

talk about this amendment that does not belong on my bill. We ought to find some way to test this. It is my intent to make a motion to table this amendment very soon, because I say we are going to go home, and the way we are going to get home is not standing here talking about something that belongs on another bill.

The Foreign Relations subcommittee will report their bill the second week in September, and that is when it should be considered. The Senate is going to have a chance to make up its mind whether it is going to finish this day or not. I am not going to make the motion now. I want to confer with the Senator from Colorado. I believe we ought to be listened to. This is not something that belongs on this bill. We are not capable of handling the subject matter. We cannot conference with the Defense subcommittee on the other side.

While I support the intent, it is not something we ought to be dealing with. It is legislation on an appropriations bill, and it should not be here. The way to answer that is to either make a point of order against it or move to table it. I will do one or the other before too long.

Mr. SIMON. Mr. President, I will just take 2 minutes. I want to assure the Senator from Alaska that in terms of making a point of order, that precedent has been set and this is in order. There is no question about that.

The question is, Is this significant enough that we ought to put this on this piece of legislation? And I think the answer is yes. It will add to stability in Central Europe. I think the answer is clearly yes. The language is so couched that I hope we can accept it very quickly.

I want to get out of here as much as the Senator from Alaska wants to get out of here. A simple way of getting out of here is to accept this amendment and move forward. I think this is in everyone's best interest.

Let me add one other point. There are those who say somehow this will offend Russia. The reality is that the time may come when Russia can become a part of NATO. Ultimately, the threat to Russia does not come from the West, it comes from China, in the long term.

So I think this does make sense, and I am pleased to support the amendment of Senator BROWN.

Mr. HELMS. Mr. President, the distinguished Senator from Colorado [Mr. BROWN], has demonstrated his customary fine leadership in offering his amendment to bring a possible NATO membership one step closer for friends of the United States in Central Europe.

Now, nations from Latvia to the Czech Republic have bitter memories of the period following World War II when they were left in a security vacuum. Some 50 years of Communist captivity ensued.

I ask unanimous consent to be identified as a cosponsor on the Brown amendment.

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

Mr. HELMS. Mr. President, the amendment provides incentive for continued reform in countries of that region by offering closer integration with the West for countries that meet the fundamental criteria of democracy and economic reform.

While some countries have taken more steps than others in fulfilling the criteria outlined in the Brown amendment, reform efforts are so fluid and governments evolve so often that I do not believe it is fair to prejudge any one country, or set of countries, for that matter, at this time. It would certainly not be honest to make the judgment that Slovakia, for example, has made more progress in fulfilling the criteria in this bill than have Estonia or Slovenia. While I support Slovakia's independence and the people of that country, the Government of that country has backed away, I am sorry to say, from privatization and has interpreted democracy to mean total control by the ruling political party of the country.

The Brown amendment offers a real blueprint for forging closer relations with the free nations of Central Europe. We should not content ourselves with the Clinton administration's tepid approach to our victory in the cold war. To this day, the administration has failed to define the process by which Central European countries can become NATO members. The Brown amendment will right this unfocused approach by concentrating our assistance on those countries taking brave steps to reform their political, economic and military systems and tie their future to NATO.

I firmly believe that NATO enlargement to countries which prove themselves capable of contributing to the NATO Alliance is in the U.S. national interest. Spreading NATO ideals to Central Europe at this time aligns these countries in a defense-oriented posture which must be more comforting to Russia than the current undefined security situation in Central Europe.

I would encourage the President to take the bold step of making all the countries in this bill eligible for much of the NATO transition assistance provided in this amendment.

I urge the adoption of this amendment.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

NATO ENLARGEMENT

Mr. ROTH. Mr. President, I rise today as one who has been a long-

standing supporter of NATO. For this reason, I am a cosponsor of the Brown amendment, the NATO Participation Act Amendments of 1995.

Mr. President, no other issue is more crucial to European security than NATO's relationship with Central and Eastern Europe. Today, we are in the midst of an historical era, an era of transition, the so-called post-cold-war era. It is a phase in which the strategic landscape of Europe is particularly malleable. It is a phase that will not last forever and which will end sooner rather than later.

How the alliance manages its relationship with the nations of this region during this period will determine whether or not Europe will ultimately benefit from an enduring and stable peace.

Careful, gradual, but undeterred enlargement of NATO should be the geopolitical priority of America's Europe policy. The alliance is uniquely qualified to provide the institutional foundation for regional security and peace. No other institution, including the European Union and the Organization for Security and Cooperation, combine the two necessary requisites to serve in this role: a transatlantic dimension and proven operational capability.

The Brown amendment explicitly endorses and facilitates a process of NATO expansion. If passed, this amendment would authorize the President to establish programs to facilitate the integration of Poland, the Czech Republic, Slovakia, and Hungary as well as other Central and Eastern European nations into the alliance.

Passage of this amendment would be an important step toward establishing a system of European security consisting of two pillars: an enlarged NATO and a strategic partnership between the alliance and Russia.

With the end of the Cold War, Central and Eastern Europe once again find themselves outside of any viable security structure. The region is, in essence, a security vacuum between NATO's eastern frontier and Russia. Both recent- and long-term history show us that the region's strategic vulnerability has been a source of instability on the continent—with calamitous consequences that drew the United States into two World Wars.

Extending the alliance's membership to the nations of Central and Eastern Europe, beginning with the nations of Poland, Czechia, Slovakia, and Hungary, will help transform this region from a source of instability into a cornerstone of peace.

NATO enlargement would help facilitate the economic and political integration of this region into the West. The absence of a stable security environment only exacerbates fears and insecurities that jeopardize the political and economic reform necessary for integration to occur.

NATO enlargement would project greater stability into Eastern and Central Europe and thereby enable the

region's nations to more confidently focus on their internal challenges. Mr. President, security is not an alternative to reform, but it is essential for reform to occur.

I must add, Mr. President, that the adoption of this amendment would send a much-needed signal of American support to the nations of Central and Eastern Europe and the reform efforts within them. It has been over 5 years since the collapse of the Warsaw Pact and nearly 5 years since the implosion of the Soviet Union. Many in Central and Eastern Europe have been disillusioned with the West and the United States for our failure to more aggressively embrace these nations into the transatlantic community.

Mr. President, passage of this amendment would demonstrate the America's commitment to consolidating an enlarged Europe, and it would give more incentive to all the nations of Central and Eastern Europe to continue their reforms.

Second, two great European powers, Germany and Russia, are now undergoing very complex and sensitive transformations. Their outcomes will be significantly shaped by the future of Central and Eastern Europe. The extension of NATO membership to Central and Eastern Europe, beginning with Poland, Czechia, Slovakia, and Hungary, would positively influence the evolution of these two great powers.

Germany, as a consequence of the collapse of the Warsaw Pact and German reunification, has become more concerned about developments beyond its new eastern frontiers. And today, Germany is more capable of independently addressing her relations with Central and Eastern Europe.

Failure to adequately realize the integration of this region into the West is likely to foster a more nationalist security policy in Germany. In fact, this is a fear that Bonn's politicians and experts openly articulate. NATO enlargement would further lock German interests into a transatlantic security structure and consolidate the positive role Bonn plays in European affairs.

NATO enlargement would also assist Russia's democratic evolution. It would do so by enhancing Russia's own security and by bringing Europe closer to Russia.

Of all of Europe's reborn nations, Russia is experiencing the most revolutionary and difficult transformation. Following the collapse of the Soviet Union, Russia is adjusting to the unraveling of an empire and the return to frontiers dating back to the 16th century.

By enhancing and reinforcing stability in Eastern Europe, NATO enlargement would make unrealistic the calls by Moscow's extremists for Russia's westward expansion. Greater stability along Russia's frontiers will enable Moscow to direct more of its energy toward the internal challenges of political and economic reform.

There are two other geopolitical dangers consequent to the perpetuation of isolation and insecurity in Central and Eastern Europe:

Isolation not only fosters the nationalization of the foreign and security policies of Germany and Russia, but also of the nations within the region.

Additionally, Eastern Europe's institutional separation from Europe and the West certainly sustains Russia's sense of isolation and thereby risks revitalizing its historic sense of alienation from European affairs. These dynamics could well present unfortunate opportunities, if not incentives, for great power revanchism.

Mr. President, allow me to address some of the key arguments being made against NATO enlargement:

Moscow's sensitivities are frequently highlighted as arguments against NATO enlargement. Proponents of this view claim that because Russia perceives NATO enlargement as part of an effort to isolate her from the rest of Europe, we risk prompting a more aggressive and dangerous Russian foreign policy.

It is absolutely essential that Russia not be given the false impression that NATO enlargement is designed to isolate Moscow from Europe. That is why I support the establishment of a strategic partnership between the alliance and Russia. This intent is reiterated clearly and forthrightly in the Brown amendment.

At the same time we must not overreact to outdated Russian sensitivities at the expense of strategic realities and objectives central to the interests of the alliance, as well as the United States.

The fact is that Russia is far from being an isolated nation. Today, Moscow benefits from special bilateral relationships with the nations of the transatlantic community, especially the United States and Germany. It is a member of the U.N. Security Council, an active participant of the OSCE, and has recently become a member of NATO's Partnership for Peace program. Russia is a chief recipient of foreign assistance from the United States and the European Union, not to mention the IMF and World Bank.

In many ways, Russia enjoys far greater engagement with the West than is now enjoyed by any of our Central and East European neighbors.

Let me emphasize that it will not be NATO enlargement that will shape Russia's relationship with the alliance, but Moscow's reaction to enlargement. If Moscow resists the process through intimidation or aggression, NATO enlargement will more likely be directed against Russia.

On the other hand, if Russia respects the rights of other nations to determine their own geopolitical destinies, if Russia recognizes the objective benefits of NATO enlargement, and ultimately works with the alliance in this process, NATO enlargement will contribute to a broad process of engage-

ment and integration that will bring Europe and Russia closer together.

A second argument against NATO enlargement is that it risks creating new and destabilizing lines within Central and Eastern Europe.

The fact is that our legislation works to eliminate lines from a bygone era by replacing them with a process of inclusion reaching out to all the nations of Central and Eastern Europe. Those nations that would not be in the first group of states admitted to NATO would benefit in two ways:

These nations would end up less isolated from the Alliance. They would no longer be left on the distant fringes of a gray zone in European security. Geographically, they would be closer to NATO, if not bordering the alliance. Most importantly, they would be part of a region being actively integrated into the West.

A third argument one hears against our legislation is that it smacks of American unilateralism in Europe and would undermine NATO cohesion.

Mr. President, this legislation endorses a vision of European security. It does not impose it upon our allies. It in no way undermines the Washington Treaty and its chapters governing the accession of new members. It does require the President to undertake programs that will help the nations of Central and Eastern Europe prepare themselves for the responsibilities of NATO membership.

I can think of no European Ally that would oppose any of these programs. By enabling the nations of Central and Eastern Europe to more effectively cooperate with the Allies, we are assisting the interests of all our Allies.

Mr. President, let me close by emphasizing that NATO enlargement is not a unique historical step. It has already occurred on three separate occasions since 1949 with nations whose levels of democratic development at that time are clearly matched by that found today among the nations of Central and Eastern Europe.

Enlargement is a process for which the alliance has always been geared. Indeed, article 10 of the Washington Treaty provides for the enlargement of the alliance to any European state "in a position to further the principals of this Treaty and to contribute to the security of the North Atlantic area."

Mr. President, current policy is overly concerned with Russia's psychological well-being and insufficiently focused on central objectives. America's policies toward Europe must be structured to shape a strategic landscape that enhances economic, political, and military stability in all parts of Europe. That should be our national interest—and that is the intent of the NATO Participation Act Amendments. The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I ask unanimous consent the Brown amendment be set aside temporarily so we may proceed with another Bingaman amendment.

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

AMENDMENT NO. 2392

(Purpose: To strike out section 8082, relating to progress payments)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 2392. On page 81, strike out lines 16 through 20.

Mr. BINGAMAN. Mr. President, this is a very simple amendment which I do not think anyone should have any difficulty understanding. It relates to the earlier amendment I offered only in one respect, in that I did propose to amend this same section there as well. But this does not relate, I would point out to my colleagues who are here on the floor, to the LHD-7. It does not relate to ongoing operations. It does not relate to any specific funding program or any specific project in the defense bill.

