

"NATO will not want simply to give up on the investment that we have made in Bosnia."

This is a kind of a creep that we get into. We make a commitment, and while mission creep is a very realistic thing, this is commitment creep. We are now saying we will be there for a longer period of time.

I wanted to be proven wrong, but I was right when I said on this floor on December 13, 1995, and I have to repeat it now because this will become a major issue:

The simple truth, Mr. President, is that the Republic of Bosnia and Herzegovina is about to become America's pet country. The United States of America is going to own Bosnia and all of her problems just as soon as the 1st armored division sets up in Tuzla. Does anyone really believe that we will leave Bosnia in a year if the threat to her stability remains? Does anyone really believe after arming, training, and equipping the Bosnian army for a year that we will stand by and watch if our pet army is on the verge of defeat? Of course not; if Bosnia is as important as the administration says it is, we will stay in Bosnia as long as we have to . . . I say to my colleagues—

December 13.

We are on the verge of what may be a very long commitment.

I am not saying that to say we were prophetic at that time, Mr. President. I am only saying that we made that statement. I firmly believe there are more than four Senators who would have voted for the resolution of disapproval if the administration had been honest with us and admitted to us that our commitment was going to be longer than 1 year. They were not honest with us. They were not honest with America. That was just a commitment that happens to coincide with the reelection in November of this current year.

I think it is something we have to address. We will have to make a decision. Are we going to stay in until some tragedy takes place? I remember so well—I am not being partisan, I am not just being a Republican on this floor—it was George Bush in December 1992 that sent the first American troops over to another commitment that we had, with the idea they would be coming back in 90 days, and of course Bill Clinton took office in January 1993, and the troops stayed over in Somalia. It was not until 18 of our troops were brutally murdered and their corpses dragged through the streets of Mogadishu that the American people finally put enough pressure on the administration to bring our troops home.

I see the same type of analogy right here, that we could leave them there indefinitely. I can tell you right now if they do not stay with that 1-year commitment, it will not be just another few days, another week or another month; it will be exactly as every U.N. commander, U.N. and NATO force that we dealt with said it was going to be and predicted, as we told the American people.

It is going to be a much longer period of time. This is a very serious thing.

We are going to have American troops at risk. It is far more serious than the other one; that is, while we are deploying troops all around the world on missions that are either peacemaking or peacekeeping—and the world is expecting us to do this now all the way from the Near East to the Far East to the Middle East—now they are expecting us to come in on the Golan and come into the Gaza on peacemaking and peacekeeping missions at the same time we are sending our American troops. We are depleting our very scarce resources. As I said earlier on the floor today, we have been cutting our military budgets each year for 12 consecutive years, and we are in the same position we were back in 1980.

So it exacerbates that problem to think we are going to be leaving troops over there longer than this period of time. I am deeply distressed about developments in the Middle East, and about the things we are hearing out of Iraq.

I remember so well when the Saddam Hussein—the guy who murders his own grandchildren—made a statement 5 years ago that if we had waited 5 years to invade Kuwait he would have had the capability of reaching the United States with a missile with a weapon of mass destruction. This is a very serious thing.

So we are making it even worse by leaving troops in place where the President committed to the American people the troops would be out in a period of 12 months. I never believed they would. Most of the people here never believed they would. I suggested there are many people who would have voted in favor of a resolution of disapproval to keep our troops out of it. Now we are in the position where I would lead the charge to support our troops over there, but we have to go back to the original mission, keep our commitment to the American people, and keep our commitment to this Congress and to the Senate Armed Services Committee.

So I serve notice to the administration at this time that it is not going to be easy for them to leave our troops over there past the time that they promised and committed to us the troops would be back.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

NOMINATION OF ALAN GREENSPAN TO BE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The Senate continued with the consideration of the nomination.

Mr. GRASSLEY. Mr. President, I am very pleased to support the reappointment of Alan Greenspan to the chairmanship of the Federal Reserve Board. If we want to do something about the economy, if we want to do something about creating jobs and keeping the

economy moving, it seems to me that the first step we can take is the quick approval of the nomination of Alan Greenspan. It has been on the agenda quite a while. I think that we ought to move forward.

