

to provide new support for the International Monetary Fund.

Last December I spent two weeks in Southeast Asia, visiting the Philippines, Brunei, Thailand and Indonesia.

Two of these countries, Thailand and Indonesia, are among the nations hardest hit by the currency crisis. They, along with the Philippines and South Korea, are working with the IMF to reform their financial systems and promote an early recovery.

I believe it is very much in our interest to help them through this crisis, and to provide insurance against a new one by supporting the full request for IMF replenishment.

#### ECONOMIC STAKES FOR THE US

Why is this?

First, all the countries suffering from the crisis are important markets. South Korea is our sixth largest export market. Thailand bought nearly \$9 billion worth of American exports last year. And the longer this crisis continues, the less they will be able to buy.

So economists predict that our economy will lose a half point to a full point of growth next year, meaning \$40 billion to \$80 billion. Bringing it home, I got a letter last month saying a Montana semiconductor company has just laid off 85 people because of this crisis. If we fail to stop the crisis now, we could well see worse, as pressure grows on China to devalue its own currency. The result of that would be new panics and currency crashes, coupled with greater economic losses for America.

#### NATIONAL SECURITY STAKES

National security should be an even greater concern in this crisis.

In the past century, we fought seven foreign wars: the Spanish-American War, the "Philippine Insurrection" which followed it, World War I, World War II, Korea, Vietnam and the Gulf War. And of these seven wars, we fought no less than five in countries affected by the Asian financial crisis. Even today, we have 37,000 troops in South Korea to deter a North Korean invasion.

Since the 1970s, economic growth has helped make Asia more prosperous, stable, and peaceful. And that has been of immense national security benefit to us. If the region falls into depression, that could change. Southeast Asia could become destabilized; North Korea could see an opportunity in an unstable South; and we could see other consequences we cannot now predict.

#### FOUR CONDITIONS

So it is in our interest to end this crisis. And we should contribute to the IMF's effort to do so, under four conditions.

First, we should not simply bail countries out; instead, we should help those people who are willing to help themselves.

And that is what we see in most affected Asian countries. Thai citizens, through the "Thai Helping Thai" cam-

paign, have contributed millions of baht to help the country pay off foreign debts. In Korea, a similar campaign has brought in donations of gold from sixteen million of the country's forty-two-million people. As the President of the Institute of Korean-American Affairs told me in a letter she sent last month:

With every ounce of gold that is collected, there lies a pool of personal memories. Married couples are giving their gold wedding rings and parents are surrendering gold items they had hoped to pass on to their children.

Likewise, governments are taking very tough and courageous reforms—closing failing financial institutions, ending subsidies and opening capital markets. Having spoken first-hand with Prime Minister Chuan and his team, I believe the Thai government is of high quality and has a convincing plan for recovery. While I have not visited South Korea since the crisis began, my impression is that President Kim Dae-jung also has an aggressive reform agenda and deserves our support.

Second, other countries should share the burden. And, in contrast to the Mexican crisis three years ago, they are doing so.

Japan has pledged \$19 billion, about double our pledge of \$9.7 billion. While Japan should do more to promote imports from affected countries than it has, its financial contribution in time of recession deserves credit.

Other countries are also doing their part. Australia has pledged \$5 billion, Singapore also \$5 billion, the European Union \$3 billion, and China \$1 billion. And China should be applauded for sticking by its promise not to devalue its own currency despite intense pressure on Chinese exports.

Third, the new IMF funding should be part of a long-term strategy to update the international financial institutions.

Between 1986 and 1995, world GDP grew from \$26 trillion to \$33.5 trillion, or 25%. During the same period, world capital flows grew from about \$188 billion to \$1.2 trillion per day—about 630%. So the financial world has fundamentally changed in a way the world productive economy has not.

International financial policies and institutions have not kept up. Our failure to anticipate two large crises in three years—Mexico and Asia—shows that beyond any doubt. So as we approve funding for the IMF as today's leading financial institution, we also need a serious, profound effort to understand what changes we need to make to adapt ourselves to a new world.

Finally, we must be ready to say "no" when governments will not reform. In this regard, I am very concerned about Indonesia.

Indonesia's finances are no worse off than are Thailand's or Korea's. But the government has been far slower to implement the reforms it pledged last

year, and has recently cast about among several new plans. The result has been a prolonged crisis, continued capital flight and threats to political stability.