What it does is it says this provision which was included in the bill to require the Department of Defense to make 85-percent progress payments, rather than 75-percent progress payments as does the rest of the Federal Government, should be stricken from the bill.

This is a particularly bad provision. This is section 8082 on page 81 of the bill. It says:

None of the funds available to the Department of Defense shall be made available to make progress payments based on costs to large business concerns at rates lower than 85 percent on contract solicitation issued after enactment of this act.

This provision, which I am proposing we eliminate from the bill, is particularly objectionable because it is limited to large business concerns. Why do we want to make 85-percent payments to large business concerns and retain the 75-percent progress payment to any other business concern, as is presently the case? Why do we want to have one set of rules which are more advantageous for defense contractors than the set of rules we have for all other contractors?

I have great difficulty understanding the rationale for this. I am not just raising this as a philosophical issue. According to the figures we have been given, these five lines in the defense bill cost the American taxpayer \$488 million. This is \$488 million that the Department of Defense is going to have to spend in the 1996 fiscal year more than otherwise would be the case because of these five lines.

All I am saying is we have some other needs in this country besides speeding up the rate at which we pay defense contractors. We need to pay these defense contractors. They need to be profitable. We do not want to fall behind on our payments. I agree with all of that. But I do not see why it is in the best interests of the people I rep-

resent in New Mexico, or the general public in this country, for us to spend \$488 million in this way in the next fiscal year.

So I think clearly the merits are on changing this to just eliminating this provision, allow us to continue the present arrangement where we pay defense contractors just as we pay others, particularly these large business concerns which are talked about in this language.

Mr. President, in discussing the earlier amendment I also went over this issue to some extent and pointed out that these so-called large business concerns—I assume that term, although that is a fairly new term, at least in any bill I have seen—I assume that within that definition of a large business concern you would include the 20 top defense contractors that do business with the Federal Government. Just as in the previous debate I asked then to have printed in the RECORD a copy of the financial performance of the top 20 Department of Defense contractors during the first quarter of 1995, I again ask unanimous consent we print that as part of this debate.

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

FINANCIAL PERFORMANCE OF TOP 20 DEPARTMENT OF DEFENSE CONTRACTORS

[1st quarter 1995]

Company	Profits (mil-lions)	Sales (mil-lions)	Assets (mil-lions)	Return on as-ssets (per-cent)	Return on sales (per-cent)
McDonnell Douglas	\$159.0	\$3,333	\$12,026	5.3	4.8
Lockheed-Martin	137.0	5,644	8,961	6.1	2.4
Martin Marietta (See Lockheed-Martin)					
General Motors	2,154.0	43,285	188,201	4.6	5.0
Raytheon	173.90	2,387	7,258	9.6	7.3
United Technologies	135.0	5,344	15,618	3.5	2.5
Northrop	54.0	1,617	2,919	7.4	3.3
General Dynamics	60.0	753	2,635	9.1	8.0
Loral	94.8	1,459	3,228	11.7	6.5
Grumman (See Northrop-Grumman)					
Boeing	181.0	5,037	20,450	3.5	3.6
General Electric	1,372.0	15,126	251,506	2.2	9.1
Westinghouse Electric	15.0	2,024	10,553	0.6	0.7
Litton Industries	28.6	694	3,834	3.0	4.1
National Steel & Shipbuilding	44.7	753	2,304	7.8	5.9
Rockwell International	191.4	3,361	9,885	7.7	5.7
TRW	114.7	2,596	5,336	8.6	4.4
Texas Instruments	230.0	2,862	5,993	15.4	8.0
Textron	109.0	2,387	19,658	2.2	4.6
Tenneco	153.0	2,163	15,373	4.0	7.1

Source: Business Week Corporate Data.

Mr. BINGAMAN. Mr. President, when you go down this list it is a list of some of our best corporations. They do a superb job in supplying products and services for the Department of Defense: McDonnell Douglas, Lockheed-Martin, Martin Marietta, General Motors, Raytheon, United Technologies, Northrop, General Dynamics, Loral, Grumman, Boeing, General Electric, Westinghouse Electric, Litton Industries, National Steel & Shipbuilding, Rockwell International, TRW, Texas Instruments, Textron, Tenneco.

Mr. President, I do not believe that these companies should get any worse treatment than any other company that does business with the Government. I think they should be treated well. The Government should pay its

bills on time. The Government should pay its bills promptly.

I think it is appropriate we make the customary progress payments as they complete work on a contract. The customary progress payments are 75 percent—you get paid for 75 percent of the work completed—then there is some portion held back to ensure that the entire job is done well and you can pay the rest at the end of the contract. That is the customary way in which contracting is done.

I do not think it is worth \$488 million to the American people to change that, just for this next fiscal year, and begin paying them an extra 10 percent as part of these progress payments. It just makes no sense to me.

I argued long and hard yesterday to try to get support from my colleagues for \$26 million in funding for Indian education. This was not new money. This was to try to keep the 1995 level of funding again in 1996. We were turned down. People said there is not enough money, we cannot do it.

In light of that, if those are the circumstances we face, if we do not have enough money, if we are trying to balance the budget, and clearly there is a legitimate desire to get to a balanced budget by many Members of this body, then clearly people should support this effort to cut out this \$488 million from the bill. So I urge my colleagues to support the amendment. I think it speaks for itself. I do not believe we will need additional time.

Mr. President, I address a question to the manager of the bill, the Senator from Alaska. If the Senator from Alaska could respond to a question, if he would like to have the same kind of arrangement of 2 minutes for and 2 minutes against prior to a vote on this, I would have no objection to that course of action.

Mr. STEVENS. I join in asking unanimous consent that when I make the motion to table there be an understanding that before that vote there will be 2 minutes on each side—2 minutes for the Senator from New Mexico and 2 minutes for someone to oppose this amendment.

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

Mr. STEVENS. Mr. President, it is my hope we will have another amendment to present soon here. So we can hopefully stack the votes and have a vote sometime around 4:30, hopefully, on all four of these amendments.

We are looking for one other. We know there is one other that will take about half hour on each side.

Let me say on this one that I understand the Senator from New Mexico. It is a very technical issue that he has raised. Actually, the current progress payment level that the Department is using now is 75 percent.

This is a regulation that is trying to force the Department of Defense to keep their progress payments at a specific level that deals with outlays. That is why I say it is very technical.

We have outlays when we authorize funds. We authorize \$1 million for one project. They actually might spend half of that the first year. That would be an outlay of 50 percent. If we have another project and they only spend 25 percent the first year, it would be an outlay of 25 percent for the first year.

This is dealing with the outlays, and progress payments are related to those outlays in the current year. We have raised it to 85 percent because we have a surplus of outlays for 1996 as compared to authorization. Therefore, that will force the Department to keep its payments up to make sure that we are not carrying over until the next year payments that should be made this year. If they were not made this year and carried over to the next year, it would mean we might not be able to use the authorizations that we have for the next year in order to bring about outlays in 1997.

Under the circumstances, I oppose the Senator's amendment, because the fair way to keep the contractors coming to the Department of Defense to do work is to see that they are assured that they will not get less than a specific amount on their progress payments per a time period of the year. If they do not get the progress payments, they have to go out and borrow money to continue their operation, and it increases the cost in the next year because, by definition, that becomes a cost to the contract. And we are much better off when we have the outlays available to force the Department to make their payments on time and, therefore, reduce the amount of money that contractors borrow and later charge us the interest on the borrowing.

When interest rates are low, we are not that compelled to do this. But when they get higher, there is an absolute compulsion to do it. That is why I say we are dealing with a current regulation of 75 percent. We put this in. This is a provision of our bill that goes up to 85 percent. It will keep the contractors, particularly the smaller contractors, as the Senator from New Mexico mentioned—I disagree with him on his conclusion—this means smaller contractors will be more attracted to doing business with the Department of Defense.

The PRESIDING OFFICER. The Senator's 2 minutes has expired.

Mr. STEVENS. That is a misunderstanding, Mr. President. The 2 minutes applies to the time after I have made the motion to table. We want the opportunity for the Senator from New Mexico to explain his amendment just before the vote.

There will be a series of votes. Under this, there will be the third vote that we will have stacked. The Senator will have 2 minutes, and I or someone here will have 2 minutes to respond. I apologize to the Chair for the misunderstanding.

But, again I say to the Senator, what we are doing is not only assisting the

smaller contractors who want to work on defense business this time. The normal payment, everyone realizes, would be 100 percent. If you have a progress payment concept in your contract, you get 100 percent of your progress payments.

The Department of Defense was not keeping up with those payments. So we said, "You have to pay at least 75 percent. You can never fall behind more than 25 percent in any progress payment period." Now we have told them, "You have to go to 85 percent," because that forces them to assure contractors that they will get 85 percent of the progress payments they are entitled to under the contract in 1996.

Again, I say to my friend, it is very technical. It is related to the Senator's first amendment because his first amendment would be subject to a point of order if it was not possible to have outlays available, and this amendment makes those outlays available. If the first amendment were to carry, the second amendment would have to carry, too. At least that is my understanding of the intertwining of them.

He also has a principle involved. I appreciate the principle. There is a disagreement between the two of us over what is accomplished by a progress payment mandate.

I would be happy to let the Senator proceed. I do not know of anyone else on this side who wants to have time. He understands that I will make a motion to table when he has finished with his remarks.

Mr. BINGAMAN. Mr. President, I appreciate the courtesy of the Senator from Alaska. I will make just a few more remarks to clarify.

First of all, this amendment strikes a provision that sets up a different procedure for progress payments to large business concerns. That is what the statute says. It does not say small business. It says large business concerns. We set up a requirement for 85 percent progress payments for large business concerns. The 75 percent which is customary in the industry remains the procedure for all others.

So this is not a way to help small businesses; this is a way to help large defense contractors.

To my knowledge, Mr. President, I do not believe anybody could come to the floor and critique or disagree with me on this.

Mr. STEVENS. I would like to disagree. This is the second time the Senator made the point. The Senator realizes that under our provision, progress payments for small business will rise to 90 percent and progress payments for small disadvantaged businesses will rise to 95 percent because we have not changed the formula under existing law which forces the Department to pay small businesses higher than the larger concerns. So if we set the larger concerns at 85, under existing procedures the small business automatically is at 90, and the small disadvantaged at 95.

So the Senator has implied that this does not apply to small business. To

the contrary, it applies to a greater extent to small business.

Does he understand that?

Mr. BINGAMAN. Mr. President, I appreciate that clarification. The language I am trying to strike out is limited to large business concerns, and there may be some provision elsewhere that applies to smaller businesses and their progress payments.

But let me again make the point that I was making initially. That is, we do not have a problem with the profitability of our large defense contractors. They are all profitable today. They are all reporting record profits today. Their stocks reflect that. In all respects they are doing extremely well. And I wish them well. I have no problem with that.

I think the suggestion that the Senator from Alaska made that the normal practice is to make 100 percent progress payments is just not in my recollection of how business is done. I have been in Government a while. But I can remember before I got in the Government hiring contractors to do some simple things like building an office building for me. I had a contract where I made progress payments as that office building was completed. There was no suggestion by any contractor that I should make 100 percent progress payments as we went forward. The understanding was we would keep back some of the money until the project was completed, and that was an incentive to the contractor to complete the project on time and to my specifications.

So I can remember building an office project or an office building in Santa Fe, NM, and the progress payments there were 75 percent. I cannot believe that these various defense contractors whose names I read off before, which are some of the largest, most successful, most profitable corporations in the country, are not used to doing business on the same basis.

So the argument that we have to raise these progress payments this year in order to look out for the financial well-being of these large defense contractors is somewhat hard for me to believe. I strongly believe that we have here \$488 million that we could save in this bill.

I think the simple truth is, this bill as it came out of the committee has in it nearly \$1.3 billion of outlays; that the budget resolution, as I understand it, has about \$1.3 billion of outlays that are not needed, and, therefore, we have provisions like this in the bill to try to soak up some of those outlays.

