

take effect in October 1999. Home health agencies in my state tell me this is perhaps the most significant and important feature of the bill.

The bill further directs the Health Care Financing Administration to take all feasible steps necessary to minimize the delay in the implementation of the PPS. Specifically, HCFA will be required to accelerate data collection efforts necessary to develop the case-mix system which is at the heart of the PPS model.

Mr. President, I am pleased to add my name as an original cosponsor to this vitally needed legislation.

As we are all too painfully aware, our budget rules require that any legislation such as this which proposes "new" Medicare spending be accompanied by a reduction in spending to offset the costs.

While I understand the need to maintain budget neutrality, I am concerned about the offsets in the Roth bill, but I am pleased Senator ROTH has agreed to consider other offsets in order to address my concerns. We cannot move forward without an offset since the Congressional Budget Office has scored the bill at a cost of \$1 billion.

With the assurance that I now have received from the Chairman of the Finance Committee, I am lending my support to this important bill.

Our overriding objective at this late time with only hours left in the 105th Congress is to get this bill passed by the Senate and into conference with the House.

I am pleased that the House approved its version of the legislation just moments ago, and while the House legislation is not the measure I would want, its passage does move us substantially closer toward enactment of a final bill prior to adjournment.

I can assure my constituents in Utah who depend on home health care services that I will continue to pursue legislative resolution of these financing issues to preserve the home health care benefit for all Medicare beneficiaries.

And finally, let me also assure the dedicated and hard working people of Utah who provide home health care services that I will continue to work with them to bring some logic to the new Medicare payment system.

I especially want to thank Marty Hoelscher, Steve Hansen, Grant Howarth, Vaughn McDonald, Dee Bangarter and the many others in Utah, especially the Utah Association of Home Health Agencies, for their counsel and leadership over the past year in working on this very complex issue.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I ask unanimous consent that I be permitted to proceed in morning business for such time as I may consume.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

IRAQ

Mr. KERRY. Mr. President, there are two subjects that I wish to bring to my colleagues' attention this afternoon. First, I want to talk about an issue of enormous international consequence—the situation with respect to Iraq. For the last 2 months, as we know, Saddam Hussein has been testing, yet again, the full measure of the international community's resolve to force Iraq to eliminate its weapons of mass destruction. That has been the fundamental goal of our policy toward Iraq since the end of the gulf war and is reflected in the U.N. agreements reached in the aftermath of the war.

Two months ago, on August 5, Saddam Hussein, formally adopting a recommendation that had been made by the Iraqi parliament 2 days earlier, announced that Iraq would no longer permit U.N. weapons inspectors to conduct random searches in defiance of its obligations under those U.N. resolutions that were adopted at the end of the war, and also in violation, I might add, of its agreement last February with U.N. Secretary General Kofi Annan, to give UNSCOM teams, accompanied by diplomatic overseers, unconditional access to all sites where UNSCOM believed that Iraq may be stockpiling weapons or agents to make those weapons.

Let's understand very clearly that ever since the end of the war, it has been the clear, declared, accepted, and implemented policy of the United States of America and its allies to prevent Saddam Hussein from building weapons of mass destruction. And as part of that agreed-upon policy, we were to be permitted unlimited, unfettered, unconditional, immediate access to the sites that we needed to inspect in order to be able to make that policy real.

Iraq's defiance and the low-key—some would say weak—response of the United States and the United Nations initially went unnoticed, in part because of other events, including the dual bombings of our embassies in Kenya and Tanzania, as well as the obvious fascination with domestic events that have dominated the headlines now for so many months. Those events, frankly, have continued to obscure the reality of what is happening in Iraq; and, accordingly, the reality of the potential threat to the region—a region where, obviously, the United States, for 50 years or more, has invested enormous amounts of our diplomatic and even our domestic energy.

