiction Initiative	9.0
Law Enforcement Agency Support:	
Southwest Border Information System	4.0
Southwest Border Fence	4.0
HIDTA Crack House Demoli- tion	2.3
C-26 Aircraft Photo Reconnaissance Upgrade	4.5
Regional Police Information System	3.0
Total questionable adds to the Defense appropriation conference report	1,495.4

Mr. MCCAIN. Mr. President, I would like to continue on this very important issue. The 19th century Danish philosopher Kierkegaard wrote that "purity of heart is to will one thing." In Bosnia, the international community has willed many things, and the result has been a highly tenuous peace among the warring ethnic factions unlikely to long survive the departure of NATO military forces. As we all know, what

was originally a 1-year mission has involved in a multiyear engagement of indeterminate duration. It is time to assess where we are and where we are going, with an eye toward ending deployment of U.S. forces to that war-torn region.

When this body debated back in December 1995 the issue of whether to support the deployment of U.S. forces as part of the Implementation Force following the signing of the Dayton peace accords, I stated that, "I know that by supporting the deployment, but not the decision [to send the troops], I must accept the blame if something happens." Events of the past several weeks have shown disturbing signs of a trend that may entail actions being taken that will result in the death of American servicemen. Mr. President, I am a realist. I recognize that the military exists to support national policy and that wearing the uniform involves a very real risk of being killed in action. Our failure to "will one thing," however, is leading us down a perilous path on which such deaths will have been unnecessary.

Congress, the press, scholars, and others have all considered the perennial question of mission creep. We can stop debating it, and accept that it has happened. Comparisons have been made with the ill-fated mission in Somalia to capture the late warlord and tribal leader Mohammed Farah Aideed. Such comparisons are often inappropriate for a number of reasons, but in this case it is valid. The multinational force, including the 9,400-strong contingent of U.S. troops, has seen its mission grow from that which is very specifically set forth in the annex accompanying the Dayton accords to one of extraordinarily confusing incongruity. The recent capture by British special forces of a Bosnian Serb indicted by the International War Crimes Tribunal in The Hague and the killing of another certainly sent a signal to Radovan Karadzic, Ratko Mladic, and the others on the long list of war criminals that at long last that provision of Dayton would be enforced.

As with Farah Aideed in Somalia, however, the signal has raised the stakes greatly in terms of the cost we could pay to bring them to justice. Lest anyone think I exaggerate, remember the tragedy of watching an entire company of elite American soldiers killed or wounded while Farah Aideed continued to elude capture. The situation in Bosnia could be incomparably worse.

The United States has overtly positioned itself in the middle of a power struggle between two Bosnian Serb leaders, President Biljana Plavsic and Radovan Karadzic. It is not what I would consider a great set of options. In the world of Serbian politics, though, everything is relative. The Clinton Administration has thrown its weight behind President Plavsic, the properly elected leader despite her abysmal record during the years following the splintering of the former

Yugoslavia into ethnically derived divisions. Not a hard choice when the alternative is Karadzic, whose name should rightfully be placed alongside those of other 20th Century butchers. The point I am trying to raise, however, is that once we sided with one faction within the Bosnian-Serb community, we placed our military personnel in the kind of position that faced those in Lebanon in 1983 and Somalia 10 years later.

The phenomenon of mission creep was accepted by most when it entailed benign nation-building measures. Indeed, the absence of a viable alternative to NATO in terms of competence, discipline, willingness to think innovatively, and absence of the kind of civilian political oversight that characterized the disastrous and tragic decision making apparatus under former U.N. Secretary General Boutros Boutros-Ghali and his deputy Yasushi Akashi made it only logical that the military component of the operation to end the war and rebuild the country should fall on NATO's shoulders. Logical, but not necessarily right. That extension of the military's original mission of simply keeping the warring factions apart ensured that the deployment would last longer than originally intended.

When the President announced that he would keep our forces in Bosnia beyond the original withdrawal date, he was met with widespread skepticism. How many of us actually believed that the June 1998 target date would be met? We knew that the deployment would continue indefinitely; that the costs would never be properly budgeted; that the diplomatic framework upon which we are operating would never stand on its own. But we also knew that a decision by Congress to terminate funding for troops in the field, for men and women sent in harms way at the behest of their Commander-in-Chief, stands as perhaps the most morally and politically difficult we can ever be called upon to make.

The absence of an exit strategy has made it easier for the Administration to justify keeping troops there to execute an expanding list of missions with no logical completion date other than the fairly arbitrary one of June 1998. The appearance of conflict back in the late May-early June timeframe between the Secretaries of State and Defense and the more recent contradictory messages conveyed by the National Security Advisor and the Secretary of Defense regarding the June 1998 withdrawal date illuminates all too well the total lack on the part of the Administration of a clear concept of what we are doing in Bosnia and, consequently, how long we should be there.

Mr. President, I supported the decision to deploy troops to end the war because President Clinton, in his capacity as Chief Executive and with his constitutional prerogative of conducting this Nation's foreign policy, had

committed us to stop the fighting. And let no one doubt that the bitterness involved, the scale of atrocities inflicted, did not warrant some kind of forceful action.

It is certainly likely that a peace-keeping force will be needed beyond June 1998. The parties to the conflict in Bosnia have shown little sign that they are prepared to accept in full the terms of the Dayton Accord, and key provisions like the return of refugees to their pre-war homes will require the presence of such a force. There is a legitimate question, though, whether that contingent needs to include U.S. ground forces. We should not continue to accept the protestations of our allies, such as those that were voiced prior to our deployment of ground forces, that the United States is not sharing the risk. This country has seen too many of its fallen soldiers laid to rest in European cemeteries for us to accept that kind of rhetoric. A peace-keeping force without United States ground forces can and should assume responsibility for Bosnia after June 1998.

This does not imply an abandonment of our allies and friends in the effort at preventing a return of the fighting that forced the civilized world to once again reflect upon the fragility of global or regional peace. On the contrary, the conflagration that enveloped the former Yugoslavia earlier this decade was all the more shocking for its occurrence in Europe, where war was considered least likely to occur following the end of the East-West confrontation of the cold war era. The war in Bosnia and Herzegovina was a sad reminder that the so-called enlightened continent remains vulnerable to the kind of hatred and violence that culminated not long ago in the Holocaust.

What is important, to this country, is that we not become the permanent caretaker of the region. Our troops must be out by the end of June 1998. We should maintain a rapid reaction force in Hungary, and our heavier forces in Germany should remain available if needed. The rapid reaction force should include air and ground components capable of responding in a timely manner to a resurgence in fighting with sufficient strength to quell any such fighting at minimal risk to our personnel. But make no mistake: The peacekeeping force that remains inside Bosnia and Herzegovina must be European in content. The governments of Europe must accept responsibility for maintaining peace in their own backyard. Two world wars demonstrated that the United States cannot disengage from Europe, and our own economic well-being demands that we not do so. But the American public should not be expected to see its military personnel kept in harm's way in perpetuity in a situation where the parties refuse to take the necessary steps for lasting peace.

