H.R. 1009. An act for the relief of Lloyd B. Gamble; to the Committee on the Judiciary.

H.R. 1483. An act to amend title 38, United States Code, to allow revision of veterans benefits decisions based on clear and unmistakable error; to the Committee on Veterans' Affairs.

H.R. 2765. An act for the relief of Rocco A. Trecosta; to the Committee on the Judiciary.

H.R. 3373. An act to amend title 38, United States Code, to improve certain veterans' benefits programs, and for other purposes; to the Committee on Veterans' Affairs.

The following concurrent resolutions were read and referred as indicated:

H. Con. Res. 154. Concurrent resolution to congratulate the Republic of China on Taiwan on the occasion of its first direct and democratic presidential election and the inauguration of its president; to the Committee on Foreign Relations.

H. Con. Res. 160. Concurrent resolution congratulating the people of the Republic of Sierra Leone on the success of their recent democratic multiparty elections; to the Committee on Foreign Relations.

## MEASURES PLACED ON THE CALENDAR

The following measure was read the second time and placed on the calendar:

S. 1788. A bill to amend the National Labor Relations Act and the Railway Labor Act to repeal those provisions of Federal law that require employees to pay union dues or fees as a condition of employment, and for other purposes.

The following concurrent resolutions were read and placed on the calendar:

H. Con. Res. 165. Concurrent resolution saluting and congratulating Polish people around the world as, on May 3, 1996, they commemorate the 205th anniversary of the adoption of Poland's first constitution.

H. Con. Res. 167. Concurrent resolution recognizing the tenth anniversary of the Chernobyl nuclear disaster, and supporting the closing of the Chernobyl nuclear power plant.

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LUGAR, from the Committee on Agriculture, Nutrition, and Forestry:

David D. Spears, of Kansas, to be a Commissioner of the Commodity Futures Trading Commission for the term expiring April 13, 2000.

Brooksley Elizabeth Born, of the District of Columbia, to be Chairman of the Commodity Futures Trading Commission.

Brooksley Elizabeth Born, of the District of Columbia, to be a Commissioner of the Commodity Futures Trading Commission for the remainder of the term expiring April 13, 1999.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. BOND, from the Committee on Small Business:

Ginger Ehn Lew, of California, to be Deputy Administrator of the Small Business Administration.

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HELMS:

S. 1789. A bill to amend the Social Security Act to deny the payment of Social Security and supplemental security income benefits to prisoners, and for other purposes; to the Committee on Finance.

By Mr. MCCONNELL:

S. 1790. A bill to amend the Controlled Substances Act to increase the penalties for the manufacture, distribution, and possession of marijuana, and for other purposes; to the Committee on the Judiciary.

By Mr. SIMPSON (for himself and Mr. ROCKEFELLER):

S. 1791. A bill to increase, effective as of December 1, 1996, the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans, and for other purposes; to the Committee on Veterans Affairs.

By Mrs. BOXER (for herself and Mr. CHAFEE):

S. 1792. A bill to amend the Internal Revenue Code of 1986 to allow companies to donate scientific equipment to elementary and secondary schools for use in their educational programs, and for other purposes; to the Committee on Finance.

By Mr. GREGG:

S. 1793. A bill to amend the Tariff Act of 1930 to provide that the requirements relating to making imported articles and containers apply to fresh cut flowers; to the Committee on Finance.

By Mr. GREGG (for himself, Mr. REID, Mr. NICKLES, Mr. WARNER, Mrs. KASSEBAUM, Mr. THURMOND, Mr. SMITH, and Mr. BRYAN):

S. 1794. A bill to amend chapter 83 of title 5, United States Code, to provide for the forfeiture of retirement benefits in the case of any Member of Congress, congressional employee, or Federal justice or judge who is convicted of an offense relating to official duties of that individual, and for the forfeiture of the retirement allowance of the President for such a conviction; to the Committee on Governmental Affairs.

By Mr. ROTH:

S. 1795. A bill to restore the American family, enhance support and work opportunities for families with children, reduce out-of-wedlock pregnancies, reduce welfare dependence by requiring work, meet the health care needs of America's most vulnerable citizens, control welfare and medicaid spending, and increase State flexibility; to the Committee on Finance.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HELMS:

S. 1789. A bill to amend the Social Security Act to deny the payment of Social Security and supplemental security income benefits to prisoners, and for other purposes; to the Committee on Finance.

THE PREVENTION OF PRISONER DOUBLE-DIPPING ACT

Mr. HELMS. Mr. President, a less formal but somewhat more revealing title for this bill would be ''The Prevention of Prisoner Double-Dipping Act.'' A rose by any other name is still a rose and this bill is a winner by any name. It will save millions of dollars of the taxpayers' money and it will put a stop to the injustice of paying scarce Social Security disability benefits to prisoners charged with a felony who have been in jail for 30 or more days awaiting trial.

Current law prohibits payment of disability benefits to anyone in jail after conviction for a felony. A loophole permits prisoners to continue receiving benefits despite the fact that they are in jail if they have not yet been convicted of the crime charged. This bill will close that loophole.

Mr. President, I learned that prisoners are continuing to receive these benefits when Sheriff Mike Joyce of Stokes County, NC, wrote me earlier this year about it. Sheriff Joyce wrote to me about Earl Blevins, a career criminal and convicted murderer, who has been in Stokes County jail since December 16, 1995, awaiting trial on charges of larceny and breaking and entering. Incredibly, Blevins has been receiving disability payments since 1988, even though as Sheriff Joyce stated, Blevins obviously is healthy enough ''to run from a bloodhound and hide up under leaves under a tree.''

Until last month, when Blevins was convicted of unrelated felony charges in Surry County, he was receiving $450 per month in disability payments while Stokes County taxpayers were picking up the tab for his room and board and other care.

Mr. President, Sheriff Mike Joyce is a fine law enforcement officer. His outrage about the Federal Government's paying prisoner Blevins $450 per month in Social Security disability benefits while he is in jail awaiting trial on yet another felony charge, will be matched by the outrage of the public at large once they learn about it.

The point is this: Earl Blevins and other career criminals prey on law-abiding citizens. When they are apprehended, their food, clothing, shelter, and often their legal fees are paid for by the very citizens whom the criminals have victimized. It is unwarranted salt rubbed in the taxpayer's wounds that these predators are allowed by law to collect disability benefits while awaiting trial. This bill will change that law.

The purpose of Social Security disability payments is to provide a minimum income to beneficiaries in order to insure that they have access to food and shelter. A prisoner awaiting trial is already being provided these needs and the taxpayers are paying the bill. Prisoners should not be allowed to ''double-dip'' into the pocket of taxpayers.

