There being no objection, at 12:34 p.m. the Senate recessed until 2:15; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

SUPPLEMENTAL APPROPRIATIONS FOR NATURAL DISASTERS AND OVERSEAS PEACEKEEPING EFFORTS FOR FISCAL YEAR 1998

The Senate continued with the consideration of the bill.

CHANGES TO THE BUDGET RESOLUTION AGGREGATES AND APPROPRIATIONS COMMITTEE ALLOCATION

Mr. DOMENICI. Mr. President, section 314(b)(3) of the Congressional Budget Act, as amended, requires the chairman of the Senate Budget Committee to adjust the appropriate budgetary aggregates and the allocation for the Appropriations Committee to reflect an amount of budget authority provided that is the dollar equivalent of the Special Drawing Rights with respect to: (1) an increase in the United States quota as part of the International Monetary Fund Eleventh General Review of Quotas (United States Quota); and (2) any increase in the maximum amount available to the Secretary of the Treasury pursuant to section 17 of the Bretton Woods Agreements Act, as amended from time to time (New Arrangements to Borrow).

I ask unanimous consent to have printed in the RECORD a revision to the budget authority aggregates for fiscal year 1998 contained in section 101 of H. Con. Res. 84.

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

	Budget authority
Current aggregates	1,387,577,000,000
Adjustments	+17,861,000,000
Revised aggregates	1,405,438,000,000

Mr. DOMENICI. Mr. President, I also ask unanimous consent that revisions to the 1998 Senate Appropriations Committee allocation, pursuant to section 302 of the Congressional Budget Act, be printed in the RECORD,

There being no objection, the revisions were ordered to be printed in the RECORD, as follows:

	Budget authority	Outlays
CURRENT ALLOCATION		
Defense discretionary	269,000,000,000	266,823,000,000
Nondefense discretionary	252,214,000,000	283,293,000,000
Violent crime reduction fund	5,500,000,000	3,592,000,000
Mandatory	277,312,000,000	278,725,000,000
Total	803,026,000,000	832,433,000,000
ADJUSTMENTS		
Defense discretionary		
Nondefense discretionary	+17,861,000,000	
Violent crime reduction fund		
Mandatory		
Total	+17,861,000,000	
REVISED ALLOCATION		
Defense discretionary	269,000,000,000	266,823,000,000
Nondefense discretionary	270,075,000,000	283,293,000,000
Violent crime reduction fund	5,500,000,000	3,592,000,000
Mandatory	277,312,000,000	278,725,000,000
Total	821,887,000,000	832,433,000,000

Mr. MCCONNELL. Mr. President, it is the desire of the chairman of the Appropriations Committee that we proceed with an amendment to the supplemental to add to the supplemental an agreement painfully worked out over the last few weeks with regard to the IMF new arrangements for borrowing and quota increase.

AMENDMENT NO. 2100

(Purpose: To provide supplemental appropriations for the International Monetary Fund for the fiscal year ending September 30, 1998, and for other purposes)

Mr. MCCONNELL. Mr. President, I send an amendment on behalf of Senator STEVENS, myself, Senator HAGEL, and Senator GRAMM of Texas to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky (Mr. MCCONNELL) for himself, Mr. STEVENS, Mr. HAGEL, and Mr. GRAMM, proposes an amendment numbered 2100.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following new title:

TITLE —INTERNATIONAL MONETARY FUND

That the following sums are appropriated, out of any money in the Treasury and otherwise appropriated, for the International Monetary Fund for the fiscal year ending September 30, 1998, and for other purposes, namely:

MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

LOANS TO INTERNATIONAL MONETARY FUND

NEW ARRANGEMENTS TO BORROW

For loans to the International Monetary Fund (Fund) under the New Arrangements to Borrow, the dollar equivalent of 2,462,000,000 Special Drawing Rights, to remain available until expended; in addition, up to the dollar equivalent of 4,250,000,000 Special Drawing Rights previously appropriated by the Act of November 30, 1983 (Public Law 98–181), and the Act of October 23, 1962 (Public Law 87–872), for the General Arrangements to Borrow, may also be used for the New Arrangements to Borrow.

UNITED STATES QUOTA

For an increase in the United States quota in the International Monetary Fund, the dollar equivalent of 10,622,500,000 Special Drawing Rights, to remain available until expended.

GENERAL PROVISIONS

SECTION . CONDITIONS FOR THE USE OF QUOTA RESOURCES.—(a) None of the funds appropriated in this Act under the heading ''United States Quota, International Monetary Fund'' may be obligated, transferred or made available to the International Monetary Fund until 30 days after the Secretary of the Treasury certifies that the major shareholders of the International Monetary Fund, including the United States, Japan, the Federal Republic of Germany, France, Italy, the United Kingdom, and Canada have publicly agreed to, and will seek to implement in the Fund, policies that provide conditions in stand-by agreements or other arrangements regarding the use of Fund resources, requirements that the recipient country—

(1) liberalize restrictions on trade in goods and services and on investment, at a minimum consistent with the terms of all international trade obligations and agreements; and

(2) to eliminate the practice or policy of government directed lending on non-commercial terms or provision of market distorting subsidies to favored industries, enterprises, parties, or institutions.

(b) Subsequent to the certification provided in subsection (a), in conjunction with the annual submission of the President's budget, the Secretary of the Treasury shall report to the appropriate committees on the implementation and enforcement of the provisions in subsection (a).

(c) The United States shall exert its influence with the Fund and its members to encourage the Fund to include as part of its conditions of stand-by agreements or other uses of the Fund's resources that the recipient country take action to remove discriminatory treatment between foreign and domestic creditors in its debt resolution proceedings. The Secretary of the Treasury shall report back to the Congress six months after the enactment of this Act, and annually thereafter, on the progress in achieving this requirement.

(d) Nothing in this section shall be construed to create any private right of action with respect to the enforcement of its terms.

SEC. . TRANSPARENCY AND OVERSIGHT.—(a) Not later than 30 days after enactment of this Act, the Secretary of the Treasury shall certify to the appropriate committees that the Board of Executive Directors of the International Monetary Fund has agreed to provide timely access by the Comptroller General to information and documents relating to the Fund's operations, program and policy reviews and decisions regarding stand-by agreements and other uses of the Fund's resources.

(b) The Secretary of the Treasury shall direct, and the U.S. Executive Director to the International Monetary Fund shall agree to—

(1) provide any documents or information available to the Director that are requested by the Comptroller General;

(2) request from the Fund any documents or material requested by the Comptroller General; and

(3) use all necessary means to ensure all possible access by the Comptroller General to the staff and operations of the Fund for the purposes of conducting financial and program audits.

(c) The Secretary of the Treasury, in consultation with the Comptroller General and the U.S. Executive Director of the Fund, shall develop and implement a plan to obtain timely public access to information and documents relating to the Fund's operations, programs and policy reviews and decisions regarding stand-by agreements and other uses of the Fund's resources.

(d) No later than July 1, 1998 and, not later than March 1 of each year thereafter, the Secretary of the Treasury shall submit a report to the appropriate committees on the status of timely publication of Letters of Intent and Article IV consultation documents and the availability of information referred to in (c).

SEC. . ADVISORY COMMISSION.—(a) The President shall establish an International Financial Institution Advisory Commission (hereafter ''Commission'').

(b) The Commission shall include at least five former United States Secretaries of the Treasury.

(c) Within 180 days, the Commission shall report to the appropriate committees on the future role and responsibilities, if any, of the International Monetary Fund and the merit, costs and related implications of consolidation of the organization, management, and activities of the International Monetary Fund, the International Bank for Reconstruction and Development and the World Trade Organization.

SEC. . BRETTON WOODS CONFERENCE.—Not later than 180 days after the Commission reports to the appropriate committees, the President shall call for a conference of representatives of the governments of the member countries of the International Monetary Fund, the International Bank for Reconstruction and Development and the World Trade Organization to consider the structure, management and activities of the institutions, their possible merger and their capacity to contribute to exchange rate stability and economic growth and to respond effectively to financial crises.

SEC. . REPORTS.—(a) Following the extension of a stand-by agreement or other uses of the resources by the International Monetary Fund, the Secretary of the Treasury, in consultation with the U.S. Executive Director of the Fund, shall submit a report to the appropriate committees providing the following information—

(1) the borrower's rules and regulations dealing with capitalization ratios, reserves, deposit insurance system and initiatives to improve transparency of information on the financial institutions and banks which may benefit from the use of the Fund's resources;

(2) the burden shared by private sector investors and creditors, including commercial banks in the Group of Seven Nations, in the losses which have prompted the use of the Fund's resources;

(3) the Fund's strategy, plan and timetable for completing the borrower's pay back of the Fund's resources including a date by which he borrower will be free from all international institutional debt obligation; and

(4) the status of efforts to upgrade the borrower's national standards to meet the Basle Committee's Core Principles for Effective Banking Supervision.

(b) Following the extension of a stand-by agreement or other use of the Fund's resources, the Secretary of the Treasury shall report to the appropriate committees in conjunction with the annual submission of the President's budget, an account of the direct and indirect institutional recipients of such resources: *Provided*, That this account shall include the institutions or banks indirectly supported by the Fund through resources made available by the borrower's Central Bank.

(c) Not later than 30 days after the enactment of this Act, the Secretary shall submit a report to the appropriate committees of Congress providing the information requested in paragraphs (a) and (b) for the countries of South Korea, Indonesia, Thailand and the Philippines.

SEC. . CERTIFICATIONS.—(a) The Secretary of the Treasury shall certify to the appropriate committees that the following conditions have been met—

(1) No International Monetary Fund resources have resulted in direct support to the semiconductor, steel, automobile, or textile and apparel industries in any form;

(2) The Fund has not guaranteed nor underwritten the private loans of semiconductor, steel, automobile, or textile and apparel manufacturers; and

(3) Officials from the Fund and the Department of the Treasury have monitored the implementation of the provisions contained in stabilization programs in effect after July 1, 1997, and all of the conditions have either been met, or the recipient government has committed itself to fulfill all of these conditions according to an explicit timetable for completion; which timetable has been provided to and approved by the Fund and the Department of the Treasury.

(b) Such certifications shall be made 14 days prior to the disbursement of any Fund resources to the borrower.

(c) The Secretary of the Treasury shall instruct the United States Executive Director of the International Monetary Fund to use the voice and vote of the Executive Director to oppose disbursement of further funds if such certification is not given.

(d) Such certifications shall continue to be made on an annual basis as long as Fund contributions continue to be outstanding to the borrower country.

SEC. . DEFINITIONS.—For the purposes of this Act, ''appropriate committees'' includes the Appropriations Committee, the Committee on Foreign Relations, Committee on Finance and the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Appropriations and the Committee on Banking and Financial Services in the House of Representatives.

This title may be cited as the ''1998 Supplemental Appropriations Act for the International Monetary Fund''.

Mr. MCCONNELL. Mr. President, I will not propose a time agreement at this point. Rather, let me say with regard to the amendment that after a great deal of work with my colleagues, Senator STEVENS and Senator HAGEL, who spent an endless amount of time on this—and Senator ROBERTS, as well, was heavily involved in it; Senator GRAMM also spent a great amount of time on this; Senator CRAIG of Idaho is on the floor and spent hours on this proposition—

Mr. CRAIG. Mr. President, will the Senator yield?

Mr. MCCONNELL. Yes.

Mr. CRAIG. Let me ask an instructive question, if I might, Mr. President. On page 8 of the amendment, line 13, you will find the word ''direct.'' If the chairman has no difficulty with the removal of that word, I ask unanimous consent that it be stricken from the amendment.

Mr. MCCONNELL. It is my understanding that the Senator from Idaho would like to delete the word ''direct.''

Mr. CRAIG. That is correct; to read, ''have resulted in support to.''

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

Mr. MCCONNELL. Mr. President, I therefore modify the amendment.

The modification to amendment (No. 2100) is as follows:

On page 8, line 13, strike the word ''direct''.

Mr. CRAIG. I thank the chairman.

Mr. MCCONNELL. I thank the Senator from Idaho and thank him as well for his considerable involvement in this discussion, which led to the final amendment that we have before us.

In addition, Senator BENNETT and Senator FAIRCLOTH were also involved in these discussions, and, of course, the usual and valuable contribution of the ranking member of the subcommittee, Senator LEAHY.

I believe we have produced a tough but fair bill. This bill would change the way IMF does business.

Let me offer some brief highlights of the reforms which we have agreed upon. This bill appropriates funds for the IMF's emergency facility, the new arrangements to borrow without any restrictions, just as the Senate did, I might add, in the last year, in fiscal year 1998. However, for the new subscription to the IMF, the U.S. funding of the $14.5 billion quota cannot be released—I repeat, cannot be released—unless the Secretary certifies that the group of seven nations have publicly committed and are working toward changing the IMF's lending policies.

The conditions which we expect to see included in future loans tackled the systemic problems which caused the Asian crisis. The bill sets out the two conditions for future IMF agreements.

First, borrowers will have to comply with their international trade obligations and liberalize trade restrictions. Monopolies, protected tariffs for family or friendly enterprises, and off-budget accounts each have contributed to financial weaknesses and collapse in Asia. This legislation will ensure that the IMF meets those problems head on before sinking funds into a troubled economy.

Just as important, the bill attacks phony capitalism. Economies in trouble are often economies which have experienced chronic government manipulation and intervention where ministries subsidize favored individuals or enterprises. As a matter of routine, this bill expects market-distorting subsidies and government-directed lending to good friends rather than good business partners to come to an end.

In addition to setting new conditions for IMF lending, we have improved accountability and transparency in fund operations. Senator HELMS was deeply concerned about the General Accounting Office having access to the IMF decisionmaking process. I believe we have not only addressed this issue, but have also taken a step in the right direction in terms of expanding public access and involvement.

Public access is a problem that Senator LEAHY has drawn attention to for some years, so I especially appreciate his help in moving this bill in the right direction on that issue. As I pointed out in markup back in committee, Treasury only produces reforms and results when Congress requires action in law. While Treasury and the administration would have preferred a blank check, that would have been both unwise as well as unachievable. It was not possible to fund the NAB and Quota now and hope for reforms down the road. Not one of my colleagues was willing to support $18 billion with no strings attached at all.

While the crisis in the Pacific has created a sense of alarm and generated an urgency to passing this bill, I hope everyone understands that not one dime—not one dime of this money is planned for Asia. These funds are being appropriated to take care of some unknown country at some unknown time for unknown purposes. After today, however, what we will know is that IMF lending practices will, in fact, improve. We will know that U.S. resources will not be wasted on corrupt governments. We will know we are not going to subsidize unfair trading practices. In sum, we will know we have permanently and substantially changed the way IMF does business.