During the cold war, we prided ourselves on our role as leader of the free

world. Those of us who know the horror of war first hand, however, know the price such leadership entails. It is not a price that should be paid in Bosnia. We should not send the wrong message to our personnel in the field by cutting off their funding; but we should send a message to the President that the United States has done all it can for that sad country and withdraw our soldiers from Bosnia.

Mr. President, I appreciate the indulgence of my colleagues. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. STEVENS. I yield the Senator 4 minutes.

Mr. WARNER. Mr. President, I wish to associate myself with the distinguished Senator from Arizona and his remarks and, indeed, those of the distinguished Senator from Texas [Mrs. HUTCHISON]. I have worked with them on this very issue.

Mr. President, I commend the Appropriations Committee for the language which is contained in their bill, but I would like to urge that this whole analysis be taken a step further.

During the course of the confirmation hearings on General Shelton, I said that it is time for the United States to exercise the leadership to reconvene the principles, the very principles that laid down the Dayton accords, assess what has been done, what has to be done and, most significantly, the realistic chances of the balance being done.

Mr. President, I have in my hand, and I ask unanimous consent to have printed in the RECORD an op-ed piece by the distinguished former National Security Adviser, Dr. Kissinger, with whom I worked when he was in that position, and likewise excerpts from the statement by the current National Security Adviser, showing very clearly different viewpoints by distinguished Americans who understand this subject.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 22, 1997]

LIMITS TO WHAT THE U.S. CAN DO IN BOSNIA

(By Henry Kissinger)

Every American foreign policy setback, from Indochina to Somalia, has resulted from the failure to define objectives, to choose means appropriate to these objectives and to create a public opinion prepared to pay the necessary price over the requisite period of time.

We are now on the verge of sliding into a similar dilemma in Bosnia: Our goals are unrealistic, the means available do not fit the objectives and the public is unlikely to block the probable consequences of our actions. Policy drifts because three issues await resolution: What are our objectives in Bosnia? How long should our troops stay? What risks should we run for the capture of war criminals?

In 1991, when Yugoslavia broke up, the United States joined the other NATO countries in recognizing its various administrative subdivisions as independent states. With

respect to Croatia and Slovenia, inhabited by a dominant ethnic group, this decision made sense. But in Bosnia, populated by Croats, Serbs and Muslims whose reciprocal hatreds had broken up the much larger Yugoslavia, the attempt to bring about a multiethnic state evoked a murderous civil war.

The same flaw that attended the birth of the Bosnian state lies at the heart of the dilemmas of the Dayton accords mediated by the United States that brought about the current Bosnian cease fire. Its military provisions separate the parties substantially along the lines of the ethnic enclaves that emerged as hostilities ceased. But the political provisions do the opposite. They seek to unite these enclaves under the banner of a multiethnic state that caused the explosion in the first place.

The American tendency is to treat Bosnian tensions as a political problem to be overcome by constitutional provisions that reconcile the parties and establish procedures for settling conflicts. But for the Bosnians, the overwhelming reality is their historical memory, which has sustained their ineradicable hatreds and unquenchable aspirations for centuries.

Throughout their histories, the Serbs and Croats have considered themselves defenders of their religions, first against a Muslim tide, then against each other. The Serbs' identity derives from a series of bloody battles in defense of the Serbian faith and population against Islam. Once Islam was stopped, the Serbs fought to vindicate their independence from Catholic Austria, spearheaded by the Croats.

The Croats perception is precisely the reverse—as upholders of Catholicism against Serbian Orthodoxy and Islam. And the Muslims know that they are regarded by the two other ethnic groups as a historical instrument of the hated Turks and therefore—since ethnically they are at one with the Serbs and Croats—as turncoats.

The deep-seated hatred of each party for all the others exists because their conflict is more akin to the Thirty Years War over religion than it is to political conflict. And this should serve to caution the United States not to get in between these parties by trying to impose political solutions drawn from our own, largely secular, experience.

Once passions were unleashed by the civil war, each group committed unspeakable cruelties in the process of expelling the other groups from the regions that they controlled—the ethnic cleansing. The Serbs started the process, but as the war continued, the other parties also engaged in murderous acts—the Croats in Krajina, the Muslims around Sarajevo. Among the existing leaders, few, if any, innocents are to be found.

The NATO allies would have done well to stop the killings six years ago, in its incipient phase. They could have taken the position that they would not tolerate such outrages within reach of NATO forces and on the continent where the political concept of human dignity originated and is now institutionalized. As a result of their failure to do so, each of the ethnic regions of Bosnia has become largely homogeneous; the results of ethnic cleansing are now the dominant fact of life in Bosnia.

The political provisions of the Dayton agreement seek to reverse this state of affairs. They provide for free movement among the ethnic enclaves, for free repatriation of refugees and for elections leading to national reconciliation. This vision has turned out to be a mirage.

No free movement among the various ethnic enclaves takes place, and no mail or telephone services exist. Each ethnic group issues its own currency, license plates and

passports. Serbs with Cyrillic license plates are at particular risk in other areas, but so are the Muslims and Croats if they leave their enclaves. Not surprisingly, refugees tend to return home only with armed escorts and are frequently obliged to flee as soon as the escorts leave.

Nor will elections solve the problem. In Bosnia, elections are not about alternation in office but about dominance determining life, death and religion. They must either ratify the new ethnic composition, or, since refugees vote on the rolls of the towns from which they have been expelled, produce the bizarre situation that absentee voters are in a position to “win” and, in effect, gain the right to rule the group that expelled them. In the Krajina region, for example, now occupied by Croatia, the voting rolls of many towns show a majority of Serbs, all of whom have been expelled. Are NATO forces expected to enforce this outcome?

Refusing to recognize these realities has twisted American policies into contortions that will guarantee an ultimate breakdown. Exerting considerable economic and political pressure, we engineered the shotgun wedding between Croats and Muslims that goes under the label of the Bosnian Federation. In this technically multiethnic structure, within which no cease-fire line is necessary according to the official mythology, NATO patrols only the line between the so-called Federation and the Serb part of Bosnia.

Reality mocks this mythology. The dividing line between Croats and Muslims is as rigid as the one between them and the Serbs. No Croat officials enter Muslim territory, no Muslim official serves in the Croat part of the Federation. Few Croats are to be found in Sarajevo, the purported capital of the Federation that was ethnically cleansed when the Muslims took it over after the Dayton accords were signed. Nor is there free movement of Croat and Muslim groups within the Federation.