Press reports of the administration's efforts to intervene in, or at minimum, to influence UNSCOM's inspection process and the resignation of American UNSCOM inspector, Scott Ritter, focused the spotlight briefly on our Iraqi policy and raised some serious and troubling questions about our efforts to eliminate Iraq's weapons of mass destruction. The principal question raised was a very simple one: Are those efforts still intact, or has our policy changed?

Last month, press reports suggested that administration officials had secretly tried to quash aggressive U.N. inspections at various times over the last year, most recently in August, in order to avoid a confrontation with Iraq—this despite repeatedly demanding the unconditional, unfettered accesses that I referred to earlier for the inspection teams. Scott Ritter, the longest serving American inspector in UNSCOM, charged at the time that the administration had intervened at least six or seven times since last November when Iraq tried to thwart UNSCOM's work by refusing to allow Ritter and other Americans to participate on the teams, in an effort to delay or postpone or cancel certain UNSCOM operations out of fear of confrontation with Iraq.

Those were serious charges. We held an open hearing, a joint hearing between the Armed Services Committee and Foreign Relations Committee on these charges. There were some protestations to the contrary by the administration and a subsequent effort to ensure that the Security Council would maintain the sanctions against Iraq, but, frankly, nothing more.

In explaining his reasons for resigning, Scott Ritter stated that the policy shift in the Security Council supported "at least implicitly" by the United States, away from an aggressive inspections policy is a surrender to Iraqi leadership that makes a "farce" of the commission's efforts to prove that Iraq is still concealing its chemical, biological, and nuclear weapons programs.

Administration officials have categorically rejected the notion that U.S. policy has shifted, either in terms of our willingness to use force or support for UNSCOM. They have also disputed Ritter's charges of repeated U.S. efforts to limit UNSCOM's work. Writing in the New York Times on August 17, Secretary Albright stated that the administration has "ruled nothing out, including the use of force" in determining how to respond to Iraqi actions, and that supporting UNSCOM is "at the heart of U.S. efforts to prevent Saddam Hussein from threatening his neighborhood." While acknowledging that she did consult with UNSCOM's Chairman, Richard Butler, after Iraq suspended inspections last month, she argued that he "came to his own conclusion that it was wiser to keep the focus on Iraq's open defiance of the Security Council." Attempting to proceed with the inspections, in her view, would have "allowed some in the Security Council to muddy the waters by claiming again that UNSCOM had provoked Iraq," whereas, not proceeding would give us a "free hand to use other means" if Iraq does not "resume cooperation" with the Security Council. At that time, she also stressed the importance of maintaining the comprehensive sanctions in place to deny Saddam Hussein the ability to rearm Iraq and thus threaten his neighbors.

I appreciate the Secretary's efforts to set the record straight. But, Mr. President, I have to say, in all candor, that

I don't think that her op-ed or subsequent statements by the administration have put to rest legitimate questions—legitimate questions or concerns about what our policy is and where it is headed—not just our policy alone, I might add, but the policy of the United Nations itself, and the policy of our allies in Europe.

The fact of the matter is, in my judgment, the U.S. response and that of the Security Council to Saddam Hussein's latest provocations are different in tone and substance from responses to earlier Iraqi provocations.

Three times in the last 11 months Saddam Hussein has launched increasingly bolder challenges to UNSCOM's authority and work. In November, he refused to allow American inspectors to participate on the teams. Although that crisis ultimately was resolved through Russian intervention, the United States and Britain were leading the effort to push the Security Council to respond strongly. In subsequent weeks, Saddam Hussein refused to grant UNSCOM access to Presidential palaces and other sensitive sites, kicked out the team that was led by Scott Ritter, charging at the time that he was a CIA spy, and threatened to expel all inspectors unless sanctions were removed by mid-May.

By February, the United States had an armada of forces positioned in the gulf, and administration officials from our President on down had declared our intention to use military force if necessary to reduce Iraq's capacity to manufacture, stockpile or reconstitute its weapons of mass destruction, or to threaten its neighbors.