Mr. President, I do not believe it is reasonable to tell the American people we are going to charge them \$488 million next year in order that we can advance these progress payments or increase them to 85 percent for major defense contractors. We have other needs in this country for some of this money. Clearly, if we have an extra \$488 million, we ought to spend it on some of those other needs and not be spending it on this kind of provision.

So I do hope that my colleagues will support the effort to strike the provision when it comes to a vote later.

Mr. STEVENS. Mr. President, that again shows our disagreement. The Senator is correct. We have an allocation to our subcommittee of more outlays than we can use with the budget authority that was given us because a lot of the budget authority was taken away and used in areas where they do not have the outlays that we might have had.

We looked at this and we saw that there was a group of contracts out there and if they increased the rate of compliance with existing contract provisions now, they would use those outlays this year. If they do not comply with the contract provisions, it shifts the money into next year, where we might then have to use money under these contracts and not be able to pay for the costs of whatever it might be—the DDG-51's, the pay raise that is coming, whatever it might be. We are asked now not to use this money because the rate of payment of bills is too slow. We are saying you must get at least an 85 percent level of compliance with your own contracts now in making payments for defense contractors.

And again, when we say that it is based on the cost of large businesses, that automatically means that for small businesses it is 5 percent higher, and for disadvantaged small businesses it is 5 percent higher than that. So what we are saying is use this money now. We do not want you to stretch these contracts out because in doing so you cause the contractors to borrow money which goes on the next year's bill.

In addition to that, what it means is we are denied the ability to meet the schedule for bringing on-line these other items that are being authorized by the authorization committee. We will have to tell the authorization committee, if we do not do this, next year we will have to tell them we are sorry, we did not use the outlays last year; we have shifted them to next year, and although you have been authorized this money we cannot allow you to spend it because we do not have the outlays to allocate to you.

This is an accounting principle, and the Senator is very astute in finding it because most people would not find it. But we have done that for the purpose of assuring that we do not fail to keep up with the rate of payment.

Incidentally, I am just a country lawyer. As far as I am concerned, if I submit a bill, they ought to pay 100 percent of it, right? And we find they are not even paying 75 percent. This says you must pay at least 85 percent of the progress payments that are presented to you that are due and payable within the year 1996.

So based upon the understanding that we have, I do move to table the Senator's amendment with the understanding that we will have 2 minutes

on each side prior to the time that it will come to a vote, and we expect that vote to come sometime, I would say, around 4:20, 4:30, because we are going to have another couple of amendments brought up here.

I do make that motion to table with that understanding. Is that agreeable?

Mr. BINGAMAN. Mr. President, I have no objection to that.

The PRESIDING OFFICER. The Senator has allowed 2 minutes to a side.

Mr. STEVENS. I thank the Chair.

STRIKING OF SECTION 8078

Now, Mr. President, I understand the Senator from Vermont has a statement. But I also understand the Senator from Oklahoma has worked out an amendment with the Senator from Hawaii. If he wants to offer that at this time, may we get this out of the way, I ask the Senator?

Mr. JEFFORDS. Yes. I am going to offer an amendment and withdraw it.

Mr. STEVENS. This will just take a minute.

Mr. INHOFE. This will just take a minute.

Let me compliment both the Senator from Hawaii and the Senator from Alaska for being understanding and looking at an amendment with which I have a problem. I believe the section, which is 8078, clearly violates the current statutory 60-40 relationship between contract and private maintenance, inhouse depot maintenance.

I also believe that this section would violate the intent of the whole BRAC process.

I appreciate very much the willingness of the Senator from Hawaii to pull out section 8078, and I inquire of the chairman of the committee, is it necessary to propose it as an amendment?

Mr. STEVENS. Mr. President, I ask unanimous consent that section 8078 be deleted from the bill.

The PRESIDING OFFICER. Is there objection?

Mr. INOUE. I have no objection.

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

Mr. INHOFE. I thank the Chair.

Mr. NICKLES. Mr. President, this section would have allowed the Air Force to compete core workload. The Pentagon and the Congress have indicated that core workload is so critical to America's readiness to go to war that this work must be done by the Pentagon in its depots.

In addition to this, the GAO has a draft report on this very issue that indicates that competing the workload addressed in this section does not make sense based on the excess capacity in the Air Force Depots.

By striking this section of the bill, core workload is retained in the Pentagon's depot system as outlined in Pentagon policy and title 10 of the U.S. Code. It also follows the recommendations of the GAO report.

The effort to get this section stricken from the bill was truly a team effort on the part of myself and my State colleague, Mr. INHOFE.

I want to thank my friend Mr. INHOFE for his efforts. I also want to thank the Defense Appropriations Subcommittee staff, as well as Senators STEVENS and INOUE who have managed this bill in their customary fair and open manner.

Mr. STEVENS. Mr. President, I understand there is some misunderstanding. I did move to table the first Bingaman amendment. If there is any misunderstanding, for the RECORD, I again move to table the Bingaman amendment with the understanding that there are 8 minutes on a side for debate on that amendment when it first comes up.

AMENDMENT NO. 2393

(Purpose: To provide funding for certain impact aid)

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the existing pending amendment be set aside temporarily for the purpose of offering an amendment.

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

Mr. JEFFORDS. The amendment is at the desk, I believe.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS] proposes an amendment numbered 2393.

Mr. JEFFORDS. 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:

On page 82, between lines 11 and 12, insert the following:

SEC. 8087. FUNDING FOR CERTAIN IMPACT AID.

(a) IN GENERAL.—Of the funds appropriated by the provisions of this Act, \$400,000,000 shall be available for carrying out programs of financial assistance to local educational agencies authorized by title VIII of the Elementary and Secondary Education Act of 1965, of which—

(1) \$340,000,000 shall be for payments under section 8003(b) of that Act;

(2) \$20,000,000 shall be for payments under section 8003(d) of that Act; and

(3) \$40,000,000 shall be for payments under section 8003(f) of that Act, which amount shall remain available until expended.

(b) LIMITATIONS ON AVAILABILITY OF FUNDS.—(1) Funds available under subsection (a) shall be used only for payments on behalf of children described in subparagraph (A)(ii), (B), and (D) of section 8003(a)(1) of that Act.

(2) Such funds may not be used for payments under section 8003(e) of that Act.

(3) Such funds shall be governed by the provisions of title VIII of that Act.

(c) PAYMENT AMOUNTS.—(1) Payment amounts for local educational agencies shall be calculated by the Secretary of Education under the provisions of title VIII of that Act based on the total amounts provided to the Department of Education and the Department of Defense for Impact Aid.

(2) The Secretary of Defense shall distribute funds to local educational agencies based on calculations under paragraph (1).

(d) OFFSET.—The amount made available by subsection (a) shall be derived from a reduction in the amounts appropriated by this Act. In achieving the reduction, a reduction of an equal percentage shall be made from each account (other than the amount from

which the funds under subsection (a) are made available) for which funds are appropriated by this Act.

Mr. JEFFORDS. Let us step back for a moment and think about the big picture here. Our job is to set the priorities for the Nation, and in doing so, restore the economic health of our Nation by putting the budget on the path towards balance. If we fail to make spending cuts, our children will pay a terrible price. And if we make those cuts inappropriately, or by some strict formula without regard to merit, they will pay an equally harsh price. Our job is to prioritize, to carefully scrutinize the relative value of the various functions of Government and to decide how a shrinking resource base should best be divided.

To do this exercise properly requires the ability to examine each area of the budget on its own merit and to move funds appropriately. Personally, I believe that the construction of firewalls hinders that ability. Firewalls separate off certain areas of the budget and remove them from consideration, forcing us to make tradeoffs within certain limited areas of the budget. However, I am aware that the Senate went on record again last week in support of retaining the firewalls between defense and domestic spending. And while I disagree with this decision, since it has prevailed, we must look carefully at the full implications of that policy.

The premise of firewalls is that the Department of Defense should not have to pick up the tab for nondefense spending. And should not the reverse also then apply—that other departments should not be picking up the tab for costs incurred by the Department of Defense? I believe so, and I think the majority of my colleagues will agree with me.

One area where the Department of Defense has traditionally enjoyed a reprieve from carrying its full weight is that of impact aid. Current law recognizes that local communities surrounding military installations incur costs in the education of military dependents that are not collectable in the traditional manner of local governments because the installations do not pay taxes to the towns. Impact aid was designed to offset these costs and ensure that military children are not relegated to a second-rate education.

But, Mr. President, the funding for impact aid currently comes entirely out of the Department of Education. Yet, this is clearly a cost incurred by the Department of Defense. DOD has accepted the responsibility of bearing the full costs of educating military dependents overseas—why should it be allowed to shirk its responsibility for offsetting the costs that it incurs at home?

The amendment that I am offering on behalf of myself and Senators HARKIN and SIMON does not increase Federal spending by one dime. Nor does it ef-

fect in any way the formula devised for distributing aid to impacted communities. All it does is to ensure that DOD pick up the costs it incurs instead of continuing to pass those costs off to the Department of Education. If we are to have firewalls, Mr. President, then it is only fair that they be respected in each direction.

It is important that my colleagues recognize the backdrop against which we are operating. While defense spending has declined in the past decade, it has done so only moderately, particularly in the context of a greatly reduced threat to the security of the United States. The disappearance of our chief adversary entitles the American people to reap some of the fruits of this hard won victory. And this must translate into being able to direct some of our national investment away from armaments and into the real bulwarks of national defense—a sound economy, a vibrant technological base and a top-notch educational system.

But this is not what we see happening here. Federal spending for education has been cut. Since 1983, education's share of total Federal expenditures decreased by more than 25 percent, falling at a time when poverty is on the rise. More than one-quarter of all our future front-line workers are now growing up in poverty, a statistic unparalleled among advanced industrialized nations.

And compared to these competitors, our students are failing. Thirteen-year-olds in the United States are at the bottom in math and science performance, subjects which are key to our future economic viability, scoring lower than 15 competitor nations. We have already begun to see the consequences as our students fall farther behind. Over the past 20 years, real income in the United States has grown at a rate 5 times slower than in Canada, 6 times slower than in Germany, 7 times slower than in Italy, France, and Japan, and 8 times slower than the United Kingdom.

More than half a trillion dollars in GDP is lost each year because we fail to educate our people. We spend \$208 billion in welfare expenditures and \$200 billion for employment training. In addition, the fact that 50 percent of adults in this country are functionally illiterate costs the marketplace \$225 billion in lost wages each year.

Thus, this amendment goes beyond the Washington rhetoric of arcane budgetary terms such as fire walls. This goes to the heart of the defense of our country—our education.

Mr. President, I offer this amendment because I think it is an incredibly important issue of concern to a great number of Members. However, let me inform my colleagues that it is my intention to withdraw the amendment and to propose it on the authorization bill when it comes up later. I am confident that there will be general support for this issue when it is fully understood.

As I have said previously, my first concern is with education. I am not going to speak at length, as I have to my colleagues in the past, about the serious problems this Nation faces with respect to its educational programs. I only point out that our deficiencies seriously threaten our economic capacity and our ability to have the best trained people engaged in the defense of this Nation. Instead, I would like to talk about the children of military personnel and about the history of what this Nation did to make sure the communities in which they reside and are educated are not punished by a loss of property tax revenue.

Some 40 years ago or more, I believe back as far as 1949, impact aid was designed to assist local communities educate the children of our military personnel.

Impact aid makes payments to local education agencies to make up for the shortfall of funds to the communities in which they reside. The purpose, therefore, was to help military kids. After the creation of the Department of Education, funding for impact aid was transferred to the Department. However, the payments still are made to the local educational agencies.

So I believe the history is clear that these costs are incurred by Department of Defense personnel, and the fact that it is now funded out of the Department of Education does not change that. I believe upon further study of this issue my colleagues will agree with my conclusion that this is not a firewalls issue.

The House has made roughly a 10-percent cut in impact aid. Those of us who represent not only military children but all of the children of this country are going to look at areas where we can, under the force of the budget, shift the funding responsibilities for those programs which rightfully belong in other departments. There is no question that history establishes the obligation for impact aid with the Department of Defense.

