the only nation founded on an idea—the idea of democracy. No idea is more American. Yet the idea of democracy is neither simply defined, nor easily described. American democracy expresses itself in endless variations.

I rise today, Mr. President, to remind my colleagues of the grassroots democracy, taking place every day in communities across the United States, which is literally vital to the life of the Nation, yet too often ignored in the chambers of this Capitol. With that in mind, I recommend to you ''The American Promise,'' an important new PBS television series celebrating community-based democracy. ''The American Promise,'' a 3-hour program, makes its national broadcast premiere on October 1, 2 and 3.

Here in Washington, we conduct democracy's most visible work. It is the democracy studied in political science classrooms and reported by our newspapers, magazines, and television programs.

We arrive here after elections, propose and study legislation, and then vote on competing proposals. It is a fact that each stage of the process has winners and losers. By necessity, we live and work in a world of partisanship and competition. Before any proposal becomes the law of the land, it must be debated, tested and its consequences thoroughly understood by the people and by us, the people's representatives,

Not surprisingly, this world in which we are immersed leaves many citizens frustrated and cynical. Too often, this version of democracy seems to be nothing but a political contest. Who is up? Who is down? How do yesterday's events affect the power to get things done tomorrow? Our standing is judged by an extraordinarily sensitive barometer, instantaneously reflecting each small political success and failure.

Our work here in Washington is but one form of American democracy—we would be seriously mistaken to think otherwise. We must never lose sight of the fact that American democracy is larger and more diverse than the business conducted here in this Capitol. In community after community across America, in ways great and small, citizens decide every day to become part of the democratic process—they decide what they want. They join an organization; build a better mousetrap; question why flawed practices can't be changes; engage in respectful civil debate, and shoulder the responsibility to make hard decisions.

When this happens, there are no losers. American democracy comes to life and everybody in the community wins.

So strong is my belief in the importance of grassroots democracy that I can say it literally shaped my political career.

When I was appointed to the position of national administrator of the American Revolution Bicentennial Administration in 1974, my goal was simple: to encourage the maximum number of people across America to become involved in the programs they—not government—desired to honor their local communities and our great Nation. We wanted our Nation's 200th birthday to be celebrated in a simple, historic way, with maximum participation on the ''Village Greens'' of every crossroad, town, and city in America. I will never forget the wonderful breadth of experience I had over the next two years, working with citizens, local groups, service clubs, organizations, City Councilmen, Mayors, and Governors. America's birthday was celebrated America's way, from every vantage point across the country.

There is no better antidote to doubts about our Nation's future than grassroots democracy.

Happily, ''The American Promise'' reminds us all of the community-based democracy found beyond this Capitol. In so doing, it restores our faith in the idea of democracy, the idea of America, and the wonderful, limitless potential for our Nation's future.

In some fifty different story segments from every region of the United States, lessons are offered on the skills and values needed to bring democracy to life. They illustrate core American values—freedom, responsibility, opportunity, participation, and deliberation. Special historical reenactments are included, the first set in 1769, in the streets of Colonial Williamsburg. We watch as a young Thomas Jefferson, along with Patrick Henry, Colonel George Washington, Peyton Randolph, George Mason, Richard Henry Lee, and others take the first steps toward freedom. In the House of Burgesses, in a local tavern, on the streets, the group draws up Virginia's plans to boycott English goods. We hear Washington's words: ''How far their attention to our rights and privileges is to be awakened or alarmed by starving their trade and manufacturers remains to be tried.'' Viewers will see our Founding Fathers starting a rebellion that will gather strength for 7 more years before it takes the form of the Declaration of Independence.

That is a sobering thought: our freedoms were not won by crazy revolutionaries on a field of battle, but rather through years of meetings, of talk, of debate and compromise. It is a true reminder of the communal instincts that helped form our great Nation.

The October premiere of ''The American Promise'' will be just the beginning of the program's contributions. It will then be put to use in high school and junior high school classrooms throughout the country, as an instructional tool on civics and community-based democracy.

The National Council on the Social Studies has endorsed the program. Farmers Insurance Group, the program's corporate sponsor, has pledged to make the video, teaching guides, and classroom materials available to all interested schools and teachers at no cost.

Mr. President, I urge my colleagues and viewers across America to watch this important and instructional program. And I extend my commendation and appreciation to the Farmers Insurance Group, and its Chairman, Leo E. Denlea, Jr., for bringing this fine programming to us.