Mr. President, that completes my statement. I am going to yield the floor here momentarily. I see my good friend from Nebraska, Senator HAGEL, here. No one has spent more time on this complex question than the distinguished Senator from Nebraska. He has brought to this his usual intellect and energy and has been a very important part of working all this out in a way that I believe is going to improve the way IMF does business in the future.

So with that I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HAGEL. Mr. President, I thank my friend and distinguished colleague, the chairman of the appropriations subcommittee that is handling this piece of legislation. I am grateful.

I might add, Mr. President, there were many people who worked hard, and some even diligently, on this to get an achievable reform package that really would do what the chairman from Kentucky has pointed out it would accomplish. There is not one among us in this body who did not want real reform, nor understand that real reform was required within the IMF structure. That was accomplished. I am proud of what we have done here and how we have done it. I am proud of the product.

Beyond that, I think it is important to recognize that today we live in a global community, anchored by a global economy. Certainly all the markets of the world are important to the United States. Not just farmers and ranchers and small businesspeople, but every person in America is affected when markets go down and when currencies are devalued. Not that the United States should rescue or has the obligation or responsibility to rescue every economy, but we must lead because it is relevant, it is in our best interests, our national interest.

We know that markets respond to confidence. What we are doing here is projecting the leadership that America must project in a global economy and with that is attached a certain amount of confidence. Investors and others around the globe, regardless where they look for those investments and opportunities in stable, secure areas, can do so with some confidence that all nations of the world are interconnected and have some global responsibility for those markets.

I might also add to something the distinguished Senator MCCONNELL from Kentucky mentioned. This is not foreign aid. There is some confusion about that when it is portrayed as a bailout to big bankers and big investors who care little about jeopardizing their own interests, thinking that there is some safety net of taxpayers' dollars under them. This is not a foreign aid bill. This is a process where for 50 years the United States has been essentially on a credit/demand process loaning money into the International Monetary Fund. We are repaid for those loans, and we are repaid with interest for those loans. We can get our money out of the IMF at any moment. The IMF moneys and accounts are backed up by gold reserves. The United States has never lost one dollar on any loan it has made to the IMF. As a matter of fact, it should be pointed out the United States, in fact, in 1978, took advantage of the IMF.

So it is my opinion, and I think the opinion of many of my colleagues, that the IMF can play an important role in the world. It should not be the banker for everyone. It should not be the safety net for every investor, no. But, in a world that is interconnected—and when markets in Asia go down that backs up to every market in America; that we are connected—the IMF institute, and that kind of institution, is important as we trade and become more globally linked.

So I am pleased that I have had an opportunity, along with many of my colleagues who were mentioned by Senator MCCONNELL, to have played a small role in this. I encourage my colleagues to support what has been done here today and what has been agreed upon and the language that is in this amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, once again I thank the distinguished Senator from Nebraska. I am told that the other side has cleared, now, a time agreement on this amendment.

So I ask unanimous consent there be a 20-minute time agreement on this amendment.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

Mr. MCCONNELL. Mr. President, I ask for the yeas and nays.

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

The yeas and nays were ordered.

Mr. MCCONNELL. Mr. President, I am not prepared to speak any further. I don't know whether the Senator from Nebraska would like to speak further or not. Therefore, seeing no one on the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCONNELL. 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. MCCONNELL. Mr. President, I have been around here long enough where I should have realized a quorum call was counting against the 20 minutes. So I think what I will do is ask unanimous consent that there be 20 minutes on this amendment beyond the current time, equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MCCONNELL. Mr. President, the distinguished Senator from North Carolina, an enthusiastic supporter of the compromise that we have worked out—just joking, Mr. President. I am unaware of any opponents of the compromise, other than the distinguished Senator from North Carolina. So I think it would be appropriate to yield him some of the time against the amendment.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. Thank you, Mr. President, and I thank Senator MCCONNELL.

I do not support the IMF compromise because I think it is incredibly weak. I did not support IMF funding out of the committee, and I think it is absolutely sinful to support $14 billion more to go to the IMF. It is everything but an emergency. It probably isn't even needed. In fact, Federal Reserve Chairman Greenspan said there was just the remote possibility of it ever being needed. The IMF is the problem; it is not the cure. Once people realize that, I think they will be in less of a hurry to give them $90 billion.

Further, this has no possibility of ending our international economic problems. There will be other bailouts. The IMF has created a safety net for international lenders. We have put together a corporate welfare project, the likes of which we have never in this world seen. We have privatized the profit, and we have socialized the losses. We are asking today for $18 billion for Asia. Well, it sounds fine. Why don't we go ahead and ask for $40 billion so we can be ready for Russia in 6 months? We might as well have it in reserve.

We do not want to do anything that would inconvenience Mr. Camdessus, who flies around the country in leased jets with 2,000 economists—2,000. On October 25, 1997, his 2,000 economists said that South Korea was an excellent country in superb financial shape, a banking system to really be emulated by the rest of the world, a governance of a country you couldn't improve upon. And before the ink dried on the report, the whole thing was in chaos. If he had had 3,000, he might have done better.

We have said three things had to be done before they could get the money:

They had to comply with international trade agreements that the countries have already signed. One thing.

Two, ensure no crony capitalism;

Three, ensure that foreign borrowers, i.e., U.S. borrowers, were not going to be discriminated against.

How tough would it be for each country to comply with those rules before they get an IMF loan? Obviously, way too tough because we have now weakened the language. The new language says that G–7 countries will require a public commitment. Will somebody tell me what requiring a public commitment means? If it gets weaker than that, it couldn't run off the table.

Anybody who votes for this amendment is voting for corporate welfare of the highest order; we are voting for international banking welfare of the highest order; we are saying to any lending institution anywhere in the world, ''Lend anybody anything, 20 percent, 30 percent, whatever rate you can get, and the American taxpayer will bail you out.'' That is simply what we are doing here. It is the ultimate in bad business, it is the ultimate in foolishness, but we are determined to do it. I intend to vote against it.

Thank you, Mr. President. I yield back my time.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. I yield 3 minutes to the distinguished Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Thank you very much, Mr. President. I thank the Senator from Kentucky.

I rise to briefly state my strong support for the $3.5 billion in NAB, the new arrangements to borrow, and also the additional $14.5 billion in replenishment. The conditions attached to this amendment, I believe, are a good compromise based on the Hagel-Gramm-Roberts bill that was introduced last week, which will make the IMF, I believe, work better in the future than it has worked up to now. It is my hope there can be further improvements also in conference.

I thank the majority leader Senator LOTT for his strong leadership and support and also the hard work that Senator HAGEL and Senator ROBERTS, also Senator MCCONNELL and Senator Phil GRAMM, Senator MACK of Florida and also Senator CRAIG, among others, who have worked very hard to reach this compromise over the last few days. I really believe the IMF is too important at this time not to replenish, not to continue to show strong American leadership in this area.

The financial crisis of other nations can no longer exist in a vacuum. They affect every other nation as we move closer to a global economy. I encourage the support of my colleagues for this very important amendment.

I thank you very much, Mr. President, and I yield the floor.

Mr. MCCONNELL. I yield 4 minutes to the distinguished Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. KEMPTHORNE. Mr. President, thank you very much.

As we debate the issue of increasing the American share in reserve funds of the International Monetary Fund, I think we should first consider the following two questions: Would it make sense for U.S. companies and employees to pay taxes to bail out foreign competitors of American business? Should Americans pay taxes to bail out foreign countries that have engaged in unfair business practices that previously made it difficult for American companies to sell their goods at home and abroad?

The resounding answer to these questions is no. These would, however, be the precise ramifications were Congress to approve IMF funding legislation that does not require all countries who receive IMF loans to engage in just and fair business practices that do not threaten the American companies whose very tax dollars make these IMF contributions possible.

I would like to touch on the recent IMF loan to South Korea, which I believe is a compelling example for why the IMF must be reformed.

By many accounts, South Korea's economic crisis stems in large part from the government's practice of extending favorable loans to industrial conglomerations to rapidly expand in export-oriented sectors. When world markets could not absorb the resulting excess production capacity in these industries, the prices for South Korea's major export products declined, which in turn threatened South Korea's ability to repay these loans.

Such government-directed subsidization for expansion can be seen in the 350 percent debt-to-equity ratio of the three major South Korean semiconductor manufacturers, nearly 10 times the U.S. average. This practice of the government subsidizing rapid industrial expansion in overcrowded industrial sectors has threatened American industry. It has allowed South Korea to sell its products below market costs, jeopardizing American competitors, who operate in a free-market economic structure.

South Korean dumping has been well documented and has resulted in several antidumping rulings against the country's semiconductor conglomerations.

The results of these practices have been devastating for domestic semiconductor producers, including those in Idaho. Take, for example, Micron Technology, America's largest producer of dynamic random access memory computer chips headquartered in Idaho, which employs more than 10,000 people. From their perspective, a United States-backed IMF loan to South Korea that does not put an end to some of South Korea's unsound and unfair economic practices would mean they would pay taxes to bail out foreign competitors who have engaged in business practices designed to undermine the U.S. semiconductor industry generally, and Micron specifically. American Microsystems, Incorporated, also in Idaho, would suffer from IMF loans that could be used to support their foreign competitors.

So as we consider this funding increase for the IMF, we have a unique opportunity to place some reforms on the IMF which would prevent loans such as the one granted to South Korea from threatening American businesses in the future.

The supplemental appropriations bill that was passed by the Appropriations Committee requires the Secretary of the Treasury to certify that IMF borrowers have to end government lending and subsidies to businesses, as well as comply with all international trade obligations they have made.

In addition, the Secretary of the Treasury would be required to certify that no IMF resources have resulted in supporting the borrower country's semiconductor, steel, automobile, or textile and apparel industries, and that both the IMF and the Treasury Department will strictly monitor these conditions.

These are good steps toward ensuring that IMF money, which is backed largely by the American taxpayer, will not in the future be used to undermine the American businesses and workers who generate this revenue.

Mr. President, that concludes my statement. I want to thank the Senators from Alaska and Kentucky and Nebraska for their leadership on this issue.

Mr. MCCONNELL. I say thank you to the Senator from Idaho.

The PRESIDING OFFICER. The time allocated to the Senator from Kentucky has expired.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the distinguished Senator from Idaho have 2 minutes to address the Senate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CRAIG. Mr. President, I thank Senator MCCONNELL and Senator HAGEL for the work they have done on reform issues tied with this most critical IMF funding. I must tell you that at the outset I was not a champion of the idea that we bail out anybody—and I am still not. But clearly what we have done here is say to the IMF and to nations who would benefit from their loans that there needs to be the establishment of some clear-cut rules that impact loaning policies and the economy of those countries.

My colleague from Idaho has just spoken to an issue that I think so clearly demonstrates why we need to do what we need to do. Senator KEMPTHORNE and I, for the last several years, have worked in my State with a company that has fought overwhelming odds. They fought a major government of a growing economic power —the Korean Government—and a major industry in Korea. Why? Because of a very cozy relationship between this industry and its government to build an extremely large and excessive capacity to dominate a world market and, therefore, substantially underbid in the market the efficiencies of this company that was leading the world in technology and productivity. We should not allow this nor should we allow the taxpayers of this country to be a part in this bailing out.

Well, we are no longer doing that. We are making a major move to create transparency in the relationships that governments and their banking institutions and private industry in those countries have. That is what will strengthen the Asian economy. That is what will disallow the kind of Asian flu that currently exists, when we can work on equal footing, when all are treated relatively equal in a growing global economy.

That is what strengthens what the Senate is doing today. And clearly, the amendments that Senator MCCONNELL and Senator HAGEL and others have worked on will do just that in bringing about reforms. The United States must have a major voice in this issue.

The IMF and our support of it can, in fact, be that voice to bring about uniformity around the world for all citizens of the world, and certainly the citizens of our country, the banking institutions of our country, but most importantly, the private industry of our country which without Government support and without Government subsidy must compete in a world market where that subsidy and support exists.

So I thank my colleagues for working jointly together to accomplish what I think these amendments, included with the IMF funding, will accomplish.

The PRESIDING OFFICER. Who yields time?

Mr. MCCONNELL. I thank the distinguished Senator from Idaho for his important contribution to this compromise.

I say to my chairman, I thought Senator ROBERTS was going to come over. He also was interested in this issue and has been significantly involved in it. But I do not see Senator ROBERTS yet.

Mr. STEVENS. I do commend Senator MCCONNELL, as chairman of the subcommittee, and Senators HAGEL, ROBERTS, KEMPTHORNE, CRAIG, Senator GRAMS of Minnesota, Senator Phil GRAMM of Texas, and my good friend from New Mexico also on this matter. I think it has brought about a better understanding of what we are doing. I must also say that the Secretary of Treasury, Mr. Rubin, has been working with us and helping to iron out this problem. He has had a working relationship with us, which I think bodes well for the future.

Did the Senator from New Mexico wish to say something? Time has expired.

Mr. DOMENICI. Could I speak for 2 minutes? One minute?

Mr. STEVENS. Does the Senator from North Carolina seek time?

Mr. HELMS. A couple minutes.

Mr. STEVENS. I yield back all of the time for the opposition, but ask unanimous consent to convert 4 minutes—2 minutes for the Senator from New Mexico and 2 minutes for the Senator from North Carolina. And that would be the end of the time on this amendment.

The PRESIDING OFFICER (Mr. KEMPTHORNE). Without objection, it is so ordered.

The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I thank the distinguished chairman for finding 2 minutes for me.

There are so many Senators who worked on this to get this amendment done with the appropriate reforms that will stand the test of international participation and yet be something that will be accommodating. I do not want to mention names, except I want to mention one freshman Senator—CHUCK HAGEL. I say to Senator HAGEL, it has been a pleasure working with you on this. And I compliment you for your leadership.

Mr. President, fellow Senators, there will be some Senators who disagree with this statement, but I think the final test of how you ought to vote in the Senate is whether the measure before you is the right thing to do. I do not think there is any question that, looking at our country and how we might suffer, if the countries that are in trouble in Asia do not have an opportunity consistent with reasonable reforms to get their economies back as soon as possible, we are going to suffer.

I am already suggesting that inland States, like New Mexico, are suffering immensely by way of layoffs in the computer chip business because of the slowdown in that market.