At this particular time in our history, to quote a very fine editorial from David Broder, it is "just plain dumb" to be cutting educational funds, whether those funds are used for establishing the necessary standards to make sure we are competitive worldwide or whether they are used for the general education and the general health of the Nation. It is just plain dumb to be cutting our investments in human capital—which would otherwise increase our revenues and decrease our social costs—while attempting to eradicate the deficit.

So, Mr. President, I would like to say that it is an obligation of the Department of Defense to take care of its own children. They do that now in the DOD schools. They send direct payments to the DOD schools. The DOD also sends direct payments to local educational agencies, but those funds are being cut back. They are not, however, cutting back the funding for DOD schools.

Hence, my goal is to ensure equal provisions for the education for the children of our military personnel. It is a perfectly legitimate issue to raise. Please note, though, that we are not discussing or considering other impact aid provisions which should rightfully be the responsibility of the Department of Education.

Mr. President, I do not intend to speak much longer, but I want to reiterate that I do not believe this is a question of firewalls or anything else. This is a question of making sure that the Department of Defense lives up to its obligation, created in 1949, to pay for the cost and the impact of military children on local districts.

I hope that we will consider this issue at the appropriate time and vote to ensure that DOD takes its money to help the children of its military personnel. That is my intent. At the appropriate time I will offer the amendment again.

Mr. STEVENS. Mr. President, I believe the Senator from Vermont raised a very complex and meaningful issue. It involves not only the subject he raised, but also involves the complexity of payment in lieu of taxes that are paid to communities because of nontaxable Federal property within their jurisdiction.

It does seem to me that we have to particularly now as we enter into, I hope, a long peacetime era where there are going to be fewer of these installations and less impact, really, on schools, that we try to find a more fair way to deal with those situations where the children of military dependents do have an adverse impact on school districts. The impact aid concept was created for that purpose.

Now, we actually have communities competing for these bases. It is difficult, on the one hand, to have people competing for bases, and then when they get them, for us to be in the position where the taxpayers should provide the assistance for programs such as impact aid.

I think the Senator—my feeling is we should have really some dialogue between the committee on which he serves and the authorization committee, chaired by the Senator from South Carolina, and the Senator from Hawaii and myself, to see how we can find a way to transition this money to the Department of Defense.

We do not want to get to the position where once it is not coming out of your budget, that your committee feels that you can raise this standard higher and higher because it is coming out of the Department of Defense funds. On the other hand, we do agree, when we are living under a cap, that the Defense impact should be met from Defense funds.

I am prepared to make a commitment to the Senator that we will work with him and with the Armed Services Committee to try to fashion a program that will give us the advice of those who do have the oversight on education

assistance from the Federal Government, while at the same time striking the proper balance between authorization and those of us who must find the money to pay the bill.

I appreciate the willingness of the Senator to withdraw the amendment and congratulate him for bringing the issue forward, because it can be very meaningful to generations of children whose parents are serving in the armed services.

Mr. JEFFORDS. I thank the Senator for his remarks. I know we are both concerned about this issue and want to make sure that all the young people of this country, including the children of military personnel, receive the best education possible. And that can only be done if we all work together and share costs in an equitable fashion. I look forward to working with the Senator on this issue.

As I said, I also intend to offer this amendment before the authorizing committee at the appropriate time to stimulate a similar discussion and perhaps pursue it further.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The amendment (No. 2393) was withdrawn.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. JEFFORDS. I will be happy to yield.

Mr. THURMOND. I want to commend the able Senator from Vermont for bringing up this question. In some cases school districts are put at a great disadvantage where they have large numbers of schoolchildren and do not get impact aid. I think it is a matter we have got to consider in some way, somewhere, by somebody. I want to commend the Senator for bringing this question forward and commend him for withdrawing it so it can receive careful consideration by all the people considered.

Mr. JEFFORDS. I thank the Senator and yield the floor.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 2394

(Purpose: To strike out section 8083 relating to payment of invoices)

Mr. BINGAMAN. Mr. President, if it is appropriate at this time, I will send another amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 2394.

Mr. BINGAMAN. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 81, strike out lines 21 through 23.

Mr. BINGAMAN. Mr. President, this is in some ways a companion amend-

ment to the one that I just offered a few minutes ago. The lines 21 through 23 on page 81, which I am proposing to strike, read as follows:

Section 8083. Notwithstanding any other provision of law, the Department of Defense shall execute payment in not more than 24 days after receipt of a proper invoice.

Mr. President, to the uninitiated that seems like a very apple pie kind of a proposal. Who could argue with that? The problem with that proposal, Mr. President, is that it will cost the American taxpayers, in fiscal year 1996, \$750 million to advance payment by 6 days from what has been the custom in government and in industry throughout the Western World. So, Mr. President, this is a concern.

Let me go to the bottom line here. We are requiring the Department of Defense to spend an extra \$750 million next year by paying its bills in 24 days rather than in 30 days. We are saying by the language that I am trying to strike out of the bill here—if the language stays in there, we are saying that paying our bills 6 days earlier is a higher priority than providing funds for education, even funds for education of military personnel, such as the Senator from Vermont was talking about just a few minutes ago. We are saying that paying these bills a few days early is a higher priority than funding health care. We are saying that this is a better use of funds than anything else we have been able to come up with.

Mr. President, the simple fact is, the provision in the bill that I am trying to strike out, it is not a serious provision to try to speed up payment of Government bills. If the Appropriations Committee wanted to speed up payment of Government bills by the Department of Defense and require the Department of Defense to pay its bills more quickly than any other agency of Government, then clearly what they would do is provide additional funds, additional staffing to our various contracting centers so they could gear up to do this.

If this became law, this would put a significant burden on those contracting centers which no other agency of the Federal Government has to deal with and, in fact, which no private firm has to deal with. I do not believe there is a private firm in this country that has a policy of paying its bills in 24 days rather than 30 days.

Let me explain to my colleagues what, with this requirement of paying bills within 24 days rather than 30 days, really is going on here.

Earlier this year, much of the discussion about our defense spending was that the problem we had in our defense spending was inadequate funds for readiness. We had hearings in the Armed Services Committee, and we had speeches given saying that we had neglected readiness; the Clinton administration had neglected readiness. So the Budget Committee added both budget authority and outlays for the defense accounts, assuming that some of that

would go to operations and maintenance, which is what we use to fund our readiness accounts.

Instead, all of the additional funds that we are adding to this bill, this \$7 billion, in fact, and in the authorization bill, all goes to procurement and R&D instead of to readiness. So they have \$1.238 billion in outlays left over.

These two provisions, the one that my previous amendment addressed and the one that this amendment is addressing, are provisions that are simply put in this bill to soak up those outlays and to preserve those until they get to conference, so that they can go to conference and have those available to be spent by the conferees on other activities.

Obviously, they are not going to keep this provision in law. There is no intention to do so. I believe this is not good policy. It would be much better to strike these out and admit that the budget resolution made a mistake. If we are not going to put the money into readiness, as we originally thought we would at the time the budget resolution was written, if the problem now is weapons modernization, what we see reflected in the defense bill, the defense appropriations bill as well, then let us shift these outlays to the domestic subcommittees.

We can use these funds in the Labor-HHS Subcommittee, we can use them in the VA-HUD Subcommittee, we can use them in the Interior Subcommittee, which we had a very difficult time with yesterday when we were considering it on the floor because of the drastic cuts which were required to be made in the accounts that are under the jurisdiction of those subcommittees.

So, Mr. President, that is what is really going on here. There is no legitimate effort to try to speed up the payment of bills by the Department of Defense. What we are doing is we have some provisions in here—this one that I am trying to deal with in this amendment will cost the Department of Defense \$750 million. So if it is dropped in conference, then there will be \$750 million of outlays available for use somewhere else by the committee conferees.

I think we are much better off, the American people are much better off, if we recognize we do not need these outlays, given our change in the situation as we see it. We do not need these outlays in the Department of Defense for these purposes and, accordingly, they should be spent elsewhere, or they should be applied to the deficit.

There are a lot of people out there in the country who figure if you do not need to be spending that \$750 million, you should not spend it. That is a hard thing for me to argue with, Mr. President. I do think the better part of valor would be for us to adopt this amendment and that way not have to explain to people in our home States why it was worth \$750 million to them for the Department of Defense to pay its bills 6 days early.

Mr. President, I yield the floor. I know others wish to debate the amendment.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Alaska.

Mr. STEVENS. Mr. President, again, it is a difference of agreement here, but this is money that is owed to private entities, individuals, by the Department of Defense. President Bush ordered that all such payments must be made within 23 days once they are declared to be due and payable. That was moved back to 30 days because of the need for outlays in a bill in 1994. It was not done by this committee; I think it was done by the authorization committee. Someone did it.

The impact of it is that, to the contrary of what the Senator from Mexico says, the further they push out, the sooner the interest is due and payable. This is not a situation where this will save the Government any money by delaying them. To the contrary. It is a budget calculation that you save the money for a particular period, but it becomes due later and, as a matter of fact, it pyramids. So that in the next year, you owe more money and you have to have greater outlays available to make the payments.

If the DOD pays valid invoices in a timely manner, it reduces the cost to the taxpayers and it is a simple thing. When you get a bill from a credit card—how many have credit cards? What does it say? Pay it in 30 days or you pay interest. Now, that is exactly what our law says: Pay it in 30 days or you pay interest. But beyond that, if you pay it sooner, you do not have to have the problem of carrying over, in some instances, into the next year. This amendment has the effect of \$750 million, that if you take it out and put it back in the 30 days, it means theoretically you do not have to spend \$750 million in fiscal year 1996. But guess what? You have to pay that same \$750 million out in the next year and you have to have a greater amount of outlays allocated to you to accomplish that and pay other bills that are also due in 1997.

We are moving back toward a concept of simply saying, "The Department of Defense, pay your contractors within the 30-day period." As a matter of fact, we are calculating that they should pay them within 24 days, and if we do that, this provision will help small businesses, again, because they will be able to survive with the DOD as a customer since they know their bills will be paid promptly.

If they are paid promptly, then they do not have to go down, again, and borrow money to carry over until the Defense Department pays their bills. When that happens, on the next bid, the small businessman or person has to increase the cost to the Government to pay for the cost of carrying their business because they were not paid on time. It is \$150 million a day that theoretically you do not have to have out-

lays for, but guess what? It is not something that goes into a savings account, because it does have to be paid. We are saying pay these invoices on time, pay them in a timely manner, reduce the cost of doing business with the United States and you will get a better price as we go on, and that has been proven.

I do hope the Senate will support us with the concept that is involved here. Again, I have to confess, and I congratulate the Senator from New Mexico on his work and his staff's work, we would not be able to do this if we did not end up with a year that we had outlays that cannot be used because we do not have the budget authority. But since we do that, if we move them now to 24 days, we do not have to do anything next year. There is no savings or loss by keeping that schedule. You have a savings or loss where you change it for the purpose of increasing the outlays or decreasing outlays. We have the outlays available to get this back on time.

I say it is a good place to allocate those outlays. They are going to spend money by paying bills that are due promptly. That cannot hurt the economy.

As a matter of fact, I was raised to pay them when they come in the door and not wait the 30 days. The assumption is they are going to wait at least 24 days before they make the payment on a bill that is presented for payment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Let me just respond very briefly. I am not arguing we should not pay our bills promptly. I pay my bills promptly. I am sure the Senator from Alaska pays his bills promptly. All of the commercial practice that I am aware of calls for people to pay their bills within 30 days. That is the practice in the Department of Defense; that is the practice in the Department of Commerce; that is the practice in the Senate; that is the practice of VISA, Mastercard, and anyplace else you look. I think there is no problem with that. I am not trying to disturb that.

All I am saying is that we can save \$750 million in outlay for use somewhere else in the budget by not having this provision in here that artificially says let us speed up the payments in the Department of Defense. There is not a serious effort to speed up payments in the Department of Defense. If there was a serious effort, if it was really a priority for the Congress to get these bills paid in the Department of Defense in 24 days rather than 30, like everybody else in the Western World—and maybe the Eastern World, too—I would say put some money into these contracting centers; give them additional people. Let us tell them to get these things out the door. I have heard no complaints in my office about them not paying their bills on time. I am just saying, here is \$750 million in outlays that can be better used somewhere

else in the Federal budget. We cannot get the smallest amounts of funding added to for these activities.