Mr. President, for the record, I reiterate that current law stops Social Security disability payments to anyone who has been convicted of a felony. It also stops payments to the criminally insane who are confined to a mental hospital. Other disability benefits, for example, SSI, are cut off to a recipient who is locked up for 30 or more days, even if they have not yet been brought to trial. My bill will simply apply the same policy to Social Security [OASDI] disability benefits that we now have for SSI disability benefits.

Mr. President, the existing situation brings to mind the case of Michael Hayes who cold-bloodedly killed four people and shot five others during a 1988 murder spree in Winston-Salem. After being confined to a State mental hospital, he began receiving over $500 a month in Social Security disability payments which he used to buy luxuries like leather coats, electronics, and even a motorcycle. Payments to Hayes finally stopped last year after the 103d Congress passed and the President signed my bill which I had offered in response to this outrage. It's now time for this Congress to act to stop further waste of Social Security funds.

Mr. President, let me make clear for the RECORD what the pending bill, the Prevention of Prisoner Double-Dipping act will do:

It will eliminate pretrial benefits to anyone charged with a felony who has been in jail for 30 or more days;

It will authorize $50,000,000 for the Social Security Office of Inspector General to increase the number of investigators and auditors pursuing charges of fraud against the SSA;

It will require SSA to make recommendations to insure the timely and accurate reporting of pre-trial felony detainees in order to stop benefits to those who will no longer qualify under this bill;

It will give the Commissioner of SSA the authority to make payments to State and local correctional facilities that report the receipt of benefits by those who are in custody;

It will give the SSA power to impose civil monetary penalties of up to $5,000 each time someone fraudulently uses a Social Security number or card, in addition to being subject to an assessment of up to five times the amount of disability benefits paid; and

It will require SSA to make recommendations to streamline the review and appeals process.

Mr. President, a few concluding thoughts: I expect some of my colleagues will raise concerns about the constitutionality of the Prevention of Prisoner Double-Dipping Act. I am confident that this legislation will easily pass constitutional muster because prisoners have no constitutional right to be paid while they are sitting in jail.

Second, although this bill is targeted towards prisoners, it is not punitive. These payments should be stopped because they are duplicative, not because Congress is imposing a punishment on the recipient. The payments would be stopped regardless of the ultimate finding of guilt.

Finally, stopping payments to a prisoner will have no effect on the payment of benefits to children and other dependents who are otherwise entitled to these or other benefits.

I do hope the Senate will expedite consideration of these common sense reforms of the Social Security Act and thereby, save millions of dollars that the taxpayer would otherwise have to provide.

Mr. President, I ask unanimous consent that the text of S. 1789 be printed in the RECORD.

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

S. 1789

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

The short title of this Act may be cited as the ''Prevention of Prisoner Double-Dipping Act''.

**SEC. 2. TREATMENT OF PRISONERS.**

(a) DENIAL OF BENEFITS TO INDIVIDUALS JAILED ON FELONY CHARGES.—

(1) IN GENERAL.—Section 202(x)(1)(A) of the Social Security Act (42 U.S.C. 402(x)(1)(A)) is amended by striking ''or'' at the end of clause (i), by striking the period at the end of clause (ii) and inserting '', or'', and by adding at the end the following new clause:

''(iii) is confined in a jail, prison, or other penal institution or correctional facility pursuant to a charge of an offense punishable by imprisonment for more than 1 year, but only with respect to months after the first 30 days of such confinement.''.

(2) CONFORMING AMENDMENT.—Section 202(x)(1)(B)(i) of such Act (42 U.S.C. 402(x)(1)(B)(i)) is amended by striking ''clause (i)'' and inserting ''clauses (i) and (iii)''.

(3) STUDY OF METHODS TO INSURE THE COLLECTION OF INFORMATION RESPECTING PUBLIC INMATES.—

(A) STUDY.—The Commissioner of Social Security shall conduct a study regarding methods to insure the timely and accurate reporting of information respecting court orders by which individuals described in section 202(x)(1)(A)(iii) of the Social Security Act (402 U.S.C. 402(x)(1)(A)(iii)) are confined in jails, prisons, or other public penal, correctional, or medical facilities as the Commissioner may require for the purpose of carrying out section 202(x) and 1611(e)(1) of such Act (42 U.S.C. 402(x) and 1382(e)(1)).

(B) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall submit a report on the results of the study conducted pursuant to this paragraph to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made for months beginning after the date of the enactment of this Act.

(b) IMPLEMENTATION OF PROHIBITION AGAINST PAYMENT OF BENEFITS TO PRISONERS.—

(1) IN GENERAL.—Section 202(x)(3) of the Social Security Act (42 U.S.C. 402(x)(3)) is amended—

(A) by inserting ''(A)'' after ''(3)''; and

(B) by adding at the end the following new subparagraph:

''(B)(i) The Commissioner is authorized to enter into a contract, with any interested State or local institution described in clause (i) or (ii) of paragraph (1)(A) the primary purpose of which is to confine individuals as described in paragraph (1)(A), under which—

''(I) the institution shall provide to the Commissioner, on a monthly basis, the names, social security account numbers, dates of birth, and such other identifying information concerning the individuals confined in the institution as the Commissioner may require for the purpose of carrying out paragraph (1); and

''(II) the Commissioner is authorized to pay to any such institution, with respect to each individual who is entitled to a benefit under this title for the month preceding the first month throughout which such individual is confined in such institution as described in paragraph (1)(A), an amount determined by the Commissioner.

''(ii) The provisions of section 552a of title 5, United States Code, shall not apply to any contract entered into under clause (i) or to information exchanged pursuant to such contract.''.

(2) CONFORMING SSI AMENDMENTS.—Section 1611(e)(1) of such Act (42 U.S.C. 1382(e)(1)) is amended by adding at the end the following new subparagraph:

''(I)(i) The Commissioner is authorized to enter into a contract, with any interested State or local institution referred to in subparagraph (A), under which—

''(I) the institution shall provide to the Commissioner, on a monthly basis, the names, social security account numbers, dates of birth, and such other identifying information concerning the inmates of the institution as the Commissioner may require for the purpose of carrying out this paragraph; and

''(II) the Commissioner is authorized to pay to any such institution, with respect to each inmate of the institution who is eligible for a benefit under this title for the month preceding the first month throughout which such inmate is in such institution and becomes ineligible for such benefit (or becomes eligible only for a benefit payable at a reduced rate) as a result of the application of this paragraph, an amount determined by the Commissioner.

''(ii) The provisions of section 552a of title 5, United States Code, shall not apply to any contract entered into under clause (i) or to information exchanged pursuant to such contract.''.