Now, I do not know that we are smart enough to know how to fix everything that went wrong there, but the amendments and this extension will, indeed, give the international community an opportunity to see if they cannot get vital reforms and make this International Monetary Fund functional and operative as those countries in that part of the world attempt to put their banking system and their monetary policy back on sound ground.

Ultimately, it will never cost America anything. I do not believe it is going to cost us anything but reserves behind these loans. And participatory arrangements are adequate to cover any obligation that will be forthcoming. But we need a significant reserve. This amendment will let the other countries come in with their part and we will have a significant reserve for the future.

Mr. President, I support the pending amendment to the supplemental appropriations bill, authorizing and providing appropriations to the International Monetary Fund.

Primarily, it is the depletion of funds at the IMF that has brought the urgency of this matter to our attention. There are two funding issues before the Congress in the supplemental request: a $3.5 billion appropriation to the IMF's emergency reserve—the New Arrangements to Borrow, and the periodic appropriation for the US quota subscription, the regular pool of money at the IMF, equal to $14.5 billion.

The Budget Committee in February held a meeting with the Managing Director of the International Monetary Fund, Mr. Michel Camdessus to engage us in a frank discussion about the IMF. What I learned then I hope to share with many members inclined to vote against the IMF funding today.

I know that many Members are very suspicious of foreign aid—but let me explain today why this is not foreign aid and why the Senate should do everything possible to fund the IMF.

First, last Thursday we received the most current economic data and it shows the effects of the ongoing Asian financial crisis. January's US trade deficit surged to $12.0 billion, its highest level since 1987. This was led by a near doubling of our deficit with Asian countries excluding Japan and China.

This is a direct result of the Asian financial crisis—which has cut demand in Asia for U.S. exports. Because of the cheaper Asian currencies against the dollar, now Asian imports are much cheaper and much more competitive in the United States.

Second, the Asian crisis has convinced many of our top technology companies to warn of lower profits, including IBM, Compaq, Intel, Motorola, as well as many smaller companies.

In my state of New Mexico, the result has been announcements by Philips and Motorola that they will furlough or lay off hundreds of employees.

Mr. President, let me explain the problem facing the IMF and why the Senate must act and act quickly.

Presently the IMF has uncommitted resources to lend a further $10 to $15 billion to its members before its liquidity is reduced to historically low levels.

The lowest ratio ever allowed at the IMF by its members was 33%. Historically a comfortable level was 120–140%, but after the Mexico and Russian loans, liquidity fell to 88%. Presently the liquidity ratio is 47%. To lower today's ratio to 33% would require only $10–15 billion in possible loans to countries in crisis.

Mr. President, the 182-members of the IMF decided last year before the Asian crisis that the reserves of the IMF were too low. That was before they lent $20 billion to Korea, $10 billion to Thailand, and $5 billion to Indonesia.

Mr. President, let me be clear about one fact—If the US chooses not to fund our share of the increase, there will be no increases from the other 181 members of the IMF. 85% of current members must increase their quotas for it to be implemented, and since the US holds over 17%, no US participation would guarantee no world participation in the increased funding.

This would mean that any more crises in Asia or other emerging markets, could see the IMF run seriously short of cash. And that is a risk neither America nor the US Senate should take.

While the IMF was created in 1944 originally to support global trade and economic growth by helping maintain stability in the international monetary system, as the monetary system has evolved, so has the IMF's duties.

With the Mexican peso crisis in 1995 and the current Asian financial crisis, this new IMF has become more apparent to all of us.

While the exact economic causes of the Mexico crisis are quite different from Asia, Mexico and Asia have one striking similarity. They represent a major structural change in international capital markets that has occurred over the past decade—the increasing capital flows into and out of emerging economies. Capital flows into emerging markets rose from $25 billion in 1986 to $235 billion in 1996.

Given the potentially destabilizing role of investor confidence especially when directing capital flows, we must ask —what is the role for domestic government policy or the IMF in addressing instability?

Mr. President, the Asian financial crisis has also raised an important policy question for the IMF—whether the Fund's willingness to lend in a crisis contributes to ''moral hazard''—the tendency for countries or investors to behave recklessly while expecting the IMF will likely bail them out in an emergency.

There is no consensus on what role private financiers play in such crises and how they should bear the consequences of their actions. The IMF and the US still need to figure out how to safeguard a financial system without bailing out investors who are guilty of making bad decisions.

Mr. President, I believe most Senators can agree on one factor: the IMF is too secretive in its operations and escapes accountability and public debate.

The bill as written by Senator HAGEL would address this concern by requiring greater transparency by the IMF in its lending practices, its strategies with respect to borrowing countries, economic data collection, and its own accounting and financial information.

Demands for greater transparency at the IMF are forthright and appropriate as we consider the supplemental request, and given the IMF's extreme secrecy, this is an important condition we should insist upon for any US dollars spent at any international organization.

Mr. President, as more and more evidence becomes stronger on the long-term benefits of free trade, it is surely time that the IMF does more to promote it. In Senator HAGEL, he specifically addresses this as a condition of the IMF funding.

Immediately the WTO Financial Services Agreement comes to mind—what better way for many of the Asian countries to introduce needed competition to their banking industries than by signing on to the WTO Financial Services Agreement. The WTO and the IMF should be working more closely together to achieve the same goals—economic growth through free trade.

Mr. President, while many US Senators today may debate whether or not we should even have an IMF, a time of crisis such as today in Asia is not the appropriate time for the US to effectively gut the IMF.

Regarding the budgetary treatment of the IMF, the way we count the IMF contributions is a little unusual. Since 1967, the budget has treated contributions to the IMF as budget authority only; contributions to the IMF do not affect outlays or the budget deficit, or surplus. Only since 1980 has the Congress required an appropriation.

Last year's Balanced Budget Agreement specifically addresses the IMF funding until fiscal year 2002 and effectively allows legislation that provides an increase in U.S. contributions to the IMF to not be required to offset the budget authority. Section 314 provides a procedure to adjust the discretionary spending caps and budget totals.

Some in Congress have argued that the IMF is putting the US taxpayer at risk similar to the US savings and loan crisis in the 1980s. There is one stark difference: savings and loan institutions held a US government guarantee. With the IMF, there is no US guarantee in times of default. And even most economists agree that the prospects of an IMF default are negligible. No country has ever defaulted on its IMF loans, arrears on IMF loans are modest, and gold and currency reserves substantially exceed any foreseeable losses in the event of a liquidation.

The IMF has not cost the US Treasury the loss of any federal resources over the years.

In a democracy such as ours, the debate over replenishing the IMF's reserves is the perfect time to debate what role the IMF should play in the global capital market and its accountability to member nations. This is no different than the examination we give to our domestic programs to decide if they are still relevant in today's world.

Mr. President, today's financial world is an uncertain one—but the IMF has been a key component to the stability the United States has enjoyed over the last few years and also a key proponent of many US economic policies around the world.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 2 minutes.

Mr. HELMS. Mr. President, thank you for recognizing me.

I think at this point it would be appropriate to insert in the RECORD—and in a moment I shall ask that it be done—a piece written jointly for the Wall Street Journal by three distinguished people, all of whom are friends of most of us: First, Bill Simon, who was Secretary of the Treasury, and George Shultz, who was Secretary of State; and Walter Wriston, who was former chairman of City Bank.

Now, I will make no comment except that I share the views of my distinguished colleague from North Carolina. I ask unanimous consent that the aforementioned article published in the Wall Street Journal be printed in the RECORD.

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

[From the Wall Street Journal, Feb. 3, 1998]

WHO NEEDS THE IMF?

(By George P. Shultz, William E. Simon, and Walter B. Wriston)

President Clinton and the International Monetary Fund have shifted into overdrive in their effort to save the economies of Indonesia, the Philippines, South Korea and Thailand—or, to be more accurate, to save the pocketbooks of international investors who could face a tide of defaults if these markets are not now shored up. But this must be the last time that the IMF acts in this capacity. If it is not, further bailouts, unprecedented in scope, will follow. Therefore, Congress should allocate no further funds to the IMF.

It is the IMF's promise of massive intervention that has spurred a global melt-down of financial markets. When such hysteria sweeps world markets, it becomes more difficult to do what should have been done earlier—namely, to let the private parties most involved share the pain and resolve their difficulties, perhaps with the help of a modest program of public financial support and policy guidance. With the IMF standing in the background ready to bail them out, the parties at interest had little incentive to take these painful, though necessary, steps.

LARGEST BAILOUT EVER

The $118 billion Asian bailout, which may rise to as much as $160 billion, is by far the largest ever undertaken by the IMF. A distant second was the 1995 Mexican bailout, which involved some $30 billion in loans, mostly from the IMF and the U.S. Treasury. The IMF's defenders often tout the Mexican bailout as a success because the Mexican government repaid the loans on schedule. But the Mexican people suffered a massive decline in their standard of living as a result of that crisis. As is typical when the IMF intervenes, the governments and the lenders were rescued, but not the people.

The promise of an IMF bailout insulates financiers and politicians from the consequences of bad economic and financial practices, and encourages investments that would not otherwise have been made. Recall how the Asian crisis came about. Asia's ''tiger'' economies were performing well, with strong growth, moderate price inflation, fiscal discipline and high rates of saving. But these countries encountered a currency crisis because their governments attempted to maintain an exchange rate pegged to the U.S. dollar, while conducting monetary policies that diverged from that of the U.S. Capital inflows covered up this disparity for a time. But when the Thai currency wobbled on rumors of exchange controls and devaluation, the currency markets quickly swept aside increasingly unrealistic currency values.

This led quickly to a solvency crisis. It became difficult, if not impossible, to repay loans made in foreign currency on time. The devaluations shrank the values of local assets, which were often the product of speculative excesses, unwise ventures directed by government, and crony capitalism. The private lenders and borrowers involved were in deep trouble. They were, and are, more than ready for money from the IMF.

The world financial system has changed fundamentally since 1946, when the Bretton Woods agreement was approved. The gold standard has been replaced by the information standard, an iron discipline that no government can evade. Foreign exchange rates are now set by tens of thousands of traders at computer terminals around the globe. Their judgments about monetary and economic policies are instantly translated in the cross rates of currencies.

No country can hide from the new global information standard—but the IMF can lull nations into complacency by acting as the self-appointed lender of last resort, a function never contemplated by its founders. When the day of reckoning finally does arrive, the needed financial reforms are extremely difficult politically because they are imposed by the IMF under duress, rather than undertaken by the countries themselves. The photograph, widely published throughout Asia, of Indonesian President Soeharto signing on to IMF conditions with IMF Managing Director Michael Camdessus standing over him imperiously reinforces the perception of an outside institution dictating policy to a sovereign government.

Even though the IMF recognizes the causes of the crises and conditions its loans on remedial measures, many observers believe that these remedies often make the situation worse. In any event they are rarely carried out in a timely fashion. There are already indications that several Asian countries have violated the terms of their agreements. Furthermore, IMF-prescribed tax increases and austerity will cause pain for the people of these nations, producing a backlash against the West. There is already talk of a conspiracy to beat down Asian asset values in order to provide bargains and control for Western investors.

And yet, because these countries are able to avoid fundamental economic reforms, their currencies continue to collapse. Indonesia, South Korea and Thailand have each seen their currencies lose more than half their value against the U.S. dollar in recent weeks, despite the promised IMF bailouts. The loans from the IMF are, in fact, trivial when compared to the size of the international currency market, in which some $2 trillion is traded daily. These markets' instant verdicts on unsound economic and financial policies overwhelm the feeble efforts of politicians and bureaucrats.

The IMF's efforts are, however, effective in distorting the international investment market. Every investment has an associated risk, and investors seeking higher returns must accept higher risks. The IMF interferes with this fundamental market mechanism by encouraging investors to seek out risky markets on the assumption that if their investments turn sour, they still stand a good chance of getting their money back through IMF bailouts. This kind of interference will only encourage more crises.

Asian nations are facing financial difficulties not because outside forces have imposed bad economic policies on them but because they have imposed these policies on themselves. The issue is not whether the IMF can move from country to country dispensing financial and economic medicine. The issue is whether the governments in these countries have the political will to fix problems of their own making.

What should we do about the problem? We certainly shouldn't follow the advice of George Soros, a well known figure in the international currency markets, who has called for the creation of a new International Credit Insurance Corporation to be underwritten by taxpayers of the member countries. The new institution, which would operate in tandem with the IMF, would guarantee international loans up to a point deemed safe by the bureaucrats running the organization. ''The private sector is ill-suited to allocate international credit,'' Mr. Soros writes in the Financial Times. ''It provides either too little or too much. It does not have the information with which to form a balanced judgment.''

APPALLING COMMENT

When will we ever learn? This appalling comment is exactly the opposite of the truth. The protected markets, not the open ones, are in trouble. Only the market, with its millions of interested participants, is capable of generating the information needed to make sound financial decisions and to allocate credit (or any other resource) efficiently and rationally. Governments and politically directed institutions like the IMF have shown time and again that they are incapable of making these kinds of decisions without creating the kinds of crises we are now facing in Asia.

The IMF is ineffective, unnecessary and obsolete. We do not need another IMF, as Mr. Soros recommends. Once the Asian crisis is over, we should abolish the one we have.

Mr. HELMS. I thank the Chair.

Mr. STEVENS. Is all time now expired on this amendment?

The PRESIDING OFFICER. All time has expired on this amendment.

Mr. STEVENS. Mr. President, we had a request not to go to a vote yet because of other circumstances and the presence of Members. I ask unanimous consent that this amendment be set aside to be called up by either the majority leader or myself when it is time to vote.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I do have more amendments I want to take right away, but 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. STEVENS. 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. STEVENS. Mr. President, I ask unanimous consent that the following Senators be added as original cosponsors of amendment No. 2085 relating to the National Guard Youth Challenge Program: Senators LOTT, BOND, and FORD.

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

AMENDMENT NO. 2101

(Purpose: To expedite consideration of slot exemption requests)

Mr. STEVENS. Mr. President, I send an amendment to the desk on behalf of Senator FRIST and Senator BYRD.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for Mr. FRIST, for himself and Mr. BYRD, proposes an amendment numbered 2101.

Mr. STEVENS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . EXEMPTION AUTHORITY FOR AIR SERVICE TO SLOT-CONTROLLED AIRPORTS.