It is a conceit that this state of affairs is the fault of a few evil bigots who, once removed either to war crimes trials or to exile, will permit the natural preference of the ethnic groups for some sort of unity to assert itself. This misconception has tempted senior American officials to pretend that Croat attitudes are the aberrations of its president, Franjo Tudjman, and has led the American NATO commander to abandon the neutral position of mediator and involve himself in the internal struggles of the Serb part of Bosnia.

Neither judgment is correct. In Croatia, the opposition is even less flexible than the president. And while Serb strongman Radovan Karadzic well deserves to be placed before a war crimes tribunal, his adversary, Biljana Plavsic, will not survive politically unless she too advocates nationalist Serb policies without, of course, the war-crime element.

A multiethnic state in Bosnia is unlikely to emerge except after another round of fighting, and then only if one of the parties achieves an overwhelming victory. Should NATO military power be used to promote such an outcome? Should American casualties be incurred to force the various ethnic groups into a multiethnic state that the majority of them do not want? Why should we violate our own principle of self-determination in pursuit of such goals?

American pressure to implement the political provisions of the Dayton accords may well lead to precisely such an outcome. The cease-fire now holds because of NATO's military preponderance and because the Muslims, the only ethnic group seeking a multiethnic state, are arming for the purpose of imposing what we are urging. Since they are now already the better equipped, they will

probably achieve initial successes and thereupon implement another round of ethnic cleansing. At that point, the Croats would almost certainly enter the fray to keep the Muslims from achieving a dominant position. And Russia, the historical protector of the Serbs, is unlikely to remain passive—at least politically.

Some favor such risks to punish the evil men who are assumed to have undermined the traditional coexistence between the ethnic groups. But there has never been a Bosnian state on the present territory of Bosnia. Whenever the various ethnic groups have lived together in apparent harmony, it was due to the pressure of some outside force that overwhelmed their passions—the Turks, the Austrians or Tito's dictatorship. The Croats slaughtered the Serbs under Hitler, the Serbs slaughtered the Croats in the early years of Tito; both Croats and Serbs cling to a collective memory of Muslim atrocities under Turkish rule.

Another often-cited argument holds that to abandon the political part of the Dayton Agreement is to reward aggression on the model of Hitler's dismemberment of Czechoslovakia. The analogy is mistaken. Hitler violated a recognized sovereign state; Bosnia's civil war was triggered by the West's misconceived attempt to experiment with a multiethnic state among populations divided by religion and whose very reason for existence has been to prevent domination by the other ethnic groups.

America has no national interest for which to risk lives to produce a multiethnic state in Bosnia. The creation of a multiethnic state should be left to negotiations among the parties—welcomed by America if it happens but not pursued at the risk of American lives. America does have a political concern to preserve the cease-fire for a reasonable period. We have already extended the deadline for withdrawal which the president promised to Congress. A case can be made to extend it once again with gradually reduced forces for a limited period—but after next June with personnel who have specifically volunteered for this duty, backed up by air power and naval forces stationed nearby. Manning cease-fire lines in Bosnia cannot be a permanent American undertaking.

As for the war criminals, there is no doubt that they deserve to be judged before a tribunal constituted for that purpose at The Hague. In the current state of affairs, an American military move would be construed as an effort to break Serb resistance to a multiethnic state and therefore would be opposed bitterly by the Serb population. But if America confined its role in Bosnia to maintaining the cease-fire lines and left the political evolution to the parties, a situation might present itself in which the arrest of war criminals could be dealt with on its merits.

America must avoid drifting into a crisis with implications it may not be able to master. The administration deserves much credit for having brought about the end of hostilities. Ending communal hatred is a longer-term challenge. We can facilitate this but we cannot justify military action.

EXCERPTS FROM REMARKS ON BOSNIA AT GEORGETOWN UNIVERSITY, WASHINGTON, DC

(By Sandy Berger, National Security Adviser)

Some argue that we set our sights too high in Dayton, that only an ethnic partition will produce the stability we want and extricate us from Bosnia. I believe the partitionists are wrong. Because accepting partition means ratifying the worst ethnic cleansing in Europe in more than a half century. We should not give up on justice and reward aggression.

Partition also would be wrong because it would send the message to ethnic fanatics everywhere that the international community will allow redrawing of borders by force, by creating the kinds of ethnically pure states that often harbor a dangerous sense of grievance, entities that would be inherently unstable, ultimately not viable, and inclined to expansionist aggression, partition would lead not to peace, but to war.

In short, to advocate partition is to accept defeat.

Mr. WARNER. Mr. President, I think it is imperative we take the steps outlined in this amendment and add additional steps so that this country does not drift into a new policy along the very lines that the Senator from Arizona has so eloquently stated.

I was privileged, on behalf of the Armed Services Committee, to write the committee's report on Somalia, with the distinguished Senator from Michigan [Mr. LEVIN]. I well understood how we got into it, what the problems were. And, once again, we are in the business of nation building as we interpose ourself amongst the several political factions fighting in that country.

I voted consistently against putting ground troops in. Therefore, I can stand here with a clear conscience today and say, once they are in, we have to assess what is that exit strategy. We are going to have \$7.3 billion of American taxpayers' money expended if we go through June 1998. There is no way of assessing the price tag of the risks of our men and women of the Armed Forces of our Nation have taken during that period of time. Therefore, this policy has to be rethought, and I think no less a reconvening of the Dayton principles is a measure we need to do to get to the right result in this situation.

Mr. President, I thank the distinguished manager for my few minutes here.

Mr. STEVENS. If there is any time, I reserve it. Does the Senator from Hawaii have any final statements?

Mr. INOUE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUE. Mr. President, I regret very much that there are some who are disappointed with section 8109 of the appropriations bill that authorized the creation of the cruise ship industry.

So, if I may, Mr. President, I ask unanimous consent to have printed in the RECORD letters indicating support, first, from the Department of Defense, a letter from the Assistant Secretary of the Navy, John Douglass; the Governor of Hawaii, the Honorable Benjamin Cayetano; the National Security Caucus Foundation; and representatives of our maritime industry, for example, Seafarers International Union, the Transportation Institute, the American Shipbuilding Association, the American Maritime Officers, the American Classic Voyages Co.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE ASSISTANT SECRETARY OF THE
NAVY, RESEARCH DEVELOPMENT
AND ACQUISITION,

Washington, DC, July 30, 1997.

Hon. TED STEVENS,

Chairman, Subcommittee on Defense, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing in strong support of the United States-flag Cruise Ship pilot project included in the Senate's Fiscal Year 1998 Department of Defense Appropriations Bill, S1005, as passed on July 15, 1997. The construction of large, oceangoing cruise ships in United States' shipyards under this project is vital to transitioning U.S. shipyards back into the construction of cruise ships and to sustain this country's shipbuilding industrial base.

