Post, who writes a fair amount about the Fed and about economic news, says the analysts on Wall Street indicate there was a strong concern by investors that the long-running bull market might be nearing a peak and that the Federal Reserve Board is looking at the potential of increasing interest rates.

It is interesting to me that it is a front page story that the stock market is down 147 points. The fact is the Dow Jones industrial average is nearly 9,000. It is a stock market that has increased dramatically. We have had up days of 70 points, 90 points, 120 points. It is not surprising that we will have downturns in the market of 140 points or more when you have a market that is over 9,000 in the Dow Jones industrial average.

But what surprises me is the notion somehow that the Federal Reserve Board somewhere behind closed doors at a March 19 meeting indicated that, gee, they were concerned that the economy was growing too fast and that maybe American workers are making too much money. They are concerned that maybe too many people in this country are employed.

There is no amount of good news that will not give the economists down in the Fed a bellyache for a week or two. There is no amount of good news that does not cause them great concern. ''Gosh, the economy is doing well, so we better have a heartache about how well the economy is doing.'' It is interesting to me that the Fed has been consistently wrong. I know there are people in this Chamber who will stand up and say, the Fed ought to be credited with the good economic news in this country. In fact, just the opposite is the case.

The Fed has been consistently wrong about this economy. They indicated time after time after time that if unemployment ever went below 6 percent we were going to be in huge trouble, we were going to see the new fires of inflation stoke up. Well, unemployment went below 6 percent and has stayed below 6 percent. We have not seen new waves of inflation. The Federal Reserve Board has just missed the fact that the global economy has put downward pressure on wages in this country.

But having said that, the Federal Reserve Board now has short-term interest rates higher than it ought to be, higher historically than it should be by a full half a percent. This means the prime rate is higher than it ought to be and higher than it historically would be given the rate of inflation of well over 1 percent at this point. Yet, they are talking about maybe increasing interest rates down at the Federal Reserve Board.

What on Earth can they be thinking? I mean, if the job of the Federal Reserve Board is to simply slow down the economy, my uncle can do that. There are five or six people in my hometown who can do that. We do not have to pay them a lot of money to do that. What can they be thinking? Too many people are working? We are starting to see maybe some increases in some salaries at the bottom of the economic scale?

I would say to the Federal Reserve Board, if you have a lot of time on your hands, take off those gray coats you wear from those gray suits you wear to work every day and start thinking about bank mergers. Maybe start thinking of what the CEOs make at the top—not workers at the bottom, and wonder what it does to the economy.

The Fed should be talking about the biggest bank mergers in the history of this country. What does it mean for consumers that all of the biggest banks of this country are getting together and deciding there is so much romance going on in the financial industry and they would like to marry up?

The Federal Reserve keeps a list down there called the ''too-big-to-fail'' list. That is a list of the biggest banks in the country that will never be allowed to fail because the consequences of their failure would be too catastrophic for the economy. So they have the too-big-to-fail list.

As more and more banks merge, of course, that list gets bigger, and it means the risks of the merger will be borne by the American taxpayer. So this monopoly game played by American giants passes off its risk to the American taxpayer.

So I say to the Federal Reserve Board, if you have lots of time on your hands, don't sit around scratching your heads and increasing interest rates, when the short-term Federal funds rate is already higher than is justified, given the rate of inflation. Start thinking about what these bank mergers do to the American economy. Start asking yourself why—if you keep a list that is called ''too-big-to-fail,'' why in this economy do family farmers out there face a risk of serious financial problems right now? And they seem to be, in the eyes of the Fed, and others, too small to matter? Why is it that some are too big to fail and others, who are critical of this country's success, somehow too small to matter?

I would just say to the Fed—when I read this story this morning, I wondered again about those we hire to do monetary policy and who think about economic policy. What they can be thinking about when they suggest—and have now for about 3 years—that any good economic news in this country is somehow a step backwards.

I just ask the Fed to understand this economy is doing quite well, notwithstanding the Fed's advice. And there is no justification—none—for this Federal Reserve Board to be considering increasing interest rates.

The Federal funds rate at the moment is historically higher than it should be, given the rate of inflation. If they take any action at the Fed, it ought to be to decrease the Federal funds rate to where it ought to be, given the current rate of inflation which, incidentally, is almost nonexistent.