(a) IN GENERAL.—Section 41714(i) of title 49, United States Code, is amended by—

(1) striking ''CERTAIN'' in the caption;

(2) striking ''120'' and inserting ''90''; and

(3) striking ''(a)(2) to improve air service between a nonhub airport (as defined in section 41731(a)(4)) and a high density airport subject to the exemption authority under subsection (a),'' and inserting ''(a) or (c),''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) apply to applications for slot exemptions pending at the Department of Transportation under section 41714 of title 49, United States Code, on the date of enactment of this Act or filed thereafter.

(2) APPLICATION TO PENDING REQUESTS.—For the purpose of applying the amendments made by subsection (a) to applications pending on the date of enactment of this Act, the Secretary of Transportation shall take into account the number of days the application was pending before the date of enactment of this Act. If such an application was pending for 80 or more days before the date of enactment of this Act, the Secretary shall grant or deny the exemption to which the application relates within 20 calendar days after that date.

Mr. STEVENS. Mr. President, this has been agreed to. It is an amendment that deals with slots at airports for commuter airlines. And it is a problem that, as I said, has been agreed to on both sides.

Mr. President, I urge the adoption of Senator FRIST's and Senator BYRD's amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

If there is no objection, the amendment is agreed to.

The amendment (No. 2101) was agreed to.

Mr. STEVENS. I move to reconsider the vote and move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. 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. STEVENS. 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. STEVENS. Mr. President, the Senator from Washington, Mr. GORTON, will offer an amendment to the IMF title of the bill. I will ask unanimous consent that there be a time agreement on that amendment. He can explain the amendment.

I ask unanimous consent that we have a 15-minute-per-side time agreement and that the vote on the Gorton amendment follow after the vote on the IMF amendment that has been set aside.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Washington is recognized.

AMENDMENT NO. 2102

(Purpose: To limit International Monetary Fund loans to Indonesia.)

Mr. GORTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] proposes an amendment numbered 2102.

Mr. GORTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . LIMITATIONS ON INTERNATIONAL MONETARY FUND LOANS TO INDONESIA.

The Secretary of the Treasury shall instruct the United States Executive Director of the International Monetary Fund to use the voice and vote of the United States to prevent the extension by the International Monetary Fund of loans or credits that would—

(1) personally benefit the President of Indonesia or any member of the President's family, or

(2) benefit any financial institution or commercial enterprise in which the President of Indonesia or any member of the President's family has a financial interest.

Mr. GORTON. Mr. President, I speak to you and my colleagues here today as a supporter of the International Monetary Fund. I believe that the crisis in Southeast Asia is one that is important to the economy of the United States, and that those nations in Southeast Asia that are in great financial difficulty can be helped to work their own way out of these economic difficulties by the kind of prescriptions to which the International Monetary Fund has subjected them. One of those nations, South Korea, is bound to us by the close-as-possible ties of blood and sentiment over almost half a century and, reflecting the views of the people of the United States, has become a free market and a democracy.

Another of those nations, the Philippine Republic, has been tied to us for a full century and has struggled in the direction of free markets and of a democracy during that period of time. Today, it is a rather considerable success at both.

Thailand and Malaysia are trying, with great difficulty, to meet the financial challenges with which they have been faced.

One nation, however, does not fall into any of these categories. In Indonesia, President Soeharto is a wholly owned family enterprise. Its economy—behind those of all the other nations in Southeast Asia, from the point of view of the degree to which its benefits have been distributed among its people—is corrupt, undemocratic, and designed to primarily, it seems, at least through its economy, to benefit the immediate family and the close friends and henchmen of the now seven-term President of Indonesia, Mr. Soeharto. Indonesia has resisted, at every turn, the prescriptions that the International Monetary Fund has laid down for the recovery of its economy. As a consequence, I believe, and I believe firmly, that we in the United States should not bow to the will of this dictator, should not say that requirements that are being imposed on other nations that are trying, with great difficulties, to work their way out, with democratic institutions in place in those countries, should not be imposed on Indonesia.

This amendment is quite simple. It doesn't attempt to dictate to the International Monetary Fund what it does, but it does direct our Secretary of the Treasury to instruct our representative on the International Monetary Fund to use the voice and vote of the United States to prevent the extension by the International Monetary Fund of loans or credits that would personally benefit the President of Indonesia or any member of the President's family or benefit any financial institution or commercial enterprise in which the President of Indonesia or any member of the President's family has a financial interest.

Now, I understand, curiously enough, that there are those who object to this amendment on the grounds that that covers everything in Indonesia, that every institution that would be helped is owned, in whole or in part, by the President or by members of his family. In my view, that is the best possible argument in favor of this amendment. We have a financial structure in that country that has been built up to benefit the family of the President and his close associates, and only them. While my heart goes out to the people of Indonesia, I believe that if there is to be any International Monetary Fund aid to Indonesia with the consent and help of the United States, it should be to the people and not to the family of the President.

Essentially, Mr. President, that is what this amendment says—neither more nor less. We should not use our credits in the International Monetary Fund, with our vote, to bail out a President whose sole interest seems to be in the aggrandizement of his own family, who is indifferent to the requirements that the International Monetary Fund has laid out to them, who has caused the crisis in his country to become much worse, sharply worse, as a result of his inaction than it would have been had he followed the requirements of the IMF some time ago. We should not lend ourselves to his intransigence in any respect whatsoever, Mr. President. As a consequence, I ask my colleagues to support the amendment. I will reserve the remainder of my time.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time? The time will be deducted equally if no one yields time.

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that the pending amendment be set aside so that I may offer an amendment.

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

AMENDMENT NO. 2103

(Purpose: To provide for an Education Stabilization Fund)

Mr. FAIRCLOTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. FAIRCLOTH] proposes an amendment numbered 2103.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, add the following:

SEC. ___. EDUCATION STABILIZATION LOANS AND FUND.

(a) LOANS.—

(1) IN GENERAL.—The Secretary of Education (referred to in this subsection as the ''Secretary'') shall make loans to States for the purpose of constructing and modernizing elementary schools and secondary schools.

(2) TERMS.—The Secretary shall make low interest, long-term loans, as determined by the Secretary, under paragraph (1). The Secretary shall determine the eligibility requirements for, and the terms of, any loan made under paragraph (1).

(3) ALLOCATION OF FUNDS.—The Secretary shall determine a formula for allocating the funds made available under subsection (b)(4) to States for loans under paragraph (1). The Secretary shall ensure that the formula provides for the allocation of funds for such loans to each eligible State. In determining the formula, the Secretary shall take into consideration the need for financial assistance of States with significant increases in populations of elementary school and secondary school students.

(4) DEFINITIONS.—In this subsection, the terms ''elementary school'' and ''secondary school'' have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(b) FUND.—

(1) ESTABLISHMENT.—There is established in the Treasury of the United States a trust fund, to be known as the ''Education Stabilization Fund'', consisting of the amounts transferred to or deposited in the Trust Fund under paragraph (2) and any interest earned on investment of the amounts in the Trust Fund under paragraph (3).

(2) TRANSFERS AND DEPOSITS.—

(A) TRANSFER.—The Secretary of the Treasury shall transfer to the Trust Fund an amount equal to $5,000,000,000 from the stabilization fund described in section 5302 of title 31, United States Code.

(B) DEPOSITS.—There shall be deposited in the Trust Fund all amounts received by the Secretary of Education incident to loan operations under subsection (a), including all collections of principal and interest.

(3) INVESTMENT OF TRUST FUND.—

(A) IN GENERAL.—The Secretary of the Treasury shall invest the portion of the Trust Fund that is not, in the Secretary's judgment, required to meet current withdrawals.

(B) OBLIGATIONS.—Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired—

(i) on original issue at the issue price; or

(ii) by purchase of outstanding obligations at the market price.

(C) PURPOSES FOR OBLIGATIONS OF THE UNITED STATES.—The purposes for which obligations of the United States may be issued under chapter 31 of title 31, United States Code, are extended to authorize the issuance at par of special obligations exclusively to the Trust Fund.

(D) INTEREST.—Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the Public Debt, except that where such average rate is not a multiple of ⅛ of 1 percent, the rate of interest of such special obligations shall be the multiple of ⅛ of 1 percent next lower than such average rate.

(E) DETERMINATION.—Such special obligations shall be issued only if the Secretary of the Treasury determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

(F) SALE OF OBLIGATION.—Any obligation acquired by the Trust Fund (except special obligations issued exclusively to the Trust Fund) may be sold by the Secretary of the Treasury at the market price, and such special obligations may be redeemed at par plus accrued interest.

(G) CREDITS TO TRUST FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

Mr. FAIRCLOTH. Mr. President, this amendment would transfer $5 billion from the Exchange Stabilization Fund at the Treasury Department to the Department of Education. There would be a new account established, the Education Stabilization Fund. This fund would be used to offer low-interest, long-term loans to States for the purpose of building and modernizing elementary and secondary schools.

The GAO has estimated that one-third of all schools, housing 14 million students, are in need of repair. In my home State of North Carolina, 36 percent of schools report they have at least one inadequate building, 90 percent of the schools report that they have construction needs up from $3.5 million to $10 million. We have a fast-growing student population, and many, many students are housed in trailers—literally hundreds of thousands are housed in trailers.

The purpose of this amendment is very simple. We have a slush fund at the Treasury Department called the Exchange Stabilization Fund. This fund is under the personal control of the Secretary of the Treasury. He can do whatever he wants with it. I think this is totally wrong. What has the Secretary done with the fund? Over the last 4 years, he has used it to supplement international bailouts, which was never the original intent for the funds. He loaned Mexico $12 billion. He promised Indonesia—which the Senator from Washington was just talking about—$3 billion. He has promised South Korea $5 billion, and everything indicates that Korea is going to call for the money quickly. He has done all of this without any congressional approval or authorization.

This fund has over $30 billion available in it. It seems to be only common sense that if we can lend to Indonesia $3 billion, $5 billion to Korea, $12 billion to Mexico, and who knows where in the future it will be going, without any advice or consent from the Congress, then we can provide loans for school construction. I don't see how we can do otherwise.

The President had wanted $20 billion in new tax-free bonds. But with this amendment, we can start immediately with $5 billion in loans to schools. This would be loans, and it would have no budget impact. This is not an outlay; it's a revolving loan fund.

I urge all my colleagues to support the amendment. Mr. President, if we can provide $18 billion for the IMF, we can provide $5 billion for our schools.

I ask for the yeas and nays on the amendment, with the time for the vote to be determined by the manager of the bill.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second at this time.

Mr. FAIRCLOTH. Mr. President, we will hold until we get a sufficient second.

Mr. GRAMM. Mr. 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. GRAMM. 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. GRAMM. Mr. President, what is the pending business of the Senate?

The PRESIDING OFFICER. The pending question is the amendment offered by the Senator from North Carolina.

Mr. GRAMM. Mr. President, let me ask unanimous consent that the amendment of the Senator from North Carolina be temporarily set aside so that Senator SANTORUM and I might offer an amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 2104

(Purpose: To ensure that the surplus in fiscal years 1999 through 2003, proposed by the President to be dedicated to save Social Security, will not be lowered by the enactment of this Act)

Mr. GRAMM. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. GRAMM), for himself, and Mr. SANTORUM, proposes an amendment numbered 2104.

Mr. GRAMM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . Notwithstanding any other provision of this Act or any other provision of law, only that portion of budget authority provided in this Act that is obligated during fiscal year 1998 shall be designated as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. All remaining budget authority provided in this Act shall not be available for obligation until October 1, 1998.

Mr. GRAMM. Mr. President, I am very happy to come over here this afternoon and be joined by my distinguished colleague from Pennsylvania in alerting the American people. I say the American people rather than alerting the Senate because I don't think the Senate wants to be alerted to a fraud that we continually perpetrate on the American people. That fraud is that we set out spending limits, we adopt budgets, and we know with absolute certainty that the way we define emergencies, floods, hurricanes—many things that are natural disasters—but the way we define emergencies is we know with certainty that every year we are going to have emergencies, and, yet, we don't put any money in the budget for that purpose.

So, for example, since Bill Clinton has been President, we have averaged $7.3 billion in emergency spending every single year. There was a time when we wrote budgets and we set aside money for the purpose of paying for natural disasters, because in a big country like America we know with absolute certainty that we are going to have natural disasters and that we are going to have to pay for them. In fact, we have averaged over the last 7 years on natural disasters $5.6 billion in spending. We have spent that amount every year on average for the last 7 years. Yet, during this time we have provided no money in the budget for this purpose.

So what we play is a little game. Here is how the game works:

The President stands before the American people in the Chamber of the House of Representatives, and says ''Put Social Security first.'' Don't spend the surplus. Take that surplus and put it into Social Security. We all stand and we have a standing ovation. And the lead story in the Washington Post and on every network is ''President Says Put Social Security First.''

So the American people believe that the projected surplus in the President's budget that has come to the Congress and that shows a surplus of about $8 billion next year—people really believe that we are setting that aside to help save Social Security. And then at the same time, the President sends a disaster bill to Congress, says don't pay for it, simply take it out of the surplus, which has the effect of taking the money away from Social Security and has the effect of allowing us every single year to bust the budget that we have adopted.

The first point I would like to make is these are not unexpected expenses. In fact, I would like to predict right now that this won't be the last disaster bill we will have this year. This disaster bill, as it stands now, is for $2.6 billion, and we will end up spending at least twice this amount this year. And we will take every penny of it from the surplus, and we will take every penny of it, therefore, away from our effort to save and to rebuild the financial base of Social Security because we will not pay for this bill.

The second thing I want to note is there is a lot in this bill that is not an emergency; that is not unexpected. The President is now asking us to pay for the cost of having troops in Bosnia. Is anybody shocked that a bill was going to come due over the Bosnian deployment? Everybody knew this bill was going to come due. Why didn't we, the Senate and the President, provide the money in the appropriations bill for the Defense Department? We didn't provide it in the appropriations bill because we decided to cheat and not put the money in the appropriations bill, knowing that we would come back here today and that we would add that money in, and, as a result, we wouldn't have to count it against the budget and we could simply take it from the surplus.

We have a bill before us that has an emergency designation, and it has two kinds of outlays. It has outlays that are going to occur for the remainder of this year. Then it has outlays that will occur in 1999 and then on out through the year 2003.

The Senator from Pennsylvania and I have a very modest amendment. What we ought to be doing is paying for every bit of this spending because we knew every bit of it was coming. This is a shell game that we play every single year, which is why people are totally skeptical, as they should be, about our whole budget process. But while we should be paying for every bit of it, we know that we don't have the votes to do that.