**SEC. 3. CIVIL MONETARY PENALTIES FOR FRAUDULENT USE OF SOCIAL SECURITY ACCOUNT NUMBERS AND CARDS.**

(a) IN GENERAL.—Subsection (a) of section 1129 of the Social Security Act (42 U.S.C. 1320a-8) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

''(2) Any person who—

''(1) willfully, knowingly, and with intent to deceive, uses a social security account number assigned on the basis of false information provided by such person or another person;

''(2) with intent to deceive, falsely represents a number to be a social security account number;

''(3) knowingly alters a social security card;

''(4) buys or sells a card that is, or purports to be, a social security card;

''(5) possesses a social security card or counterfeit card with the intent to sell or alter such card; or

''(6) discloses, uses, or compels the disclosure of the social security account number of any person in violation of the law,

shall be subject to, in addition to any other penalties that may be prescribed by law, a civil money penalty of not more than $5,000 for each offense. Such person also shall be subject to an assessment, in lieu of damages sustained by the United States because of such offense, of not more than 5 times the amount of benefits or payments paid under titles II and XVI as a result of such offense.''.

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 1129(c) of such Act (42 U.S.C. 1320a-8(c)) is amended by striking ''statements and representations'' and inserting ''actions''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to conduct occurring on or after the date of the enactment of this Act.

**SEC. 4. ADDITIONAL RESOURCES TO COMBAT FRAUD IN THE SOCIAL SECURITY SYSTEM.**

(a) AUTHORIZATION OF APPROPRIATIONS.—Out of any money in the Treasury not otherwise appropriated, there are authorized to be appropriated, to remain available without fiscal year limitation, $50,000,000 for the Commissioner of Social Security through the Office of Inspector General to utilize only for increasing the number of investigators and auditors charged with pursuing charges of fraud against the programs under titles II and XVI of the Social Security Act.

(b) ADDITIONAL FUNDS.—Amounts appropriated under subsection (a) shall be in addition to any funds otherwise appropriated for the purposes described in subsection (a).

**SEC. 5. STUDY REGARDING REVIEW AND APPEALS PROCESS.**

(a) STUDY.—The Commissioner of Social Security shall conduct a study regarding methods to streamline the review and appeals process under title II and XVI of the Social Security Act.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall submit a report on the results of the study conducted pursuant to this section to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

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By Mr. MCCONNELL:

S. 1790. A bill to amend the Controlled Substances Act to increase the penalties for the manufacture, distribution, and possession of marijuana, and for other purposes; to the Committee on the Judiciary.

THE ENHANCED MARIJUANA PENALTY ACT OF 1996

• Mr. MCCONNELL. Mr. President, we are losing the battle against illegal drugs. All indicators point to a dramatic surge in drug use, especially by our most vulnerable citizens—children.

The President's 1996 drug strategy sent to Congress just a few weeks ago contains some very disturbing information:

Marijuana use is back on the rise, and among young people between the ages of 12 and 17, the use of marijuana has almost doubled between 1992 and 1994. One of every three high school seniors now smokes marijuana;

The number of heroin-related emergency room episodes in 1993 was double what it was in 1988, and for cocaine, emergency room episodes in 1994 were the highest ever;

Methamphetamine, once confined to the West and Southwest, is a scourge spreading across the country, including my own State of Kentucky. Last year, law enforcement officials seized five methamphetamine labs in Kentucky; in 1994, there were no such seizures;

Unless we tackle the drug problem anew, we risk producing a new generation of drug abusers. And the consequences of drug abuse are frightening: the spread of diseases like hepatitis, TB and HIV; social deviancy; lost productivity at the workplace; and a lot more crime, in particular violent crime.

Our Nation's drug problem is compounded by a lax attitude within segments of the enforcement agencies responsible for our antidrug laws. Recently, the Los Angeles Times reported that Immigration and Customs officials are handing out get-out-of-jail-free cards and letting drug dealers go unprosecuted.

Non-United States nationals are sent back to Mexico instead of being prosecuted. And, American citizens are being let go if it's their first offense or if the quantities of drugs aren't big enough. So, one pusher with 32 pounds of methamphetamine was set free and another with 37,000 quaaludes. One American was stopped at the border with 53 pounds of marijuana in January, 51 pounds in February and 41 pounds in May. He's only being prosecuted for this third offense, although he has a criminal history going back four decades.

It's not surprising that a President whose policy is ''don't inhale'' gives us a ''don't enforce'' antidrug policy.

This is simply unacceptable. It's evidence of an administration AWOL—absent without leadership.

Today, I am introducing a bill to increase the penalties for trafficking in marijuana, a drug that poses a grave threat to our young people. It is commonly known that marijuana impairs short-term memory, core motor functions and the ability to concentrate. But it also has long-term devastating effects:

Marijuana use causes chronic bronchitis, acute chest illness, heightened risk of pulmonary infection and lung disease;

Prenatal exposure to marijuana causes impaired intellectual ability in young children; in shorthand—low IQ babies; and

THC, the principal psychoactive ingredient, has been found in lab rats to be addictive.

And, who is smoking marijuana? Kids, more of them and at younger ages. The number of 12- to 17-year-olds using marijuana increased from 1.6 million in 1992 to 2.9 million in 1994. As the chart shows, more 8th, 10th, and 12th-graders are smoking marijuana and there is no indication that this trend is going to be reversed anytime soon.

A surprising fact is that more children smoke marijuana than have smoked five packs of cigarettes, as the second chart reveals. Five-point-seven percent of 12- to 15-year-olds report smoking cigarettes, but 6.6 percent report smoking marijuana. For older teens even more are smoking marijuana—20.5 percent smoke cigarettes and 26.1 percent smoke marijuana.

That is an astounding statistic: Teens are less likely to smoke cigaretts than marijuana, and fewer teens say smoking marijuana is risky. As young people soften their attitudes toward drugs, usage increases.

Not only is marijuana harmful in and of itself, but it is considered a gateway drug. Teenagers who use marijuana are 85 times more likely to use cocaine. Sixty percent of children who smoke marijuana before age 15 move on to cocaine.

My bill is very straightforward. It enhances the penalties for trafficking in marijuana. Current law creates a disparity in the mandatory minimums for heroin, cocaine and marijuana. My bill will eliminate the disparity by lowerng the threshold for the mandatory minimum sentences for refined marijuana. The third chart reflects the disparities.

Currently, an individual has to be caught with 1,000 kilos of marijuana, with a street value of as much as $10 million, in order to get the 10-year mandatory minimum. For cocaine, the threshold quantity and street value is much lower—only 5 kilos with a value between $420,000 and $750,000. For heroin, the threshold is 1 kilo, with a street value of $1.2 million. And growing 1,000 marijuana plants gets you the same 10-year mandatory minimum.

My bill will bring the threshold quantity for refined marijuana into line with the other drugs by lowering it from 1,000 kilos to 100 kilos for the 10-year mandatory minimum and from 100 kilos to 10 kilos for the 5-year mandatory minimum.

The bill also directs the Sentencing Commission to conform its guidelines to this change.

Last summer, this Sentencing Commission effectively lowered the penalties for marijuana trafficking, for quantities less than the thresholds for mandatory minimums. It's time we reversed that misguided action and this bill will ensure that the Sentencing Commission does just that.

