

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

RESUMPTION OF HOSTILITIES IN BOSNIA AND CROATIA

Mr. THURMOND. Mr. President, I wish to thank the able Senator from Arizona.

Earlier this week, the administration announced that Croatia has agreed to allow U.N. peacekeeping troops to remain beyond the expiration of the U.N. mandate on March 31. If the United Nations had been forced to leave, fighting would probably have broken out between the Croatian Government and the Croatia Serbs who control the Krajina region of Croatia. This would have reignited the conflict in Croatia, and it no doubt would have spread to Bosnia and the rest of the region.

I have often been critical of the Clinton administration's inept diplomacy that has produced one foreign policy debacle after another. But in this case the administration deserves credit for persistence in a very difficult situation. I agree with Vice President GORE that the concession by Croatia's President Tudjman is " * * * a major step away from war and toward peace."

We have narrowly averted disaster—for the moment. But let us not congratulate ourselves too warmly or prematurely. If we are not careful, this limited and temporary success may breed a high degree of complacency, and blind us to the larger, impending crisis in the Balkans. As always, we seem to be reacting only to the crisis immediately at hand, instead of thinking ahead. While we still have a few weeks or at most 2 months, we had better start preparing for what may happen in Bosnia. Failure to anticipate and prepare now could lead to disaster later on.

We are facing two deadlines. The most urgent deadline of course is the expiration of the U.N. mandate in Croatia on March 31. For the moment the situation in Croatia appears under control, even though the underlying problem that led President Tudjman to request the United Nations departure in the first place has not been solved. That problem is a de facto division of the country. The Krajina region, nearly one-third of the country, is under Serb control. Understandably the Croatian Government does not want to accept a partition that could harden into permanence. Although the continued U.N. presence in Croatia gives us some breathing space, it will not end Serbian domination of the Krajina or guarantee the end of conflict between Croatian forces and the Krajina Serbs. After all, there are plenty of U.N. troops in Bosnia, and they have not prevented fighting between the Bosnian Government and Bosnian Serbs.

The second looming deadline is May 1, the end of the temporary truce and current contact group negotiations in Bosnia. The present negotiations may

be the last chance for a peaceful settlement. I hope and pray they are successful, but I fear this contact group effort may prove as fruitless as all the others. Furthermore, May marks the arrival of warm weather and the traditional resumption of military campaigns. If the people of this troubled region once again choose war over peace, we, in the Congress and the administration, are going to be faced with some very difficult choices. We had better start thinking dispassionately about those choices now, and not wait until we are overwhelmed by the passions of the conflict and terrible images of violence.

If a general conflict erupts again across the region, the U.N. peacekeeping mission—UNPROFOR—could find itself in extreme danger. The administration has agreed to provide military assistance, including U.S. combat troops, to help cover the withdrawal of UNPROFOR if it should prove necessary. I have always opposed a general intervention in Bosnia with United States ground forces. But an UNPROFOR withdrawal is an entirely different situation. With the deepest reluctance I will support U.S. participation in a NATO mission to cover the withdrawal of UNPROFOR.

The United States cannot stand idly by if U.N. troops from allied nations find themselves in mortal danger. The damage to U.S. leadership, honor, prestige, and credibility would be beyond calculation. Some will say that honor, prestige, and credibility are only words, empty words; that they are not worth the lives of young Americans who will have to go into the Balkans. It is true that leaders often misuse these words to manipulate public opinion on behalf of questionable causes. But they do have meaning, as "justice" and "liberty" are words that have deep meaning, and are words that we live by. Credibility, prestige, and national honor are still essential components of national security, as they have always been. They are especially important if we are to exercise the moral leadership expected of the world's only superpower.

If we want to remain secure in today's violent and chaotic world, we must never permit any doubts in the minds of friends or enemies that our word is good, or that we can be relied upon to stand with our allies, or that we will keep our commitments. The credibility that comes from demonstrated steadfastness of purpose is a key aspect of deterrence. It is an essential though intangible element of global power and of the necessary relations between states. A great nation cannot remain great very long without it.

Therefore, I will support the participation of U.S. troops in such an operation, but only under certain conditions.

First, it must be a NATO operation, totally under NATO command. Once our troops are committed on the ground and to potential combat, we

cannot tolerate the so-called dual-key arrangement between the United Nations and NATO. This violates the most basic principle of sound military operations—unity of command. Unless the dual-key relationship is completely scrapped and replaced with clear lines of command and control under NATO, I will vigorously oppose U.S. participation in the withdrawal.

