

It is my understanding that a meeting between President Clinton and Republican leaders has been scheduled today to discuss this very matter. I certainly hope that this can be the first step in an effort to resolve the dispute over the debt limit outside the political context in which we will debate our very real differences over the budget.

I ask unanimous consent that a copy of Secretary Rubin's letter to the Speaker be printed in the RECORD.

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

DEPARTMENT OF THE TREASURY,
Washington, DC, October 31, 1995.

Hon. NEWT GINGRICH,
Speaker of the House, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: In anticipation of our meeting tomorrow I want to provide information that you should have as background for your consideration of our request for a prompt increase in the debt limit.

First, I have set forth in an appendix both our current projections and a history of our projections over the past several months.

Second, I want to make clear that if Congress fails to act by Wednesday, November 1, it will disrupt our normal auction process and could force Treasury to take additional actions that involve the interests of federal retirees, commercial banks, and purchasers of savings bonds.

As you know from my letter of October 24, and as we discussed in detail with your staff yesterday, the Treasury Department's normal quarterly refunding auctions are scheduled to be announced tomorrow, November 1. The auctions themselves are scheduled to be held during the week of November 6, and settlement is scheduled for November 15 and 16.

There may well be significant costs of disrupting our usual Treasury auction schedule. If there has been no increase in the debt limit by tomorrow morning, our announcement must put prospective bidders on notice that the auctions might have to be delayed or even cancelled. After such a contingent announcement, "when issued" trading in the securities to be auctioned cannot occur. Dealers may be less able to pre-market securities, and their risk of participation in the auction may thus be increased, raising the costs of the borrowing.

Should Congress fail to take action to raise the debt ceiling by November 6, we will be required once again to depart from our best financial management practices by canceling the scheduled auctions, and may be forced to take further steps to ensure that outstanding debt remains within the limit and that we have cash available to pay the Government's obligations.

As I have indicated in my previous letters, there are a limited number of actions we may be forced to take many of which have legal and practical implications. One such example would include Treasury's action to stop reinvesting the so-called G-Fund (the Federal Employees Retirement System's Government Securities Investment Fund). Securities held in the G-Fund mature and are reinvested on a daily basis, and the governing law provides for an automatic restoration of any lost interest when reinvestment resumes. Because of the inherent volatility of financing flows, such action may be required even prior to the week of November 6th. Furthermore, it will be necessary to call back Treasury cash balances held in our depository banks. This action will inconvenience those commercial banks with whom the Federal Government does business.

Also, should Congress fail to act, Treasury may be forced to suspend the issuance of Savings Bonds—an action that would not only require us to send notices to the 80,000 issuing agents, but also would disrupt millions of Americans' use of a safe and convenient investment for their savings.

While these actions can provide some very limited relief, at the cost of creating significant dislocations and anxieties, it should be clearly understood that they will not be sufficient to substitute fully for the funding that we would ordinarily raise through the regular mid-November refinancings and that should be announced tomorrow. Stated another way, these temporary actions will not satisfy the continuing need for cash to fund the obligations and operations of the Government after November 14. Absent extraordinary steps, Congress must increase the debt limit obligations maturing November 15 and 16.

Finally, you should know that there are various other measures Treasury has been reviewing to avoid default should Congress not increase the debt limit by November 15, including actions involving the Civil Service Retirement Fund, but all such measures present uncertainties involving serious legal and practical issues and have significant costs and other adverse consequences.

Furthermore, the U.S. government's need for financing will not end on November 15 and 16. The financing calendar we distributed last week, and discussed in detail with your staff yesterday, showed four auctions in the last two weeks of November, and additional cash management bills may be needed. Successful completion of those auctions is critical to raising cash to make vital benefit payments on December 1 and during the week of December 4. As we have mentioned before, the months of October, November and the first half of December traditionally have very large seasonal cash deficits due to the absence of any large tax payment dates.

You and other members of the leadership have raised the prospect that Congress might enact a temporary debt limit increase, and we have expressed our total availability to work toward that end. Last Friday, at the President's direction, I proposed that the debt limit be increased by \$85 billion, to \$4.985 trillion. I would hope to discuss this proposal, and any other approaches you might have, at our meeting tomorrow.

Sincerely,

ROBERT E. RUBIN,
Secretary of the Treasury.

MORNING BUSINESS

The PRESIDING OFFICER. The Chair announces that under the previous order the time from 9:30 until 10:30 shall be under the control of the Democratic leader or his designee, and under the previous order the time from 10:30 until 12 noon shall be under the control of the majority leader or his designee.