Military preparedness depends on the maintenance of a robust industrial base for U.S. Navy shipbuilding. With the decline in the number of new construction Navy ships, we have been actively encouraging the producers of our large warships and support ships to explore commercial opportunities. The sophistication involved in cruise ship design and construction makes this commercial project ideal for sustaining critical shipbuilding skills.

The MARITECH program authorized by Congress in Fiscal Year 1994 has served as an innovative research and development initiative to improve the international competitiveness of our U.S. shipyards, particularly in the construction of large, oceangoing vessels of all types. The technology transfer that accompanies any large ship construction program is essential to the continued viability of the shipyard industrial base in the U.S. The Cruise Ship pilot project contained in Section 8097 of S1005 would provide the means for just such technology transfers. I support the use of \$250,000 in Fiscal Year 1998 for the Cruise Ship pilot project.

However, I have some concern with the language that prohibits the future use of federal funds under this section. There may be a future need to utilize federal research and development funds for shared ship design applications and this requirement should be left to the determination of the Secretary of Defense. Specifically, the Navy is interested in exploring the potential use of the hull design used for these cruise ships as the hull for future Joint Command and Control ships. Accordingly, the Navy needs the flexibility to spend research and development funds on a common hull design for this mission.

Your support for this important project is appreciated. A similar letter has been sent to the other Chairmen of the Congressional Defense Committees.

Sincerely,

JOHN W. DOUGLASS.

EXECUTIVE CHAMBERS,

Honolulu, HI, August 29, 1997.

Hon. DANIEL K. INOUE,

U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR INOUE: I recently received a briefing on your U.S.-flag Cruise Ship Pilot Project (S. 1005, Sec. 8097) contained in the FY 1998 Department of Defense Appropriations Bill.

Hawaii's domestic cruise ship operation remains a vital component of our state's visitor industry. I am excited about the prospect of revitalizing that business with new passenger cruise ships dedicated solely to inter-island cruises.

I support your leadership in initiating an innovative program aimed at facilitating a dedicated cruise ship within 18 months and the construction of two new cruise ships, the first to be built in U.S. shipyards in over 40 years.

Please know that you can count on the full support of the State of Hawaii in your efforts.

With warmest personal regards,
Aloha,

BENJAMIN J. CAYETANO.

NATIONAL SECURITY
CAUCUS FOUNDATION,

Washington, DC, September 8, 1997.

Hon. C.W. (BILL) YOUNG,

Chairman, Subcommittee on National Security, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: This is a follow-up to the letter you received from Assistant Secretary of the Navy John Douglass regarding the United States-flag Cruise Ship Pilot Project. We are in complete agreement with Secretary Douglass, the U.S. Navy, the Department of Defense, and many prominent national security experts regarding the importance of this initiative.

During the August recess Secretary Douglass and Deputy Assistant Secretary Hammes participated in a Congressional Delegation (CODEL) to Asia which was sponsored by the NSC Foundation. This project was a focal point of their meetings with your fellow members of the Appropriations Committee and the Senate Intelligence Committee.

They also joined your colleague Duke Cunningham in meetings with the President, Defense Minister and Chairman of the Joint Chiefs of Staff in the Philippines. They all emphasized the importance of American shipbuilding to the national security interests of both of our nations.

Furthermore, many of your colleagues participated in a recent National Security Caucus dinner with Navy Secretary John Dalton and Marine Corps Commandant Charles Krulak who both said this program is vital to sustain our nation's shipbuilding industrial base.

The bottom line is that the senior leadership of the national security community is supporting this initiative because it is an ideal project to sustain critical shipbuilding skills. Furthermore, as the Assistant Secretary indicated, the Navy is very interested in exploring the potential use of hull designs used for these cruise ships as the hull for future Joint Command and Control Ships.

Finally, several flag officers have already testified before your Subcommittee regarding the need for builders of large warships and support ships to explore commercial opportunities. The United States-Flag Cruise Ship Project is a perfect example of an appropriate commercial initiative, and we hope you will join your Senate colleagues in supporting this endeavor.

We are enclosing an analysis which describes this project in further detail. If your staff has any questions about this please have them contact Gregg Hilton, the Executive Director of the NSC Foundation, at 479-4580. Many thanks.

Admiral Thomas H. Moorer, USN (Ret.), Former Chairman, Joint Chiefs of Staff; Rear Admiral Robert H. Spiro, Jr., USNR (Ret.), Former Under Secretary of the Army, Carter Administration.

NATIONAL SECURITY
CAUCUS FOUNDATION,

Washington, DC, September 4, 1997.

THE UNITED STATES-FLAG CRUISE SHIP
PROJECT

The United-States-flag Cruise Ship Project was included in the Fiscal Year 1998 Department of Defense Appropriations Bill (S. 1005) when it was passed by the Senate on July 15. Many prominent national security experts

believe that the construction of large, ocean-going cruise ships in United States' shipyards under that project is vital to transitioning U.S. shipyards. This will allow them to move from strictly military to commercial vessel construction and the initiative is important for the preservation and modernization of the American shipyard industrial base.

Military preparedness depends on the maintenance of a robust industrial base for U.S. navy shipbuilding and repair. In this country, we have six shipyards capable of building large warships and support ships critical to our national defense.

The U.S. Navy believes it is essential for these shipyards to remain active, with a skilled and trained work force. The declining number of active U.S. Navy ships and new construction and repair opportunities requires America to look to commercial ship building as the best means by which to maintain that shipbuilding capability. The burgeoning worldwide demand for cruise ships, coupled with their sophisticated construction demands, make cruise ships an ideal commercial project for American shipyards to maintain their heightened state of readiness.

The MARITECH program was authorized by Congress in 1994 and according to senior Defense Department officials it has served as an innovative research and development initiative to improve the international competitiveness of U.S. shipyards, particularly in the construction of large, oceangoing vessels of all types. The technology transfer that accompanies any large ship construction program is essential to the modernization of the shipyard industrial base in the United States. The cruise ship pilot project contained in Section 8097 of S. 1005, as amended, would provide the means for just such technology transfers, without requiring obligation of scarce federal shipbuilding funds for either shipyard tooling or the construction of the vessels themselves.

This provision, as passed by the Senate will jump start cruise ship construction in the U.S., develop the American flag cruise industry and help reduce U.S. shipyard dependence on Department of Defense construction—all without the use of federal funds. It would result in the construction in the U.S. of two state of the art large oceangoing commercial cruise ships. These ships cost hundreds of millions of dollars each and will be built with private capital. The pilot project will create thousands of jobs in U.S. shipyards during construction and on board the vessels after completion.

The provision would be supervised under the Department of Defense's MARITECH program. Under MARITECH auspices two cruise ship design projects have been completed, the pilot project would result in actual construction.