''The American Promise'' reminds us of all that is good and right in America—and what we have to do to make good on America's bright future.●

BLACK STUDENTS LIVE DOWN TO EXPECTATIONS

Mr. SIMON. Mr. President, there is continued discussion, and will be until November 1996 at least, on the whole subject of affirmative action.

My strong belief is that affirmative action has been a good thing but, like any good thing, can be abused occasionally. Religion can be abused. Education can be abused. But that does not make religion and education a bad thing.

While we were in recess, the New York Times published an op-ed piece by Claude M. Steele, a professor of psychology at Stanford University and president-elect of the Western Psychological Association.

It gives a solid analysis of affirmative action at the collegiate level.

It is important enough to call to the attention of my colleagues, who may not have seen it, and to others who may read the CONGRESSIONAL RECORD.

I ask that it be printed in the RECORD at this point.

The material follows:

[New York Times; Thursday, Aug. 31, 1995]

BLACK STUDENTS LIVE DOWN TO EXPECTATIONS

(By Claude M. Steele)

STANFORD, CA.—The debate over affirmative action on college campuses has become dangerously distanced from facts. The issue has taken on such an ideological fervor that votes, Presidential and otherwise, are hanging in the balance. In the fray, the image of African-American college students has taken a beating.

Opponents of affirmative action claim that it pushes African-American students into schools where they can't compete and where, with the stigma they bear as ''special admits,'' they get lower grades and drop out more than other students.

It is true that these students have their troubles, suffering a college dropout rate hovering near 70 percent (against 40 percent for other students), with lower grades to match. Given such statistics, even supporters of affirmative action have faltered, too unsure themselves about the students' abilities to rise quickly or publicly to their defense.

In fact, most black college students are in school on the same terms as anyone else, not as a result of any racial preference. Still, as their fate goes, so goes our faith in affirmative action and in the ability of public policy to address racial and social problems. So a few facts and some new evidence can help in addressing some central questions.

Do the academic troubles of black students stem from their being underprepared for the competition?

This is a common complaint that has turned into conventional wisdom. But in fact

there isn't much evidence of it. Very few minority students are admitted to any college beneath that school's cut-off for other students.

It is true that blacks have lower S.A.T. scores than other entering students. But the deficit in test scores—which are certainly flawed as predictors anyway—doesn't begin to explain why black students are more likely to drop out and get bad grades once they begin college. Besides, this ''underperformance'' is just as common among black students entering with very high test scores and grades as it is among those with weaker credentials.

One thing is clear: If affirmative action is failing by not producing more successful black college students, it is not because they have been placed where they can't compete.

If it isn't a lack of preparation, then what is depressing their performance?

Recent research by my colleagues and me points to a disruptive pressure tied to racial stereotypes that affects these students. The pressure begins simply enough, with a student's knowledge that negative stereotypes about his group could apply to him—that he could be judged by this perception, treated in terms of it, even that he could fulfill it.

Black students know that the stereotypes about them raise questions about their intellectual ability. Quite beside any actual discriminatory treatment, they can feel that their intelligence is constantly and everywhere on trial—and all this at a tender age and on difficult proving ground.

They may not believe the stereotype. But it becomes a threating hypothesis that they can grow weary of fending off—much as a white student, for example, can grow weary of fending off the stereotype that his group is racist.

Everyone is subject to some form of what I call ''stereotype vulnerability.'' The form that black students suffer from can hurt them where it matters, in academic performance. My research with Joshua Aronson shows that ''stereotype vulnerability'' can cost these students many points on exams like the S.A.T.

Over time, the pressure can push the students to stop identifying with achievement in school. They may even band together in doing this, making ''disidentification'' the pattern. For my money, the syndrome is at the root of black students' troubles in college.

If affirmative action contributes to this problem, it is less from the policy itself than from its implementation, often through a phalanx of ''minority support'' programs that, however well intended, reinforce negative stereotypes. Almost certainly, there would be persistent, troubling underperformance by minority students even if affirmative action programs were dismantled, just as there was before they existed.

Is there only reason to believe that affirmative action programs can alleviate this problem?

In the diagnosis may lie the seeds of a cure: Schools need to reduce the burden of suspicion these students are under. Challenging students works better than dumbing down their education. Framing intelligence as expandable rather than as a set, limiting trait makes frustration a signal to try harder, not to give up. Finally, it is crucial that the college convey, especially through relationships with authoritative adults, that it values them for their intellectual promise and not just because of its own openness to minorities.

My colleagues (Steven Spencer, Mary Hummel, David Schoem, Kent Harber and Richard Nisbett) and I incorporated these and other principles into a program at the University of Michigan for the last four years. The students, both white and minority, were selected randomly for the project and as freshmen were housed in the same dorm.