We should work very closely with Indonesia's government to fix these problems. But if the government will not implement its promises, we will have no choice but to back off.

On the whole, I believe the Administration is acting in the spirit of our national interest and good common sense by working with the IMF to end the financial crisis. So far, when governments have implemented the IMF programs, the results have been good. The Thai currency has recovered from a low of 57 to the dollar to 43 today, and the Thai stock market has rebounded by more than 50% since January. Korea is also seeing good results; and countries with less financial trouble—Singapore, the Philippines, Brunei—are benefiting from their neighbors' recovery.

So we should stick with a plan that is working. We should approve the Administration's request for IMF replenishment. It is appropriate for Congress to add some conditions relating to market access or greater openness on the part of the IMF. But it is not appropriate to turn the request down or to link it to totally unrelated issues like abortion, as some in the House hope to do.

Madam President, this is a critical issue of American leadership; of American national interest; and also of jobs and prosperity for Americans at home. I hope the Senate will approve the Administration's request.

Madam President, 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. SPECTER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

#### SCHUYLKILL VALLEY METRO LIGHT RAIL SYSTEM

Mr. SPECTER. Madam President, I have sought recognition for two reasons:

First, to comment about the Schuylkill Valley Metro Light Rail System, which I visited this morning. It is a very fine example of what can be accomplished with light rail, for many purposes. It seeks to establish a light rail commuter line from city hall in Philadelphia to Reading, Pennsylvania, a stretch of some 72 miles, which would be enormously helpful in transporting people from the inner city to the surrounding counties in the Philadelphia area where there is a labor shortage, to move people from areas where people need jobs to areas where employers need people to fill jobs. This line would further be enormously helpful, to take pressure off of the Schuylkill Expressway, an alleged high-speed line in the

Philadelphia area which is more frequently a parking lot as opposed to a high-speed line. It would further be enormously helpful on the problems of air pollution, as a tremendous stream of traffic moves from the suburbs over the Schuylkill Expressway and U.S. route 422.

The cost of this light rail system would be \$720 million, with the Federal share being \$576 million. Congressman JON FOX joined me today at the area where we took a look at the proposal, and I think it is really a very, very useful use of ISTEA funds. It is my hope that, as we move ahead with the so-called ISTEA legislation, we will make a very substantial investment in infrastructure and that the higher figure will be adopted by the Senate, by the House, and by the conferees as we move through this important legislation.

I have joined over the years in efforts to take the highway trust fund off budget so it will be used for the specific purpose for which it was intended. I know in my State there are an enormous number of important projects which could be funded if the highway trust fund were to be used for highways, bridges and mass transit. I have confidence that the same exists around the country.

#### THE ESCALATING WAR BETWEEN THE PRESIDENT AND INDEPENDENT COUNSEL

Mr. SPECTER. Madam President, I now seek to discuss, or comment, on the escalating war between the President and independent counsel and to urge the independent counsel to reply forcefully in the public forum to attacks, as opposed to the use of the grand jury as a means of investigating the people who are proposing and undertaking those attacks. My own sense is that independent counsel would be well advised to reply to his critics in a public forum, and by that I do not mean in his driveway in the morning, but, when criticized, to reply. I have had some experience as a prosecutor running grand jury investigations, and it is an inevitable consequence that, when someone is under investigation, that person, persons or entity, will not like the investigation. I think it would be enormously useful if the American people knew, for example, why Mr. Starr is in the investigation on President Clinton's personal affairs.

People ask the question, how did he move from the investigation of an Arkansas land deal, where he has been engaged for many years at very substantial cost, over to the investigation of the President on his personal matters? There is a very direct answer, but one which I think very few people know. That is that Attorney General Reno asked Mr. Starr to conduct this investigation. That request was made by the Attorney General about 6 weeks ago. We all know that Attorney General Reno is very reluctant to authorize investigations by independent counsel,

with many of us having urged her to do so on campaign finance reform to no avail. So, when Attorney General Reno authorizes an investigation, there is a good indication that it is for a very, very strong cause. But people do not know that Mr. Starr got into this matter in relation to his authorized investigation of Webster Hubbell. And information came to Mr. Starr from Linda Tripp about an effort to secure employment for Ms. Monica Lewinsky under circumstances identical for Webb Hubbell, with the allegation being, and the inference being, that it was hush money for Webster Hubbell.