I have had a chance to observe several Chairmen of the Federal Reserve Board. I look at what these Chairmen do not in the way of specific policy but in the way of bringing stability, in the way of bringing confidence, to the system. It seems to me that Alan Greenspan has been very good at bringing confidence to the system. Confidence is very important in a free market economy. Particularly where a Government like ours is so dominate in the economy, with about 23 percent of the gross national product being our Federal budget. The fact that we may make erratic decisions in Government, or unpredictable decisions, or even send the signal that we might be about to make some bad decision, can have a very tremendous impact upon the economy; whether the President makes the decision, or whether the Congress makes it. The public is very suspicious of the Government making irresponsible decisions in an election year. All of this brings a lack of confidence in Government action, having a very detrimental impact upon the economy.

So when you have a steady hand like Chairman Greenspan tends to have, it seems to me that it builds confidence. He has given a very good stewardship to the American financial system. He has had a very consoling influence over the economy. He has had a sound policy.

If we are going to build the economy and create jobs, it means that we need to approve this type of steady person to be Chairman of the Federal Reserve Board. The fact that we are raising some questions about whether he should be confirmed and that we are taking so long to get him confirmed, seems to me to be disconcerting to a lot of people who otherwise, if they had confidence that Congress is going to make responsible decisions, would move forward with those business, economic, and investment decisions that are going to create jobs.

So I think the reappointment of Alan Greenspan is nothing but good news for jobs and for the economy. He has had the confidence of three Presidents of different philosophies. I believe he has proven himself to be an effective inflation fighter. Big Government types might be disappointed in the announcement. But the fact is that Chairman Greenspan has held the line on inflation, and that has been a big part of helping the economy grow.

The economy I believe grows because Greenspan himself is a personality. There is a certain amount of confidence building in what he does. He kind of leadership exudes confidence through his personality. This confidence is so necessary for job creation, or I should say for the investment that brings about job creation.

We have just spent a lot of time talking about balancing the budget. This very day we passed a budget resolution balancing the budget in 6 years. Unfortunately, not 7 years like we were talking about last year, because we lost that opportunity when the President of the United States vetoed the first balanced budget act that a Congress had passed in a generation. He vetoed it on December 5.

If you wonder if Congress can pass a balanced budget, yes. Congress can do it. But we cannot do it over a Presidential veto. So we start out again as we did today to balance the budget.

If we balance the budget, if we create a situation where Government is going to live within its means—and a policy of living within our means is a much more predictable policy and sends a more clear signal about the economy—then people are going to have more confidence in what Congress is going to be doing in the future. Just balancing the budget will reduce interest rates by 2 percent. Chairman Greenspan has said that. That is going to have a very positive impact upon investment and job creation, particularly in small business where 70 percent of the jobs are created in our economy.

But when Congress has not balanced the budget for a generation—27 years to be exact—when Congress is fiscally irresponsible over such a long period of time, the public has to have confidence that there is some nonpolitical entity out there that is going to be a counterbalance to the irresponsible fiscal decisions made by the elected branch of Government—the Congress and the President.

The more Congress acts with fiscal responsibility, the less significant is the job of the Federal Reserve Board to offset the bad decisions made by the Congress.

If the people who raise questions about the impact of the Federal Reserve, and what they would consider negative impacts of the Federal Reserve on the economy, would put their muscle and shoulder behind having a sound fiscal policy passed by the Congress of the United States, then they would not have to be so concerned about the Federal Reserve. There would be less concern of inflation and less for the Federal Reserve to do. The more satisfied the Chairman would be, and the less there would be observation by the financial centers of the world about what he might be saying. We would all be working together to build the confidence that it takes to create jobs and to encourage investment to do it.

So we, in this body, ought to be putting our energy to not so much fighting the appointment of Chairman Greenspan but to being more fiscally responsible. Those particularly on the other side of the aisle should have encouraged their President to sign the first Balanced Budget Act that had been passed in a generation to get us on the road to fiscal responsibility and

to build the confidence that encourages investment and creates jobs. Further, they should stop putting on the shoulders of our children and grandchildren our living high on the hog in this generation. The immoral aspect of our being materialistic and not caring about who pays for the bill has, more sadly, deprived our children and grandchildren of the American dream. They deserve a life without being saddled with paying for an out-of-control Government.

Alan Greenspan has been a strong and consistent advocate of our balancing the budget. While we have been spending time debating, Chairman Greenspan has been on the front line fighting the results of big Government spending, the deficit and the potential inflation that that brings about, especially high interest rates. The Federal Government is more and more every day in the line seeking credit—we always tend to be first in the credit line and the Federal Government will pay whatever it takes to borrow what is needed—affecting interest rates. And the private sector borrowers, who are next in line, are going to pay more than what the Federal Government pays to borrow money. There is going to be less investment and less jobs created because of that. Because he is an inflation fighter, because he helps build confidence, he has saved jobs by keeping inflation in check and he has helped to provide a steady climate for business to grow.