Through workshops and group study, all placing emphasis on the students' intellectual potential, the program eliminated the differential between black and white students' grades in freshman year for the top two-thirds of the black students.

It helped others as well; 92 percent of all the students in the group, white and black, were still in school after four years.

The successes of comparable programs—Urie Treisman's math workshops at the University of Texas, Georgia State's pre-engineering program, John Johnide's faculty mentoring project, also at Michigan—show that this approach can work.

But what about reverse discrimination? How much does this policy of inclusion cost in exclusion of others?

To know if affirmative action is displacing whites in admissions, you have to know if, among comparably qualified applicants, more minorities get in than whites.

Thomas Kane of Harvard University's Kennedy School of Government found that this seems to happen only in elite colleges, where the average S.A.T. score is above 1,100. These schools make up only 15 percent of our four-year colleges. There was no evidence of preference in admissions among the rest.

Moreover, in the elite schools, blacks don't often use the preference they get, choosing schools closer to home, perhaps, for various reasons. They rarely exceed 7 percent of the student body at the top schools. Overall, affirmative action causes little displacement of other students—less by far than other forms of preferences, like the one for children of alumni.

In our society, individual initiative is an indisputable source of mobility. But a stream of resources including money, education and contacts is also important. After all this time, even the black middle class has only tentative access to this stream. Affirmative action in college represents a commitment to fixing this, allowing those with initiative a wider aperture of opportunity.

If its opponents prevail and affirmative action is dumped, will the same people, so ostensibly outraged by the racial injustice of it, then step forward to address the more profound racial injustices?

I wouldn't bet on it and, in the meantime, let's talk about this policy frankly and pragmatically: how to improve it, when it should be more inclusive, and how it should be made fairer.

To dump it now would be to hold some people, just beginning to experience a broader fairness in society, to a tougher standard than the rest of us have had to meet.●

APPLICABILITY OF REGULATION E FOR ALL ELECTRONIC BENEFIT TRANSFERS

● Mr. LIEBERMAN. Mr. President, earlier this year I introduced S. 131, a bill that would remove the applicability of regulation E of the Electronic Funds Transfer Act for all electronic benefits transfer [EBT] programs established under Federal, State, or local law, with the exception of when payments are made directly into a consumer's account. I introduced this legislation for the purposes of removing the barriers for States so that they could implement EBT. Although regulation E provides many protections for the consumer, the States see it as barrier to implementing EBT because it requires States to be liable for lost and stolen benefits over $50. This added liability could result in added administrative costs.

At the time I introduced this bill, I expected cash-assistance welfare programs to continue to be federally regulated. But now, it appears that our largest cash-assistance program for low-income people, Aid to Families With Dependent Children [AFDC], will be block granted and there will no longer be Federal oversight in many areas. Because of this, we must be somewhat more careful in exempting cash assistance and other welfare programs that use electronic benefit transfers from all of the provisions of regulation E. I want to explain why there may be problems in adopting the current language in the House welfare bill that exempts electronic benefit transfers [EBT] from regulation E.

Electronic benefit transfers are the transfers and distributions of Federal and State benefit programs through electronic banking techniques. The Electronic Fund Transfer Act governs all ATM transactions and point-of-service sales such as the use of your credit card or ATM card at the grocery store. The act assures individuals that their complaints about unauthorized uses and systems problems will be attended to in a timely manner. Other protections provided by regulation E include the disclosure of information to the consumer about their rights. I'm sure that most Members would agree that these provisions are fair and should be applied to welfare recipients as well as the general banking population. Indeed, States that currently have EBT already provide most of these services.

Under the Electronic Funds Transfer Act [EFTA] the cardholder is only responsible for up to $50 if the card is lost or stolen and benefits are withdrawn. EFTA requires cardholders to have a personal identification number [PIN] which should prevent unauthorized withdrawal of benefits even if the card is stolen. This number should only be known by the recipient so if the card is stolen, the thief would not be able to gain access to the benefits. In an EBT system, if money is stolen from the account the State would be liable for all benefits beyond the $50 limit. This single provision opens EBT to fraud and abuse which could result in very high costs to the States. The States have said that this potential liability would prevent them from going forward with the implementation of EBT programs.

EBT holds many benefits for the administering agency and the recipient. EBT delivers benefits more cost-effectively and eliminates the need to print and process food stamps. It also eliminates postal fees for sending out checks and authorizing documents. It can provide substantial protections against fraud and theft. There is a successful EBT demonstration project in Ramsey