Linda Tripp came to Mr. Starr and Mr. Starr knew Ms. Tripp from his previous contacts with her when she was a witness in the Foster suicide and on Filegate. Ms. Tripp told Mr. Starr that Ms. Lewinsky had stated that a given individual had sought employment for Ms. Lewinsky outside of Washington, DC, with a specific firm, and that happened to be an identical firm—an identical individual who had made similar arrangements for Mr. Hubbell.

Mr. Starr then put a consensual electronic surveillance on Ms. Tripp, that is, consensual by Ms. Tripp. And Mr. Starr has been continually criticized for having conducted an unlawful electronic surveillance as recently as yesterday's TV talk shows. The fact of the matter is, Mr. Starr ought to make this point and ought to make it emphatically, that the one-party consent to the electronic surveillance was perfectly lawful under the law of Virginia where it took place.

After the electronic surveillance confirmed for Mr. Starr what Ms. Tripp said, Mr. Starr then took the matter to the Public Integrity Section of the Department of Justice and said, here is the evidence. There are a number of alternatives. One is the Justice Department can handle the matter itself. Second, the Justice Department can seek other independent counsel. Or, third, the Justice Department could refer, Mr. Starr recounts, to Mr. Starr. The matter was then taken to Attorney General Reno, who said it was her decision to authorize Mr. Starr to conduct further investigation related to the Ms. Monica Lewinsky matter, and that was then confirmed by the three-judge court which authorizes Mr. Starr's conduct.

Now, at that time, obviously, Attorney General Reno knew about the electronic surveillance and, in asking Mr. Starr to conduct the investigation, there was, I think, fairly stated, more than implicit approval of what Mr. Starr had done, but really explicit approval of what Mr. Starr had done.

There has been very, very substantial comment on the question of executive privilege. And, in looking at the news media reports on comments about this legal issue, they appear, really, to be authored by people who are advocates for the President's position. The law on executive privilege is well established, has been since the case of United

States v. Nixon, 418 U.S. 683, and it applies, as outlined by the Supreme Court of the United States on page 706 of U.S. Reports, volume 418, executive privilege applies to "protect military, diplomatic or sensitive national security secrets." Well, there is nothing of that nature involved in the investigation of the President's personal activities. Executive privilege applies to matters which are carried out by the Executive in his official capacity, again, not in his personal capacity.

There have been commentaries on the issue of the lawyer-client privilege as it would apply to a number of witnesses now appearing before the grand jury, and the speculation is that it is on Mr. Bruce Lindsey. Just as the claim of executive privilege might be applied to Mr. Bruce Lindsey, or perhaps to Mr. Blumenthal, we are not really sure, but there is very strong legal authority in a case decided by the Eighth Circuit Court of Appeals handed down on May 2, In re—Grand Jury Subpoena Decus Tecum, 112 F.3d 910. This is part of the controversy and contest between the White House and Mr. Starr—this case lays out, at page 920 of 112 Federal Reporter on the Third Series: Executive branch employees, including attorneys, are under a statutory duty to report criminal wrongdoing by other employees to the Attorney General.

Mr. Lindsey, who is an attorney, can hardly be in an attorney-client relationship to the President when he is a governmental employee. The court goes on to point out that the way a person retains a lawyer to have the attorney-client privilege is a very direct way, and that is the person retains his own counsel and not looking to a governmental employee to be the counsel. A governmental employee like Mr. Lindsey or other attorneys have their fiduciary obligation running to the Government of the United States. It does not run to anyone else with whom they have contact, even the President of the United States. The express statutory authority set out in 28 U.S.C. section 535(b) establishes the obligation of any governmental employee, including attorneys, to report evidence of wrongdoing to the Attorney General of the United States.

The way these matters are commented upon on the talk shows and in the press and in the media, it appears that there is some strong ground to assert executive privilege. To call it frivolous would be elevating it to a higher level than it deserves. It is absolutely, positively a stalling tack, nothing more and nothing less. It could not possibly apply. Some may argue that the Eighth Circuit opinion is not binding on the U.S. District Court for the District of Columbia, but those who have referred to it in the media make the suggestion that it applies only in St. Louis. The fact of the matter is that it's a Circuit court opinion, it is very persuasive, and there is no authority to the contrary. It is based