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.

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

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

Mrs. FEINSTEIN. Mr. President, I ask that I be recognized to speak in morning business.

The PRESIDING OFFICER. That is the Senator's right.

Mrs. FEINSTEIN. I thank the Chair very much.

OBSTRUCTION OF FOREIGN RELATIONS COMMITTEE BUSINESS

Mrs. FEINSTEIN. Mr. President, I wish to elaborate on some remarks I made yesterday about the objection pending against the short-term extension of the Middle East Peace Facilitation Act.

Yesterday, the distinguished majority leader came to the Senate floor and said that although he would like to pass the extension, it is being blocked by the chairman of the Foreign Relations Committee. The majority leader went on to say that the Senator from North Carolina is within his rights to block this legislation, and indeed he is because every Senator has that right.

I want this morning to ask the distinguished chairman of the Foreign Relations Committee to consider changing his mind about holding up the Middle East Peace Facilitation Act.

I spoke yesterday and indicated that in July a group of Members of this body joined together, Republican and Democrat, in cosponsoring a bill which would extend the Middle East Peace Facilitation Act for 18 months, and virtually every Member joined in expressing support for that course.

Here we are in November, and the act has been suspended as of last night, which means that economic aid to the Palestinians committed to by this Nation has stopped. The PLO office in Washington will be forced to close its doors. And as my colleagues know, this is because of an unrelated issue that is going on. That unrelated issue is the dispute over the State Department authorization bill.

Negotiations have been ongoing on that bill between Senator KERRY and Senator HELMS. It is my understanding that at present they are stalemated, but because of failure to reach an agreement, the Foreign Relations Committee has been virtually shut down. I think this is wrong in the interest of U.S. foreign policy and of the Senate weighing in on these issues.

We have been unable to take up any ambassadorial nominations in business meetings for a period of weeks, to report them out to the full Senate for confirmation. At the present time, there are at least 18 ambassadorial nominees waiting to have their nominations considered by the committee. They include nominees to serve in some of the most important countries in the world.

The nominee for China has had a hearing, but is pending action in the committee; the same is true for the nominees for Pakistan and Indonesia. These include Jim Sasser, Tom Simons and Stapleton Roy. Nominees for other countries are waiting. South Africa: James Joseph is waiting. Sri Lanka: Peter Burleigh is waiting. Thailand:

William Itoh is waiting. Cambodia: Kenneth Quinn is waiting. Malaysia: John Malott is waiting. Oman: Frances Cook is waiting. Lebanon: Richard Jones is waiting. The Cameroons: Carl Twining is waiting. The Marshall Islands: Joan Plaisted is waiting. Fiji: Don Gevirtz is waiting.

Also on hold are nominations for special adviser on the New Independent States, James Collins, and United States coordinator for Asia Pacific Economic Cooperation, Sandra Kristoff.

In addition, 273 Foreign Service officers who have been nominated for standard promotions are on hold. So we have 273 Foreign Service officers on hold. We have 18 ambassadorial appointments on hold, at least 5 of them considered to be critical, like those for Pakistan or China.

Now, when we do not have an Ambassador in the country, U.S. interests do not receive the attention that they deserve. In some countries, this is more critical than others. Probably the most critical at this time is China. And Senator Sasser, who could have been in New York this past week to participate in the summit between President Clinton and President Jiang Zemin of China—could have been—was not.

I think the American people deserve to have their interests represented abroad. So by failing to confirm Ambassadors, the Senate is not doing its job to help protect U.S. interests abroad. Not only do our interests suffer, but I think the lives of a number of hard-working and dedicated Americans are put on hold. These are people who, often at considerable personal risk, serve the American people with pride and distinction overseas.

Last night I had a phone call from one of them. He said, "Can you just tell me when I might be confirmed?" And I had to say, "No, I'm sorry. I can't tell you."

Earlier, I had another call from a nominee who had his house on the market and had received an offer on the home. Does he sell it or does he not sell it? "Sorry. I can't help there."

Mr. President, this is no way to run a railroad, let alone the Government of the most powerful country in the world.

There are also two extremely important arms control treaties that are awaiting Foreign Relations Committee action: The START II Treaty and the Chemical Weapons Convention.