There is a recent Journal of Commerce editorial that states, “the Fed and Mr. Greenspan have done their jobs well. The economy has been growing at a decent rate.”

The editorial goes on to quote the chairman of the Senate Banking Committee, Senator D’AMATO, that Americans have “benefited from a lengthy period of stable, predictable prices, making purchase and investment decisions much more efficient.”

The big Government types in Washington think that only the Federal Government can spend money efficiently. The Federal Government can spend money very efficiently, but the efficiency with which we spend the money is more related to the rapidity with which we spend money, and not the efficiency with how much we get out of each dollar that is being spent. There is going to be more economic progress made by that dollar being spent in the private sector than being spent in the public sector. More jobs will be created as a result of the private sector, and that is the efficiency that Senator D’AMATO speaks about.

I know there are those who would still like nothing more than to start up the Government printing presses and to push more money into the economy, to reflate, as some people would say. But inflation is the result. And inflation is a sales tax on the consumers of America. It is an expense on interest being borrowed. It is just another tax that is the most regressive tax that

you can have. It is a tax applied regardless of ability to pay.

For those people on the other side of the aisle who are always talking about: We have to tax the high incomes, tax the wealthy, tax the corporations, be progressive in the taxation—I wish they were as concerned in the war against inflation as Chairman Greenspan is, of how regressive the tax of inflation is upon the poor people of America.

Those who want to start up the printing presses believe that is the way to make the economy grow, a way to solve economic problems. That was the old way for Government to do business. It is still too much a part of Government, but not as much of a part, as it has been under a lot of other people. All of the previous Chairmen’s jobs were more difficult because of an irresponsible Congress for a generation, I might say. I do not tend to blame the Federal Reserve Board. They are always acting after the fact. They are always looking at what is a responsible Congress doing, or, rather is it being irresponsible? The blame ought to rest with us, but it is always easier to push it off onto somebody else.

So, all Americans can be thankful that Chairman Greenspan does not walk down the path of inflation, of inflating our way out of the problem. For all Americans today recognize the wisdom of fiscal responsibility. That is why we have 80 percent of the people of America who expect us to pass a constitutional amendment requiring a balanced budget. It does not matter whether that is fiscal responsibility in the Congress or in the administration, because they know, if we do that, we are going to have a responsible monetary policy.

It is ironic, perhaps, that when he was first nominated to the Federal Reserve by President Reagan, many thought that Mr. Greenspan would not be aggressive enough against inflation. We must remember that he was replacing one of those legendary inflation fighters of all times, former Chairman Paul Volcker. All of us remember how Chairman Volcker tamed sky-high interest rates that were hurting ordinary Americans. Many were fearful of a return to that time. Now, being nominated to a third term, the criticism is being leveled from the opposite direction. “Alan Greenspan is being too tough on inflation,” these critics say. “Alan Greenspan should lower interest rates and free up money,” they say.

There is one way to lower interest rates effectively to the benefit of the American people and American businesses. That way is to have a sound fiscal policy in the Congress of the United States. It is the best way to build confidence. I suppose somebody could argue you do not always have to have a balanced budget to have a sound fiscal policy because I suppose you could measure it over the long haul, but over the long haul we have been totally irresponsible, year after year, for 27 years.

It might sound idealistic, but at least, if you have a balanced budget and the public can predict you are going to live within a balanced budget, that helps to build confidence. Because the more we can do in Government that lends to predictability, the more confidence we are going to build. So, that way is to balance the Federal budget. Nothing could be more beneficial to the American economy than if we in Congress could get our own spending habits under control.

During the debate on the farm bill last year, and this gets back to interest rates being lower as a result of our balancing the budget, I had an opportunity to ask the Food and Agriculture Policy Research Institute, an institute working in tandem between the University of Missouri and Iowa State University—I asked the Institute what benefit it would be to agriculture if Congress balanced the budget. This institute replied that, if the Federal budget were balanced by the year 2002, the yearly benefit to agricultural economy would be \$2.3 billion due to interest rate reductions. On top of that increased cash flow from increased economic activity would be another \$300 million yearly into the profitability of agriculture. So this adds up to a total increase of \$2.6 billion per year, just for agriculture, if Congress balances the budget.