Some will argue that prosecutors have more pressing matters than to chase every marijuana dealer selling as little as 10 kilos. As the Los Angeles Times reported, Federal prosecutors in southern California don't think it's worth their effort to prosecute for quantities of less than 125 pounds, an amount that should get a drug trafficker about 3 years in a Federal prison.

But I would argue just the opposite. Marijuana is doing irreparable harm to our kids and we've got to put the people who sell to our children out of business and behind bars. Ten kilos of marijuana is 22 pounds, with a street value of about $100,000. That amount of marijuana will reach a lot of teenagers in small, but harmful quantities.

Mr. President the time has come to admit that we have a serious marijuana problem among our teens. I say it's worth protecting the future of our children by locking up the pushers. Let's toughen the penalties and send a message to the drug dealers that we won't tolerate it anymore. And let's tell Federal prosecutors it's their job to send these outlaws to prison. What can be worth more than saving our next generation?

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

S. 1790

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Enhanced Marihuana Penalty Act of 1996''.

**SEC. 2. FINDINGS.**

The Congress finds that—

(1) the number of children in the United States between 12 and 17 years of age using marihuana increased from 1,600,000 in 1992 to 2,900,000 in 1994, which constitutes an 80-percent increase;

(2) currently, one-third of all high school seniors smoke marihuana;

(3) the perception of the dangers of using marihuana is declining among youthful marihuana smokers;

(4) scientific research has demonstrated that—

(A) marihuana impairs short-term memory, core motor functions, and the ability to concentrate;

(B) THC, the principal psychoactive ingredient of marihuana, may cause drug dependency;

(C) regular marihuana use may cause chronic bronchitis, increased frequency of acute chest illness, heightened risk of pulmonary infection, and lung disease; and

(D) prenatal exposure to marihuana may cause impaired intellectual ability in young children;

(5) children between the agency of 12 and 17 who use marihuana are 85 times more likely to use cocaine than children who do not use marihuana;

(6) there are 39,000,000 children in the United States who are younger than 10 years old, and neglect of our Nation's marihuana problem will lead to the creation of a new generation of drug abusers, prone to criminal and other socially deviant behavior; and

(7) existing penalties for trafficking in marihuana are inadequate to deter those who sell marihuana to our Nation's most vulnerable citizens.

**SEC. 3. PENALTIES.**

(a) CONTROLLED SUBSTANCES ACT.—Section 401(b)(1) of the Controlled Substances Act (21 U.S.C. 841(b)(1)) is amended—

(1) in subparagraph (A)(vii), by striking ''1000 kilograms'' and inserting ''100 kilograms'';

(2) in subparagraph (B)(vii), by striking ''100 kilograms'' and inserting ''10 kilograms''; and

(e) in subparagraph (D), by striking ''50 kilograms'' and inserting ''10 kilograms''.

(b) CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT.—Section 1010(b) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)) is amended—

(1) in paragraph (1)(G), by striking ''1000 kilograms'' and inserting ''100 kilograms'';

(2) in paragraph (2)(G), by striking ''100 kilograms'' and inserting ''10 kilograms''; and

(e) in paragraph (4), by striking ''50 kilograms'' and inserting ''10 kilograms''.

**SEC. 4. AMENDMENT OF SENTENCING GUIDELINES.**

The United States Sentencing Commission shall amend the Federal Sentencing Guidelines to reflect the amendments made by this Act.

TRENDS IN HIGH SCHOOL MARIJUANA USE [1]

[In percent]

| Grade | 1992 | 1993 | 1994 | Increase |
|---|---|---|---|---|
| 12th | 11.9 | 15.5 | 19.0 | +60 |
| 10th | 8.1 | 10.9 | 15.8 | +95 |
| 8th | 3.7 | 5.1 | 7.8 | +110 |

[1] Students reporting use within past 30 days.

Source: Monitoring the Future, December 1994.

PREVALENCE OF DRUG USE

[Percent who have ever used]

| | Youths 12–15 | Youths 16–17 | Adults 18+ |
|---|---|---|---|
| Cigarettes [1] | 5.7 | 20.5 | 52.1 |
| Alcohol | 35.1 | 69.3 | 88.9 |
| Marijuana | 6.6 | 26.1 | 35.4 |
| Any illicit drug | 13.7 | 33.1 | 38.9 |
| Any drug except marijuana | 10.5 | 18.5 | 21.2 |
| Cocaine | 1.0 | 5.3 | 12.5 |

[1] These percentages include only individuals who have smoked at least 100 cigarettes (5 packs).

Source: Gateways to Illicit Drug Use, Center on Addiction and Substance Abuse at Columbia University (10/94).

DISPARITY IN CURRENT PENALTIES FOR MARIJUANA TRAFFICKING

| Drug | Quantity | Street value [1] | Mandatory minimum (yrs.) |
|---|---|---|---|
| Cocaine | [2] 5 | $420k to $750K | 10 |
| Heroin | [2] 1 | $1.2 million | 10 |
| Marijuana | [2] 1,000 | $10 million | 10 |
| Plants | 1,000 | | 10 |
| Cocaine | [2] 500 | $42k to $75K | 5 |
| Heroin | [2] 100 | $121 million | 5 |
| Marijuana | [2] 100 | $1 million | 5 |
| Plants | 100 | | 5 |

[1] Street values bases System to Retrieve Information from Drug Evidence (STRIDE) by Abt Associates, Inc., 9/13/95 Report: Cocaine $84 to $150 per gram; Heroin $1210 per gram; Marijuana $10 per gram.

[2] Kilogram.●

By Mr. SIMPSON (for himself and Mr. ROCKEFELLER):

S. 1791. A bill to increase, effective as of December 1, 1996, the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans, and for other purposes; to the Committee on Veterans Affairs.

THE VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 1996

● Mr. SIMPSON. Mr. President, it is a pleasure for me, as chairman of the Senate Committee on Veterans' Affairs, to introduce, and comment briefly on, legislation to grant to recipients of compensation, and dependency and indemnity compensation [DIC] benefits, from the Department of Veterans Affairs [VA] a cost of living adjustment [COLA] increase to take effect at the beginning of next year. This legislation is appropriate and warranted—even as we proceed this very week to debate budget reconciliation.

Mr. President, let me assure this body that the Committee on Veterans' Affairs will meet the reconciliation targets that the Congress ultimately adopts. Indeed, I expect that I will offer amendments to this bill—with the bipartisan support of the Committee on Veterans' Affairs—once we receive reconciliation instructions from the Congress as an whole. No one need fear that I have lost my zeal for gaining control over entitlement spending; I surely have not. Nonetheless, I believe that the recipients of veteran's benefits ought to receive a COLA—and they can receive such a COLA even as we progress on a path to a balanced budget. We can balance the budget, and simultaneously treat our veterans, and their survivors, with fairness and compassion.