The Senator from Vermont was here talking about the importance of education. I have heard so many speeches about the importance of education. You ask your colleagues to support adding \$20 million to education and you would think you asked for Fort Knox. Here we have \$750 million of budget authority—\$750 million that is in this bill simply to speed up the payment of our bills out of the Department of Defense. It is not a priority, Mr. President. It is something we ought to strike out of here. I hope my colleagues will support the efforts to do so.

As I understand it from the earlier statements of the Senator from Alaska, he intends to move to table this amendment. We will have 2 minutes of debate on each side prior to the final vote, is that correct?

Mr. INOUE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUE. Mr. President, I must oppose this amendment. Much has been said, but there are two items. One, it is the policy of this Nation—and we have an act that says we shall promptly pay our debts; that is the law of the land and the policy of the land, to make prompt payments.

Second, among the many reasons we used to justify this change was a very simple one. We have gone through a very painful period in the history of our Defense Department, a period of BRAC. As a result, many fine companies, many manufacturing plants have had to close their doors or to send yellow slips to their employees. And we felt that by speeding up the payment process, we would save them money and provide them the resources to recoup.

Mr. President, it is true that when we went from 30 days to 24 days, we knew it would cost the Government about \$700 million. We could have amended the Prompt Payment Act and gone from 30 to 36 days, and we would have saved—if that is the argument—\$750 million. But we felt that the time had come that with this pain that we are inflicting upon the people of the United States, we should do whatever we can to provide some relief. Keep in mind that for each large procurement—take the B-2—it is not the big companies that are involved; there are 200 small subcontractors. They are the ones who want prompt payment; they are the ones who will suffer, and they are the ones who send out the pink slips.

So, Mr. President, I must oppose this amendment.

Mr. STEVENS. Mr. President, some of the centers have a policy to pay in 10 days. But the overall rate is somewhere around 29, 30 days. We are moving it back because of the reasons stated by the Senator from Hawaii. For 2 years, by the way, a study showed that they actually paid in an average of 23 days.

It was faster than we are requiring now, but it was slipped because of the pressure of trying to obtain outlays.

So, Mr. President, I ask unanimous consent that we have a period of 2 minutes for Senator BINGAMAN to explain his position, and 2 minutes on our side to explain the opposition to Senator BINGAMAN's amendment.

I make a motion to table his amendment based upon that unanimous-consent request.

The PRESIDING OFFICER. Did the Senator from Alaska ask for 2 minutes and 1 minute?

Mr. STEVENS. No, 2 minutes on each side.

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

Does the Senator move to table the Bingaman amendment?

Mr. STEVENS. Yes.

I now ask unanimous consent that the amendment be set aside.

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

Mr. STEVENS. Mr. President, I understand the Senator from North Carolina wishes to comment. And the Senator from Arkansas is here to offer another amendment. When he finishes his amendment, we will try to have a vote on all five of the amendments that will be available for us to vote on at that time. I have not been able to determine from the Senator from Arkansas how long he will take. We will do that soon and announce to the Senate when we expect to vote on the five amendments that will be stacked.

Mr. HELMS. Mr. President, I have been in three successive meetings all afternoon long, each dealing with a different aspect of foreign policy. I have lost track of what is going on the floor. Am I to understand that you have four amendments in line now? I make that parliamentary inquiry.

The PRESIDING OFFICER. Five amendments have been set aside for votes.

Mr. HELMS. Is the amendment of the distinguished Senator from Colorado [Mr. BROWN] one of the five?

The PRESIDING OFFICER. It is.

Mr. STEVENS. It is one of those set aside but not set for a vote as yet.

The PRESIDING OFFICER. No time has been set for any vote, but the Brown amendment, as I understand, has been called up and set aside.

Mr. STEVENS. Mr. President, I will try to clarify the situation as I understand it. We have the Dorgan amendment, three Bingaman amendments, and the Bumpers amendment to come.

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

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

Mr. HELMS. Mr. President, on behalf of the distinguished majority leader,

Mr. DOLE, Senators LIEBERMAN, and MCCAIN, and myself, I shall momentarily send a bill to the desk to be read for the first time and appropriately referred.

I will pause here just a moment, Mr. President, to ask a parliamentary inquiry. Inasmuch as what I am to discuss—and Senator DOLE will be here momentarily to make his comments. We are introducing a bill to be properly referred. Is it necessary that we ask unanimous consent to lay aside any amendment?

The PRESIDING OFFICER. The introduction of a bill is in order only during morning business, so the Senator should request unanimous consent to proceed as in morning business.

Mr. HELMS. Mr. President, on behalf of the majority leader and myself, I ask unanimous consent in that regard.

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

Mr. HELMS. Mr. President, I will defer to the majority leader because he has another appointment that he needs to make.

Mr. STEVENS. Reserving the right to object, and I will not object, will the Senator allow me to make a unanimous-consent request on what will happen after?

Mr. HELMS. Certainly.

Mr. STEVENS. I ask unanimous consent, on an amendment offered by Senator BUMPERS, there be a 1-hour time limit, 45 minutes for the Senator from Arkansas, and 15 minutes for the opponents.

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

Mr. STEVENS. That will follow the introduction of the bill by the distinguished leader, and the Senator from North Carolina.

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

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

(The remarks of Mr. DOLE and Mr. HELMS pertaining to the introduction of S. 1157 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

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

Mr. WELLSTONE. Mr. President, I ask unanimous consent that after the Bumpers amendment I be able to offer an amendment.

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

The Senator from Arkansas.

AMENDMENT NO. 2395

(Purpose: To reduce the amount of total contingent liability of the United States for defense export loan guarantees)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 2395.

Mr. BUMPERS. 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:

On page 69, strike line 3 and insert in lieu thereof the following: "section may not exceed \$5,000,000: *Provided further*, That the exposure fees charged and collected by the Secretary for each guarantee, shall be paid by the country involved and shall not be financed as part of the loan guaranteed by the United States."

Mr. BUMPERS. Mr. President, I do not know what the people were thinking last fall when they swept the Democrats out of Congress and turned it over to the Republicans. But I can tell you one thing that I do not think they were thinking. I do not think they intended for us to design yet one more way to sell arms in the international market. We have four methods on the books right now; four—count them. We have four ways that the arms merchants of this country can finance arms sales to other nations. You would think that would be enough. Obviously it is not. We have a fifth one in this bill.

No. 1, most people do not know it but the President can guarantee any loan from any company to any country. That is a powerful thing for the President. He does not often exercise the power. But he has it. Then every year when we pass our foreign operations bill—the bill that the ordinary man on the street in this country thinks is going right down a rat hole—a good big portion of that is for weapons, \$1.5 billion for Egypt, \$1.5 billion for Israel. If anybody wants some weapons, stand in line. We will give them to you. If you cannot afford them, we will finance them for you. That is called the Foreign Military Financing Program; No. 2.

No. 3, securities assistance: The Securities Assistance Program I think is also in the foreign operations program. I am not sure. But that is where we finance a country-to-country sale. I assume we take weapons out of our stock, out of our inventory, to sell to somebody else, and we finance it; No. 3.

No. 4, 3 years ago I fought like a saber-toothed tiger to keep the Eximbank out of the arms financing business, and succeeded marginally. We kept the Export-Import Bank from selling tanks, howitzers, airplanes, and lethal weapons. But they now are permitted to finance nonlethal military equipment. I guess that means tents and blankets and anything that will not explode.

Now here is the fifth one in the DOD authorization bill.

I get too loud when I am on the floor of the Senate. But I feel so strongly about these things I guess it is irresistible to express my contempt for the United States to be the leading arms merchant of the world, and now we are setting up yet another program to make it easier for countries to buy all the weapons they want. Do you know who most of these countries are? They are people that are starving their own people to buy weapons. That is the moral dimension to arms sales.

But here is the financial dimension. This bill that we have before us right now provides for 15 billion dollars' worth of credits to sell arms to foreign countries. I am going to tell you this is a real enigma to me. I do not understand it nor has anybody been able to explain it to me. They say it will work just like the Export-Import Bank works. You pay a fee. You bear in mind that this is not set up yet. The authorization bill directs the Department of Defense to set this program up and to guarantee loans from arms manufacturers in this country to about 37 different nations. Turkey, for example, who cannot afford a turkey sandwich will be eligible. I do not mean to demean Turkey. They have been a reliable ally of ours. But they are a poor nation. They cannot afford it. But here is \$15 billion in this bill.

Just so you will know. I did not drag that figure out of thin air. On page 68 of the bill, section 8067, "To the extent authorized in law, the Secretary of Defense shall issue loan guarantees in support of U.S. defense exports not otherwise provided for, provided, that the total contingent liability of the United States for guarantees issued under the authority of this section may not exceed \$15 billion."

My colleagues, all you tight-fisted budget balancers who ran last year and promised the American people how you were going to balance the budget, go home and tell them that there is \$15 billion in this bill that is not even scored, and does not count for anything.

When I sit down I want the managers of this bill to tell us how we can assume \$15 billion in contingent liabilities and it not cost us one penny. In my 21 years in the Senate I have never heard—my staff tells me there are a couple of examples like that—but I have never personally heard of us assuming a \$15 billion liability and it does not cost us anything. It sounds like the good old days of the S&L's in the late 1980's to me.

So how does this work? An arms manufacturer comes to the Defense Department and says, "We have country A and they want to buy 500 million dollars' worth of weapons from us, and we sure would like to sell them because we have 3,000 people working in plants that will produce this 500 million dollars' worth of weapons."

The DOD which wants to set this program up will say, "Well, you have to pay a fee."

"How much?"

"One percent." What is 1 percent of \$500 million? The authorization bill says this will be paid either by the country that is buying the weapons or by the company that is selling them.

I strike company in my amendment. Do you know why? Everybody here knows that a company will say, "Look. This is really \$500 million." But you do not have \$5 million to pay the fee. "We will pay it for you." And the sale price will be \$505 million. So instead of charging them \$500 million, they charge \$505 million. And they get their \$505 million, and they turn around and put \$5 million of it in the DOD treasury as the guarantee.

I say if we are going to do it—you all know we debated this the other night. I tried to strike this in the authorization bill. I think I got 40 votes, and when you have 100 Senators and you only get 40 votes, you lose. I lost.

But I am saying that if you are going to go forward with this program, which I deplore, at least make the purchasing country put up the fee. If they do not have enough to pay a 1- or 2-percent fee, whatever it happens to be, they certainly have no business obligating themselves for such massive amounts—98 percent and 99 percent—more than they can come up with even for the guarantee.

Mr. President, right after Desert Storm we had a field day. In 1993, 1994, and 1995, we sold 54.5 billion dollars' worth of weapons. Incidentally, some of these countries we sell these weapons to American men often get the opportunity to face those weapons because those weapons last longer than our friendships. I was in Iran in 1976 when the Shah was trying to buy every single weapon we would sell him.

I went to an airport in Tehran. It was loaded with F-16's. And he could hardly wait for us to produce the F-18. He wanted that one, too. And the Shah wanted weapons and a strong military not because of an exterior threat but because that was the way he solidified his power. Now, unhappily, he was replaced with a government that was just as bad, but all these dictators want weapons to make sure nobody challenges their authority. And he was no exception.

So now one of the people we classify as one of the most likely adversaries of the United States is Iran. Iran has a big arsenal of weapons that we sold them, and they are considered one of the four most likely adversaries we will ever have to face.

Vietnam, what an arsenal we left when we left there. The Vietnamese were rich with American weapons, and they sold them to the contras. They sold them to Cuba. I never liked the idea of selling the Afghans Stinger missiles. One Stinger missile can hold any international airport in the world hostage. A terrorist can simply say: We

have a Stinger missile. Any airliner coming into this country and into this airport is going to get it at some point. The whole city and the whole country is terrified as a result.

I am not sure how many Stingers we sold to Afghanistan. I voted no, no, no, and yes. It came up constantly because we felt the Afghans could make the Soviets losses so great they would pull out. And let us face it; it pretty much worked. But there is a problem. We do not know what happened to all the Stingers. Iran—I mention Iran again—got 35 of them, so I am told.