The Institute's findings are based on the Congressional Budget Office estimate that short-term interest rates would decrease 1.1 percent, and long-term interest rates would decline 1.7 percent. That is still under what Chairman Greenspan said that interest rates would go down to if we were to balance the budget. Everybody knows, whether it is small business or agriculture, interest rates are extremely important to profitability. Farming happens to be a very highly capital intensive industry. Land is expensive and getting more expensive, and farm machinery is expensive. The lower the interest rates the better for our farmers. Small business benefits as well. We all understand the need of lower interest rates.

But, again, it is better to achieve those lower interest rates through congressional action on a balanced budget, not on some inflationary action by the Federal Reserve.

A recent editorial in the Washington Post said it so well—that editorial states:

There will always be a debate about how fast the economy can safely be allowed to grow and where the balance point exists between the risk of renewed inflation and lingering slack. The more success the Fed has had in combating inflation, lately, the more that risk has seemed to recede. But that hardly means that the board's policies have been wrong.

The editorial continues:

Our own sense is that the board has both less latitude and less fine control of the economy than some of the rhetoric surrounding its decisions would suggest. Its ability to tilt in the direction of growth is further constrained by Congress itself. The

budget deficit they have compiled in recent years has given the board little choice but to lean on the brakes as an offset. Mr. Greenspan seems to have done the job in navigating a narrow channel.

I think that says it better than anything I can say. But it reemphasizes, from the Washington Post editorial, the significant difficulty of Chairman Greenspan's job and the Federal Reserve's job of fighting inflation when Congress is fiscally irresponsible.

If we want the economy to grow, we do that by having a predictable fiscal policy, and that is best done when we are committed to balancing the budget year after year after year. In turn, people then can look at the Federal Reserve and say they do not have a very important job; their job is less significant than our decisionmaking of business investment and the number of jobs that would be created, bringing about a stable economy.

Congress has not been responsible. So in the meantime, we have to have a master who can stabilize the economy. It seems to me that Alan Greenspan serves that purpose. We have seen real growth. We have seen real confidence. We have seen people investing more money in the stock market daily. We have seen new highs achieved in the stock market. If you do not think that is an important indicator, the President is talking about it all the time as a measure of why he should be re-elected.

But if we want to encourage growth, we have no further to look than ourselves in this body and the other body. Balancing the Federal budget will promote and ensure economic growth. Confirming Alan Greenspan to a new term as Chairman of the Federal Reserve will keep inflation under control and promote economic stability. The American people need this stability because it is the only way we are going to create the jobs we have to create to keep the American dream alive.

I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. AKAKA. Mr. President, I ask unanimous consent to speak as in morning business for 10 minutes.

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

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 1878 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. AKAKA. Mr. President, I yield the floor.

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. 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.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

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

SENSELESS BURNING OF CHURCHES

Mrs. HUTCHISON. Mr. President, I have introduced a resolution against the senseless burning of churches that we have witnessed and, really, just become aware of in recent weeks. The latest one, unfortunately, is in my State. So I want to speak out on this issue for a few minutes.

Let me say, I think all of us have been horrified that a place of worship would be a place to be chosen by terrorists to desecrate. We all know in this country, whatever our religious preference is, how important a part of our lives the place of worship is, that it is a part of our communities, part of our families and part of what makes America so wonderful, that we do have the freedom of religion and the ability to come together to worship God in a way that we want to do.

It is because of that very special place that churches hold in our society that it is particularly awful that we see a burning of churches in any way, but especially in what seems to be a pattern. In fact, since 1991, there have been 110 such incidents of church arson that have been reported.

I picked up the phone this week and called Chester Thomas, who is the pastor at the New Light House of Prayer in Greenville, TX. This church was burned to the ground. Mr. President, I never cease to be amazed at how wonderful people can be in a time of crisis. And, truly, Pastor Thomas is a person that inspires me because he is so upbeat about the experience that he has just had. He told me that they have been experiencing burglaries in the church and vandalism. But now, of course, they have lost the church. It was burned to the ground. But he said that he had just come from a service that was put together by another church in Greenville, TX, a church that said, "Come and worship with us. Bring your congregation to our congregation, and we are going to work together to rebuild what you have lost."

You know, that is what America is—reaching out in a time of crisis that helps heal the wounds for something that really is unexplainable such as burning down a place of worship. But Pastor Thomas was very, very upbeat about it. He said, "We are going to come together, and this is going to make us stronger, and I love the people of this community. I even love the person that did this terrible act, because I know whoever it is is a troubled person."

Well, we can learn a lot from Pastor Thomas. I am here today to say to Pastor Thomas and to all of the people