So here is what we are saying. Take the money that we are going to spend this year and spend it and don't offset it. But the money that will be spent under this bill in 1999, 2000, 2001, 2002, and 2003, over that 5-year period, don't have an emergency designation for that spending, which means it will have to count against the spending caps in 1999.

For 1999, we have spending caps for discretionary spending, nondefense, and for the Defense Department. We are spending under this bill $1.979 over a 5-year period, and we are spending $1.5 billion in 1999—not this year, but next year.

So what we are saying is spend the money but then count the money as part of next year's budget and against next year's spending cap so you can't commit today to spend next year, and not then commit to count it against the budget.

So the issue here is simple and straightforward. Should we count these outlays as part of the Federal budget next year when the expenditures occur next year and each year through the year 2003? I believe we should. Some of our colleagues are going to say, ''Well, you know we can't make cuts this year because we would have to interrupt the expenditures of the various Government agencies that are spending money and we are halfway or more through the fiscal year.'' We are not talking about this year. We are talking about spending money in 1999. We have not even written the budget for 1999 yet. All we are saying is when we do write the budget in 1999, take the money we are spending under this bill in that year and count it as part of the money being spent that year. That way the surplus does not go down. That way we do not take money away from Social Security.

So I see this as being a test of whether all that rhetoric that the President said about putting Social Security first was phony or not. The fact that the President sent this bill with an emergency designation that said we are going to spend the Social Security money next year through this bill—that says, to begin with, that his position was phony. But now we are questioning whether or not the Senate is phony on this issue. Do we want to take money that is designated to save Social Security and spend it next year and for the remaining 4 years that this bill will spend out, or do we want to count that money against the budgets in those years so the surplus we expect can be used to save Social Security?

That is what this amendment is about.

So if you meant it when you stood up and applauded the President when he said ''Put Social Security first,'' then you are going to want to vote for the amendment that I am offering with Senator SANTORUM. On the other hand, if that was your position then and now is another day and you are for it in the abstract, but when it gets down to spending the money you are not for that, then you are going to want to vote against this amendment.

So I yield the floor to let my cosponsor speak.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, the Senator from Texas did an excellent job of outlining the amendment. I think his comments are very persuasive. Let me add one element to the veracity of the comments of the Senator from Texas.

He said this bill has some $2.5 billion for offset emergencies. He said but on average, about this fiscal year, that we will get up to five. There was discussion in the Cloakroom about an amendment to add another $1.6 billion of emergency spending. So maybe before the day is out, as opposed to before the year is out, we will get to our $5 billion in emergency spending for this year.

When I say ''emergency,'' people tend to think when you hear the term ''emergency,'' an ambulance, or something that has to be done right away. A lot of these things don't have to be done right away. As the Senator from Texas laid out, a lot of this spending doesn't get spent right away. It gets spent in the long term.

What we are trying to do is say, look, if you have an emergency now, we have to spend the money now. We are in the middle of the fiscal year. We understand that to go back and ask to try to offset this money within the FEMA budget, or the Defense Department, or wherever the other spending proposals come from, would be very difficult. We understand the difficulty in these departments.

But there is no reason why our good friends, the appropriators, cannot within the context of this year's budget for this additional spending that we are going to pass today and appropriate today—whether they can't put it within their appropriations amounts for the fiscal year. That is responsible budgeting. That is, in fact, truth in budgeting.

The Senator from Texas is right about the issue of Social Security. I chair the leader's task force on the issue of Social Security here in the Senate. I was one of those people who stood up and applauded the President for saying ''Save Social Security First.'' Use that money, use that surplus out there to direct the Social Security to save the Social Security system in the future.

If we are going to box this money, remember, we said we are going to put this money and set it aside. Well, here is the money. Here is the money. Here are those first few dollars that we had planned to set aside. They want to spend it right now.

That is not a good-faith promise to the American public. We know the President is not going to keep his promises. But that doesn't mean we shouldn't keep our promises.

I noticed, because I was watching across the aisle, that every single one of my Democratic colleagues jumped up when the President said ''save Social Security first.'' Use that money that is there, that surplus that is coming down the road, and use that to save Social Security. They jumped up, and said, ''Yes; we are going to use that money to save Social Security.''

Here is the first vote of whether we are going to use the surplus to help transition for future generations the Social Security system, or whether we are going to use it for current political needs.

I will be honest with you. These are not emergency needs in the real sense of the word. These are not unpredictable needs. As the Senator from Texas said, with respect to defense, I think most Members of the Senate knew we were going to be in Bosnia. I certainly believe the President knew we were going to be in Bosnia. He certainly knew the costs associated with being in Bosnia. I think the President and the people at FEMA and the people here in the Senate knew that the money we appropriated for disasters was not going to be sufficient to be able to fund it. It has not been for the past 7 or 8 years that I can recollect since I have been here. We have always, or seemingly, had some money—some years more, some years less—for disasters, natural disasters that are out there because we never adequately appropriated.

I have to say I took my hat off to the Senator from Missouri, Senator BOND. That is his subcommittee. He has done a tremendous amount of work in trying to get FEMA to come forward with reforms so we don't have this open spigot where the money just flows out of here for natural disasters in some places not particularly well-accounted for. He has done a great job, and, in fact, has a bill before the Environment and Public Works Committee, I believe, to make some reforms in FEMA so we aren't back here every year with the President having this wide latitude to declare emergencies and spend all sorts of money outside of the confines of what we believe emergencies should be.

So we have hopefully in place some tools in the future to control the growth or the expansion of these emergencies we have to end up dealing with. But the issue before us now is a very simple one. It is one that I hope we can agree to because it does not affect current outlays, it does not affect the current year budget, and it doesn't put any pain on the administration to come up with money in this year's budget cycle.

I had a meeting the other day with the Chief of Naval Operations. He told me that as a result of the operations they deployed—whether it is the gulf, Korea, or Bosnia, or whatever—because of these extended deployments that they have had they have had to continually reprogram—not money; they can find the money other places within the Defense Department—he is spending more of his time doing bookkeeping or reprogramming money than he is out there leading our sailors. That is not a good position for our CNO to be in. We want him to pay attention, not just to the accounting within the service, but how we are going to be an effective fighting force.

So I understand the problems and the concerns. Senator GRAMM's amendment and my amendment deals with the issue of not making the CNO go back and find money and shift it all around, but it says: Declare the emergency. You have the money this year, but in future years when we do have an opportunity to put it in context, keep it under the caps.

I know the caps are tough. I know Senator GRAMM and I, as well as every Member of the Senate, will come to the chairman of the Appropriations Committee and say: Mr. Chairman, I am going to need help for this project, or I am going to need this—and I understand that. But I also expect him to do it within the caps, as I expect him to do this within the caps for future year funding.

If we do not do that, then that downpayment on transitioning Social Security, that downpayment on creating that pool of money that is going to be so crucial for us to begin to develop a system in Social Security which is going to allow that transition for future generations of Americans to have some hope, some hope that Social Security will be there when they retire, will be frittered away, and all the promises that were made about how we are going to put Social Security first will go by the wayside when some other thing comes up first.

I suspect this will not be the last time we do this. We will be back with another emergency bill, I am sure, before the end of the year, and we will have other plans. The President in his budget already has spent some of the surplus with overprojecting his revenues and underprojecting his expenditures, and so the surplus has already been eaten up.

Look, I think there is a sincere feeling in this Chamber actually to take the surpluses that we are expecting in the next few years and use them for Social Security. I believe my colleagues, when they say that is what they would like to do with it, that they would like to save Social Security first, we can say that and we can mean it, but we have to do something to ensure that it is there. We have to make sure we are not robbing future generations with appropriations bills, year-to-year appropriations bills, spending more than the caps and thereby winnowing away that surplus.

This is our first opportunity to stand up and say we are going to live within the budget and thereby, living within the budget, we will have money available to do what is right for the American public and that is create a Social Security system that will be there for future generations.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Alaska.

Mr. STEVENS. Mr. President, to begin with, let me say to my friend from Texas, I hope he will never again say that this Senator brought a bill to the floor to cheat. If he wants to start arguments here sometime, this Senator is fairly well ready for that. But I will just put that aside for now and discuss the merits of the issue that the Senator has brought to the Senate.

We have followed the Budget Act. If you look at our report that we filed with the Senate, on page 36, Members of the Senate will see the 5-year projection of outlays is in compliance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 as amended. We have provided the 5-year projection associated with the budget authority that we provide in this bill. There are, in fact, follow-on costs for the outlays for moneys that are expended this year. They have to continue to spend for a period of years, and the Budget Act requires us to do this. It requires us not only to do it but to inform the Senate how much it is going to cost. There has been no cheating here. As a matter of fact, we have gone out of our way to make certain we have complied to the exact letter and dot and paragraph of that bill.

Now, I want the Senate to know the effect of this amendment was just the contrary to what the Senator from Pennsylvania said. If we do not provide this money on the basis of ongoing accounts based upon the emergency that exists now, every year subsequently, when there are amounts to be expended, the commanders will have to do the reverse of what the Senator from Pennsylvania said. They will have to take something out of their budget. Remember, we have a flat line budget now for 5 years. They will have to take something out to accommodate for an emergency that existed in 1998. We are providing money pursuant to the President's designation of an emergency, primarily for Southwest Asia and for Bosnia.

There are ongoing costs to this emergency. We have deployed people to Kuwait City and to the Persian Gulf. When the emergency is over, they will have to be brought back. Those costs are part of the emergency. But under the amendment of the Senator from Texas, they will be part of the normal operating costs of that year, and it will be just that much less available for training or for acquisition, for procurement of various items. Whatever the bill authorizes that year, these moneys will have to come out first because they have already been obligated first.

For instance, the Department of Defense estimates that it will cost $250 million to redeploy these forces that went to Southwest Asia. Once they are redeployed to the United States, they are reconstituted in their units, and that cost of reassociating with various units, the total cost of that is $250 million. That is still part of the emergency. That is not something that is just a normal event taking place in subsequent years, in the year 1999 or the year 2000. The impact of what the Senator from Texas has suggested would be to say: ''The President can declare an emergency and have the funds not be counted for this year only'' means that the emergency is over on September 30. Right? Wrong. Even if the deployment stopped at the end of September 30—I hope it will stop sooner—there would be ongoing costs associated with the emergency, and that is what we have covered as the Budget Act requires us to cover.

If this emergency designation is lifted, what are the consequences in 1999? We go into 1999, according to the CBO, with a $3.7 billion outlay deficit. What the Senator from Texas is saying is, notwithstanding that, we are going to add all the costs associated with the emergency from 1998 that are actually paid in 1999. If you talk about complicating the bookkeeping of the Department of Defense, I don't know of any better way to do it. If there is $400 million that remains unobligated as of September 30, and it pays out in 1999, CBO is going to score that $400 million for 1999. Even though it was an obligation that came about because of the 1998 emergency, and it is spent in 1999, we are going to have to take $400 million out. I wonder how many things are going to come out of Texas or Pennsylvania if that happens.

I am not going to do it because that is over to the Department of Defense. But I can assure you that any State involved that has outlays is going to suffer, and the program will be reduced. Accommodating this amendment will bring about $2 billion in 1999 of budget authority being utilized because it will take the outlays for that year based upon procurement rates of outlays and say you cannot start $2 billion worth of acquisitions because of an emergency that happened in 1998. We should tell the Department of Defense, cancel the F–18s, cancel the ships, cancel whatever it is we are going to try to procure. I am talking about procurement outlays, which are the ones that are going to suffer the most.

Mr. President, we have in this proposal—the Budget Act is very wise, really. There is an incentive to manage the money correctly, to not wish to spend it before the end of this year. The effect of the Senator's amendment would be if you can get the money spent before the end of the fiscal year, then you can take it all off this year, it doesn't count. But if you take anything into the next year, guess what. It counts against your next year's outlay allowance. So what does that do? It is a rush to the cash register for September 30; a total disincentive to manage money right.

I have seen amendments that have been brought to the floor that attempted to reconstruct the whole apparatus of the Budget Act, and I have to say I have some problems with the Budget Act, and the Senate will hear about those later with regard to scoring. But this is not one of them. The Budget Act was correct. When we have an emergency or a disaster—this would cover the disaster money too, by the way.

I don't quite understand what they are doing, because we have disasters. When we had our great earthquake in 1964, we did not pay for some of those things that we had to do until 1966. Look at what is going on in Georgia right now, and Mississippi and Alabama. Does anyone think that all of those levees are going to be reconstructed by September 30? I want the Senate to start thinking, and, above all, I want to say again, I want the Senator from Texas to be careful when he accuses this Senator of cheating with an appropriations bill. That does not go down lightly with me.

I remember the days before when I saw majority Members arguing, and I can tell you the majority didn't last very long. The majority doesn't last very long when people come out and accuse chairmen of motives that are just absolutely unfounded.

Mr. President, at the appropriate time I will move to table the Senator's amendment. I can tell the Senate I will remember the Senators who do not vote to table this amendment.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, first of all, I want to answer the question about the cheating. I said the Senate and the President were cheating on a commitment that we made, and I stand by that point. I don't single any Senator out in the process. But the bottom line is, facts are stubborn things. Let me review the facts.

Eight weeks ago today the President of the United States stood at the Speaker's table at the House of Representatives, we were all there, and talked about the fact that we were about to have a surplus. And he used his words, great slogan—he has no program, as we know, but he has a great slogan—save Social Security first. We are going to have a program to save Social Security. In fact, there are three Members right here on the floor who are working on one.

But we can't save Social Security if we don't have the money. So, when the President said ''save Social Security first, take the surplus and use it to save Social Security,'' there was an eruption of applause. We all stood up. We all applauded. And now we are in the process on this bill of taking $1,979,000,000 away from Social Security, money that would have gone to help us make the system solvent not just for our parents but for our children, and we are taking it away from Social Security because we are going around the budget.

The Senator from Alaska points out that we have had floods, we have had disasters. No one is saying not to provide the help.

Our amendment provides the assistance. We are for the assistance. But what we are saying is give the assistance this year and we won't even make you pay for it this year. But this bill spends money not just this year but for the next 5 years. All we are saying is, the money that will be spent next year and through the year 2003, count it as part of the budgets in those years.

Our colleague from Alaska tells us, ''Well, the departments will have to change their budgets next year and in 2000 and 2001 and 2002 and 2003'' if we make them count spending that they are incurring in those years. How many families have the option when Johnny falls down the steps and breaks his arm and they have to take Johnny to the emergency room and they have to have the arm set can say, ''Well, now, we have already planned our vacation next year. We were going to buy a new refrigerator. You can't expect us to go back now and change our budget and not buy a refrigerator because Johnny broke his arm.'' That would be a great world for real Americans to be able to say, ''Well, you know, we had planned on this and this thing happened and we don't want to have to change our plans.''