Ultimately diplomacy succeeded again. In a sense, it succeeded again. It averted the immediate crisis. One can certainly raise serious questions about how effective it was with respect to the longer-term choices we face. But certainly in the short term, Secretary General Kofi Annan successfully struck an agreement with Iraq to provide UNSCOM inspectors, accompanied by diplomatic representatives, full and unfettered access to all sites. There is little doubt that this agreement would not have been concluded successfully without the Security Council's strong calls for Iraqi compliance combined with the specter of the potential use of American force.

Saddam's latest provocation, however, Mr. President, strikes at the heart of our policy, and at the capacity of UNSCOM to do its job effectively. As long as the U.N. inspectors are prevented, as they are, from undertaking random no-notice inspections, they will never be able to confirm the fundamentals of our policy. They will never be able to confirm what weapons Iraq still has or what it is doing to maintain its capability to produce weapons of mass destruction.

Yet, when confronted with what may be the most serious challenge to UNSCOM to date, the administration's response, and that of our allies and the United Nations, has been to assiduously avoid brandishing the sword and

to make a concerted effort to downplay the offense to avoid confrontation at all costs, even if it means implicit and even explicit backing down on our stated position as well as that of the Security Council. That stated position is clear: That Iraq must provide the U.N. inspectors with unconditional and unfettered access to all sites.

Secretary Albright may well be correct in arguing that this course helps keep the focus on Iraq's defiance. It may well do that. But it is also true that the U.N.-imposed limits on UNSCOM operations, especially if they are at the behest of the United States, work completely to Saddam Hussein's advantage.

They raise questions of the most serious nature about the preparedness of the international community to keep its own commitment to force Iraq to destroy its weapons of mass destruction, and the much larger question of our overall proliferation commitment itself. They undermine the credibility of the United States and the United Nations position that Iraq comply with the Security Council's demands to provide unconditional and unfettered access to those inspectors. And, obviously, every single one of our colleagues ought to be deeply concerned about the fact that by keeping the inspectors out of the very places that Saddam Hussein wants to prevent them from entering, they substantially weaken UNSCOM's ability to make any accurate determination of Iraq's nuclear, chemical or biological weapons inventory or capability. And in so doing, they open the door for Iraq's allies on the Security Council to waffle on the question of sanctions.

I recognize that the Security Council recently voted to keep the sanctions in place and to suspend the sanctions review process. But, Mr. President, notwithstanding that, the less than maximum level of international concern and focus on the underlying fact that no inspections take place, the continuation of Iraq's weapons of mass destruction program, and the fact that Saddam Hussein is in complete contravention of his own agreements and of the U.N. requirements—that continues to be the real crisis. And Saddam Hussein continues to refuse to comply.

Since the end of the gulf war, the international community has sought to isolate and weaken Iraq through a dual policy of sanctions and weapons inspections. Or, as one administration official said, to put him in a "box." In order to get the sanctions relief, Iraq has to eliminate its weapons of mass destruction and submit to inspections. But it has become painfully apparent over the last 11 months that there are deep divisions within the Security Council particularly among the Permanent 5 members over how to deal with Saddam Hussein's aggressive efforts to break out of the box.

Russia, France and China have consistently been more sympathetic to Iraq's call for sanctions relief than the United States and Britain. We, on the

other hand, have steadfastly insisted that sanctions remain in place until he complies. These differences over how to deal with Iraq reflect the fact that there is a superficial consensus, at best, among the Perm 5 on the degree to which Iraq poses a threat and the priority to be placed on dismantling Iraq's weapons capability. For the United States and Britain, an Iraq equipped with nuclear, chemical or biological weapons under the leadership of Saddam Hussein is a threat that almost goes without description, although our current activities seem to call into question whether or not one needs to be reminded of some of that description. Both of these countries have demonstrated a willingness to expend men, material and money to curb that threat.