So Iran, which is considered a terrorist nation, is in a position to hold 35 international airports hostage thanks to Uncle Sugar.

That is all just a way of coming back from whence I started. This program has not even been set up. My amendment says it is not likely to be set up and very many sales made before we argue these points again next year. My amendment says, therefore, let us cut this \$15 billion authority to \$5 billion. We are only planning on selling 10 billion dollars' worth of weapons in foreign sales this year which, incidentally, will probably be about 52 percent of all arms sales in the world except France made a couple of big airplane deals so they have quite a few weapons to sell this year. They will be a player. But today we sell 52 to 53 percent of all the weapons sold in international commerce, and by the turn of the century we will be up to 59 percent.

Let me ask my colleagues, for a brand new program, never been tried, we do not know how it is going to work, do you think it makes more sense to start with a \$5 billion authority or a \$15 billion authority when we are only likely to sell a total of \$10 billion from all sources in the coming year? And that will include foreign military, the foreign military sales program that is in the foreign aid bill, the securities assistance programs, the Export-Import Bank program, any arms weapons that the President guarantees the price of. Do you not think \$5 billion is going to be enough?

But here is the real clinker in this whole thing. How do we guarantee \$5 billion or \$15 billion with no liability? As I say, that beats the S&L crisis. We are going to take a fee from these people to sell weapons and if they default, as Egypt did in 1990 to the tune of \$7.1 billion, DOD has to pay it. Where do they get it? Congress gives it to them. Where does Congress get it? Right out of the pocket of the old taxpayer.

I have been through this defense bill for 20 years. This is one of the most bizarre things I have ever seen. They put \$15 billion in there as though it is chump change and say sell 15 billion dollars' worth of weapons and, Congress, do not worry; do not score it; it does not count on the deficit. If all these people default, you have to cough up \$15 billion, but we will worry about that later.

It is the height of irresponsibility to pass something like this. But I have al-

ready tried to kill the program without success. So now I am saying for God sakes, do not put \$15 billion in a brand new program that nobody has a clue as to how it is going to work. I feel like the most magnanimous person in the world by saying \$5 billion is enough.

When the managers of this bill take issue with this amendment, I do not want them to overlook telling my colleagues in the Senate how you put \$15 billion in authority here to finance 50 billion dollars' worth of weapons, a good portion of which we will wind up paying for because these countries will default on. Only the least creditworthy countries are going to opt for this. I want you to tell my colleagues where the money is coming from.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. I send a modification of my amendment to the desk.

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

The amendment, as modified, is as follows:

On page 69, strike line 3 and insert in lieu thereof the following: "section may not exceed \$5,000,000,000: *Provided further*, That the exposure fees charged and collected by the Secretary for each guarantee, shall be paid by the country or company involved and shall not be financed as part of the loan guaranteed by the United States;".

Mr. INOUE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. BUMPERS. Mr. President, if the Senator from Hawaii will yield, just for edification we inadvertently put in \$5 million instead \$5 billion.

Mr. INOUE. I have been advised the Senator from Connecticut wished to be recognized to speak against the amendment.

Does the Senator from Connecticut wish to be recognized?

Mr. President, may I yield 5 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. Five minutes are yielded to the Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair.

Mr. President, I rise to speak in opposition to the amendment offered by my friend and colleague from Arkansas.

Mr. President, there is a sense of déjà vu about this because we did, as the Senator from Arkansas has indicated, argue this out in an amendment he submitted to the Department of Defense authorization bill on the subject, which was an attempt to actually do away with the program entirely. Here in this amendment he aims to diminish the guarantee authority from \$15 billion down to \$5 billion.

I was pleased to initiate this proposal with my colleague from Connecticut, Senator DODD, and with my colleague from Idaho, Senator KEMPTHORNE. I believe Senator KEMPTHORNE is on his way to the floor to speak against the amendment that has been offered.

There is a basic point here to which I do want to go back, which is that we are talking here about a way to make sure that the American defense industry can compete on a level playing field with the defense industries of other countries that are competing in the area of arms sales around the world.

Mr. President, part of why we feel this is necessary and why it is a decent investment—in fact, a cost-free investment—is because all the fees are paid by those who are beneficiaries of the program. We obviously are in a time where the resources we are devoting to defense are shrinking. There have been some arguments here about whether we are spending too much in the defense authorization bill or in the appropriations bill for defense purposes before us now as others have said before me. We are spending for defense at a percentage of GDP that is historically low. And the world, with the cold war over, remains a troubled world.

But let us leave that macroeconomic data aside. The fact is that each of us knows—and I can speak to this with painful intimacy coming from the State of Connecticut—our defense industries are cutting back. Thousands of people are being laid off who had good jobs and are having trouble providing for their families. That, of course, is just the worst experience for them.

But what is at risk is the capacity of our country to maintain an industrial base for defense purposes so that we are capable of at least turning out a reasonable, if not minimum, number of weapons systems and equipment that we can use to defend our national security, but also to preserve these defense factories, to keep them alive, even if at a drastically reduced level, so that in case of some future conflict or crisis we will have the ability to surge, to build more; we will not have to recreate these industries.

One way to do it, frankly, is for American defense companies to be involved in arms sales throughout the world. This is not a case of America sort of pushing arms on people who do not want them. This is a case of a demand for arms that will be satisfied either by American companies making weapons, made by American workers, or that demand for arms will be satisfied by foreign defense companies employing foreign defense workers. And what our companies find increasingly is that they are losing contracts to other defense companies from other countries because their governments have defense loan guarantee systems.

This is the basic principle of the Eximbank which has been so important to American exporters generally, which, generally speaking, the American defense industry is prohibited from employing that we are now attempting, through the creation of this program, to extend in a limited way

without risk here, limiting the number of countries that can be supplied with weapons. And when we went through this before, my friend from Arkansas cited many countries. But let us be very clear about it. The only countries that can participate are NATO allies, our major non-NATO allies, or qualified Central European and APEC non-Communist countries in Asia. That is a total of 37 countries. The program mechanics that are set up are structured so that defaults are highly unlikely and a country that has any record of risk will have to pay very high administrative fees.

Mr. President, this is a 2-year program. Reports are required on the cost, benefits and recommendation for modification. The \$15 billion limit which is in the defense appropriations bill that is before us now perhaps will not be reached, although the truth is that in this area \$1 billion is a sale number that recurs over and over again. So we have to see what develops.

The authorizing language in the Department of Defense bill requires that a fee be paid incrementally in proportion to the amount of the guarantee issued. And I think that is in its way a response to the second part of the amendment offered for my friend from Arkansas.

I saw an article in the paper the other day. I say, finally, Mr. President, unfortunately I did not cut it out, and I do not have it with me. But it said in one category, in a large category of arms sales, that last year the French actually replaced the United States in sales. French sales doubled. American sales were cut in half. And that is a significant development which has implications for the jobs of thousands of workers here in our country and in defense plants and has implications, as I indicated, for our industrial base.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LIEBERMAN. I thank the Chair and look forward to returning as the debate continues.

I urge my colleagues to defeat the amendment as they did defeat a similar amendment on the DOD authorization bill.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, Senator BUMPERS' amendment will limit the ability of the Government to guarantee loans for defense exports to \$5 billion.

Now, that seems reasonable at first blush. But this is the situation. I am told that we are in a period of reduced spending for domestic requirements for defense systems and defense equipment. At this time defense exports make a significant contribution not only to the preservation of U.S. jobs and industrial base, but to the extent they are successful, actually lower the unit cost of the defense production

that we must acquire if there is a wider market throughout the world for the produce that comes out of our major defense industries.

Now, we have found that in the international defense export market, it is a very competitive market and one that is very difficult for a U.S. defense company to deal with, unless it can offer the same kind of proposal that its competitors can offer.

Particularly this is so because the market financing is one of the main factors, a decisive factor, in what is the cost of the loans. These guarantees give our U.S. industrial base the opportunity to be on a level playing field with industries from governments that do not just guarantee loans, they actually loan their industry money.

Now, the Department of Defense has indicated to me that it strongly supports this program because it gives the U.S. industrial base the opportunity to compete in the world market and will reduce the cost of our acquisition of systems in the future.

This amendment was proposed to the Senate Armed Services Committee last week. That was defeated by a substantial amount. I do believe that the Senate should be reminded we voted against this amendment just last week by a vote of 41 to 58. Now, it is our intention to oppose the amendment and to make a motion to table when all time has expired.

How much time remains?

The PRESIDING OFFICER. The Senator has 7 minutes 7 seconds.

Mr. STEVENS. I see the Senator—How much time? Five minutes?

Mr. KEMPTHORNE. Five minutes.

Mr. STEVENS. I yield the Senator 5 minutes.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. KEMPTHORNE. Thank you. And I want to thank the floor manager.

I rise in opposition to the amendment offered by my friend from Arkansas. The Bumpers amendment proposes to limit the amount available for the self-financing—I stress the self-financing—export loan guarantee program at the Department of Defense.

As the Senator from Alaska pointed out, last week we dealt with this very issue. The amendment was defeated 41–58. The program provides financing for defense sales to a very selected list of countries that meet all the existing export controls and nonproliferation policies of this administration. It grants the administration the authority, but it is not a requirement that they must utilize this program.

It is also important to note that the authority is not limited strictly to arms. In many cases American companies lose bids to maintain or upgrade previously sold military equipment because they cannot offer financing.

The program in the defense authorization bill will allow U.S. companies and American workers to compete on a

level playing field with our international competitors. Today almost every major arms exporter provides financing to support the export of their domestic products and services.

Indeed, some purchasers now make financing a requirement before a company can bid on a proposed purchase.

The program is financed by fees paid by the buyer or the seller. Based upon the exposure fees charged by the Export-Import Bank, the fee is determined by the creditworthiness of the buyer. Therefore, a high-risk buyer is excluded by the high-exposure fee which makes the loan too expensive for them to even enter into.

The list of eligible countries is limited to our NATO allies, nonmajor allies, Central European countries moving toward democracy, and selected members of the Asian Pacific economic cooperation group.

Of the 185 members of the United Nations, only 37 countries would be eligible for this program.

Mr. President, I ask unanimous consent that the list of those 37 countries be printed in the RECORD.

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

THE LIST OF ELIGIBLE COUNTRIES

1. Albania.
2. Australia.
3. Belgium.
4. Brunei.
5. Bulgaria.
6. Canada.
7. Czech.
8. Denmark.
9. Egypt.
10. France.
11. Germany.
12. Greece.
13. Hong Kong.
14. Hungary.
15. Iceland.
16. Indonesia.
17. Israel.
18. Italy.
19. Japan.
20. Luxembourg.
21. Malaysia.
22. Netherlands.
23. New Zealand.
24. Norway.
25. Philippines.
26. Poland.
27. Portugal.
28. Romania.
29. Singapore.
30. Slovakia.
31. Slovenia.
32. South Korea.
33. Spain.
34. Taiwan.
35. Thailand.
36. Turkey.
37. U.K.

Mr. KEMPTHORNE. Mr. President, as a result of our defense downsizing, American companies continue to lay off thousands of U.S. defense workers every month. This program will help us avoid paying unemployment for the defense workers of America and help us preserve the United States defense industrial base.

It makes sense to sell U.S. defense systems and services to our friends and our allies, assuming those countries

qualify for the equipment under our existing export controls.

The House-passed defense authorization bill includes similar language, and in a strong bipartisan vote, the House voted 276 to 152 to keep this language in the bill.

Mr. President, in conclusion, I stress again this certainly is far more advantageous than us paying unemployment benefits to American workers who are unemployed. It allows us to keep our defense base in production. It allows us to have capacity, should we need it, to again provide for the needs for this country. This program goes through the existing safeguards that are in place for nonproliferation, and it is an authority. It is not requiring the administration to do so. It is a tool that can help our allies, that can help our friends, but it also is significantly going to help the American worker.

With that, I yield my time back to the floor manager and yield the floor.

THE PRESIDING OFFICER. Who yields time?

Mr. BUMPERS addressed the Chair.