An existing operator of U.S.-flag cruise ships in Hawaii and on the inland waterways is ready and willing to build new cruise ships. However, U.S. shipyards have not built a large ocean-going cruise ship in over 40 years and the first operator to do so faces a cost disadvantage.

The pilot project would assist U.S. yards by facilitating series construction of the two new cruise ships and the operator would be required to sign a binding contract for delivery of the first vessel by 2005, the second by 2008.

The pilot project would also help Hawaii operations by permitting the temporary reflagging of an existing foreign-flag cruise ship for operation under the U.S.-flag with U.S. crews while the new ships are constructed in order to develop market demand and would give preference in the trade for the life expectancy of the vessels built under

this program in order to allow an adequate return on the significant investment required to enter and develop this market.

U.S. shipyards build the best naval vessels in the world, but without the infusion of commercial shipbuilding technology, as will be made possible under the proposed pilot project, our shipyards will find it increasingly difficult to make the transition to building large commercial vessels that is vital to the future of our shipyard industrial base.

JULY 17, 1997.

DEAR CONGRESSMAN: We are writing to request your support for the U.S.-flag Cruise Ship Pilot Project contained in Section 8097 of S. 1005 of the FY '98 DOD Appropriations bill as passed by the Senate under the leadership of Chairman Stevens and Senator Inouye. This provision is critically important to our U.S. flag cruise ship industry and for our U.S. shipbuilding base.

Section 8097 would direct the MARITECH program to supervise a pilot project to enhance the shipbuilding industrial base and to develop the U.S.-flag cruise industry. The MARITECH program (authorized by the FY '94 defense authorization bill) has served as an innovative research and development initiative that has produced substantive results in improving the international competitiveness of the shipbuilding industry in the United States.

The U.S.-flag Cruise Ship Pilot Project would result in the construction of two new cruise ships in U.S. yards and allow the temporary reflagging of one foreign cruise ship. The project would be privately funded and constructed (without the use of federal funds) and provide preference in the trade in order to allow for an adequate return on the significant capital investment required to develop this new shipbuilding capability and a broader market for U.S. cruise ships. The U.S.-flag Cruise Ship Pilot Project means thousands of shipyard jobs over several years and more than two thousand permanent jobs on board the vessels when completed—approximately seven hundred within the first year alone. We urge your support of this important provision.

Very truly yours,

American Classic Voyages Co., Philip Calian, President; American Shipbuilding Association, Cynthia Brown, President; Transportation Institute, James Henry, President; American Maritime Officers, Michael K. McKay, President; Seafarers International Union, Michael Sacco, President; American Maritime Officers Service, Gordon Spencer, Legis. Director.

MR. INOUE. Mr. President, I believe the RECORD should note that up until the latter part of 1967, America controlled the seas. Most of the cruise vessels were American owned, American built. Today, the situation is slightly changed. Last year, over 6.2 million passengers worldwide—and 75 percent were Americans. The Caribbean and the Bahamas regions, which is the largest North American market, does not have a single American cruise vessel.

Cruises are the fastest growing segment of the tourism industry. They bring in over \$7.5 billion in revenues. And 113 vessels currently operate in the North American market—1 American. Of the 30 companies operating in the North American market, 3 companies—foreign companies, Mr. President—command over 70 percent of the market. These foreign ships are obvi-

ously built in foreign shipyards. They employ very cheap foreign labor and operate outside our regulations. They pay no U.S. taxes and are not available for U.S. emergencies.

Shipbuilding subsidies in foreign countries in recent years ranged from 9 percent to 33 percent of the cost of the vessel's construction. At a 9-percent construction subsidy, an operator today could build a new \$500 million, 130,000-ton cruise vessel in a foreign yard and reduce its cost of capital by an astounding \$45 million. The United States, since the early 1980's, has not subsidized the commercial construction of ships.

These foreign companies also take advantage of the lower cost of foreign labor. In fact, the Wall Street Journal recently ran an article reporting these foreign cruise companies pay workers on board their ships a paltry \$1.50 per day—that's right, \$1.50 per day before tips—for 16 to 18 hours of work. We here in the United States have undertaken an aggressive campaign to stop the use of sweatshop labor, and we should hold these foreign-flag ships operating in the American market to those same high standards.

But perhaps the main reason these vessels fly a foreign flag is to avoid U.S. tax laws. Although most of these foreign-flag cruise operations are located in the United States—and most of their passengers are Americans—they are protected by reciprocal international tax treaties. These reciprocal agreements allow the foreign-flag cruise ship companies to avoid the tax laws of the United States. For example, one large foreign-flag cruise operator recently reported earnings of approximately \$1.8 billion in revenues for its cruise operations. While most of these revenues came from American passengers, this cruise line, under existing U.S. law, considers this foreign source income which is exempt from U.S. tax law. Because of this loophole, this one company did not pay any income tax on its cruise ship operations. Based on the companies' net income from cruise operations, this can be equated to a \$158 million corporate income tax loss to the Federal Treasury.

An existing operator of U.S.-flag cruise ships in Hawaii and on the inland waterways, however, is ready and willing to build new U.S. cruise ships and employ American workers. But since U.S. shipyards have not built a large oceangoing cruise ship in over 40 years, the first operator to do so faces a significant cost disadvantage. That is why the U.S.-flag cruise ship pilot project is so important.

The pilot project will facilitate a series construction for two new cruise ships by requiring the operator to sign a binding shipyard contract with delivery of the first new vessel no later than 2005; the second by 2008. In order to replace a retired ship and develop market demand that operator will temporarily document an existing foreign-flag cruise ship for operation under U.S.-

flag with U.S. crews while the new ships are constructed.

This project is a milestone for our U.S.-flag cruise ship industry. After decades of dormancy in the oceangoing U.S. cruise ship arena, we now have a U.S. company that is willing to make a very substantial investment to try to rebuild our once proud U.S.-flag passenger fleet. Because this existing operator will make a very large investment in the development of new U.S.-flag cruise ships, which otherwise would not exist absent this significant investment, section 8109 includes a preference to ensure that other operators do not take advantage of this company incurring such "first mover" development costs and unfairly compete against the existing operator. I would note that Congress has provided similar incentives and preferences in other areas. The patent system is perhaps the most prominent example of such a restriction that protects, and thus encourages, investment in the development of new products and services that otherwise would not exist—even in highly competitive markets, such as the computer industry.