The point is real American families change their plans every single day. So, far from being this outrageous proposal that is going to put great hardship on the American Government, we are not saying don't fund the emergencies; we are saying fund it. What we are saying is that we should pay for them. We are not even asking that they be paid for this year, but we are saying when you haven't even written the budget yet for 1999, why should you spend $1.533 billion next year and not even count it in next year's budget?

Finally, let me say that with regard to projects in Texas and Pennsylvania, I never thought we were going to balance the budget without making tough decisions. If we have to affect defense spending or nondefense spending in all 50 States and the District of Columbia to balance the budget and save Social Security, I thought that's what we were about.

But this amendment is eminently reasonable. You can be for it or you can be against it. Both those positions are perfectly legitimate. But you cannot say that we are going to use the surplus to save Social Security and put Social Security first and defend the surplus as the President has said and then turn around, as the President has done, and start spending the surplus, which he did when he sent this bill to Congress without offsetting spending. You can't do that and claim that you are serious about wanting to protect the surplus. You can't have it both ways. You can be for all these programs, you can be for this emergency spending without offsetting it, but you can't turn around and say that you are living up to the commitment that we have made.

So this is a serious issue. It seems every year that I and others end up offering these amendments saying we know there are going to be emergencies, we ought to be setting aside the money as we used to.

Let me just read you these numbers. Last year, we had $5.4 billion of emergency spending that we added directly to the deficit, some of it being spent this moment. The year before, we added $6.4 billion, the year before $10.1 billion, the year before $9 billion and the year before that $5.4 billion.

When we go back to 1991 and 1992, the numbers were pretty small, but beginning in the Clinton administration, we have averaged, if you take the actual outlays, $7.3 billion of emergency spending every single year since Bill Clinton has been President.

Now, did any of these expenditures occur because we had no way of anticipating they would occur? Absolutely not. We knew there were going to be emergencies. America is a big country, and we have emergencies every single year. But we set aside no money for the purpose of paying for them. How can anybody call the Bosnian deployment a new, unexpected emergency this year? Why didn't the President put the money in his budget last year? He didn't do it because it was a way of jimmying the books. It was a way of spending money without saying he was spending it, knowing that we would pay for it in a supplemental appropriation. And I can tell you what will happen this year. We will not provide money for Bosnia in the defense bill, and we will do the same thing again next year.

So here is the point: We do have the power under the Budget Act, with the compliance of the President and Congress, to spend the surplus. We have the power to do that by declaring an emergency. What Senator SANTORUM and I are saying is declare an emergency for spending this year, but the spending that is going to occur in 1999, 2000, 2001, 2002, and 2003, for the money that will be spent under this bill all the way out 5 years from now, go ahead and build that into the regular budget so that we don't raise total spending in those years from this bill and so that the surplus in those years that we are counting on for a budget that we have not yet brought to the floor of the Congress, but money we are counting on to put Social Security first, will actually be there to put Social Security first.

So that is what we are trying to do in this amendment. It is an amendment you can be for or against, but it is not very confusing. It basically says pay for these programs. We don't have to. We, obviously, have the power not to, and we haven't in any year since Bill Clinton has been President. Not that we haven't voted on it. We voted on it regular like clockwork. I or another Senator have offered an amendment to each and every one of them, and all of these amendments have failed. But the point is we have it within the power to pay for them, and I hope we will pay for them.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, the law we passed in August 1997, Public Law 105–33, contains this provision, which is the one I referred to before, but I want to read it now. It pertains to sequestration. When the OMB determines spending—they determine whether we lived up to the caps that are in the budget agreement—it first is instructed to examine those budgets. What it says is this:

> OMB shall calculate in the sequestration report and subsequent budgets submitted by the President under section 1105(a) of title 31, United States Code, shall include adjustments to discretionary spending limits and those limits as adjusted for the fiscal year in and each succeeding year through 2002 as follows: Emergency appropriations—If for any fiscal year appropriations for discretionary accounts are enacted that the President designates as emergency requirements and the Congress so designates in statute, the adjustment shall be the total of such appropriations in discretionary accounts designated as emergency requirements and the outlays flowing in all fiscal years from such appropriations.

Mr. President, what we are looking at is a finding by the Congressional Budget Office which has determined—that is what we put in our report on page 36, the 5-year projection. Incidentally, just as a footnote, I hope everyone knows, they assumed we won't pass this bill, it won't become law until July 1; therefore, the outlays cannot be made until subsequently in July, possibly August and September. So they moved into 1999 a considerable amount of money that actually is going to be spent this year because we are going to pass this bill and it is going to become law before the end of April. There is no question about that. It will, hopefully, become law the 1st of April.

But in any event, what has happened is we have complied with the law, and the law says we list the amounts. Although they are authorized for emergencies that have taken place this year, the spending may continue for a series of years.

The Senator used an interesting analogy about Johnny breaking his arm. We have disaster money here, and there are lots of homes that have been broken. If those homes were covered by insurance, they take a look at it, the insurance adjustor says we are going to pay X dollars, and you proceed to spend that money over a period of years. You get it from your insurance account.

They don't come by and say, ''OK, you only get the amount of money you can spend this year.'' That is what the Senator from Texas is saying. The disaster account is a taxpayer insurance against the calamity of disasters that take place in this country. And as such, the impact of the Senator's amendment—anyone who has had a disaster in their State this year better listen to me now because he is saying that all you can do is count the emergency only for the money that can be spent this year. It is outlays. Very little of that money is going to be outlaid this year. We know that. It is primarily the disaster money that is carried out for a period of years.

The Senator mentions Bosnia, and I have opposed the Bosnian deployment. He is not correct in saying we have not budgeted and spent money, programmed money on a nonemergency basis. We have, in fact, appropriated money for Bosnia. We did this year but only through July 1. The emergency came about when the President of the United States found that we could not withdraw. Under his determination and the Joint Chiefs, they decided we have to stay there. We face the problem of paying between now and July 1 and through the end of the year for that deployment.

If we do not put up the money, the money comes, as I said before, from the readiness accounts for moneys we have already appropriated for the fiscal year 1998. That will mean the readiness accounts for the rest of the military not deployed to Bosnia or to Southwest Asia will pay the cost of the emergency.

Mr. President, that is a nice question, whether this is an emergency, but the President has declared it is an emergency and we have agreed it should be an emergency because we really believed when we made the bill up last year for 1998 that the troops would be out by July 1.

Having done that, we spent the balance of the money in the procurement accounts and in the readiness accounts. We were operating under a ceiling. What the Senator from Texas does now, if it is not considered emergency as the President declares it is an emergency, is we have to go back, as I said, and take it out of moneys that we put into, whatever it might be—aircraft acquisition, whatever it might be—in the Department of Defense.

It is not easy to find that kind of money, particularly when we have troops deployed in the field. Over 40 percent of our personnel are deployed overseas right now. If we are going to readjust anything, it has to be in the procurement accounts, and the procurement does not outlay dollar for dollar. If we cancel procurement, we only probably get 10, 15, 20 percent adjustment for outlays.

Again, I say, it will take billions from the 1990 account to deal with the millions that are involved in this bill for expenditure.

I am not going to belabor it except to say, once again, this is a killer amendment. I think it is against the Budget Act. I leave that to the Senator from New Mexico. I hope he will talk about it. At least in purpose it is against it. I think actually it is subject to a point of order, but I don't intend to raise a point of order. If the Senate doesn't understand this amendment, it doesn't understand defense economics and defense spending. I understand there are some people here who want to put the screws on us in terms of the next year.

Remember this, Mr. President. We have no firewall between defense and nondefense next year. We have to legislate it if we can get it. The effect of this is to take money out of defense when defense is already going to be under attack as far as money in 1999.

I just cannot be emphatic enough to deal with this in terms of what it means. It means that we are readjusting the concept of the accounting for emergency money. If you look at just the disaster account alone, it reneges on the commitment we have made to the people who are in the disaster area to help them pay for the cost of adjusting to that disaster.

My State has more disasters than any State in the Union. We don't have any right now, except me, and I feel like a disaster right now because I really don't like this amendment.

I think if Members of the Senate think about it, they will understand what we have done. This amendment impacts defense most damagingly because the funds for Southwest Asia assume current force levels and the current op tempo—the tempo of operations. We made these moneys available until expended. That means they can be expended in 1999 and subsequent years. That gives an incentive to the Department to manage their money wisely and not rush to expend it before the end of this year.

The effect of the Senator's amendment would be to reverse that decision of our committee.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Thank you, Mr. President.

Mr. President, first, I say to the Senator from Alaska, he is absolutely right. I do not think either Senator GRAMM or I are intending, or what the Appropriations Committee did here, is somehow outside the Budget Act or illegal or against the law. Absolutely not. The chairman and the committee followed the Budget Act to a ''t.'' They declared the emergency. The President asked for emergency spending. They went ahead and spent the money outside of the parameters of the budget that we have for the country this year and for future years.

We just do not agree that we should do that. I think we do have the right, because we have done it in the past, to make that spending this year, frankly, for future years, to stay within the caps and to allow some reprogramming to be done within those accounts.

So my argument has never been, and I think the Senator from Texas would admit that his argument has never been, that what they have done is somehow wrong. Not wrong; certainly it is within the law. But to suggest that it is the right thing to do is another matter.

I understand the problems that the Senator has with the defense budget. I have as many concerns as he does with the top line number of defense. I think we are at a very tight defense budget for this year. I serve as a subcommittee chairman on the Armed Services Committee, and I understand the tough choices that have to be made.

I do not have as big a budget to oversee in my authorization. I have about $9 billion to oversee. But I have to make tough choices, and sometimes projects in Pennsylvania do not make it on there. They did not make it on there because they are not worthy projects, not because they are from Pennsylvania or from North Carolina or Texas or anywhere else. And I will assume and I will hope that the appropriations process is a similar one; that we look at the merits of the projects that are on there being requested by the Department and we sort it out on the basis of merit.

That is what I will continue to do and that is what I hope the Appropriations Committee will continue to do. It is a tough job. The resources are very slim. I accept what the Senator from Alaska is saying, that if we adopt this amendment, it will make that job somewhat tougher to do—next year by the tune of about $1.6 billion, and the following year $391 million, and then it sort of trails off to a couple million. But I understand that is a difficult task.

The point we are trying to make is, we did not require you to do it this year because you are halfway through the budget year and it would be very difficult to reprogram that money having been put in a cycle where you had a certain expectation of money, you spent to that level, so you spent half your money and then you are basically taking savings out of the last half of the money that is there, which requires a commensurately higher percentage of cuts than the overall amount.

So I understand that problem. That is why we tried to avoid that problem by saying, if you spend the money this year, you do not have to reprogram it. You can declare the emergency and you can spend it above the budget level.

I find it somewhat curious that the Senator from Alaska would attack our amendment by saying it creates an incentive to spend the money unwisely this year and that he opposes this amendment because we are going to have money being forced out of the pipeline prematurely so it can be spent on an emergency basis as opposed to being kept under the caps in future years.

The only reason we have released the pressure valve, if you will, for this year is because we know the objections that the Senator from Alaska would have if we put the caps on it this year. He would be opposed to it, I suspect, even more vociferously if we made the relevant departments stay within the caps every year as opposed to just future years. So I am not too sure that is necessarily a valid argument.

The bottom line here is very simple. What we are suggesting is to take the money that we know is going to be there for the surplus and use it for Social Security, not for emergency spending, particularly given the fact that I understand from the cloakroom there is another $1.6 billion to throw on top of this bill. It is going to be spent out over the next few years, money that the President has just asked for.

I have voted against disaster bills in the past. In fact, I stood on the floor of the Senate just a few years ago and said I would vote against a disaster bill when most of the money for that bill was going to Pennsylvania—my State. And I said I would do so unless we did something to make sure that that money was offset within the budget, because I feel it is that important. I think there is not truth in budgeting with this administration and with our budgets in the past when it comes to disaster assistance. We chronically have this problem that we do not appropriate enough money.

Again, I do not point to Senator BOND and his subcommittee as the problem. I point down to 1600 Pennsylvania Avenue to a President who just willy-nilly, in many cases, declares items eligible for assistance and expands the definition beyond what congressional intent is as to what is covered. Not that he declares disasters willy-nilly. In fact, they are very serious disasters. But what should be and is eligible to be paid for by the Federal Government is, in fact, where I think we have a problem with this administration, which I think the Senator from Missouri, Mr. BOND, is attempting to correct. So I give credit to him. But we still have the problem.

The problem has shown up in huge amounts of outlays that we spend every year on disasters because we continue to pay ever-increasing amounts from the Federal level on disasters around this country. That is a problem. All we are doing is allowing that spending to continue and not keeping within the discipline that we promised the American public. We promised, us right here in the Senate, we promised the American public that we would stand here and stick to our agreement, that we would not continue this stream of red ink, we would not just continue to spend money like there was no tomorrow, that we were going to put a budget agreement in concrete, we were going to stick to it, and, as a result of that, we would have surpluses, we would have a balanced budget, and we would have surpluses and, as a result, the economic prosperity that would come with that.

Right here today we are just saying, oh, we didn't mean it. You know, we had an unexpected—not so unexpected—expense so we have to break the deal. We are going to break the deal. We are just going to say, fine, we are going to spend more.

I am surprised there is just $1.6 billion more in the cloakroom ready to come down here to be spent. Let us throw in some more. I mean, this is open season. We have lied once. We have broken our promise once to the American public. We said we were going to keep the deal. Now we are not going to keep the deal. Why just 1.6 billion? Let us throw in a few more billion. Once you break it—I mean, it is like being a little bit pregnant—let us really have a party. Let us spend it all. Let us throw some more money down here and find out how much more we can throw on that we can consider an emergency that all we have to do is declare. We do not have to follow any law here. For those of you who think that there is a law that we follow that says ''this is actually an emergency'' and ''this isn't an emergency''—no, no, no. We just have to say it is. That is all. We just say it is, and it is an emergency.

So let us bring all the turkeys out. Let us start flying around and shooting everything around here. And, by the way, there is lots of stuff in here that is not emergency, just supplemental spending that we are just going to throw out here and say, ''Well, we'll just include it in. It's something we really wanted to do. Couldn't fit it in last year's budget, may not be able to fit it in this year's budget. It's going to fly. It's going to pass and we can help out some of our Members.'' It is just not the way we should do business.