France, on the other hand, has long established economic and political relationships within the Arab world, and has had a different approach. Russia also has a working relationship with Iraq, and China, whose commitment to nuclear nonproliferation has been less than stellar, has a very different calculus that comes into play. Iraq may be a threat and nonproliferation may be the obvious, most desirable goal, but whether any of these countries are legitimately prepared to sacrifice other interests to bring Iraq to heel remains questionable today, and is precisely part of the calculus that Saddam Hussein has used as he tweaks the Security Council and the international community simultaneously.

Given the difference of views within the Security Council, and no doubt the fears of our Arab allies, who are the potential targets of Iraqi aggression, it is really not surprising, or shouldn't be to any of us, that the administration has privately tried to influence the inspection process in a way that might avoid confrontation while other efforts were being made to forge a consensus. But now we have to make a judgment about the failure to reinstate the inspection process and ask ourselves whether or not that will destroy the original "box" that the administration has defined as so essential to carrying out our policy.

Is it possible that there is a sufficient lack of consensus and a lack of will that will permit Saddam Hussein to exploit the differences among the members of the Security Council and to create a sufficient level of sanctions fatigue that we would in fact move further away from the policy we originally had?

To the extent that his efforts are successful, we will find ourselves increasingly isolated within the Security Council. In fact, it is already clear that some of our allies in the Security Council are very open to the Iraqi idea of a comprehensive review of its performance in dismantling all of its nuclear, biological, and chemical weapons—a review which Iraq hopes will

lead to a lifting of some if not all of the sanctions.

I think the question needs to be asked as to how long we can sustain our insistence on the maintenance of sanctions if support for sanctions continues to erode within the Security Council. If it is indeed true that support is eroding—and there are great indicators that, given the current lack of confrontation, it is true—then the question remains, How will our original policy be affected or in fact is our original policy still in place?

In April, Secretary Albright stated that, "It took a threat of force to persuade Saddam Hussein to let the U.N. inspectors back in. We must maintain that threat if the inspectors are to do their jobs."

That was the policy in April. Whether the administration is still prepared to use force to compel Iraqi compliance is now an enormous question. The Secretary says it is, but the recent revelations raise questions about that.

In addition, it seems to me that there are clear questions about whether or not the international community at this point in time is as committed as it was previously to the question of keeping Iraq from developing that capacity to rob its neighbors of tranquility through its unilateral development of a secret weapon program.

In May, India and Pakistan, despite all of our exhortations, conducted nuclear tests. In August, U.S. intelligence reports indicated that North Korea is building a secret underground nuclear facility, and last month North Korea tested a new 1,250-mile-range ballistic missile which landed in the Sea of Japan. Each and every one of these events raises the ante on international proliferation efforts and should cause the Senate and the Congress as a whole and the administration, in my judgment, to place far greater emphasis and energy on this subject.

If the United States and the United Nations retreat in any way on Iraq, if we are prepared to accept something less than their full compliance with the international inspection requirement that has been in place now for 7 years, it will be difficult to understand how we will have advanced the cause of proliferation in any of those other areas that I just mentioned.

Mr. President, over the years, a consensus has developed within the international community that the production and use of weapons of mass destruction has to be halted. We and others worked hard to develop arms control regimes toward that end, but obviously Saddam Hussein's goal is to do otherwise. Iraq and North Korea and others have made it clear that they are still trying, secretly and otherwise, to develop those weapons.

The international consensus on the need to curb the production and use of weapons of mass destruction is widespread, but it is far from unanimous, and, as the divisions within the Security Council over Iraq indicate, some of

our key allies simply don't place the same priority on proliferation as we do.

The proliferation of weapons, be they conventional or of mass destruction, remains one of the most significant issues on the international agenda. Obviously, solutions won't come easily. But I am convinced that in the case of Iraq, our failure would set the international community's nonproliferation efforts back enormously.