The patent-like preference contained in section 8109 is for a very narrow segment of the highly competitive Hawaiian tourism market—domestic inter-island cruises. These cruises account for less than 1 percent of overall Hawaiian tourism and an even smaller percentage of the North American cruise market. Moreover, Hawaii vacationers will have many competitively priced vacation alternatives to these new cruise ships. In addition, foreign-flag cruise ships, with their significant cost advantages in terms of low capital costs, low foreign labor costs, and freedom from U.S. income tax, will still be free to call in Hawaii, just as they always have. In fact, in 1995 alone 12 competing foreign-flag cruise ships operated in the Hawaiian market. Nothing in this provision will change that.

I recognize that there is a vibrant small U.S. passenger vessel fleet. I want to assure you that they are not affected by this provision. These U.S. operators will be able to enter and compete freely in the Hawaii cruise trade, including inter-island cruises. Mindful of this segment of the fleet, we were careful to draft section 8109 to exclude vessels measuring less than 10,000 gross tons and having berth or state-room accommodation of fewer than 275 passengers, these thresholds accommodate not only the entire U.S. small passenger fleet, but also any new vessels planned. Nothing in section 8109 will bar this vessel from entering the inter-island cruise market in Hawaii or in anyway inhibits its operation, once the plans are finished and construction of the vessel is completed.

Mr. President, this pilot project will help reverse the dreadful decline of the U.S.-flag cruise industry. It will jump start cruise ship construction in the United States, develop the U.S.-flag cruise industry, and help reduce U.S.

shipyard dependence on DOD construction—all without Federal funds.

The cruise industry is projecting that \$7.5 billion will be invested in the construction of new vessels over the next 5 years—and not one cent of this investment will be spent in U.S. shipyards. This pilot project, however, will result in the construction in the United States of two state-of-the-art large oceangoing commercial cruise ships, representing a private capital investment in U.S. shipbuilding of approximately \$1 billion.

The pilot project will create thousands of American jobs in U.S. shipyards during construction and onboard the vessels upon completion and approximately 750 shipboard jobs on board the temporary vessel within 18 months. It will create some 2,500 shipyard and subcontractor jobs throughout the construction project. And upon completion of the new ships, over 2,000 permanent onboard and shoreside support jobs will be created.

The pilot project will be supervised under DOD's MARITECH Program which Congress authorized in 1993 and has funded annually to facilitate advanced commercial shipbuilding in U.S. yards and the transition from depending on military construction to the competitive commercial market. Under MARITECH auspices two cruise ship design projects have been completed, led by the Ingalls and NASSCO shipyards. The pilot project would result in the actual construction of new cruise vessels in U.S. shipyards for the first time in 40 years.

In addition to the commercial benefits of the pilot project, it is also of significant value to the Department of Defense. It will reduce the U.S. shipyards dependence on Defense funds needed to maintain an adequate industrial base. In fact, a recent letter from the Assistant Secretary of the Navy for Research Development and Acquisition, John Douglass called

*** the construction of large, oceangoing cruise ships vital to transitioning U.S. shipyards back into the construction of cruise ships and to sustain this country's shipbuilding industrial base.

The Navy is also interested in exploring the potential use of the hull design for these cruise ships as the hull design for future Joint Command and Control ships.

Mr. President, the Governor from my State of Hawaii has also expressed his support for the provision and the bipartisan National Security Caucus Foundation called the project "a perfect example of an appropriate commercial initiative." Support for the pilot project can also be found within the maritime industry—the American Shipbuilding Association, Seafarers International Union, American Maritime Officers, American Classic Voyages Company, Transportation Institute, and American Maritime Officers Service.

This project will provide the incentive for U.S. expansion in the cruise

market, so that once again we can take pride in new U.S.-built oceangoing, U.S.-flag cruise ships. It will help to employ thousands of American workers, put the best shipbuilding technology in the world into commercial use, and help the Nation sustain a viable shipbuilding industrial base—all at no cost to the American taxpayers. It deserves our support.

The program that we have set forth, supported by DOD and supported by the whole industry, will once again reestablish our cruise industry.

So, Mr. President, I hope that my colleagues will adopt this amendment.

Mr. President, I ask unanimous consent that a paper, prepared by several members of my staff, to alert lawyers on the question of monopoly be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION 8097 OF THE DOD APPROPRIATIONS BILL CREATES NO "MONOPOLY" OR "UNPRECEDENTED RESTRICTION ON COMMERCE"

Section 8097 of S. 1005, the FY '98 DoD appropriations bill as passed by the Senate, contains a provision critically important to the U.S.-flag cruise ship industry and the U.S. shipbuilding base. It directs the MARITECH program to supervise a pilot project to develop and construct two new cruise ships in U.S. yards, and to allow, until they are built, temporary reflagging to the U.S.-flag of a foreign vessel. The result would be the first new cruise ships built in U.S. yards in over 40 years.

To allow for an adequate return on the significant capital investment required for this innovative initiative, the new ships would receive a preference in the trade. An objection has been raised that this would create a "monopoly" and a "legislative restriction on commerce [that] is unprecedented." The objection is unfounded.

SECTION 8097 CREATES NO "MONOPOLY"

The cruise ship business is quite competitive. Operators compete with each other for the patronage of vacationers who wish to spend their holidays aboard ship. Operators also compete with other providers of vacation and leisure activities. Passengers considering a cruise in the Hawaiian Islands thus can, and do, consider competing cruise trips in the Caribbean, the South Pacific, Alaska, and even the Mediterranean. They also can, and do, consider alternative vacations in the Hawaiian Islands, or other resort and vacation destinations.

There is thus absolutely no basis for the suggestion that a cruise ship operator would enjoy any sort of "monopoly" even as the only U.S.-flag company operating in the Hawaiian Islands. Antitrust case law recognizes this fact. In *American Ass'n of Cruise Passengers v. Carnival Cruise Lines, Inc.*, 911 F.2d 786, 788 (D.C. Cir. 1990), an antitrust action involving alleged discrimination against certain travel agents, the court defined vacation cruises as including, but not limited to, "any travel by a person as a passenger on a cruise ship for vacation purposes." The court also noted that the cruise business differs from carriage of cargo because the actual ports of destination are often of only secondary importance to cruise passengers:

"The purpose of taking a cruise, after all, is to enjoy a relaxing holiday aboard ship, generally while still visiting an unfamiliar place ashore. The cruise ship assumes responsibility for that transportation, and can substantially discharge its responsibility

even if circumstances require it to skip, or substitute, a port of call. Getting there, in other words, is half the fun."—911 F.2d at 790.

Thus, analysis of competition on the basis of "port-to-port" or "city-pair" markets, which might be appropriate in analyzing competition for in the carriage of cargo, or for the carriage of passengers on other modes of transportation such as airlines, is not meaningful in assessing cruise ship competition. Someone shipping a container, or flying on an airplane for business, usually has very specific origin and destination points in mind for the transportation involved. The same is not true, however, for cruise passengers, or even vacation travelers in general, for when one leisure destination often substitutes perfectly well for another.