THE AGENDA OF THE SENATE

Mr. DORGAN. Now, Mr. President, just a couple final points.

The agenda of the Senate—I was talking here about the agenda of the Federal Reserve Board, something I do not control. I guess the same is probably true with respect to the agenda of the Senate, because the majority leader controls the agenda of the Senate. He determines what to bring to the floor of the Senate for debate, and the agenda for the U.S. Senate is a very important agenda.

In front of us in the coming weeks I hope will be the following pieces of legislation, some of which are already very, very late. The so-called highway bill or ISTEA bill which is very important. It should have been passed last year. It is now in conference. We need to get that and get it done. It is important for this country, an investment of roads and infrastructure.

The tobacco bill. We have just passed a tobacco bill out of the Senate Commerce Committee. It should be ready to come to the floor of the Senate. I hope it is done sooner rather than later. A supplemental disaster bill—that bill has been passed for some while, and the Senate is now in conference. In fact, I am a conferee. We will have a conference at 2 o'clock this afternoon. That ought to be done. There is no excuse, especially with respect to the disaster funds, for further delay. That ought not sit there waiting. This Congress has a responsibility to get that work done and bring it to the floor of the Senate.

Another important issue that we want brought to the floor of the Senate as soon as possible is the Patients Bill of Rights, which deals with managed care and the abuses that are occurring in managed care in this country.

Those are just a handful of bills we want to be brought to the Senate floor soon. Some of them have already been through the Senate and have been languishing in conference. The highway bill, for example, the supplemental disaster bill, others, need to come to the floor so we can make some progress on them.

I ask the majority leader and all others on both sides of the aisle in the Senate that we do our work and do it on time and tell the American people that things like investment in infrastructure, building roads, repairing bridges, and the kind of things done in this important highway bill get done on time. They were supposed to have been done last year. It is now getting towards May of this year. It is in conference. A very, very important piece of legislation. I hope it is brought to the floor of the Senate soon.

One more point. The tobacco legislation is very important. Some, I know, want to stall on that legislation, but we reported it out of the Commerce Committee under the leadership of Senator MCCAIN. That piece of legislation, I think, because of the short year that we were involved with that piece

of legislation, should be brought to the floor of the Senate as soon as possible. The later that it is brought to the floor of the Senate, the less likely it is that Congress will get its work done on the tobacco bill. I ask the majority leader, bring the tobacco bill to the floor of the U.S. Senate, and let's get it done.

I yield the floor.

The PRESIDING OFFICER (Mr. ROBERTS). Under the previous order, the hour of 10 a.m. having arrived, the Senator from Indiana, Mr. COATS, is recognized to speak for up to 45 minutes.

Mr. COATS. Mr. President, I thank the Chair.

(The remarks of Mr. COATS, Mr. ABRAHAM, Mr. SANTORUM, and Mr. BROWNBACK pertaining to the introduction of S. 1994 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

EXECUTIVE SESSION

PROTOCOLS TO THE NORTH ATLANTIC TREATY OF 1949 ON ACCESSION OF POLAND, HUNGARY, AND THE CZECH REPUBLIC

The PRESIDING OFFICER. Under the privilege order, the Senate will now go into executive session to resume consideration of Executive Calendar No. 16, which the clerk will report.

The legislative clerk read as follows:

Treaty Document No. 105–36, Protocols to the North Atlantic Treaty of 1949 on Accession of Poland, Hungary and the Czech Republic.

The Senate resumed consideration of the treaty.

Pending:

Kyl amendment No. 2310, to establish principles of policy of the United States toward the Strategic Concept of NATO.

The PRESIDING OFFICER. Under the previous order, the hour of 10:45 having arrived, the distinguished Senator from Iowa, Mr. HARKIN, is recognized to offer an amendment on which there shall be 2 hours of debate equally divided.

The Senator from Iowa is recognized.

EXECUTIVE AMENDMENT NO. 2312

(Purpose: To limit any United States subsidy of the national expenses of Poland, Hungary, or the Czech Republic in meeting its NATO commitments)

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

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an executive amendment numbered 2312.

Mr. HARKIN. 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:

In section 3(2)(A), strike ''and'' at the end of clause (ii).

In section 3(2)(A), strike ''(iii)'' and insert ''(iv)''.