This unified command authority must be established in advance. All governments with forces involved, and all UNPROFOR officers and NATO commanders at every level, must understand before the operation begins that NATO will be in charge, even in zones where the withdrawal proves peaceful.

Second, the rules of engagement must not place any limitations on the use of force to protect the withdrawal. It must be clear to all parties to the conflict that we will not tolerate any attacks on NATO or on UNPROFOR. Any attack must be met with massive, overwhelming force; and not merely on the attacking forces, but on the offending party's military and logistical capabilities wherever they may be hit.

We must also remember that while the Serbs are the primary aggressors and have committed the most atrocities, none of the parties in this conflict have clean hands. NATO and U.S. ground commanders must be alert to provocations from all sides. They must anticipate and respond appropriately to attacks from one party intended to blame another, and be careful not to retaliate against the wrong party.

Third, the scope and duration of the withdrawal must be limited. I do not advocate a date certain for ending it. It must end promptly when all UNPROFOR and NATO troops are safely out. We must be especially careful not to allow the withdrawal mission to be transformed at some point into peace enforcement or a broadened combat mission that results in a general, prolonged engagement with Serbs, Croats, or Bosnians—as we learned to our great cost in Somalia.

Fourth, we need to make it abundantly clear that a U.S./NATO rescue mission is not a blank check to the United Nations for the future. I believe the United Nations and our allies have been too eager to commit to dubious peace operations. The Bosnian dilemma is a result of such ill-conceived policies. The United States cannot rush to the rescue every time our allies find themselves in a tight corner because they did not consider the consequences of a misguided peace operation in advance, or took our help for granted. Our diplomacy and statecraft must make sure we are not faced with such a terrible choice ever again.

The diplomatic success in Croatia has bought us some time. Let us use it wisely, and make sure the Congress and the administration are working together to face whatever crisis may come in the Balkans. Above all, let us use it to prepare the American people

for the possibility that our soldiers may have to go into combat to rescue our allies; and that may not be without risk.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Pursuant to the unanimous-consent agreement, the Senator from North Dakota is recognized for 5 minutes.

Mr. CONRAD. I thank the Chair. I think there was actually 10 minutes provided for me under the order.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 10 minutes.

SOCIAL SECURITY TRUST FUNDS

Mr. CONRAD. Mr. President, on March 10, the columnist Charles Krauthammer had a column in the Washington Post entitled "Social Security Trust Fund Whopper." The gist of his column, which really was an attack on Senator DORGAN and myself for our role in the balanced budget amendment debate, was to suggest that it does not really matter whether you take Social Security trust fund moneys or not.

His argument was, in the first case, that Social Security is a pay-as-you-go system.

Mr. President, Mr. Krauthammer is just flat wrong. Social Security is not a pay-as-you-go system. He must have missed completely the 1983 act, because in that legislation Social Security was taken off a pay-as-you-go system. It was taken off the pay-as-you-go system because there was a general recognition that we had the baby boomer generation coming along, and that if we stayed on pay-as-you-go—and for those who perhaps are not familiar with the language that we use around here with respect to pay-as-you-go, that simply means you raise the amount of money necessary in any one year to fund the benefits in any one year.

In 1983, that was all changed. We took Social Security off pay-as-you-go. We did it for the purpose I earlier described, the purpose of getting ready for the baby boom generation, the time when the number of Social Security eligible people will double in this country. And so in 1983 we set a course of running surpluses in Social Security. The idea was to save that money in preparation for the time when the baby boom generation retires. And for that reason, in the most recent year, we have run a \$69 billion surplus in Social Security.

Obviously, if we were pay-as-you-go, there would be no surplus, but there is a surplus and there are continuing surpluses. If those funds are used to balance the operating budget of the Federal Government, then obviously they will not be available when it comes time to pay out benefits to those who have made payments on the promise that they would get benefits when they retire.

Mr. President, the second major error in Mr. Krauthammer's column is he

suggests it does not really matter from where you borrow.

It makes a great deal of difference. It makes a difference because Social Security is financed by a dedicated tax, a tax that is levied on employers and employees in this country to fund Social Security. That is a regressive tax. It is a payroll tax. Mr. President, 73 percent of American taxpayers pay more in Social Security taxes than they pay in income taxes. It matters a good deal whether or not one takes those funds and uses them for other Government expenses rather than saving them for the purposes for which they were intended.