Mr. STEVENS. Will the Senator yield for a question?

Mr. SANTORUM. I will be happy to.

Mr. STEVENS. Does the Senator mean to say with regard to disaster money that is in this bill, that only the money that is spent this year will be treated as an emergency?

Mr. SANTORUM. That is correct. Under the legislation, that is correct.

Mr. STEVENS. So that the cost of repairing the levees in Georgia or Alabama or fixing the frozen trees in New Hampshire, wherever they might be, that money, if it is not spent this year, will have to be charged against the regular bill for that purpose in the next fiscal year?

Mr. SANTORUM. That is correct. Just like next year. When we appropriate money this year, when we appropriate money for next year, we will have in the FEMA budget money for anticipated disasters. That is what we will be putting money aside for. That is what we appropriate the money for in FEMA, for anticipated disasters and for spending on those disasters.

What we are saying is, we now have a leg up. We know what money we need to spend this year, so we are going to include it in that budgeted amount. So, yes.

Mr. STEVENS. Does the Senator understand, first we have to declare a disaster for that not to be accounted?

Mr. SANTORUM. That is correct.

Mr. STEVENS. That is what this bill does?

Mr. SANTORUM. Yes.

Mr. STEVENS. Some money is already over there in FEMA, but when it is spent, it is emergency money.

Mr. SANTORUM. That is correct.

Mr. STEVENS. I am not sure the Senator is understanding me yet. The money that we appropriate to FEMA, we just put in FEMA.

Mr. SANTORUM. Right.

Mr. STEVENS. It is counted in the budget. But when they spend it for real emergencies, we relieve them from accounting for that as far as sequestrations are concerned because it does not count against this year's allocation or the allocation in any year for which the outlay is made. Do you understand that?

Mr. SANTORUM. What we are suggesting is that money should count within the budget, that it should count within the amount for that appropriation.

Mr. STEVENS. I say to the Senator, I do not know if a disaster can recover under that situation—not one. We declared a disaster in South Dakota. We declared a disaster because of the earthquakes in California. We did it because of the fact we had to have the emergency designation in order to spend the money.

As a matter of fact, the Senator from New Mexico says there was not enough money. We had to add to it. That is what we are doing to it; we are adding to the money that we previously had. But whatever you spend in connection with these disasters, you do not have to account for it at the time of sequestration. It is only at the time of sequestration.

Mr. SANTORUM. I understand that. All I am saying is that money is going to be spent next year. That money is going to be spent next year. And in the appropriations bill that deals with these different accounts, we are saying we want to keep it under that cap, and that means to find money other places in the legislation, absolutely. That means that we are going to have to reduce other accounts to make sure we stay within those caps.

This is about, in our opinion—I know the Senator from Texas agrees—controlling the growth, controlling Government spending. What we are doing is saying, there is in fact a budget that says there is so much to spend, and whether we declare an emergency or not we are going to stay within that. If we declare an emergency, we can spend the money for that particular purpose —fine—but it is still going to stay in the aggregate cap for our total spending. That is the point we are trying to make.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. SANTORUM. I am happy to.

Mr. DOMENICI. How big does a disaster have to be in terms of its outyear cost for you not to expect it to be paid for out of education money and NIH money and others? How about the Alaskan earthquake? I assume we had 5, 6 percent of the entire budget of the United States in one or two of those years. Is that big enough? Or should we assimilate that and reduce education funding and NIH funding and all the other funds, highway funds?

Mr. SANTORUM. I say to the Senator, I would expect in a $1.6-some trillion budget, that we can in fact find in this case for disasters some $2-plus billion, of which it is not even $2 billion. I think in our opinion it is $3.1 billion—no; less than that—it is $2.5 billion overall. And we are allowing this year's to go as an emergency. So I think $1.5 billion. So we can find $1.5 billion out of the next 5 years'—out of the next 5 years—spending. I think we can do that.

Mr. DOMENICI. I say to the Senator, because I know you intend always to be very precise and specific, and I laud you for that, and you are eloquent in your remarks, I hope you do not speak of a $1.7 trillion budget unless you want to take money out of Social Security and Medicare and all the other entitlements. That is two-thirds of the budget. So we ought to be talking about the right number. Nobody is expecting this to come out of Social Security. Are you?

Mr. SANTORUM. No, I am not.

Mr. DOMENICI. Out of Medicare?

Mr. SANTORUM. No. Roughly a third is discretionary.

Mr. DOMENICI. That is about right.

Mr. SANTORUM. Roughly a third. So roughly a third of the $1.7 trillion. So you are talking about around $550 billion. And we are talking about $1.5 billion out of $550 billion.

Mr. DOMENICI. That includes defense, which more than half of that is. Do you want it to come out of defense?

Mr. SANTORUM. Yes. Part of it does come out of defense within our amendment, yes, absolutely.

Thank you, Mr. President.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I did not intend to speak to this particular amendment because I have an amendment that is sponsored by Senator MOYNIHAN, Senator JEFFORDS, Senator LEAHY, Senator SNOWE, Senator COLLINS and I believe has been accepted by both sides.

But I think it is rather germane because it seems to me that in times of crisis our Nation sets aside its differences and we come to the aid of our neighbors. I do not say that because you had a disaster in the State of Washington, we are not going to be there to help you. That is what happened, and this country came forward together and made available emergency aid, some several billions of dollars. Then we had floods along the rivers. Those rivers were not in New York, but they were in the United States of America, and my State is part of this country. I think that our citizens would have been very upset with this Senator and my colleague if we had voted against providing aid to those who had their farms wiped out, their homes wiped out, their lives disrupted.

What are we doing? I mean, what in the world are we saying here? Are we saying, really, that you should cut the National Institutes of Health by half a percent to provide emergency relief? For whom? For our citizens. My gosh, we have sent troops all over the world to help out others. Are we really seriously saying that we should not make available disaster relief to our citizens without this clap trap of finding it under a budget cap next year? If it is an emergency, by gosh, the American citizens expect us to rally to our neighbors and to our friends and stop this parliamentary nonsense. That is what this is.

I want to tell you something. We should move to table this now. I am not going to do it because that is the chairman's spot. It is his responsibility. We have some important business to get done here. I have an amendment that I am going to offer to help the dairy farmers of New York and the people of New York who are devastated—hundreds of millions of dollars worth of damage, thousands and thousands of manhours lost. Thousands of homes were ravaged as a result of the ice storm when people's power went out for 2 or 3 weeks, and when they came back to their homes, they found them flooded because the pipes had burst.

Now, we have to get to the business of the people and do it here and now and not get into this business of saying we are going to offset next year's expenditures. They have to rebuild those homes, and these are people of modest incomes. Are we really going to say here and now, oh, no, we are not going to do that unless we cut low-income assistance programs next year or unless we are going to cut—what program? Tell me. Tell me. What happens if you have a $10 billion disaster? Next year someplace we are going to start offsetting it? Let's get to the business of the people. This isn't the business of the people. This is playing games.

I would like to be able to offer my amendment, and I would like to move to set aside the pending business. I am going to withhold. New Yorkers have been devastated to the tune of hundreds of millions of dollars.

I just think what is being done absolutely puts us in a light that is irresponsible. If we want to make cuts and say that there are programs here that are not of an emergency nature, I will vote on them. If you want to build bicycle trails—I was here when that was put up, and I voted against bicycle trails—and if you want to build igloos someplace and say that is a disaster when it is not, I am going to vote against it. By gosh, let us not simply say that all of the emergency relief should be treated as a nondisaster. That is not being fair to our colleagues.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I think we can wrap this debate up and have a vote, if we are ready to do it. I do not know if the chairman is going to move to table the amendment or just have an up-or-down vote on it. But I would like to conclude by making several very simple points:

No. 1, no one is saying, and nothing in this amendment has the effect of saying, don't provide emergency money. That is not what the issue is here. This has nothing to do with providing emergency money. Nobody is saying provide it only this year. What we are saying is pay for it. What we are saying is that when you are committing to spend money over the next 5 years—and we have not even written budgets for those 5 years—that these expenditures ought to be counted in the budget.

Do we really take the position that anything we declare is an emergency, and what we are going to spend 4 or 5 years from now should have nothing to do with the budgets we are writing for those years 4 or 5 years from now? I reject that. If this is not the people's business, I don't know what the people's business is.

Finally, the example has been used about an insurance company paying a claim. We want the insurance company to pay the claim but we want the insurance company to cut their dividends. What we want to do here is to be sure that we are helping people who have suffered but that we pay for it by cutting other programs so that we don't end up in a position of claiming that we are setting aside money to rebuild Social Security, and, yet, if this amendment fails, we are going to have $2 billion less to rebuild Social Security with than if our amendment succeeds. That is what the issue is about.

It is pretty simple. And I suggest we vote on it.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair. I actually would ask the Senator from Alaska, if he wants to respond, I would follow. I would be pleased to yield to the Senator from Alaska, but I would like to follow.

Mr. STEVENS. Does the Senator wish to speak on this amendment?

Mr. WELLSTONE. There are a number of amendments out here. I want to speak on another amendment.

Mr. STEVENS. I intend to make a short statement and move to table. Could the Senator make his comments after that?

Mr. WELLSTONE. I ask unanimous consent that after the Senator moves to table and we have the vote, I then be allowed to speak.

Mr. STEVENS. For how long?

Mr. WELLSTONE. Ten minutes.

Mr. STEVENS. I might say to the Senator that we have a 5:30 cloture vote, and we have an agreement. I am informed that following the vote on my motion to table we will have an agreement dividing time between the proponents and opponents of the cloture motion and then vote on the cloture motion. I will be more than willing to say the Senator gets the first 10 minutes after the cloture vote. The cloture vote was supposed to take place at 5:30. We are jammed in on it right now.

Mr. WELLSTONE. Mr. President, I say to my colleague, I want him to have a chance to respond. I know he wants to. I would then ask unanimous consent after we have the debate on the cloture vote and the cloture vote that I be allowed to speak after that vote.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Mr. President, I am not prepared to agree to that because I understand that we have a commitment that we will go out of session at that time.

Mr. WELLSTONE. Mr. President, let me try one other unanimous consent. I ask unanimous consent that I be allowed to speak for 10 minutes before the vote on the IMF amendment.

Mr. STEVENS. I have no objection.

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

Mr. STEVENS. Mr. President, let me make sure that everybody understands what we are voting on. The Senator from Texas complains—and I think rightly—that we are spending really a great deal of money on disasters. They grow every year, and it is because the moneys that we have allocated to disasters under authorization laws and under regulations have increased.

I tell the Senator that the money available during the period right after the great earthquake in Alaska in 1964 compared to the amount of money that was available to those people who were harmed by the California earthquake—the California program for recovery—was much more heavily financed, and necessarily so. New concepts of assistance have grown since that time.

If the Senator wants to examine and ask the Congress to examine and put limits on what we spend after a disaster, this Senator would be pleased to work with him on it. If the Senator wants to say that we ought to predict how much money we are going to have available for disasters and put a cap on that, this Senator would never agree with that.

If the great Madrid Fault down by Tennessee ever slips again, as it did in the middle of the last century, to the extent that the bells in Boston rang when that earthquake took place in the middle of our continent, if that would happen today, the cost of that disaster would be just overwhelming. There is no way to predict how much money we are going to spend on disasters.

As applied to this bill now, I say to the Senator, if the Senate adopts this amendment, I will move to recommit this bill to the Appropriations Committee because we cannot afford to have such a heavy balance on the 1999 bill that we are working on now for fiscal year 1999 if the Senate adopts the amendment of the Senator from Texas. Disasters aside, the major impact of this amendment is on defense. It would say that any moneys that are spent for the Bosnian or Iraqi deployments after September 30 would count against the allocations that we are already looking at for 1999 under the budget that the President has submitted to us.

I have said before to the Senate, we believe that the impact of this amendment would mean procurement cuts—cuts in the amount of money we allocate to procurement of $2 billion in 1999. That is because when we authorized the use of $2 billion in 1999, the amount that actually would be spent would be about $400 million. That is what it does to the bill we are planning now.

I just do not think that we should have a supplemental that so hamstrings the budget for the full year of 1999 in a way that was never contemplated by the President's budget nor is it contemplated by the budget before the Budget Committee and ready for submission to the Senate. This issue should come up but should come up in other ways, and that is how much money we will spend per person on a disaster.

Does the Senator seek time before I make a motion to table?

Mr. NICKLES. If the Senator will yield, I know there are two or three amendments in line.

Mr. STEVENS. The Senator is correct.

Mr. NICKLES. I have an amendment. I would be happy to introduce it now and you can stack it as well.

Mr. STEVENS. I might say to the Senator that we just had a discussion with the Senator from Minnesota, and I understand there is an agreement to postpone the cloture vote that has been scheduled for 5:30.

So I am going to move to table, and I would renew the request of the Senator from Minnesota that following that vote on my motion to table he get 10 minutes, and after that we will be happy to have any amendments that the Senator from Oklahoma has. All right.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I reluctantly but enthusiastically move to table the amendment of the Senator from Texas and ask for the yeas and nays.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alaska to lay on the table the amendment of the Senator from Texas. On this motion, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 76, nays 24, as follows:

[Rollcall Vote No. 40 Leg.]

YEAS—76

Akaka	Durbin	Lugar
Baucus	Feinstein	McConnell
Bennett	Ford	Mikulski
Biden	Frist	Moseley-Braun
Bingaman	Glenn	Moynihan
Bond	Gorton	Murkowski
Boxer	Graham	Murray
Breaux	Grassley	Reed
Bryan	Gregg	Reid
Bumpers	Hagel	Roberts
Burns	Harkin	Rockefeller
Byrd	Hatch	Roth
Campbell	Hollings	Sarbanes
Chafee	Inouye	Shelby
Cleland	Jeffords	Smith (OR)
Cochran	Johnson	Snowe
Collins	Kempthorne	Specter
Conrad	Kennedy	Stevens
Coverdell	Kerrey	Thompson
Craig	Kerry	Thurmond
D'Amato	Landrieu	Torricelli
Daschle	Lautenberg	Warner
DeWine	Leahy	Wellstone
Dodd	Levin	Wyden
Domenici	Lieberman	
Dorgan	Lott	

NAYS—24

Abraham	Gramm	Mack
Allard	Grams	McCain
Ashcroft	Helms	Nickles
Brownback	Hutchinson	Robb
Coats	Hutchison	Santorum
Enzi	Inhofe	Sessions
Faircloth	Kohl	Smith (NH)
Feingold	Kyl	Thomas

The motion was agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LEAHY. Mr. President, can we have order?