One court has in fact specifically described the competitive situation facing cruise operators and others in Hawaii:

"The pattern of competition within the tourist industry is varied and intense. Hawaii competes for tourists from the mainland United States and foreign countries. In offering a relaxed tropical vacation spot, Hawaii competes with South Pacific and other offshore destinations. It thus operates in a national and international market."—*Waikiki Small Business Ass'n v. Anderson*, Civ. No. 83-0806 (D. Hawaii May 14, 1984).

Consumers of Hawaii cruises can, and do, face a host of substitute choices: (1) cruises to other U.S. and overseas locations; (2) other types of Hawaiian vacations, with shoreside accommodations and other forms of travel between the islands. Well over 95% of all visitors to Hawaii are not cruise passengers at all. Cruises on small seacraft and yachts are available as well as inter-island voyages on larger cruise ships. Over 22,000 passengers a day fly between the islands, and the Honolulu—Kahului, Maui city pair is the 3rd busiest in the United States. *Aviation Daily*, June 5, 1997, at 403; and (3) other "relaxed, tropical vacation spots" around the world.

In sum, there is no basis to the allegation that restricting the number of cruise ship operators between or among the Hawaiian Islands through the preference created by Section 8097 would create any "monopoly," as that term may properly be understood. See *Coastal Fuels of Puerto Rico, Inc. v. Caribbean Petroleum Corp.*, 79 F. 3d 182, 197-98 (1st Cir. 1996) (seller with 90% share of sales of bunker fuel to ocean going vessels in Puerto Rico has no monopoly power because it competes with sellers throughout the Caribbean and the Southeastern United States).

CONGRESS OFTEN "RESTRICTS COMMERCE" IN ORDER TO ACHIEVE IMPORTANT OBJECTIVES

There is also no basis to the suggestion that Section 8097 creates some sort of "unprecedented restriction on commerce." There are numerous precedents for the kind of preference created in Section 8097, particularly given its purpose of protecting the substantial investment that will be necessary to develop and construct the first new U.S.-flag cruise ships in almost 40 years.

The patent system, established by Congress pursuant to Constitutional direction, provides perhaps the most prominent example of a "restriction" of competition to protect, and thus encourage, investment in the development of new products and services that otherwise would not exist. The grant of a patent allows its holder to "restrict" competition by those who would seek to sell competing projects that infringe on its claims. Significantly, however, despite this restriction, holders of patents generally compete in highly competitive markets; the grant of the patent does not create itself any "monopoly." See *Atari Games Corp. v. Nintendo of America, Inc.*, 897 F.2d 1572, 1576

(Fed. Cir. 1990) ("When the patented product is merely one of many products that actively compete on the market, few problems arise between the property rights of a patent owner and the antitrust laws. . . . [Even] when the patented product is so successful that creates its own economic market . . . the two bodies of law are actually complementary, as both are aimed at encouraging innovation, industry, and competition.").

Federal procurement law also recognizes a number of circumstances in which competition may be restricted to serve important objectives. Procurements may be conducted without competitive procedures, for example, where necessary "keep vital facilities or suppliers in business or make them available in the event of a national emergency," 48 C.F.R. § 6.302-3(b)(1)(i), to "train a selected supplier in the furnishing of critical supplies or services," id. at (b)(1)(ii), or to "create or maintain the required domestic capability for production of critical supplies." *Id.* at (b)(1)(v). See generally 10 U.S.C. § 2304(c). Such procurements necessarily give the supplier a leg up on its competitors in the development and sale of the product being supplied, but they do not in any sense grant the seller a "monopoly."

Finally, Congress has often specifically restricted competition by statute to serve specific policy objectives. See 10 U.S.C. § 2304(c)(5). Examples include small business set-asides, 15 U.S.C. 637, and preferences for local suppliers in disaster relief situations, 42 U.S.C. § 5150. Last year's Defense Authorization bill included a statutory direction to enter sole source contracts with certain designated health care providers. Pub. L. 104-201 § 722(b)(2), 110 Stat. 2593. The suggestion that the provisions of Section 8097 are "unprecedented" is without any basis, and would be so even if Section 8097 did, in fact, create a "monopoly," which it does not.

CONCLUSION

While the operator of newly-built U.S.-flag cruise vessels in the Hawaii trade will receive some protection of its investment through the preference created by Section 8097, no monopoly will be created, and the operator will still face vigorous competition in the markets in which it operates.

NEW ATTACK SUBMARINE PROGRAM

Mr. STEVENS. Mr. President, the conferees have included a general provision, sec. 8129, within this conference report containing language to permit the Navy to enter into a contract for the procurement of four submarines under the New Attack Submarine Program. I would like to point out that this section does not provide new budget authority, but rather is an earmark of the amounts appropriated under the heading "Shipbuilding and Conversion, Navy" for the New Attack Submarine Program. The intent of the conferees was not to create new budget authority over and above amounts set forth elsewhere in the bill, but rather to clarify the terms and conditions under which the New Attack Submarine contract may be entered into between the Navy and the contractor team.

C-17

Mr. President, the conferees on the Defense spending bill understand that the manufacturer of the C-17 is building two additional aircraft in fiscal year 1998 for potential commercial sale. However, the Air Force has an agreement with the contractor which may permit DOD to accept early deliv-

ery of these aircraft within the Defense Department's C-17 multiyear contract. This agreement, combined with positive cost and schedule performance under the C-17 contract, may permit DOD to purchase up to 11 aircraft within the fiscal year 1998 appropriation. Thus, I believe the Senate's objective of delivering additional C-17 aircraft in fiscal year 1998 may actually be achieved without the appropriation of additional funds at this time.

HOLLOMAN AIR FORCE BASE/GERALD CHAMPION MEMORIAL HOSPITAL SHARED FACILITY

Mr. President, during the final session of the conference on Defense appropriations an error was made on the amount appropriated for the Holloman Air Force Base/Gerald Champion Memorial Hospital Shared Facility. It was the intent of the conferees to appropriate \$7 million for the shared facility, but the filed report reflects only \$5 million. This project was strongly supported by the Secretary of the Air Force and the Chief of Staff of the Air Force during hearings conducted by the subcommittee. Senator DOMENICI worked very hard on this issue and I believe that it is a great idea.

Mr. President, I have contacted the Department of Defense about this matter and they have assured me that they will fully fund the shared facility project at its intended level of \$7 million. I will continue to work with Senator DOMENICI to ensure full funding for this important project. I commend Senator DOMENICI for his efforts in this regard and look forward to seeing his vision of better quality service for our troops at a lower cost become a reality.

Mr. DOMENICI. Mr. President, I thank the chairman for his support and for his efforts to correct this mistake. I am very pleased that the chairman has received the commitment from the Department of Defense to fully fund the shared facility. I believe that in the end we will look back on this program and say that it was one of the very best things that we did.

