

this treaty. Over half of the nuclear-capable nations in the world have ratified this treaty. We have the least to lose and the most to gain if this treaty goes into force. This nation must do its part and help rid the world of these terrible nuclear explosions. I urge my colleagues to support a reexamination of these issues and a reconsideration of the Senate's regrettable course of action.

#### S CORPORATION ESOPs

Mr. BREAUX. Mr. President, in 1996 and 1997, I supported the creation of S corporation ESOPs, which—while they may sound a bit obscure to some—are an innovative way of giving employees an ownership stake in their companies and providing for their retirement.

The design of these programs was quite deliberate, and intended to accomplish very specific policy objectives. We sought to create not only an administrable structure for these plans, but also a program that encouraged private businesses to give their workers a "piece of the rock" and help them save for their retirement. The law therefore allows some deferral of tax liability on current-year revenues of a participating S corporation, but of course only for that portion of the company's revenues that are put into the ESOP accounts of employees. That is to say, the deferral only exists so long as the monies are not realized by employee-owners; when they withdraw the funds for their retirement benefit, they also pay a tax, and in this case, at a much higher rate than standard capital gains.

Recently, some have questioned whether this incentive should be eliminated. I am delighted that a strong bipartisan majority of the members of the Senate Finance Committee and House Ways and Means Committee have indicated they want to preserve the fundamental attributes of S corporation ESOPs. We have carefully scrutinized this matter in recent months, particularly in the context of the tax extenders legislation. We have determined that Treasury's proposal to eliminate the deferral aspect of S corporation ESOPs is a serious threat to the vitality of S corporation ESOPs. In rejecting this proposal, Congress has affirmed that—at a time when national savings rates are abysmally low, when Americans worry how they will fund their retirement, and when we in Congress worry about the future of Social Security—we cannot afford to undo such important programs.

In response to Treasury's concerns with possible abuse of the system, we included a revenue raising provision in the extenders package to strengthen the 1996 law. However, the Treasury Department objected to the provision and it was dropped during the last minute negotiations on the bill. Secretary Summers has agreed to work with me over the coming months on a provision to strengthen and preserve

broad-based employee ownership of S corporations through ESOPs in the future.

Today, there are 100,000 or more workers in America who are using and benefiting from the S corporation ESOP rules that we designed. We have reason to be proud of this accomplishment, and to point to it as an example of how we are helping Americans build wealth for their futures and their families through private ownership. I believe more workers stand to benefit from this great opportunity, which is working as Congress intended. I believe, along with a strong bipartisan group of my colleagues, that we must do all we can to sustain and promote S corporation ESOPs. I appreciate the strong support of Chairman ROTH and other members of the Finance Committee in particular to achieve this objective, and look forward to working with them on an ongoing basis for this very important cause.

#### FALL OF THE BERLIN WALL

Mr. GRAMS. At the Brandenburg Gate, West Berlin, on June 12, 1987, President Reagan issued a stunning challenge: "General Secretary Gorbachev, if you seek peace if you seek prosperity for the Soviet Union and Eastern Europe, if you seek liberalization: Come here to this gate! Mr. Gorbachev, open this gate! Mr. Gorbachev, tear down this wall!" And less than three years later, the wall crumbled, along with the threat of communism as a viable, universalist alternative to democracy.

I remember reporting on the fall of the Berlin Wall as a newscaster. I remember those first tentative attempts to climb over it, and the rush of revelers that followed when no shots were fired. Remember, the wall was built to keep people in, and freedom out. The guard posts in the East were facing eastward, not toward West Berlin. It is incredible that the tenth anniversary of this seminal event passed almost without comment. For it marked the end of the Soviet Empire, and foreshadowed the end of the Soviet Union itself. The global correlation of forces, as the Soviets used to say, aligned with freedom, not oppression.

The Wall crumbled because President Reagan was committed to achieving peace through strength. The Reagan Doctrine asserted the need to confront and rollback communism by aiding national liberation movements in Afghanistan, Angola, Grenada, Cambodia, and Nicaragua. He proved that once countries were in the Soviet camp, they need not remain there forever. He realized that our national prestige is reinforced and enhanced when we operate with a coherent, concise, and understandable foreign policy. And by doing so, he succeeded in inspiring and supporting dissidents behind the Iron Curtain who eroded the mortar of that Wall.

In contrast, the Clinton Administration has reacted to foreign policy cri-

ses, but has failed to develop a foreign policy. The Administration has lurched from managing one crisis to another, but never articulated the national interest in accordance with a core philosophy. Instead of consistently safeguarding and promoting our values abroad, it has acted on an ad hoc basis according to the needs of the moment, confusing our allies and emboldening rogue nations. Serbia was emboldened to conduct ethnic cleansing in Kosovo; North Korea was emboldened to develop nuclear weapons; Saddam Hussein was emboldened to strengthen his position in northern Iraq.

What is the Clinton Doctrine? We have been told about a "do-ability doctrine" whereby the United States acts "in the places where our addition of action will, in fact, be the critical difference." However, that alone cannot be the criteria for U.S. intervention. Under that formulation we could be expected to intervene anywhere in the world. And as Secretary Albright stated as our Ambassador to the U.N. "we are not the world's policeman, nor are we running a charity or a fire department."

However, as a practical matter, the combination of a "do-ability doctrine" with so-called "assertive multilateralism"—places the United States in the very position which Secretary Albright derided. It has resulted in both the abdication of our responsibilities and the misguided projection of our power. Instead of applying the Reagan Doctrine by equipping and training the Bosnian forces over our allies' objections, the Administration subcontracted our role of arming the Bosnians to a terrorist regime in Iran, unnecessarily endangering the lives of U.S. troops. Instead of arming the Bosnians, we supported our allies standing by in U.N. blue helmets, watching unarmed civilians be massacred in Srebrenica. In contrast, the attempt at nation building in Somalia, and the refusal to provide equipment requested on the ground because it would send the wrong signal, sacrificed the lives of 18 brave soldiers without regard to whether such action advanced our vital concerns. When this Administration acts according to the exigencies of the moment instead of according to an underlying philosophy, the country lurches from paralysis to "mission creep" without regard to the national interest.

Recently, there has been discussion of the possibility of reworking our entire military force structure—which is presently based on the capacity to fight two simultaneous major regional conflicts—in order to enable us to commit US troops to an ever-growing number of multilateral "peacekeeping" missions. I am concerned that we may sacrifice our vital national security interests in order to be able to participate in peripheral endeavors. We should not be shortsighted. We should not lose sight of what we must do in