The PRESIDING OFFICER. The Senate will come to order. The majority leader is recognized.

Mr. LOTT. Mr. President, let me withhold while we confer a few minutes more. I don't seek recognition at this time.

Mr. LEAHY. Mr. President, parliamentary inquiry: What is the regular order at this point?

The PRESIDING OFFICER. The regular order is for the Senator from Minnesota to be recognized.

Mr. LEAHY. Mr. President, further, has all time run out on the pending amendment?

The PRESIDING OFFICER. That is correct.

Mr. LEAHY. And will the Chair explain why it would not be the regular order to vote on that?

The PRESIDING OFFICER. The pending amendment is a Faircloth amendment No. 2103.

Mr. STEVENS. Under the unanimous consent agreement, the Senator from Minnesota has 10 minutes coming now.

The PRESIDING OFFICER. That is correct.

Mr. LEAHY. A further parliamentary inquiry, Mr. President. After that 10 minutes, what would then be the regular order?

The PRESIDING OFFICER. The cloture vote.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. D'AMATO. Mr. President, if I might——

The PRESIDING OFFICER. Does the Senator from Minnesota yield?

Mr. WELLSTONE. Mr. President, I want to make sure that I have my time on the floor. I will be pleased to yield.

Mr. D'AMATO. Mr. President, I thank the Senator from Minnesota. I ask unanimous consent that I be given up to 2 minutes to submit an amendment, that has been agreed to by both sides, on behalf of Senator MOYNIHAN, Senator LEAHY, Senator SNOWE, Senator COLLINS and myself, with respect to the disaster bill and ask that the pending amendment be set aside for that purpose.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 2109

(Purpose: To provide funds to compensate dairy producers for production losses due to natural disasters)

Mr. D'AMATO. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO], for himself, Mr. MOYNIHAN, Mr. JEFFORDS, Mr. LEAHY, Ms. SNOWE, and Ms. COLLINS, proposes an amendment numbered 2109.

Mr. D'AMATO. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 5, line 5, strike "DAIRY AND". On page 5, line 8, strike "and dairy". On page 5, line 10, strike "and milk".

On page 5, line 20, beginning with the word "is", strike everything down through and including the word "amended" on line 23, and insert in lieu thereof:

"shall be available only to the extent that an official budget request for $4,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act."

On page 5, after line 23, insert the following:

"DAIRY PRODUCTION DISASTER ASSISTANCE PROGRAM

"Effective only for natural disasters beginning on November 27, 1997, through the date of enactment of this Act, $10,000,000 to implement a dairy production indemnity program to compensate producers for losses of milk that had been produced but not marketed or for diminished production (including diminished future production due to mastitis) due to natural disasters designated pursuant to a Presidential or Secretarial declaration requested during such period: *Provided*, That payments for diminished production shall be determined on a per head basis derived from a comparison to a like production period from the previous year, the disaster period is 180 days starting with the date of the disaster and the payment rate shall be $4.00 per hundredweight of milk: *Provided further*, That in establishing this program, the Secretary shall, to the extent practicable, utilize gross income and payment limitations established for the Disaster Reserve Assistance Program for the 1996 crop year: *Provided further*, That the entire amount is available only to the extent that an official budget request for $10,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.''

Mr. D'AMATO. Mr. President, in response to the 100-year ice storm which hit the Northeast area of the country, and to address the unmet needs of our dairy farmers, I offer this amendment with my colleagues, Senator MOYNIHAN, Senator JEFFORDS, Senator LEAHY, Senator SNOWE, and Senator COLLINS, to reimburse dairy farmers for up to $10 million for their milk losses.

Our amendment covers two types of dairy losses: first, the losses that farmers experienced by having to dump their milk because it either could not be shipped to market or it could not be processed properly; and, second, the losses they will see through decreased milk production over the next few months.

In addition, this amendment will allocate $4 million to provide relief to the dairy farmers who have had a cow die because of the storm. Our amendment, along with the provisions of this bill, will help prevent a lot of dairy farmers who have had thousands of dollars of losses from going out of business.

When disaster strikes, America responds. The damage, adversity, and loss experienced in the North Country and in New England deserves the attention and assistance of our Government.

I thank the chairman of the Appropriations Committee, Senator STEVENS, and the chairman of the Agriculture Subcommittee, Senator COCHRAN, as well as the two ranking members, Senator BYRD and Senator BUMPERS, for their support.

In times of crisis, our Nation sets aside its differences and our own troubles in order to help-out those who are truly in need.

Beginning on January 5, 1998, six counties in the northernmost part of New York State were ravaged by a fierce winter storm that covered the area in a three-inch blanket of ice. On January 10th, President Clinton declared the region a Federal disaster area.

This storm caused tremendous damage to homes, farms, roads and infrastructure throughout this area of northern New York—which we call the North Country.

Tragically, the effects of this storm led to nine deaths in New York.

This ice storm damaged thousands of utility poles, brought down countless miles of power lines and left several hundred thousand people in the dark for up to three weeks.

The loss of power in this region had a particularly difficult impact on North Country dairy farmers.

As some of my colleagues know, dairy cows must be milked at least twice a day, every day. Modern farms use electric milking machines to do this task and then transfer the milk to cooling tanks until it is picked up and taken to an area processing plant.

With no power, farmers did their best to try and milk their cows. For those who had generators and were able to milk their cows, they had to then store the milk.

Unfortunately, for a number of dairy farmers, the lack of power to cool the storage tanks made their milk unfit for consumption.

Farmers also faced the possibility that the milk truck could not reach the farm because icy road conditions, downed trees or downed utility poles made it impossible.

As these circumstances piled up, individual dairy farmers across the entire Northeast region were forced to dump their milk incurring thousands of dollars of losses along the way.

Farmers also have had to worry about mastitis. Mastitis is an inflammation of a cow's udder which can take hold in a cow when it is not milked regularly.

This inflammation can reduce milk production and cause a cow to become sick, requiring treatment with antibiotics. When a cow is being treated with antibiotics, that cow's milk cannot be used.

When a cow gets out of its milking cycle, there is nothing that can be done to make up for that lost production. That milk, and that income, is lost forever.

Overall, dairy production losses may likely add up to millions of dollars for dairy farmers in the North Country and northern New England.

Dairy farmers already run their operations on very tight margins—even a slight decrease in production can cost thousands of dollars and be the deciding factor in determining whether a farmer stays in business or not.

That is why I am offering this amendment—to help provide a measure of relief for New York and New England dairy farmers.

With the passage of this amendment, I believe we will help meet the needs of our dairy farmers as they continue to recover from the effects of this storm.

I am pleased to join with my colleagues in offering this amendment and I urge its adoption.

Mr. LEAHY. Mr. President, I would like to join my colleagues from the Northeast in support of Senator D'AMATO's amendment providing assistance to dairy farmers devastated by an ice storm earlier this year. I am proud to be a cosponsor of this amendment which will provide much needed assistance to dairy farmers in Vermont and throughout the Northeast.

This storm which hit the Northeast on January 9 left dairy farmers in Vermont, New York, New Hampshire and Maine without power for days at a time. I was happy to see that the disaster bill proposed by the administration and passed by the Appropriations Committee includes $4 million to reimburse dairy farmers for production losses suffered during the storm for milk that farmers were forced to dump.

Unfortunately the bill did not consider the long term losses that will be suffered by farmers until milk production returns to pre-storm levels. Now cows don't know whether the power is on or off, they still need to be milked twice a day every day. In addition to the costs incurred by the dumped milk, many cows suffered mastitis as a result of the delayed milking or were thrown off in their milking cycle to the extent that their milk production levels were significantly affected. In Vermont, it is estimated that the cost of long-term production losses will be $186,300. The total damages throughout the region will be much higher. For small dairy farms, this is just one more cost they can not afford to shoulder.

I urge my colleagues to support this important amendment.

Mr. MOYNIHAN. Mr. President, I rise to join my colleagues in emphasizing the importance of providing adequate assistance to the dairy farmers of the Northeast, who suffered tremendous losses due to the ice storm of January 1998. Our amendment will address an important gap in the Dairy and Livestock Disaster Assistance Program described in the supplemental—by providing for compensation for diminished milk production for the remainder of this year.

In the days and weeks following the January ice storm, my staff met with dairy farmers from upstate New York, and listened while they detailed the extent and the nature of their losses. My staff realized that one of the main needs expressed by our farmers—compensation for the diminished production which they knew would ensue for the remainder of the year—was not being addressed. Working with the New York Farm Service Agency, my staff developed an approach which will provide crucial assistance to our farmers for these losses. I am pleased to see that compensation for diminished milk production is included in this amendment.

Without electric power, farmers were unable to use electrical milking machines, in some cases for several days.

Veterinarians at Cornell University estimate that two days of missed milkings will result in an average loss in milk production of ten percent for the remainder of the lactation cycle. The situation is analogous to damages to fruit trees, which suffer production losses in the months—or years—following a storm, in addition to the initial losses suffered at the time of the storm.

Diminished milk production losses will greatly surpass the value of milk dumped at the time of the storm. For example, in New York, the value of milk dumped in the days immediately following the storm is estimated to be $1 million. The New York Farm Service Agency projects $12 million in losses due to diminished milk production. Dairy farmers in Vermont and Maine will be similarly affected.

The amount provided for dairy and livestock in the Administration's request—$4 million—drastically under represents the amount of damage. The $10 million which this amendment will provide for dairy and livestock farmers is based on the best estimates of damages available from the Farm Service Agencies of the affected states. Through this amendment, we will be able to compensate dairy farmers for 30 percent of the value of their demonstrated losses—the same proportion provided to other farmers under previous disaster relief programs.

The farmers of the Northeast dairy industry do not have sufficient means of emergency support outside of Federal aid. Many farmers were shocked to find that their private insurance policies, which do cover losses sustained due to fires, floods, and other natural disasters, will not cover damages sustained during ice storms. The states of New York, Maine and Vermont are offering limited assistance to their dairy farmers, but additional Federal aid is sorely needed.

Mr. President, I thank Senator STEVENS and Senator BYRD for their assistance with this amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 2109) was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

UNANIMOUS-CONSENT AGREEMENT—H.R. 2646

Mr. LOTT. Mr. President, I ask unanimous consent that the cloture vote scheduled to occur at 5:30 this evening be postponed to occur at a time to be determined by the majority leader after notification of the Democratic leader.

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

ORDER OF PROCEDURE

Mr. LOTT. Mr. President, to notify all Members, we are working and getting very close, I think, to a unanimous-consent agreement being possible with regard to the education savings account issue, and other issues, but we are not quite there. So we think we can keep working on it and reach agreement hopefully early in the morning.

Also, I remind the Senate that we do have this very important opportunity to hear from our former distinguished majority leader, Mike Mansfield, at 6 o'clock. I would like for us to be able to start that right on time in deference to his agreeing to be with us. I urge all my colleagues to come to this first in a series of lectures from former majority leaders and Vice Presidents. Therefore, I ask unanimous consent that the Senate stand in recess until 7:30 p.m. at the conclusion of the 10-minute remarks by Senator WELLSTONE.

Mr. WELLSTONE. Reserving the right to object, and I will not, but I would be pleased, when we go back in session tomorrow, to speak. So you can go ahead, as long as I have consent I will be able to speak for 10 minutes when we go back in.

Mr. DASCHLE. Reserving the right to object, I would like to be recognized following the remarks made by the distinguished majority leader and then preceding whatever remarks the Senator from Minnesota would care to make.

Mr. LOTT. Mr. President, if the Senator would yield, I think that is a very generous offer by the Senator from Minnesota. We will make sure you get the 10 minutes tomorrow, hopefully, I guess, in the morning. That way we can recess before 6 o'clock and allow us to greet Senator Mansfield.

Mr. DASCHLE. Reserving——

Mr. WELLSTONE. If I could say, the understanding is I want a chance to speak before any vote on the IMF.

Mr. DASCHLE. Further reserving the right to object, just to clarify the proposal made by the majority leader, I would assume there would then be no more votes tonight.

Mr. LOTT. There will be no more votes when we come back in at 7:30, although we need to cooperate with the chairman of the Appropriations Committee and the ranking member to try to identify those amendments that will have to be disposed of, will have to be voted on. I urge, again, all Senators—I am not asking for amendments, but I am asking for cooperation in getting a limited number or identifying those amendments we are going to have to have a vote on so we can complete action on this emergency supplemental appropriations bill.

Mr. DASCHLE. Mr. President, again reserving the right to object for purposes of clarification, is it now the understanding of the Chair that I will be recognized following the remarks made by the majority leader?

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

Mr. STEVENS. Would the Senator just yield to me for one question of the majority leader?

We have a series of amendments, when we come back in, that have been cleared and that we are in the process of clearing. I just want to notify all Senators, we will be working on amendments to the bill after the presentation of the former majority leader. So in particular, we wanted to stress the needs for FEMA and CDBG amounts that are part of the request.

Ms. MIKULSKI. We want to debate them tonight?

Mr. STEVENS. No. We want to see if there is objection. So if anyone has any objection, I would like to know before we go out. Thank you.

Mr. LOTT. Mr. President, in view of one development that just occurred—and I think we will have the answer in just 2 or 3 minutes—I want to withhold that unanimous-consent request that we stand in recess until 7:30. I expect to renew that in 2 or 3 minutes. But I would like to hold it at this time; and, therefore, the Senator could be recognized in his own right to speak if that is what he has in mind.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I have indicated to the distinguished chairman of the Appropriations Committee my frustration with the amendment process. The majority leader has noted the need for cooperation.

I think we have been extraordinarily cooperative. I have encouraged my colleagues to withhold on an array of amendments that were proposed. Now we have an array of amendments here, including one now by the Senator from North Carolina having to do with school construction. If we want to get into a lot of these extraneous amendments, I have a whole pot load of amendments over here that we will begin offering.

So, Mr. President, I call for the regular order under these circumstances so we can go back to the business at hand. The business at hand is to deal with the IMF amendment and to get on with resolving these matters once and for all so we can finally come to cloture on this legislation. I call for the regular order and hope that at long last we can begin dealing with these issues one by one.

The PRESIDING OFFICER. The regular order is amendment No. 2100.

Mr. DASCHLE. Mr. 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. 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.

RECESS

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate stand in recess until 7:30 p.m.

There being no objection, at 5:40 p.m., the Senate recessed until 7:30;