Our allies need to understand that the ramifications of letting Saddam Hussein out of the box that we put him in with respect to inspections would be serious and far-reaching. So I believe we need to keep the pressure on them to stand firm, to stand firm with us, and unless we reassert our leadership and insist that Iraq allow those inspectors to do their job, we will have destroyed a number of years of our effort in ways, Mr. President, that we will regret in our policy for the long haul.

I would point out also that there are experts on Iraq, those in the inspections team, those at the U.N. and elsewhere in our international community, who are very clear that Saddam Hussein's first objective is not to lift the sanctions. His first objective is to keep Iraq's weapons of mass destruction program—that will come ahead of all else.

The situation is really far more serious than the United Nations, the Congress or the administration have made clear to the American people or demonstrated through the level of diplomacy and focus that is currently being placed on this issue. It is not simply about eliminating Saddam Hussein's capacity to threaten his neighbors. It is about eliminating Iraq's weapons of mass destruction—chemical, biological, and nuclear. Failure to achieve this goal will have a profound impact, I believe, on our efforts with respect to our other nonproliferation efforts including completion of our talks with Russia and the ultimate ratification of the START II treaty by the Duma.

In recent conversations that I had with Chairman Butler, he confirmed that Saddam Hussein has only this one goal—keeping his weapons of mass destruction capability—and he further stated with clarity that Iraq is well out of compliance with U.N. resolutions requiring it to eliminate those weapons and submit to inspections and out of compliance with the agreement that he signed up to in February with Kofi Annan.

Mr. President, I believe there are a number of things we could do, a number of things both in covert as well as overt fashion. There is more policy energy that ought to be placed on this effort, and I believe that, as I have set forth in my comments, it is critical for us to engage in that effort, to hold him accountable.

In February, when we had an armada positioned in the gulf, President Clinton said that "one way or the other, we are determined to deny Iraq the capacity to develop weapons of mass destruction and the missiles to deliver them. That is our bottom line."

The fact is, Mr. President, over these last months there has been precious little to prevent Saddam Hussein from developing that capacity without the inspectors there and without the unwavering determination of the United Nations to hold him accountable. So the question still stands, What is our policy and what are we prepared to do about it?

Mr. President, I had asked to speak also on another topic for a moment. I see my colleague from New Mexico is here. Let me ask him what his intentions might be now and maybe we can work out an agreement.

Mr. DOMENICI. Mr. President, I am on the list for 20 minutes, and I have a 2:30 beginning on the budget process working with the White House on some offsets. How much longer did the Senator need?

Mr. KERRY. Mr. President, under those circumstances, I know that the chairman needs to get to those talks. I was going to speak for a longer period of time. What I will do is just proceed for another 5 minutes, to summarize my thoughts, if it is agreeable.

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

THE EDUCATION CRISIS

Mr. KERRY. Mr. President, we appear to be, obviously, stuck on the issue of education in the Senate as in the country. We have been talking about the crisis for a long time now. The fact is that there isn't a community in the country that isn't struggling with its public school system. Vouchers gain in popularity notwithstanding the fact that they are only going to solve the problem for a few of our kids. And the truth is that too many of our schools have a diminished tax base and an inability through the property tax to be able to do what they need to do.

We also know that too many of our students are graduating from high school and given a degree by a principal even though principals in this country know that too many of those kids can't even read or write properly. Of 2.6 million kids who graduated from high school a year and a half ago, fewer than a third graduated with a proficient reading level. One-third were below basic reading, one third were at basic reading level, and only 100,000 of them had a world-class reading level. Thirty percent of our kids need remedial reading, writing, and arithmetic in the first days when they go to college. The truth is, we also have a crisis of teachers and their availability in our school system. We need some 2 million new teachers in the course of the next 10 years. We will need to hire 60 percent of them in the course of the next 5 years. This year alone, 61,000 new teachers went into our school systems. But the fact is, we are not able to draw from the best universities, the best colleges, and the best students because we barely pay enough for subsistence as