of economic resources that enable them to defy local and international law. They are richer than many countries. They are ruthless, and they are remorseless. Either through a process of threat and intimidation or by bribery and financial manipulation, they are able to challenge the authority of governments. They are able to undermine the integrity of public and private institutions. Where they cannot suborn they subvert. Where they cannot corrupt they kill.

The rollcall of countries currently facing direct and serious challenges from these groups is disturbing. Today criminal gangs in Russia, China, Italy, Nigeria, Mexico, and Colombia openly operate or have been able to penetrate into the depths of the political, social, and economic systems in those countries. Many smaller countries, without the range of resources available elsewhere, are simply overmatched and outmaneuvered in trying to enforce their own sovereignty. In some cases, criminal penetration has become so serious that it raises questions about the future stability of the country in question. There is growing concern about the ability of many governments, often deeply penetrated by criminal corruption, to respond meaningfully—if at all—to these criminal gangs.

In addition, banks and businesses pay out billions of dollars every year, directly or indirectly, to these same criminal gangs. Whether in protection money or in losses suffered from sophisticated scams. Whether in extortion or swindles, individual businesses and national economies are routinely ripped off, to the tune of billions of dollars annually, by ruthless criminal thugs.

The cost of their activities are not paid out just in the crimes that they commit. They also exact a cost in terms of trust. They undermine good faith. When left unchecked, they pervert the very ideas of a free market. The bleed public establishments of public support. They threaten democratic institutions and the social, political, and economic circumstances that must sustain those institutions. We can see that process at work in Colombia, and Russia, and next door in Mexico. But the problem does not stop here.

In this country, these criminal gangs daily kill and maim more Americans than have suffered at the hands of terrorist bombs. They have done more damage to our social fabric and well-being than has any rogue political leader in Libya or Iran. They have caused more real harm in a day than all the illegal videotapes produced in China. Through the drugs that these scoundrels make and sell, they sow havoc in our homes and neighborhoods, on our streets, and in our clinics.

We must take the steps necessary to ensure that our citizens are secure from harm and that the very processes of our well-being are protected from abuse. We must ensure that the free-trade highway does not become an expressway for drug smuggling. We have to ensure that banking without borders does not become an opportunity for banking without conscience. But how to do that without smothering legitimate activity? We must devise the means to disrupt criminal enterprise without destroying free markets. We must ensure effective international cooperation and yet work with countries often incapable of taking effective action. We must lead, but we cannot succeed without cooperation.

That is what this hearing is about. We must look at what we are doing and what we can do better. We need to consider what works and what does not. We need to cast a critical eye on our actions and those of our allies and friends to determine what more we can do. I am concerned that our policies are not up to the task. I am concerned that we have put our priorities in the wrong places. Frankly, we have a long way to go and a lot of work ahead of us. More kids are starting to use drugs. We are seeing more calls for legalization. We have dropped the ball on fighting back.

In the meantime, the criminals are getting richer and more sophisticated. As we face 21st century thugs, we need 21st century G-men. We need to be smarter and faster. We need to be focused and consistent. As one Treasury official put it, money laundering is a ''crime hidden in the details of legitimate commerce.'' The same is true for smuggling. The devil is in the details. It is the details that we want to get at. It is how to respond effectively to the details of these criminal activities that we must address in our policies.

THE NET EFFECT

Mr. GRASSLEY. Mr. President, the Congress is now engaged in the business of passing a budget to fund this Government for another year. This process is one of the most important pieces of business that this body engages in. In discussing where and how and for what we spend the public's money on public business in the public interest is one of the most compelling stories of government. I wish that more of our fellow citizens watched the debates on this floor as we argue among ourselves on their behalf how best to spend their hard earned dollars. It is an important lesson in civics. It is a course in practical politics, on how real differences on important matters of substance are resolved. It is sometimes not an elegant process but it is one of the critical features of democratic government.

One of the most inelegant parts of the process, is the fact that legislating budgets is not coherent in the sum of its parts. We divide our budget consideration into many pieces. It's the only practical way to deal with the problem of how to spend money. This means, however, that money and the politics that it is spent on is similarly considered in its many parts, not as a whole.

Rarely, legislatively, does a program receive strategic or comprehensive consideration that combines all the elements. Doing that is typically one of the responsibilities of the executive branch. We look to the administration to present the comprehensive plan, to integrate all the pieces into meaningful policy. It is Congress' role to ensure that the net results are what is intended. That the money is buying what it is meant for.

We may not always agree with how things are put together, but a dialog on our disagreements is how a democracy makes up its mind. This process, however, does not lend itself to central direction. Congress may, through the oversight process, seek to encourage cohesiveness. It may, through legislation, require strategic thinking. But, while you can lead an administration to water, you cannot necessarily make it take the plunge. You cannot give it coherence. You cannot supply a vision that is wanting, a conviction that is simply not there. You cannot enforce wisdom. When these are lacking, Congress is not always the best body to provide uniform direction. It is, however, bound to try.

That is the situation we face now is so many areas of our international policy. Things are drifting. There is no coherence, no vision. And, sometimes, I wonder about the wisdom behind what passes for policy. This is painfully clear in looking at our drug policy.

I have spoken a number of times about the incoherence in our present efforts. I have documented, recently, the consequences of these failed policies for drug use in this country. Unless we simply do not expect our policies to make any difference. Unless we are committed to the idea that we spend the public's money for the heck of it. Unless we believe that words are meant to substitute for results. Then, we cannot look at our current efforts and the trend in youthful drug use and conclude that what we are doing is working.