THE PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. How much time do I have remaining?

THE PRESIDING OFFICER. Twenty-seven minutes and eighteen seconds.

Mr. BUMPERS. I yield such time as the Senator from Illinois may require.

THE PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I thank my colleague from Arkansas, and I thank him for this amendment.

There is only one flaw with this amendment, and that is it still has \$5 billion in it. It should not have anything.

Do you know what the total amount owed by all countries through the years, the accumulated amount right now is? The total amount owed by other countries right now is \$16 billion. This will, for all practical purposes, double.

We do from time to time forgive loans to other countries, and I have voted for them. I am not critical of this. But when we make these loans for weapons—Egypt, for example, we forgave \$7 billion. I voted for it. Poland, I forget what the amount was we forgave. That did not happen to have any weapons in it. Jordan we forgave.

I note the presence on the floor of Senator LIEBERMAN from Connecticut who was mentioned, that this came as a suggestion from Senator LIEBERMAN and Senator DODD. They are two of the finest Members of this body. But even a fine Member can be wrong, and the State of Connecticut which has a lot of defense industry happens to have the highest per capita income of any State in the Nation. We should not shed too many tears for people in Connecticut, and certainly should not burden the taxpayers of the United States of America with \$15 billion worth of debt.

We are already far in excess of where we ought to be in this defense appro-

priation. We are spending more than the next eight countries combined. If you look back to 1973, I say to my colleague from Arkansas, put the inflation factor on and we are spending more today than we were in 1973 on defense. Then we were in Vietnam, we had twice as many troops in Europe, we had a cold war, we had a totally different situation. And here, through the back door—and that is really what is going to happen—through the back door, the Defense Department and the U.S. taxpayers are going to guarantee \$15 billion worth of weapons to any country that defaults. Guess who automatically, not through a vote here—at least in the case of Egypt, the case of Poland, the case of Jordan, we had to have a vote on the floor of the United States Senate. Now it will just be automatic for any country that defaults.

I think it is not sound policy. We talk about deficits, and we let something like this get out and we will pick up a huge, huge burden.

Let me ask my colleague from Arkansas a question. If Ford wants to sell some Fords to some other country, do the U.S. taxpayers guarantee those sales?

Mr. BUMPERS. Mr. President, the answer to that is “yes,” under certain conditions, the Export-Import Bank would finance it.

Mr. SIMON. The Export-Import Bank would finance it only to the extent that there may be a risk to that government.

Mr. BUMPERS. Absolutely.

Mr. SIMON. It is not this kind of a guarantee.

Mr. BUMPERS. I might also say that is not a 100-percent guarantee either.

Mr. SIMON. Right. In fact, we will say to the defense industry, “You are going to get preferential treatment over Ford, Chrysler, and General Motors. You are going to get preferential treatment over farmers who want to sell grain.” Any nonmilitary exporter, you are in the second tier. The preferential treatment goes to the defense industry. That does not make sense.

As I said in my opening remarks, there is only one thing wrong with this amendment. He leaves \$5 billion in there. I wish we did not have the \$5 billion in, but I know the Senator from Arkansas is trying to be practical.

What we are doing, if we approve this—there is no question for those who say this will be great for the defense industry, they are right. This will not be great for the taxpayers of America. I commend my colleague from Arkansas.

Mr. BUMPERS. Mr. President, I thank my very distinguished colleague and good friend from Illinois for his comments. When he leaves the Senate, there is going to be a great big void. He has been the conscience of this place on so many occasions.

I cannot say that particularly about myself, but I do not know who has fought many more laudable but losing causes than I have, unless it is the Senator from Illinois.

I say to my colleague, it is tough to shape this place up, is it not?

Let me just close with a few remarks. First of all, my good friend from Alaska, the chairman of the committee, said the administration supported this. Here is what, 10 days ago, the White House said in its Statement of Administration Policy:

The bill would require the Secretary of Defense to establish a program to issue loan guarantees ensuring against losses arising from the financing of Defense exports to certain countries. The administration opposes this program because the administration has not found it necessary given the availability of existing authority for transactions of this type and the substantial American presence in international markets for military equipment.

So we are not alone. The administration also opposes this.

No. 2, let me just remind my colleagues—because our memories grow dim around here in about 2 days—George Santayana said, “Those who do not understand history are doomed to repeat it.” Voltaire, a long time before that, said, “History does not repeat itself; men do.”

We never seem to learn around here. We just keep making the same mistakes and paying heavy prices. But I agree with Bill Perry: We do not need this program. Let me ask you this. Who here wants the United States to guarantee arms loans to Albania? Who here wants to guarantee arms sales to Bulgaria? Who here wants to guarantee loans to the Philippines? Then there are Hungary, Slovakia, Slovenia and Romania. They are fine countries. But are they good credit risks? How many of you want to stand up and say, I think this is a jim-dandy idea to finance weapons to those countries? People are staring in the streets in some of them. It is almost obscene to encourage them to buy weapons.

Do you remember the big agricultural loan program to Iraq? We really did not want Iraq or Iran, either one, to win the war, and it looked for a time as though Iran might have a little of the upper hand, so we started financing agricultural sales to Iraq. It went the same way as when our weapons are turned against us. Look where Iraq is now—a mortal enemy, and we are paying off \$2 billion in agricultural loans that we guaranteed to Iraq. But that has been 10 years ago, and the Senate just cannot remember that far back.

The Senator from Illinois, a moment ago, said that we are spending more money than our eight most likely adversaries. I hesitate to correct my good friend, but the truth is that we spend twice as much as our eight most likely adversaries, including Russia, China, Iraq, Iran, North Korea, the whole schmear—twice as much as all of them combined.

What has been the record on the four programs we have in existence right now in arms sales? I am not absolutely sure of this, but I think Norway and Israel are the only two nations that have been totally reliable in paying their

debts to us. Already this year, we have forgiven Jordan \$300 million they owe us for arms, and I was for it because they have been instrumental in the Middle Eastern peace process. But \$300 million where I come from "ain't bean bag." I also voted to forgive Egypt the \$7.1 billion in 1990, because they are an important ally. But you are going to be voting for a lot more of those if you pass this thing.

The worst argument I know of for arms exports is jobs. Let me say to the Senator from Connecticut right now, you vote against this program and I will vote for whatever you want up to a billion dollars to attract industry to Connecticut.

Did you see where Virginia just got a new deal for a chip manufacturing company? It did cost Virginia some money, \$165 million. But compared to financing \$500 million worth of weapons and guaranteeing them to a poor country that can't afford them, that is the best deal Virginia will ever pull off, and it is the best deal for the United States Government.

So, when it comes to jobs, I promise you, with what we are going to wind up paying out of this program, we could create three times as many jobs as the arms industry is going to get out of this program.

Another argument is: "If we do not do it, somebody else will." The one thing my father told me when I was a kid is, "I do not want you to be like others. I do not want you to do things just because everybody else is doing it." I suspect I am not the only Member of the Senate whose parents ever admonished him on that point. He expected more of me. But, above all, he wanted me to think for myself and do what I thought was right, not just because somebody else was doing it. And we are going to sell these weapons because if we do not, somebody else will. Let them. Why should we be immoral just because somebody else is immoral?

Finally, Mr. President, I know, after my 21 years in the Senate, what this is; this is a foot in the door. You get this program firmly in place, and next year it will not be 37 countries eligible, it will be 50. And the year after that, it will be 60. I have never, in 21 years, seen that prediction fail. It is the nose under the tent.

So, Mr. President, I have done my best to talk sense on this issue—I am sure to no avail. The Senator from Alaska will move to table. Some Members will walk in that door not having a clue as to what was said in this debate, and they will vote however he tells them to vote. Serious indictment, but true. And they will go home to the Chamber of Commerce, and if there is an industry in that town that has an overseas sale, they will take credit for it. And if the taxpayers wind up having to pay that loan off, you will never hear that mentioned in the same Chamber of Commerce banquet.

Let me tell you a little anecdote that has nothing to do with this debate. But

I have chided the Senator from Idaho about the amendment he offered the other night on the hard rock mine law reform that said mining companies will be required to pay the fair-market value for the land. I squealed like a pig under a gate, and you could have heard me in Charleston, AR, about what a sham that was. The truth of the matter is that the land has no value; \$10 per acre will cover most of it. It was the billions of dollars worth of gold under that ground I was talking about.

Anybody that voted for that, who does not come from a mining State, can go home, and if somebody asks him a question in a town-hall meeting, "How come you voted to give away \$15.5 billion worth of gold the other night to the richest mining companies in America," he can say, "I also voted to make them pay fair-market value." They will not tell you it was just for the surface and not the minerals. Who in that room is going to know the difference?

Mr. STEVENS. Mr. President, I point out to my good friend from Arkansas that section 8067 says, "To the extent authorized in law, the Secretary of Defense shall issue loan guarantees in support of U.S. defense exports not otherwise provided for."

We go on to say that total contingent liable, "the total guarantees under this authority may not exceed \$15 billion." We are putting a limitation on existing law. The law, by the way, is contained in the authorization bill that has not passed yet. We are really putting in this section a limitation on a law that may be enacted in September.

It is a total outstanding guarantee and cannot exceed \$15 billion. In view of the amount that we do, in fact, procure ourselves, that is really not an extensive amount in the worldwide scene to try to make sure that our allies and those who are aligned with the United States are able to provide the defense that we rely upon them to provide.

Does the Senator from Connecticut desire to speak?

Mr. LIEBERMAN. I ask for the Senator to yield the remaining time.

Mr. STEVENS. I yield.

Mr. LIEBERMAN. Two points. The Senator from Alaska made the point, I think convincingly, about why the \$15 billion was chosen.

Second, the Senator from Arkansas keeps talking about leading some programs to conclude that we are granting money, these billions of dollars to foreign nations.

These are loan guarantees. Every other loan guarantee program, and the fees, are paid by those who use the program, and they have default rates that are extremely low. The State of California has operated a program like this for 10 years. The default rate is just under 1 percent.

Finally, to my friend from Illinois, it is true we have the highest average income in Connecticut, but believe me, it is not based on those who work in the defense industry. They are losing their

jobs. This bill will save thousands of those jobs and keep those workers and their families at a decent level.

A final example, in the State of Connecticut the Norden defense industry operation was forced to move some of its production to Canada in order to qualify for the Canadian export defense loan guarantee program to allow Norden, a Connecticut company, to sell to a foreign buyer. Mr. President, 72 jobs leave Connecticut.

This bill will turn that around.

Mr. BUMBERS. How much time is remaining?

The PRESIDING OFFICER. Eleven minutes are remaining.

Mr. BUMBERS. I will take just a minute, Mr. President, to remind my colleagues of one thing: The bill allows the company selling the weapons to pay the guarantee fee.

Think about that. They can either add it to the price of weapons and then finance the entire thing, thereby financing effectively the fee that they have paid, or they can have such a cushy profit in whatever they are selling they will say we will sell them for \$16 million apiece and we will pay the fee. If the fee is 1 percent and their cost is \$12 million for that product, they still have a bonanza.

I want Members to think about this: Here is a loan program that is going to make every other program pale because the company—if you do not vote for this amendment—the company can pay the fee and finance it as part of the loan that is guaranteed by the taxpayers.

So everybody that wants weapons and do not have the money to pay for the weapons, and do not even have the money to pay a fee of 1 percent or 2 percent, the company will pay it. And Uncle Sugar is going to be held for the principle of the loan.

I still do not understand how we can obligate ourselves for \$15 billion in this bill and not have a dime scored against the deficit or against this bill. It is in the bill—\$15 billion. The Senator from Alaska says we have not authorized that yet; that is only because we have not passed the Defense Authorization Bill yet. Passing that is as certain as the Sun coming up in the morning.

I am not even trying to kill the program. I have tried that already and got 41 votes. I am trying to reduce our liability from \$15 billion to \$5 billion just for 1 year. They do not need \$15 billion. They have not even got the program in place yet.

Colleagues, for God's sake, do your duty. I yield the floor.

Mr. STEVENS. Mr. President, I ask that we proceed with the amendments that have been set aside, calling up first the Dorgan amendment for final consideration, with time for an explanation.