Let me mention what Start II does. The START II Treaty, signed by the Bush administration and not yet ratified by this Congress, is the farthest reaching arms reduction treaty ever signed in the history of this Nation. It will require the United States and Russia to eliminate literally thousands of intercontinental ballistic missiles, including those which carry multiple warheads. The treaty would also eliminate missile silos and testing and training launchers.

The Foreign Relations Committee held extensive hearings on the START

II Treaty both in this Congress and during the 103d Congress. We have heard from the administration, from military officers and from outside experts, virtually all urging that we ratify this treaty.

I know of no significant opposition to the ratification of the START II Treaty. Nevertheless, the committee is unable to begin consideration of it. This is wrong.

The same is true of the Chemical Weapons Convention. Let me tell you what the Chemical Weapons Convention does. The convention, also signed by the Bush administration, will ban an entire class of weapons of mass destruction. It will make it harder and more costly for proliferators and terrorists to acquire chemical weapons. It will create an intrusive monitoring regime that will make it very difficult for signatories to conceal violations of the convention.

The Chemical Weapons Convention has been signed by 159 countries and ratified by 38 to date, yet the U.S. Senate has still not had the opportunity to consider the treaty. The Foreign Relations Committee has had hearings on the convention, and it can be considered at any time. But, once again, the committee has been prevented from carrying out its duty.

Should this happen? As I said earlier, it is any Member's right to stop a piece of legislation, but when you have hundreds of Foreign Service officers, 18 Ambassadors, and two treaties held hostage to a piece of legislation that is not related, one has to begin to consider what effects this has.

Mr. President, one of the things that I learned in my brief stay here is that what goes around, comes around, and that it does not make good, logical, long-term sense to engage in holds when this can easily be replicated at another time but in the same place by the opposition party.

This committee, the Foreign Relations Committee, has been through some of the most painful and hotly contested foreign policy issues of our time: the Vietnam war, aid to Central American rebels and sanctions against South Africa. But never during all that time, to the best of my knowledge, has the committee been shut down and ceased to function. Now, on the basis of a dispute about the bureaucratic reorganization of our foreign policy institutions, the conduct of the U.S. foreign policy is being put on hold.

I believe this is wrong. I believe it is irresponsible. I believe it is a dereliction of our duties as U.S. Senators. There simply is no justification for curtailing the entire role of the Senate Foreign Relations Committee in the conduct of U.S. foreign policy over one single reorganizational issue.

Pursuant to the unanimous consent agreement of September 29, Senator HELMS and Senator KERRY have been engaging in serious negotiations to try to reach an agreement. Their staffs have met repeatedly over the last month. I am hopeful that progress can be made.

So at this time I would like, respectfully, and with a great deal of friendship, to call upon the chairman of the committee to withdraw his objection to consideration of a short-term extension of the Middle East Peace Facilitation Act, to allow the committee to take action on START II and the Chemical Weapons Convention, to report out the 18 ambassadorial nominations and 273 Foreign Service promotions, and to continue negotiating toward an agreement on the State Department authorization bill.

I thank the Chair. I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

BUDGET RECONCILIATION

Mr. DORGAN. Mr. President, I yield myself such time as I may consume on the hour that has been allocated to the minority leader.

Mr. President, today the Senate will select conferees to go to conference on the reconciliation bill. Conferees from the Senate and conferees from the House will meet and debate and try to reach an agreement on what kind of a reconciliation bill will be passed from the Congress to the President.

This all does not mean very much to the American people, the words "reconciliation," "conferences." What means something to the American people will be what effect will it have on their lives, what effect will it have on their health care system, on Medicare, Medicaid, the ability to send their child to college, on young 3-, 4-, 5-year-old kids who are in Head Start—what effect will this have on all of those people. That is what means something to the American people.

The debate that people have heard coming from this Chamber is a debate not about one side of the aisle that wants to be obstructionist and the other side that wants to do something wrong, it is about people who have different views of what the priorities ought to be.

One thing that is certain about this Senate meeting this year is that 100 years from now, all the Members of this Senate will be dead and the only record we will have left that historians can evaluate from our service is to evaluate what we spent the public's money on and, therefore, what we felt was valuable and important and would advance the interests of this country. People can tell something about our value system by looking at the Federal budget. On what did we elect to spend the public's money? How did we invest it? How did we spend it? That is what historians will be able to use to view what we felt was important.

The priority in this reconciliation bill by the Republican Party is to say, "Let's have a tax cut." I thought the priority when we started this year was one that said, "Let's balance the budget." In fact, we had people on the floor