This bill is simple and straightforward. It would grant to recipients of certain VA benefits—most notably, veterans with service-connected disabilities who receive VA compensation, and the surviving spouses and children of veterans who have died as a result of service-connected injuries or illnesses, who receive dependency and indemnity compensation—the same COLA that Social Security recipients will receive. So, for example, if Social Security recipients receive a 2.6-percent adjustment at the beginning of next year, then so too would the beneficiaries of VA compensation and DIC.

Last year, the committee's COLA bill put into effect certain modifications, as approved by the Committee on Veterans' Affairs, on how COLA's are computed. For example, our 1996 COLA contained a ''round down'' feature. To summarize, Mr. President, VA benefits are paid in round dollar amounts. As a result, when a round dollar benefit amount—say, as an example, the current benefit of $266 per month going to a 30 percent disabled veteran—is multiplied by a consumer price index percentage of, say, 2.6-percent, it almost invariably yields a mathematical product that is not a round dollar amount. In the case of a $266 benefit check, for example, a 2.6-percent increase would yield a nonrounded number of $272.92.

VA practice, in the past, has been to ''round up'' fractional dollar amounts of $0.50 or more, and ''round down'' fractional dollar amounts of $0.49 or less. So, in the above case, a 30-percent disabled veteran would get a monthly check next year of $273 under past practice. Last year's COLA bill directed VA to ''round down'' in all cases, so, in the above example, a 30-percent disabled veteran would get a monthly check of $272.

It may happen, Mr. President, that the Committee on Veterans' Affairs will again elect to direct that VA ''round down'' as part of a package of measures approved to reach whatever reconciliation targets Congress ultimately adopts. Indeed, it is, perhaps, likely that we will approve such a measure since rounding down is a relatively painless way to achieve some fairly significant savings over the long term. Such a measure—which would

cost no VA beneficiary more than $1 per month—would save, according to the Congressional Budget Office, almost $500 million over a 6-year period.

Be that as it may, Mr. President, the Committee on Veterans' Affairs will ''cross the bridge'' of identifying how it will meet its reconciliation targets once it has received those targets. In the meantime, I want to assure all by the introduction of this COLA bill that the Committee on Veterans' Affairs fully anticipated approving a COLA bill this year—just as it did last year when I was honored to assume the chairmanship of the committee.

The rounding down provision that the committee approved last year serves as an excellent example of the sort of measures that are available to assist in balancing the budget. I do not suggest that it will be easy to reach that goal. But the availability of real savings from measures like a simple rounding down of a COLA ought to strengthen the resolve of each of us to get that vital job done. In the Veterans' Committee, we expect that we will be directed to find ways to reduce the growth in VA's mandatory budget accounts by over $5 billion in 6 years. We will find ways to meet that goal. And no veteran, or veterans' survivor, will suffer inordinate harm as a result. Despite the inaccurate, unfair, unfounded, and, yes, partisan pronouncements of the Secretary of Veterans Affairs, and despite what veterans, and Senators, have heard from service organizations, ''crying wolf,'' we will not cut veterans benefits. We never have.

We do not need to cut veterans benefits in order to balance the budget. Nor do we need to endure the cuts—real cuts, not just reductions in the growth rate—in veterans health care spending proposed by the President in order to achieve a balanced budget. We can keep faith with our veterans and balance the budget. As Chairman of the Veterans' Affairs Committee, that is what I intend to do.

Mr. President, I appreciate the time that has been afforded me to address this subject.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1791

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Veterans' Compensation Cost-of-Living Adjustment Act of 1996''.

**SEC. 2. INCREASE IN COMPENSATION RATES AND LIMITATIONS.**

(a) IN GENERAL.—(1) The Secretary of Veterans Affairs shall, as provided in paragraph (2), increase, effective December 1, 1996, the rates of and limitations on Department of Veterans Affairs disability compensation and dependency and indemnity compensation.

(2) The Secretary shall increase each of the rates and limitations in sections 1114, 1115(1), 1162, 1311, 1313, and 1314 of title 38, United States Code, that were increased by the amendments made by the Veterans' Compensation Cost-of-Living Adjustment Act of 1995 (Public Law No. 104–57, 109 Stat. 555). This increase shall be made in such rates and limitations as in effect on November 30, 1996, and shall be by the same percentage that benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 1996, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)).

(b) SPECIAL RULE.—The Secretary may adjust administratively, consistent with the increases made under subsection (a)(2), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 (72 Stat. 1263) who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

(c) PUBLICATION REQUIREMENT.—At the same time as the matters specified in section 215(i)(2)(D) of the Social Security Act (42 U.S.C. 415(i)(2)(O)) are required to be published by reason of a determination made under section 215(i) of such Act during fiscal year 1996, the Secretary shall publish in the Federal Register the rates and limitations referred to in subsection (a)(2) as increased under this section.●

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By Mrs. BOXER (for herself and Mr. CHAFEE):

S. 1792. A bill to amend the Internal Revenue Code of 1986 to allow companies to donate scientific equipment to elementary and secondary schools for use in their educational programs, and for other purposes; to the Committee on Finance.

THE COMPUTER DONATION INCENTIVE ACT OF 1996

● Mrs. BOXER. Mr. President, 10 weeks ago, thousands of volunteers throughout California helped make NetDay 96 one of the most successful 1-day public projects in history. At the time, we all noted that this electronic barn-raising could be a turning point in educational history—but only if we followed through with other steps to help our children travel the information superhighway.

I would like to take one such step by announcing the Computer Donation Incentive Act of 1996.

This important piece of legislation—which my colleague Senate CHAFEE and I are introducing in the Senate, and my friend ANN ESHOO is introducing in the House—will change the Federal Tax Code in order to promote gifts of computer hardware, software, and expertise to our Nation's schools.

The Computer Donation Incentive Act will provide a greater tax deduction than is currently available for donations of nearly new computers to elementary and secondary schools for educational purposes.

The amount of the deduction for computer manufacturers is equal to their manufacturing costs plus half the difference between those costs and the selling price. So, if the manufacturing cost is $400 and the selling price is $700, then the manufacturer would receive a tax deduction of $550.

For nonmanufacturers, the deduction is based on the computer's purchase price minus depreciation. For example: if a company buys a computer for $2,000, take a depreciation of $400 1 year and gives the computer to a school the next year, then the company can take a deduction of $1,600.

The Boxer-Chafee-Eshoo bill will also provide the same deduction for businesses who give computers to libraries, recreational centers and other public institutions, or to nonprofit organizations that refurbish computers and then give them to schools.

The successful education of America's children is now closely linked to the use of innovative educational technologies, particularly computer-aided research and instruction. Unfortunately, far too many classrooms lack the computers they need to take advantage of these new educational tools.