This amendment would cut national defense spending by \$300 million. The arguments have taken place. The spending here in this bill is consistent with the levels in the Senate Armed Services authorization bill.

The same amendment was defeated by a vote of 51 to 48 last week.

The PRESIDING OFFICER. If there is no objection, the amendments will be considered in the order they were offered.

Mr. STEVENS. I yield 5 minutes to the Senator from Oklahoma.

Mr. BUMPERS. Will the Senator from Oklahoma yield for just a second? I failed to yield back the balance of my time and I am prepared to do that.

AMENDMENT NO. 2377

Mr. STEVENS. I yield 3 minutes on the Dorgan amendment to the Senator from Oklahoma.

Mr. INHOFE. I thank the Senator from Alaska for yielding this time.

At the risk of sounding redundant, I do not feel badly about that because the Senator from North Dakota has been redundant in his discussion of this effort to take the money out of our national defense system.

I think what we need to do is be sure we understand that we have voted on this amendment before. This amendment has failed before. This is the same amendment. It is not changed at all. It is taking \$300 million out of what we feel is necessary to put ourselves in a position to have a national missile defense system of some sort by the time the threat is here by the year 2000.

The assumption from the Senator from North Dakota is that there is no threat out there, that the cold war is over and the threat is no longer there. Yet at the same time, the former security adviser to the President of the United States, Jim Woolsey, has said we know between 20 and 25 countries that have developed or are developing weapons of mass destruction either nuclear or chemical or biological, and they are developing the missile means of delivering those weapons. Five of those countries are North Korea, Iraq, Iran, Libya, and Syria.

We learned in the Persian Gulf war that the technology of the short-range missiles is there. It is a reality. It works. The Scud missiles were aimed at Israel and Saudi Arabia and our United States troops. In fact, 28 of our troops, the largest single casualty in one incident, was the result of a Scud attack.

The CIA has now said the Taepo-Dong I intercontinental missile should be ready by the year 2000, and it is ironic that the two managers this afternoon are from Hawaii and Alaska. The Taepo-Dong I intercontinental missile would have the capability of reaching both of those States by the year 2000.

It is something that is here. It is upon us now. Even though the CIA came out and said a long-range missile is not likely, not likely by the year 2005, not likely is not enough security for me to ignore the fact that we have a \$38 billion investment in a system that could be ready for deployment in the year 2000.

We have talked about this before, but the threat is very real. The intelligence

community agrees that the threat is real.

As I asked the Senator from North Dakota when we debated this earlier, what if you are wrong? What if it is the year 2000 instead of the year 2005? We have an opportunity right now. This is not Star Wars. This is not a fantasy. This is a technology that is here today, with a combination of land-based missiles, Aegis missiles, the 22 ships we have that are ready for the upgrades.

This is a system that can be improved upon now. We can come up with at least a modest method of defending ourselves by the year 2000.

For those who may have seen on television from my home State of Oklahoma the devastation that took place with the Murrah Federal Building, standing outside as I was, on April 19, 20, and 21, not knowing how many people were alive and dead in that building, and you multiply that disaster by 1,000, that is what we are potentially faced with.

All we are trying to do is keep the \$671 million to keep the development going so we can be ready by the year 2000 in the event the threat is there at that time. It is very reasonable.

I urge my colleagues to vote against it as they did before on the Dorgan amendment.

Mr. STEVENS. Mr. President, I yield the remainder of time on our side on the Dorgan amendment.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUE. Mr. President, on behalf of Senator DORGAN, I yield the remainder of his time.

The PRESIDING OFFICER. The question now occurs on the Dorgan amendment.

Mr. STEVENS. Mr. President, may I make a statement before we start? It is our intention, following this amendment, to have a dialog concerning further amendments after this amendment.

I ask unanimous consent the votes to follow this amendment, there are four others that will come immediately thereafter, will be limited to 10 minutes each.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Reserving the right to object, I understood from the Senator from Alaska there would be a 4-minute hiatus between each vote to be equally divided between the proponents and opponents of each amendment, 2 minutes each.

Mr. STEVENS. The Senator is correct. That may be extended in some instances. But the request I have just made limits the time within which to take the rollcall. It limits the time of the rollcall, not the time preceding the rollcall. I renew my request.

Mr. BUMPERS. Will the Senator consider making that a part of the request, for 4 minutes in between each vote?

Mr. STEVENS. I say to the Senator from Arkansas, there are at least 2

minutes on each side before each vote. I have been informed there may be a request for additional time before one or two of the votes, and we are prepared to yield that if it is necessary.

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

VOTE ON AMENDMENT NO. 2377

The PRESIDING OFFICER. The question now occurs on agreeing to the Dorgan amendment No. 2377.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER (Mr. BENNETT). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 45, nays 54, as follows:

[Rollcall Vote No. 384 Leg.]

YEAS—45

Akaka	Feingold	Lautenberg
Baucus	Feinstein	Leahy
Biden	Ford	Levin
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Breaux	Gregg	Moynihan
Bryan	Harkin	Murray
Bumpers	Hatfield	Pell
Byrd	Jeffords	Pryor
Chafee	Johnston	Reid
Conrad	Kassebaum	Robb
Daschle	Kennedy	Rockefeller
Dodd	Kerrey	Sarbanes
Dorgan	Kerry	Simon
Exon	Kohl	Wellstone

NAYS—54

Abraham	Gorton	McConnell
Ashcroft	Gramm	Murkowski
Bennett	Grams	Nickles
Bond	Grassley	Nunn
Brown	Hatch	Packwood
Burns	Heflin	Pressler
Campbell	Helms	Roth
Coats	Hollings	Santorum
Cochran	Hutchison	Shelby
Cohen	Inhofe	Simpson
Coverdell	Inouye	Smith
Craig	Kempthorne	Snowe
D'Amato	Kyl	Specter
DeWine	Lieberman	Stevens
Dole	Lott	Thomas
Domenici	Lugar	Thompson
Faircloth	Mack	Thurmond
Frist	McCain	Warner

NOT VOTING—1

Bradley

So the amendment (No. 2377) was rejected.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. I call attention to the fact that this next vote will be a 10-minute vote, and under the agreement we will have now a series of votes. Just before the votes we have 2 minutes on each side to explain the amendment.

Senator BINGAMAN has 2 minutes. It can be yielded back.

AMENDMENT NO. 2390

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. BINGAMAN. I thank the Chair.

Mr. President, this amendment is sponsored by myself, Senator LAUTENBERG, Senator EXON, and Senator KERREY from Nebraska.

The purpose of this amendment is to provide in this bill funds for the highest priority that the Secretary of Defense has identified if we are in a position to provide any additional funds in this defense bill.

As everybody here knows, the administration asked for a certain level of funding, and this body is adding \$7 billion to that pursuant to the budget resolution. The Secretary told us in the Armed Services Committee that if we had any additional money—not if we had \$7 billion, but if we had anything extra—we should fund what he considered ongoing operations. Those are the two operations going on in Iraq—one in northern Iraq and one in southern Iraq—we should fund the refugee support at Guantanamo, which is ongoing, and we should fund the humanitarian support and the deny-flight activities in Bosnia. He said at a very minimum next year he is going to have to spend a total of \$1.188 billion on those activities.

We did not in this bill fund that, and what I am proposing in this amendment is that we go ahead and fund that as he requested. In addition, we reduce the outlays in the total bill by \$111 million.

Now, the offset is to cancel, at least for this year, or put off, I should say, the funding of an amphibious assault ship, the LHD-7. This is a ship which the Department of Defense said they would like to come to Congress and request funds for 6 years from now, in the year 2001—not 1996, the year 2001.

The appropriators have taken the request for the 6th year and moved it forward into this next year. We do not need this ship next year. This would be the 12th LHD amphibious assault ship that we are buying. There are two under construction now. We just christened one in February of this year.

Mr. President, it is not a priority for the Pentagon. It was not requested by the Pentagon in this year's budget, and it was added by the appropriators. We should delete the funding for that and spend it on the top priority of the Department of Defense. That is what the amendment does. I hope my colleagues will support the amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STEVENS. Mr. President, this does subtract \$1.3 billion for the LHD-7. It is the top priority for the Marine Corps and the Navy. The Secretary of Navy has reaffirmed support of the LHD-7. It is authorized in the authorization bill.

I have moved to table. I yield back the remainder of my time. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on agreeing to the

Bingaman amendment No. 2390. The yeas and nays have been ordered.

Mr. STEVENS. This is a 10-minute rollcall.

The PRESIDING OFFICER. The Chair reminds the Senate this is a 10-minute rollcall.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 73, nays 26, as follows:

[Rollcall Vote No. 385 Leg.]

YEAS—73

Abraham	Frist	Mack
Akaka	Glenn	McCain
Ashcroft	Gorton	McConnell
Bennett	Gramm	Mikulski
Biden	Grams	Murkowski
Bond	Grassley	Nickles
Breaux	Gregg	Nunn
Brown	Hatch	Packwood
Burns	Hatfield	Pressler
Byrd	Heflin	Robb
Campbell	Helms	Roth
Chafee	Hollings	Santorum
Coats	Hutchison	Sarbanes
Cochran	Inhofe	Shelby
Cohen	Inouye	Simpson
Coverdell	Jeffords	Smith
Craig	Johnston	Snowe
D'Amato	Kassebaum	Specter
DeWine	Kempthorne	Stevens
Dodd	Kennedy	Thomas
Dole	Kerry	Thompson
Domenici	Kyl	Thurmond
Faircloth	Lieberman	Thurman
Feinstein	Lott	Warner
Ford	Lugar	

NAYS—26

Baucus	Feingold	Moynihan
Bingaman	Graham	Murray
Boxer	Harkin	Pell
Bryan	Kerrey	Pryor
Bumpers	Kohl	Reid
Conrad	Lautenberg	Rockefeller
Daschle	Leahy	Simon
Dorgan	Levin	Wellstone
Exon	Moseley-Braun	

NOT VOTING—1

Bradley

The motion to table the amendment (No. 2390) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. INOUE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS CONSENT AGREEMENT—NOMINATION OF LAWRENCE H. SUMMERS

Mr. STEVENS. Mr. President, as in executive session, I ask unanimous consent that when the Senate proceeds to the consideration of Executive Calendar No. 254, Lawrence Summers, to be Deputy Secretary of the Treasury, there be a 10-minute limit on debate equally divided between the majority and minority leaders, or their designees; that following the expiration of that time, the Senate proceed to vote immediately on the confirmation of the nomination.

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

Mr. STEVENS. Mr. President, I ask for the yeas and nays on that nomination.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, that vote will be one of those that are stacked for the next time.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT 1996

The Senate continued with the consideration of the bill.

Mr. STEVENS. Mr. President, we are going to proceed to the next Bingaman amendment. Senator BINGAMAN has asked for the right to have 2 minutes before the second and third amendments. He would like to use four amendments now and have the two amendments run without any intervening debate. I so ask unanimous consent.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from New Mexico is recognized for 4 minutes.

AMENDMENT NOS. 2392 AND 2394

Mr. BINGAMAN. Mr. President, I yield myself 3 of the 4 minutes. If I can be notified at the end of that time, then I will yield the last minute to the Senator from Ohio.

Mr. President, these two provisions, which are the subject of the next two amendments, are provisions which are hard to understand unless you understand the context.

The first of these amendments strikes a provision that is in the bill that increases progress payments to defense contractors from 75 percent to 85 percent. It is for large defense contractors. There is clearly no need for us to do this. All of these contractors are profitable. There has been no complaint about the current procedure where we pay 75 percent in progress payments. This provision is in the bill not to address a need. It is in the bill simply to soak up \$488 million in outlays which the Defense Subcommittee did not want to leave unused.

This provision would also deny all discretion to contracting officers on whether or not to make these payments, even if the contractor is not performing. They would have to make 85 percent progress payments if this provision remained in the bill, which it will not. This provision will be dropped in conference, and the funds that are protected here, as outlays, will be used for other purposes. That is the whole idea of having this provision in the bill.

There are better uses for this \$488 million in outlays. We could use it for deficit reduction, we could use it for some domestic accounts. Clearly, I urge my colleagues to vote to strike the provision.