PATRIOT MODIFICATION PROGRAM

Mr. STEVENS. Mr. President, in review of the printed copy of the "Statement of the Managers" that accompanies H.R. 105-265, the fiscal year 1998 Department of Defense conference report, we have found a typographical error in the Patriot modification line of the "Missile Procurement, Army" account. The President's budget request included \$20,825,000 for the continued modification of the Patriot missile system. It was the decision of the conference committee to provide a total \$28,825,000, an increase of \$8 million above the budget request for this program in fiscal year 1998. The additional funds provided by the conferees are for the procurement of additional GEM +/- upgrades for the Patriot system. I would note that the tables on page 90 of House Report 105-265, do not reflect the intent of the conferees.

It would be my hope that the Army would execute this program to reflect the intent of the conferees and further,

that the Army use its reprogramming authority to provide the recommended funding level of the conference committee. I intend to work with my ranking member, Senator INOUE and Representatives YOUNG and MURTHA to insure this program is not inappropriately reduced because of an administrative error.

PRINTING ERRORS

Mr. President, I would like to bring to the attention of Members three typographical errors that appear in the statement of the managers to accompany H.R. 2266. On page 76, under "Operation and Maintenance, Air Force", the REMIS program should read as an increase of \$8.9 million and not a decrease. On page 119, "Research, Development, Test and Evaluation, Navy", under the heading "Undersea Warfare Weaponry Technology", the 6.25-inch torpedo project should read as an increase of \$3 million and not zero. On page 125, "Research, Development, Test and Evaluation, Air Force", under the heading "Space and Missile Rocket Propulsion", the total amount should read \$18,147 and not \$18,847. All of these programs were listed correctly in the official conference papers. The typographical errors appear in the project level adjustment tables and do not affect the funding levels in the bill.

Mr. President, I ask for the yeas and nays on our conference report.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, in order to notify the leader—it is time for him to make a statement concerning the proceedings—I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I ask unanimous consent to proceed under my leader time.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. LOTT. I apologize for the delay in starting the votes that we have scheduled, but we were having some very important discussions that will affect the schedule for the next several days that I wanted to discuss with the minority leader and with the interested Senators.

For the information of all Senators, these next two votes will be the last votes for the week. The next vote will occur at 11 a.m. on Tuesday, September 30, on a motion to invoke cloture on the Coats amendment to the D.C. appropriations bill regarding scholar-

ships. Following these votes, I encourage the managers to remain on the floor for any additional amendments Members may want to offer to the pending D.C. appropriations bill. I believe perhaps there is a Senator that is waiting that will have an amendment that he could offer tonight, and have debated, if it is not worked out in the interim.

On Friday, tomorrow, beginning at 10 o'clock a.m., the Senate will begin consideration of the campaign finance reform legislation. I expect a full day of debate on that issue. However, no votes will occur during Friday's session of the Senate.

On Monday, the Senate will resume consideration of the campaign finance reform bill. Again, however, no votes will occur at that time.

On Tuesday, September 30, I expect that following the 11 a.m. cloture vote the Senate might be in a position to complete action on the last remaining appropriation bill, the D.C. appropriations bill. It will depend on what happens, of course, with the vote on the Coats amendment, and there are a couple of other key amendments that are still pending. Also, since Tuesday is the end of fiscal year, the Senate will consider the continuing resolution. We believe we have a continuing resolution agreed to that will be clean, and with a date that I discussed with the Democratic leader and with our leadership on the other side of the Capitol. Therefore, votes will occur throughout the day on Tuesday, and of course the pending business at that time will still be campaign finance reform.

Wednesday, October 1, is the start of the Jewish holiday. Therefore, votes will not occur past 1 p.m. However, the Senate will be considering the campaign finance reform bill for debate as long as Members want to remain into the evening. On Thursday, October 2, there will be no rollcall votes in observance of the Jewish holiday.

I expect the Senate to resume consideration of the campaign finance reform bill on Friday, October 3. However, no votes will occur. Again, with regard to the 3d, we want to talk with all the interested Senators to see whether we want to have debate or not. Then we will continue on campaign finance reform the next week but we would like to reserve further commitments on time or identification of when votes might occur until we have had time to get started with the debate and see how things go.

I thank my colleagues for their cooperation and remind Senators following these two back-to-back votes there will be no further votes today, and the next vote will occur 11 a.m. on Tuesday, September 30.

Mr. DASCHLE. Mr. President, I appreciate the opportunity to have some discussion with the majority leader about this schedule. I have not had the opportunity to discuss this matter at any great length with our colleagues, but I want to thank the majority leader. I think this is a schedule that af-

fords a good opportunity to debate campaign finance reform. It takes into account the Jewish holiday and the need for our Jewish colleagues to be away. It does afford the opportunity, as well, to take up other issues later on in October. I think it is a very good schedule and I look forward to getting into the debate tomorrow and working with the majority leader to schedule the other matters as they come available to us.

I hope our colleagues would avail themselves of the opportunity to begin the debate tomorrow. I know I will be on the floor, and I am sure many of my colleagues will, and we will have a good debate. I am sure we will have a number of opportunities to debate amendments and have votes over the course of that time.

Mr. LOTT. I might say, Mr. President, continuing with my leader time, I met with the committee leaders and discussed legislation on both sides of the aisle—for instance, the ISTEPA, or the highway infrastructure bill—as to when they would be ready with that legislation to go to the floor and how much time that might take. We also have been looking at fast-track trade legislation, when that might be available.

It was obvious to me that we had a window here in the next few days that we could take up the debate on campaign finance reform, but as we got on into October we would need to have time for the highway bill and the fast-track legislation.

I do think it is important that we continue our effort to get a 6-year transportation bill that is within the budget. I have been discussing this with the chairman of the committee and the ranking member. They agree. So we intend to go forward somewhere around the 7th or 8th on the highway infrastructure bill.

I just wanted to give that explanation as to why this decision was made.

Mr. DASCHLE. If I could ask the majority leader a question, I made an assumption about the schedule. It just occurred to me that I had not clarified this, but I assume that the majority leader would anticipate votes on campaign finance reform on Tuesday the 30th and Wednesday the 1st of October; is that correct?

Mr. LOTT. I had not anticipated votes at that time. I assume those days, most of the votes will be on the appropriation conference reports and the continuing resolution.

I had thought we would need more time for debate before we started voting on that. I didn't specify it, but I assumed the votes would not come until the 6th or 7th of October.

Mr. MCCAIN. Will the Senator yield?

Mr. LOTT. I yield the floor.

Mr. MCCAIN. First of all, I thank the majority leader. It is an affirmation of the word he gave last week which all of us here in this body knew was going to happen, and did not need a letter from