In section 3(2)(A), insert after clause (ii) the following:

(iii) any future United States subsidy of the national expenses of Poland, Hungary, or the Czech Republic to meet its NATO commitments, including the assistance described in subparagraph (C), may not exceed 25 percent of all assistance provided to that country by all NATO members.

At the end of section 3(2), insert the following new subparagraph:

(C) ADDITIONAL UNITED STATES ASSISTANCE DESCRIBED.—The assistance referred to in subparagraph (A)(iii) includes—

(i) Foreign Military Financing under the Arms Export Control Act;

(ii) transfers of excess defense articles under section 516 of the Foreign Assistance Act of 1961;

(iii) Emergency Drawdowns;

(iv) no-cost leases of United States equipment;

(v) the subsidy cost of loan guarantees and other contingent liabilities under subchapter VI of chapter 148 of title 10, United States Code; and

(vi) international military education and training under chapter 5 of part II of the Foreign Assistance Act of 1961.

Mr. HARKIN. Mr. President, I will yield myself such time as I may consume for opening comments and then reserve some time for others on the amendment.

Mr. President, we are, as the Senate and the country now know, debating the issue of whether or not the Senate will advise and consent to the President's signature on a proposal to bring three more nations into the North Atlantic Treaty Organization.

While I was not present yesterday in this Chamber, I did watch some of the debate that unfolded yesterday, and I think the debate is taking a good course of action. The debate yesterday was a good debate. I hope that the debate today will continue along those lines. In other words, what I mean by that is not just people giving a speech and then walking off the floor but where we can actually engage one another in asking and answering questions about the implications of the NATO treaty.

So I hope that will be the course of action during the Senate's responsibility to advise and consent here.

Mr. President, I want to make some extended remarks about the whole picture of NATO expansion, but I will just talk very briefly right now about the amendment I sent to the desk.

Basically, I think one of the most important issues facing us on NATO expansion is what it is going to cost, what it will cost the taxpayers of this country. So what I have sent to the desk is an amendment that will hopefully clear this up a little bit and provide for an accurate accounting of all of the expenses incident to the expansion of the North Atlantic Treaty Organization. And I will have more to say about that a little bit later.

Concerns about the extension of our military obligations—and let's again be frank about this; NATO is a military alliance—have been voiced by Senators and interest groups, academics across the political spectrum, and when the voices expressing caution include Republicans and Democrats and progressives and conservatives, libertarians and others, such a diverse opposition may be a sign that we ought to really act very deliberately and deliberatively on this issue. So I am glad the debate has finally begun, and as I said, I am delighted with the course of action in the debate.

At the outset, I hope the Senate would not simply rubber stamp this bill that we have before us. We have a constitutional responsibility to both advise and consent on treaties. This is a responsibility that is taken seriously by every Senator and ought to because, as you know, under our Constitution a treaty overrides the Constitution. So anytime we advise and consent on a treaty, we are advising and consenting on a document that basically overrides much of our Constitution. So we have to be very careful about this.

There are important issues to consider in NATO expansion—burdensharing, command and coordination, responses to real and perceived threats, even the basic questions of mission and scope of the organization itself. They are not simple questions that lend themselves to a simple, sound bite debate. These questions and their answers will shape for better or worse our defense and foreign policy options for decades to come.

There is no doubt that NATO has been one of the greatest military alliance success stories in our Nation's history. And, again, at the outset we have to ask the question. Here is an organization founded in 1949 shortly after the end of the Second World War—the Second World War in this century—when 12 countries signed the North Atlantic treaty to establish the military alliance known as NATO.

Now, let's face it. The reason for NATO was the Soviet Union. The reason for being in that alliance, and also to preserve the nations of Europe together, was to preclude any possibility of cross-border excursions by European countries. The treaty had as its goal ''to unite their efforts for collective defense and the preservation of peace and security in Europe.''

Four nations have been added. Spain, the most recent, joined in 1982. So, again, it has been a success. It has kept the peace in Europe for nearly 50 years, both by deterring aggression by the Warsaw Pact and by encouraging cooperation between its members.

I must say, due to the commitment of its members and the leadership of the United States, NATO has largely fulfilled the reason for its very birth—the demise of the Soviet Union. So we have to, I think, at the outset, say, if something was born because of the Soviet Union and it has succeeded, what,