NetDay 96 was an important step forward in meeting this challenge. By all accounts, it was tremendous success. Taking inexpensive cooper wire and priceless expertise, computer technicians worked with parents, students, faculty, and staff at each school to connect classrooms, libraries, and computer labs to the Internet. By the end of the day, hundreds of public and private schools were wired into the Net.

But the very success of NetDay brought up another problem for most of our schools: If young students are to have access to the Information Superhighway, what are they going to drive?

In Sylvandale, CA, for example, NetDay volunteers installed three Internet connections in each of a school's 40 classrooms. Counting the library and computer lab, this particular school now has 190 potential Internet connections. However, only four of the school's computers are powerful enough to access the Internet; so there are only four active connections out of 190.

If schools cannot get computers into the classrooms, and if they can't get expert help to get up and running, then they will not really have access to the Internet. At a time when public schools in California and around the country are struggling to buy up-to-date textbooks and maintain school buildings, classroom computers may seem hopelessly out of reach. As a result, public schools lag far behind private schools in computer use.

Current tax laws provide no incentives for businesses to donate computers to public schools. As a matter of fact, the Federal Tax Code actually discourages companies from giving to public schools.

Section 170(e)(4) of the Federal Tax Code allows computer manufacturers to take a reasonable deduction when they donate computers to universities for scientific or research purposes. Following a recent IRS ruling, manufacturers can also take this deduction for gifts to private elementary and secondary schools—but not for gifts to public elementary and secondary schools. Moreover, a manufacturer who donates a computer to a public college can now take the deduction if the computer is

used only for advanced research but not if it is used for other teaching purposes.

To make matters worse, only computer manufacturers are eligible for the higher education. Computer dealers and distributors, along with many other businesses, get no tax incentive to do this.

Section 170(e)(4) was written in 1981—before the explosion of computer-based technology made computer literacy a must for every American student. I know that the authors of this provision did not mean to exclude public schools from the computer revolution; they just could not foresee the day when every school would need computers.

The Boxer-Chafee bill will revise this archaic section of the Tax Code. Our Computer Donation Incentive Act is designed to give donations for educational purposes the same tax break as those for scientific research purposes. It will allow businesses to give to public and private elementary and secondary schools as well as institutions of higher learning and still receive the tax break. And it will encourage donations from software producers, computer distributors, and other companies as well as hardware manufacturers.

Along with computers and software, businesses should also donate their expertise, providing the training required to bring our schools fully on-line—and we challenge them to do so. Teachers and students both need such training in order to integrate computer-based lessons into their basic curriculum.

The Computer Donation Incentive Act will provide a reasonable incentive for businesses to donate computers to the schools. Again, I would like to emphasize that these must be nearly new computers; those donated by manufacturers must be no more than 2 years old, and those donated by nonmanufacturers must be 3 years old or less.

It is my hope that computer manufacturers and other companies will take advantage of this incentive to make computer literacy a reality for elementary and secondary school students.

Neither a day of electronic barn-building nor an adjustment to the Tax Code can solve all our educational problems or even make every student computer-literate for the next century. But together, each initiative we take will help provide our students with the tools they need to drive on the information Superhighway and compete in a global information-based economy.

Mr. President, I ask unanimous consent that this bill be inserted in the RECORD.

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

S. 1792

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. CHARITABLE CONTRIBUTIONS OF SCIENTIFIC EQUIPMENT TO ELEMENTARY AND SECONDARY SCHOOLS.**

(a) IN GENERAL.—Subparagraph (B) of section 170(e)(4) of the Internal Revenue Code of 1986 is amended to read as follows:

''(B) QUALIFIED RESEARCH OR EDUCATION CONTRIBUTION.—For purposes of this paragraph, the term 'qualified research or education contribution' means a charitable contribution by a corporation of tangible personal property (including computer software), but only if—

''(i) the contribution is to—

''(I) an educational organization described in subsection (b)(1)(A)(ii),

''(II) a governmental unit described in subsection (c)(1), or

''(III) an organization described in section 41(e)(6)(B),

''(ii) the contribution is made not later than 3 years after the date the taxpayer acquired the property (or in the case of property constructed by the taxpayer, the date the construction of the property is substantially completed),

''(iii) the property is scientific equipment or apparatus substantially all of the use of which by the donee is for—

''(I) research or experimentation (within the meaning of section 174), or for research training, in the United States in physical or biological sciences, or

''(II) in the case of an organization described in clause (i) (I) or (II), use within the United States for educational purposes related to the purposes or function of the organization,

''(iv) the original use of the property began with the taxpayer (or in the case of property constructed by the taxpayer, with the donee),

''(v) the property is not transferred by the donee in exchange for money, other property, or services, and

''(vi) the taxpayer receives from the donee a written statement representing that its use and disposition of the property will be in accordance with the provisions of clauses (iv) and (v).''

(b) DONATIONS TO CHARITY FOR REFURBISHING.—Section 170(e)(4) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''D) DONATIONS TO CHARITY FOR REFURBISHING.—For purposes of this paragraph, a charitable contribution by a corporation shall be treated as a qualified research or education contribution if—

''(i) such contribution is a contribution of property described in subparagraph (B)(iii) to an organization described in section 501(c)(3) and exempt from Taxation under section 501(a),

''(ii) such organization repairs and refurbishes the property and donates the property to an organization described in subparagraph (B)(i), and

''(iii) the taxpayer receives from the organization to whom the taxpayer contributed the property a written statement representing that its use of the property (and any use by the organization to which it donates the property) meets the requirements of this paragraph.''

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (4)(A) of section 170(e) of the Internal Revenue Code of 1986 is amended by striking ''qualified research contribution'' each place it appears and inserting ''qualified research or education contribution''.

(2) The heading for section 170(e)(4) of such Code is amended by inserting ''OR EDUCATION'' after ''RESEARCH''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.●

By Mr. GREGG:

S. 1793. A bill to amen the Tariff Act of 1930 to provide that the requirement relating to making imported articles and containers apply to fresh cut flowers; to the Committee on Finance.

THE TARIFF ACT OF 1930 AMENDMENT ACT OF 1996

●Mr. GREGG. Mr. President, I introduce legislation to amend the Tariff act of 1930, to provide that the requirements relating to marking imported articles and containers will apply to fresh cut flowers as well. Under current law and commercial practices, unlike other imported goods, flowers are not required to be labeled with country of origin. It is my belief that consumers have the right to know this information when they shop for flowers.

U.S. law requires that merchandise imported into the United States be marked with country of origin information. This marking must be ''conspicuously, legibly, and permanently marked in English'' (19 U.S.C. 1304). Unfortunately, this act also grants the Secretary of the Treasury authority to exempt certain items from these requirements flowers are among the items that have been exempted. My bill would revoke this regulatory exemption.