Simply put, the present strategy from this administration on drugs is a failure. It has been a failure from the beginning. The most recent effort at a written strategy, while an admirable attempt by the new drug czar, is thin. It lacks substance. It has no measurable standards of performance. It contains little new. It has few measures of success. Even more disappointing, the administration has been noticeably invisible on the Hill in defending its own programs. This, also, is not new. Even in the Democratic-controlled Congress, the administration largely left the drug program to fend for itself.

This under-supported policy was also the program that the administration took to the public. Its most remembered hallmarks are ''I didn't inhale'', and the Surgeon General's call for serious consideration of legalization. Hardly substitutes for ''Just Say No.'' The consequences were vanishing interest

in serious counter-drug efforts and renewed calls for legalization—given encouragement by this administration's Surgeon General. The results of that indifference and incoherence are clear for anyone who wants to take a look at the recent reporting on youthful drug use in this country over the past 3½ years. The picture is sobering. The results are dramatic increases of drug use among kids. All the recent surveys confirm this. In addition, the forthcoming annual PRIDE survey will add further weight to the body of evidence.

In response to this fact, the congressional leadership, led by Bob Dole, commissioned a joint House-Senate task force last year to do what the administration has not done: develop a coherent view of what needs to be done. The task force report, which came out earlier this year, provides us with guidance on where we need to be going with our drug policy. In particular, as Congress now considers the international drug budget in its many parts, the report indicates the direction that we need to be taking to give us more coherence and sense of purpose in our efforts.

In the absence of meaningful policies from the administration, we have a responsibility to the public to make up for the deficit. As we construct our separate drug budgets, we must take this need into our deliberations.

In essence, our overall drug programs are an effort to build a fisherman's net—a web of programs, efforts, and policies that will catch and hold the school of drug problems. We must construct a balanced weave. One without gaping holes. One that is suited to the circumstances of our needs and our capabilities. The budget process is our net. It is here that we must ensure that we bring more consistency to our deliberations over the various parts of our drug budget to ensure that the result is more than the sum of its parts.

We need to ensure, as we balance the many conflicting needs represented in our budgets, that our drug program is adequately funded in its constituent elements. We must ensure that DOD bears responsibility for doing something more than it has recently in supporting drug operations. We must see that Customs programs along the Southwest border, in Puerto Rico, and in support of interdiction operations are adequately supported, after years of neglect. We need to refurbish DEA's international effort. We need to support Coast Guard's drug enforcement mission. We need to provide support to the efforts to develop a Midwest high intensity drug trafficking area to stem the flow of methamphetamine.

These things we can do more immediately. In the longer term, we in Congress need to exercise more vigorous oversight over present programs to ensure that the public is getting a proper return on its investment. We need more accountability. In the next days and weeks, as we work to do the people's business, we must keep in mind our responsibility to provide adequate, consistent support to drug programs. In doing so, we help to put our drug policy back on track. We engaged a problem that we cannot afford to ignore or wish away. In responding, we must consider the net effect. I urge my colleagues to support funding for the programs I have mentioned above as we work on the appropriations bills before us.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

LORET RUPPE

Mr. COVERDELL. Mr. President, today the Senate Foreign Relations Committee reported House Joint Resolution 158, a joint resolution commending the Peace Corps and its volunteers for their 35 years of service to America and the world. I was especially pleased that my colleagues on the committee agreed to an amendment to this resolution offered by Senator DODD and myself which honors the memory of Loret Ruppe, the longest serving director of the Peace Corps. When I became director of the Peace Corps in 1989, I had the privilege of inheriting a corps that had been revitalized by Loret Ruppe's great leadership, vision, and dedication. Under her direction the Peace Corps began or revived programs in Sri Lanka, Haiti, Burundi, Guinea-Bissau, Chad, Equatorial Guinea, and the Cape Verde Islands and she energized a new generation to take up the challenge of serving in the corps. Her great accomplishments and belief in the Peace Corps won the respect of volunteers and built bipartisan support for the Peace Corps' mission of peace through development. I feel that it is especially appropriate that the Members of this great legislative body, so many of whom on both sides of the aisle count themselves as admirers of this great woman, pass this resolution to stand as a testament to her great service to America and to the millions of the world's citizens touched by her efforts.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting a nomination which was referred to the Committee on Rules and Administration.

(The nomination received today is printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

A message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1791. An act to amend title XIX of the Social Security Act to make certain technical corrections relating to physicians' services.

H.R. 3217. An act to provide for ballast water management to prevent the introduction and spread of nonindigenous species into the waters of the United States, and for other purposes.

H.R. 3452. An act to make certain laws applicable to the Executive Office of the President, and for other purposes.

H.R. 4083. An act to extend certain programs under the Energy Policy and Conservation Act through September 30, 1997.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 132. Concurrent resolution relating to the trial of Martin Pang for arson and felony murder.

H. Con. Res. 200. Concurrent resolution honoring the victims of the June 25, 1996, terrorist bombing in Dhahran, Saudi Arabia.

H. Con. Res. 212. Concurrent resolution endorsing the adoption by the European Parliament of a resolution supporting the Republic of China on Taiwan's efforts at joining the community of nations.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3666) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 3539) to amend title 49, United States Code, to reauthorize programs of the Federal Aviation Administration, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

From the Committee on Transportation and Infrastructure, for consideration of the House bill (except section 501) and the Senate amendment (except