The difference it makes, I think, can be most easily explained with a simple example, one perhaps closer to home to Mr. Krauthammer himself. Let us say he works for the Washington Post, gets paid by them, puts part of his money into a retirement account, and the Washington Post falls on hard times. It runs into a situation in which they are losing money. Instead of moving to honestly balance their budget, they go raid the trust funds, the retirement funds of their employees, including Mr. Krauthammer. As we say in our answer yesterday in the Washington Post to his column, then ". . . even [Mr.] Krauthammer might understand the fallacy of looting trust funds to pay [the] operating expenses [of a company.]" Because then he would be directly affected.

Mr. President, I ask unanimous consent to have printed in the RECORD a column Senator DORGAN and I wrote in answer to Mr. Krauthammer, that appeared in the Washington Post of yesterday.

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

[From the Washington Post, Mar. 16, 1995]

UNFAIR LOOTING

(By Byron L. Dorgan and Kent Conrad)

Charles Krauthammer's uninformed defense of an indefensible practice ["Social Security Trust Fund Whopper," op-ed, March 10] demonstrates that it is possible to be a celebrated pundit yet know nothing of the subject about which one is writing.

In attacking us for our position on the balanced-budget amendment, Krauthammer misses the mark by a country mile on two very important points. First, he insists incorrectly that "Social Security is a pay-as-you-go system" that "produces a cash surplus" because "so many boomers are working today." Second, he ignores the fact that Social Security revenues were never meant to pay for expenses incurred in the federal operating budget. Missing both fundamental points undermines the credibility of Krauthammer's conclusions.

Here are the facts:

First, Social Security is not a pay-as-you-go system. If it were, Social Security benefits would exactly equal taxes, and there would be no surpluses. But there are. This year alone Social Security is running a \$69 billion surplus.

Apparently, Krauthammer completely missed the 1983 Social Security Reform Act, which removed the system from a pay-as-you-go basis. In 1983 Congress recognized that in order to prepare for the future retire-

ment needs of the baby boom generation, we should raise more money from payroll taxes now than is needed for current Social Security benefits. We did that because when the baby boomers retire, there will not be enough working Americans to cover Social Security benefits on a pay-as-you-go basis. We will need accumulated surpluses to pay these benefits.

Second, Social Security revenue is collected from the paychecks of working men and women in the form of a dedicated Social Security tax, deposited in a trust fund and invested in government securities. This regressive, burdensome tax (almost 73 percent of Americans who pay taxes pay more in social insurance taxes than in income taxes) isn't like other taxes. It has a specific use—retirement—as part of the contract this nation made 60 years ago with working Americans.

Because this tax is dedicated solely for working Americans' future retirement, it shouldn't be used either for balancing the operating budget or masking the size of the budget deficit. Krauthammer not only irresponsibly condones the use of the Social Security surpluses to do these things, he thinks we should enshrine this procedure in our Constitution.

He apparently does so because he doesn't understand the difference between balancing an operating budget and using dishonest accounting gimmicks to hide operating losses. To illustrate the difference and how it works to loot the Social Security trust funds, let's use an example a little closer to home for Krauthammer.

Assume that Krauthammer is paid a lucrative salary by The Washington Post, which puts part of that salary into a company retirement plan. Then let's assume The Washington Post comes upon hard times and starts losing money each year.

Here's where honesty matters. The Post has two choices. It could face up to its problems and move to balance its budget. Or it could follow Krauthammer's prescription and disguise its shortfall by raiding the employees' retirement fund to make it appear that the operating budget is balanced. Of course, the retirement fund would have nothing but IOUs in it when it comes time for Krauthammer to retire. At that point, even Krauthammer might recognize the fallacy of looting trust funds to pay operating expenses.

Absurd? Sure. But the flawed Republican balanced-budget amendment plan would in the same way keep on looting Social Security trust funds to balance the federal operating budget. Instead, we should take the honest course and begin the work now to bring our federal operating budget into balance without raiding the Social Security trust funds.

Contrary to Krauthammer's assertion, the only fraudulent point about this issue was his uninformed column.

Mr. CONRAD. I thank the Chair and I thank my colleague from Arizona as well for this time. I appreciate his giving me this time this morning.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I say to my friend from North Dakota, who is still on the floor, I think we have a significant difference of opinion here between himself, his other colleague from North Dakota, and Mr. Krauthammer. I suggest we set up some kind of debate scenario—one of the talk shows or one of the Sunday programs. I think it