The result is that the boxes or sleeves in which imported flowers are shipped are required to be marked only at the point of entry and no further. Often, before resale to consumers, flowers are taken out of boxes either by importers, wholesalers or retailers. In many cases, even the retailer from whom flowers are purchased is unaware of the product's origin. Domestic fresh cut flower producers have had a natural advantage over importers with respect to freshness due to their proximity to local markets. Quite simply, domestic flowers last longer and they are grown in conformance with strict U.S. pesticide laws as well. United States consumers should be able to choose to purchase fresh, long-lasting domestic cut flowers produced under strict pesticide controls. Historically, however, without a means of distinguishing their product, domestic growers have found it difficult to promote to consumers and handlers the freshness of their flowers, or warn of hazardous pesticide residues on imported flowers.

The legislation I am introducing today will not place an undue burden on retailers or wholesalers. I'm sure all of us, when we shop for groceries, have seen perishable products routinely labeled either by sticker or a simple sign by the product. This legislation would also provide our domestic growers, who enjoy advantages of proximity to the market and the controlled environment of the greenhouse a valuable means of distinguishing their fresh product from imported flowers that are several days old and potentially grown under lax pesticide laws.

Mr. President, I ask unanimous consent that the provisions of my bill be printed in the RECORD.

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

S. 1793

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. MARKING OF FRESH CUT FLOWERS.**

(a) IN GENERAL.—Section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) is amended—

(1) by redesignating subsections (f), (g), (h), and (i) as subsections (g), (h), (i), and (j), respectively; and

(2) by inserting after subsection (e) the following new subsection:

''(f) MARKING OF CUT FLOWERS.—Notwithstanding any other provision of law, no exception may be made under subsection (a)(3) with respect to fresh cut flowers described in or classified under superior heading 0603, or subheading 0603.10, 0603.10.30, 0603.10.60, 0603.10.70, or 0603.10.80 of the Harmonized Tariff Schedule of the United States, as in effect on January 1, 1996. The Secretary of the Treasury shall, by regulation, assure such fresh cut flowers are labeled, marked, or otherwise clearly identified at the retail level as to their country of origin.''.

(b) EFFECTIVE DATE.—The amendments made by this section applies to articles entered, or withdrawn from warehouse for consumption, on the date that is 15 days after the date of the enactment of this Act.●

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By Mr. GREGG (for himself, Mr. REID, Mr. NICKLES, Mr. WARNER, Mrs. KASSEBAUM, Mr. THURMOND, Mr. SMITH, and Mr. BRYAN):

S. 1794. A bill to amend chapter 83 of title 5, United States Code, to provide for the forfeiture of retirement benefits in the case of any Member of Congress, congressional employee, or Federal justice or judge who is convicted of an offense relating to official duties of that individual, and for the forfeiture of the retirement allowance of the President for such a conviction; to the Committee on Governmental Affairs.

THE CONGRESSIONAL, PRESIDENTIAL, AND JUDICIAL PENSION FORFEITURE ACT

● Mr. GREGG. Mr. President, I introduce legislation which is, unfortunately, a necessary measure. Even its name—the Congressional, Presidential, and Judicial Pension Forfeiture Act—does not give any of us a good feeling. However, I do not introduce this bill apologetically, because I believe there is a compelling need to enact these changes in order to regain public confidence and trust in elected officials and top federal appointees.

I urge all of my distinguished colleagues to examine this bill and to ask themselves the same kinds of questions the American people have been asking for a long time. ''Why are Members of Congress not held accountable for their decisions, and more importantly for their wrongdoing? Why do they seem to think they are above the people who elected them, and even sometimes above the law?''

Recent events have only confirmed such cynicism. I'm sure none of us would like to be reminded of the embarrassment caused by these scandals, which are representative of an increasing trend of privilege abuse. Thirty-four Members have served felony prison sentences since 1900, 13 of those in the last decade. Perhaps we need a deterrent, a statutory deterrent—such as the Congressional, Presidential, and Judicial Pension Forfeiture Act—which would cause those who may be tempted to abuse the privileges of public service to think twice before exploiting those powers. More importantly, this bill is also aimed at establishing a commonsense approach to fair play in the use of taxpayers' money—an approach that the public understands instinctively but to which Congress has yet to conform.

This bill would deny congressional pensions to any Members who commit specified felony crimes during their term in office. The crimes relate directly to the execution of congressional duties and were taken from a compilation of Federal ethics laws prepared by the Committee on Government Affairs. These crimes are acts which we all know are wrong, and for which any American citizen would pay dearly in a court of law. Yet we as, Members of Congress, were elected on the basis of integrity and character and, as such, we should hold ourselves to higher ethical standards than the average citizen. This is true in the military, whose officers, if convicted in a court-martial, lose their pensions for serious wrongdoing. We should ask ourselves if we, too, should submit to the kind of standards worthy of our offices. I think we should.

Mr. President, the question here is accountability. How accountable do we perceive ourselves as being for the decisions we make? While we would never deny that we all make mistakes—and our constituents would never expect us to be perfect—the American people do have a right to expect that we serve them honorably, with a strong mind, and with a clear conscience. More specifically, they have a right to expect that we perform our duties free of corruption. Therefore, I strongly urge all of you to consider the source of public cynicism and the bad image which Government has recently acquired. Sixty-six percent of eligible American voters decide to stay home on election night, not because they would rather watch TV, but because they have lost faith in their elected officials—in us—and in the importance of their votes in a democratic system they no longer feel is responsive to them. And this time, it is not about issues; it is about accountability. None of us would claim here on the floor of the Senate that we do not hold ourselves accountable for our own actions. Hopefully, my colleagues will agree to support this bill as a step toward regaining the respect and the trust of the American people.

Finally, I would like to thank Senators REID and NICKLES, who have been working independently on this issue and are joining me today in introducing this bill. Also, I would like to thank my colleagues who have come forward and have demonstrated their support for the bill by becoming original cosponsors. It is gratifying, and I am very honored, to have my distinguished colleagues, from both sides of the aisle, joining me on this issue.●

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By Mr. ROTH:

S. 1795. A bill to restore the American family, enhance support and work opportunities for families with children, reduce out-of-wedlock pregnancies, reduce welfare dependence by requiring work, meet the health care needs of America's most vulnerable citizens, control welfare and Medicaid spending, and increase State flexibility; to the Committee on Finance.

THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY ACT OF 1996

● Mr. ROTH. Mr. President, today is the day we have reached the top of a great divide. We can clearly see both what lies ahead and that which is behind us. Today is the day we decide whether we dare to press forward and change a welfare system that is crippling children and families.

Today is a day of contrasts—39 months ago, President Clinton promised the Nation's Governors and the American people that he would end welfare as we know it. Nothing happened.

He abandoned welfare reform and instead pursued a misguided attempt to take Government control over the world's finest health care system. It didn't work.

Today, the Republicans in the House and Senate are introducing legislation which will deliver on the promise of welfare reform and which will protect the health benefits of needy families as they move from welfare to work. Today we are introducing welfare and Medicaid reform based on the bipartisan recommendations of the Nation's Governors. While the Clinton administration has pursued policies of national control from Washington, we believe the future of these programs belong in the States.

Without even having seen our proposal, President Clinton labeled Medicaid reform a ''poison pill.'' We think it is good medicine. Under our proposal, Federal spending for the Medicaid program will total $371 billion over the next 6 years. This represents an average annual growth rate of 6.5 percent between 1996 and 2002 while still achieving savings of $72 billion compared to current law.

But $371 billion represents many important things in addition to how much the Federal Government will choose to spend on the third largest domestic program in the Federal budget.

It represents bipartisan compromise.

It represents the future of how Government will work to help families escape welfare dependency.

And it represents the future of governmental relationships in our constitutional system of federalism.

First, $371 billion represents an important element of compromise in the political process. In the budget negotiations with President Clinton last

December, the Republican leadership recommended Medicaid savings of $85 billion. During the negotiations, President Clinton wanted to reduce the savings level for Medicaid to $59 billion. At that time, there was a recognition by the administration that Medicaid spending indeed was out of control. For example, between 1994 and 1995, total Federal outlays grew by 3 percent.

But Medicaid spending grew nearly three times as fast.

On a number of occasions, the administration has indicated that the President intends to reduce Medicaid spending by $59 billion.

The President's fiscal year 1997 budget released in March includes saving of $55 billion.

Thus, by setting Medicaid spending at $371 billion, we are meeting President Clinton halfway. The difference between us is now $13 billion. This is less than 2 percent of the total Federal Medicaid spending over the next 6 years. This is a difference of 16 cents per Medicaid recipient per day.

When President Clinton vetoed the Balanced Budget Act of 1995, he argued that the Medicaid budget savings cut too deeply.

The adoption of today's budget resolution and the introduction of this legislation clearly demonstrates that the debate over Medicaid is not about spending. The issue is, who will control the spending, Washington, or the States?

In February, the Nation's Governors unanimously adopted a proposal to restructure the Medicaid Program. Democratic and Republican Governors alike have called upon the President and Congress to dramatically change the Medicaid Program.

The Medicaid proposal we are introducing reflects the Governors' policies, including guarantees for children, pregnant women, the elderly, and persons with disabilities.

Together, the Democratic and Republican Governors have testified before Congress that budget savings should be between $59 and $85 billion. The Republican proposal of $72 billion in savings reflects this spirit of bipartisan compromise and is the midpoint of these savings figures.

The Medicaid debate therefore is about policy, not budget. Medicaid is the largest welfare program and must be part of the solution for moving families from welfare to work. It costs more than the AFDC, Food Stamp, and SSI Programs combined.

The growths in the welfare programs are intimately linked to Medicaid. Medicaid is the nucleus of authentic welfare reform.

The Nation's Governors support reform and share the common goal to end the status quo. Democratic and Republican Governors have forged a bipartisan blueprint for reform.

Our legislation reflects the principles and framework of the Governors' proposals and meets their goals.

Nearly everyone, including President Clinton, recognizes that the welfare system is broken and must be fixed. The Governors, Democratic and Republican alike, know that Medicaid and welfare were in the same car wreck and both require major reconstructive surgery as soon as possible.

The Governors understand there are major problems in the Medicaid Program. To begin with, Medicaid is an all-or-nothing proposition.

A person either qualifies for all Medicaid benefits or no Medicaid benefits. There is no flexibility in the current system to provide benefits tailored to a family's needs.

As such, the welfare system often creates disincentives to work and gross inequities for low-income working families, many of whom have no other way to provide health care for their children.

For the individual, the current Medicaid program is often self-defeating as it encourages dependency. Many proud families can describe what they are forced to do to acquire and maintain Medicaid coverage.

If a family's income rises above the eligibility level by just $1, the entire Medicaid package is taken away.

Medicaid performs as it was designed 30 years ago—$731 billion therefore represents a new opportunity to refocus our welfare programs to help the present and future generations to escape dependency.

Governors know that Medicaid is a critical link in moving families from welfare to work. They understand it can be difficult to convince a family that work pays more than welfare if the price includes the loss of their health insurance.

The Medicaid current program discourages expansion of coverage and innovation.

There is little flexibility or reward for the States to experiment with ways of improving access to care.

The Governors have testified how their ideas to cover more families have been stopped cold by Federal rules and regulations.

The bureaucracy often thwarts targeting of benefits which, for example, could be more effective in lowering infant mortality rates.

Medicaid lags far behind the private sector in adopting progressive managed care strategies which have saved employers and working families billions of dollars.

Two-thirds of the people covered by employer-sponsored health plans today are enrolled in some type of managed care plan.

In contrast, only about one-quarter of the Medicaid recipients are in any form of managed care.

Medicaid contains a number of barriers to managed care.

For example, Florida is facing major disruptions in its entire Medicaid system because two of its best HMO's do not meet Medicaid's ''75/25'' requirements.

Freed from the choke hold of the Federal bureaucracy, States will be able to harness their enormous purchasing power to improve the delivery of services at lower costs.

The central issue of the pending Medicaid debate is who can best design a State's public health insurance program—the Federal bureaucracy or the States?

The idea that the children and elderly citizens in a State must be protected from their Governor and State legislators is not only wrong.

Mr. President, it is insulting.

Finally, slowing the rate of growth represents a fundamental decision about the future of federalism. Our elected State officials are hostages to the demands of the current Medicaid Program. The Federal-State partnership cannot survive the skyrocketing cost of the Medicaid Program which ricochets throughout State budgets.

For example, in 1990, Medicaid replaced higher education as the second largest State spending category, exceeded only by elementary and secondary education.

In 1987, elementary and secondary education accounted for 22.8 percent of State spending. Medicaid took 10.2 percent of State spending.

According to the latest report issued by the National Association of State Budget Officers, the share of State spending for elementary and secondary education has declined to 20.9 percent while Medicaid's share has nearly doubled to 19.2 percent.

If present trends continue, Medicaid will soon pass elementary and secondary education as the largest item in State budgets.

Medicaid has seized the power of decisionmaking from State officials. It is simply draining resources from other priorities.

As summarized by the State budget officers' report, ''Medicaid * * * continues to limit the ability of decisonmakers to use the budget as a tool for implementing public policy.''

Last January, President Clinton proclaimed an end to big government. Nothing could demonstrate a true allegiance to this pledge better than to return the responsibility and authority for welfare programs to the States.

In sum, the critical difference between President Clinton and the Republicans is not about the level of Medicaid spending.

Mr. President, the difference lies in the vision of the proper roles of Government and in the faith of the American people to govern themselves.●

## ADDITIONAL COSPONSORS

S. 327

At the request of Mr. HATCH, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 327, a bill to amend the Internal Revenue Code of 1986 to provide clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home.