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Senate

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Holy God, help us to be present to Your presence in every moment of this day. Fill this Senate Chamber with Your glory and Your grace. May we practice Your presence by opening our minds to think Your thoughts. Make this a day filled with surprises in which You intervene with solutions to our problems, creative compromises that lead to greater unity, and superlative strength that replenishes our human endurance. Fill us with expectancy of what You will do in and through us today.

We claim Isaiah's promise, ''You will keep him in perfect peace whose mind is stayed on You.''—Isaiah 26:3. Stay our minds on You so we may know Your lasting peace of mind and soul. You know how easily we become distracted. Often hours pass with little thought of You and Your will in our work. In those times, invade our minds, remind us You are in charge and that we are here to serve and please You. Keep our minds riveted on You throughout this day. Give us fresh experiences of Your unqualified love for us personally and Your unlimited wisdom for our deliberation and decisions. In our Lord's name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE, is recognized.

SCHEDULE

Mr. DOLE. Thank you, Mr. President. For the information of all Senators, the Senate will immediately resume consideration of the Defense authorization bill this morning. At 9:30, there will be at least two rollcall votes with the last vote being on passage of the Defense authorization bill. Following that vote, the Senate will resume consideration of welfare reform legislation. Further rollcall votes are therefore possible during the day's session. The first vote will be a 15-minute plus the 5, and then the second vote will be a 10-minute vote.

Let me indicate to many of my colleagues who seem to have an interest in going to Baltimore this evening to witness one of the great, historic moments in baseball with Cal Ripken, Jr., breaking Lou Gehrig's record, we are trying to work out some schedule where we could take up welfare reform and agree to have a vote on the Democratic alternative sometime early tomorrow morning. For those who do not proceed to the ball game, we could stay tonight and debate. We have not reached that agreement yet. We are working on it. I know Senator MIKULSKI and Senator SARBANES have a particular interest. We would like to accommodate our colleagues on both sides of the aisle whenever possible and this may be one of those times that we can work it out.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

The PRESIDING OFFICER (Mr. CAMPBELL). Under the previous order, the Senate will now resume consideration of S. 1026, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1026) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed the consideration of the bill.

Pending: Nunn amendment No. 2425, to establish a missile defense policy.

Mr. THURMOND. Mr. President, I believe we will take up some uncontested matters at this time.

Mr. NUNN. Mr. President, I wonder if it would not be appropriate at this time to ask for the yeas and nays on the pending amendment, which is the missile defense amendment sponsored by myself and Senators WARNER, LEVIN, and COHEN.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. NUNN. Mr. President, I believe that we are now prepared to clear some more amendments. The first amendment is the Warner amendment, as I understand it.

Mr. WARNER. Mr. President, the Senator is correct.

AMENDMENT NO. 2461

(Purpose: To state the sense of the Senate on negotiations between the Secretary of Defense, the Secretary of Energy and the Governor of the State of Idaho regarding the shipment of spent nuclear fuel from naval reactors)

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

The PRESIDING OFFICER. If there is no objection, the pending amendment is set aside, and the clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for himself, Mr. EXON, Mr. THURMOND, Mr. KEMPTHORNE, Mr. CRAIG, Mr. COHEN, Ms. SNOWE, Mr. SMITH, and Mr. GREGG proposes an amendment numbered 2461.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 570, between lines 10 and 11, insert the following:

SEC. 3168. SENSE OF SENATE ON NEGOTIATIONS REGARDING SHIPMENTS OF SPENT NUCLEAR FUEL FROM NAVAL REACTORS.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary of Defense, the Secretary of Energy, and the Governor of the State of Idaho should continue good faith negotiations for the purpose of reaching an agreement on the issue of shipments of spent nuclear fuel from naval reactors.

(b) REPORT.—(1) Not later than September 15, 1995, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a written report on the status or outcome of the negotiations urged under subsection (a).

(2) The report shall include the following matters:

(A) If an agreement is reached, the terms of the agreement, including the dates on which shipments of spent nuclear fuel from naval reactors will resume.

(B) If an agreement is not reached—

(i) the Secretary's evaluation of the issues remaining to be resolved before an agreement can be reached;

(ii) the likelihood that an agreement will be reached before October 1, 1995; and

(iii) the steps that must be taken regarding the shipment of spent nuclear fuel from naval reactors to ensure that the Navy can meet the national security requirements of the United States.

Mr. WARNER. Mr. President, this amendment, by myself, is cosponsored by Senators EXON, KEMPTHORNE, THURMOND, CRAIG, COHEN, SNOWE, SMITH, and GREGG. It expresses a sense of the Senate that the Secretary of Defense and the Secretary of Energy and the Governor of Idaho should continue good-faith negotiations to reach an agreement on shipments of nuclear fuel from naval reactors and requires a written report on the status or outcome of the negotiations.

Mr. President, I urge my colleagues to support this amendment to require all parties to continue good-faith negotiations to reach an agreement to permit the resumption of shipments of spent nuclear fuel from naval reactors to the Idaho National Engineering Laboratory. I have joined with several other Senators to reach an agreement which we hope will encourage the parties on both sides who are negotiating this issue to resolve it as soon as possible, because of the serious implications to our national security.

In order to support the national security requirements of the United States, the Navy must be able to refuel and defuel nuclear powered warships. Because of an ongoing dispute between Idaho and the Department of Energy, shipments of spent nuclear fuel to the Idaho National Engineering Laboratory have been halted. This situation has rapidly reached a crisis level and must be resolved expeditiously. My amendment urges all parties to negotiate, in good faith, an agreement that would protect this vital component of our national security. The amendment also retains, if necessary, the option for Congress to take further actions in joint conference if warranted.

Mr. President, this is a very serious matter. Briefly, the background is that the State of Idaho has been receiving shipments for 38 years from the U.S. Navy of its spent fuel.

Without getting into the problem area, there are negotiations ongoing between the Governor of Idaho, such other officials within his administration, the Department of Energy, and the Department of the Navy. But I feel strongly obligated this morning to inform the Senate of the seriousness of these negotiations, and our sincere hope is that the matter may be resolved prior to the conference of the Armed Services Committees of the House and the Senate, because absent a resolution of this dispute between the three parties I just named, I feel it is incumbent upon the Congress of the United States to address the legislative solution.

Why? Because, for example, the preparations for refueling the U.S.S. *Nimitz* are now 3 months delayed and increasing. The Navy has fewer than the needed aircraft carriers today to meet its operational requirements, and I know from some personal experience nothing is more severe to the United States Navy than prolonged deployments of ships beyond their schedules away from home. It impacts most severely on readiness. It impacts also on the family situations of our Naval personnel and the like.

Likewise, the Navy is tying up commissioned ships; that is, ships still in commission, and requiring full manning on these ships since they cannot be defueled. Six ships will be tied up: *Gato, Whale, Puffer, Bergall, Flying Fish* at Puget Sound Naval Shipyard, and *Bainbridge* at Norfolk Naval Shipyard.

This also impacts the yard work. The representations from the Navy this morning indicate that up to 2,000 shipyard workers in the States of Washington, New Hampshire, Virginia, and Hawaii are subject to layoffs unless this matter is resolved in the very immediate future.

I thank all my colleagues for their support, especially the Senator from Idaho, Senator KEMPTHORNE, for his diligent efforts in reaching this agreement.

Mr. KEMPTHORNE. Mr. President, I am pleased to join Senator THURMOND, Senator WARNER, Senator CRAIG, and Senator EXON in cosponsoring the pending amendment. The pending language strikes the appropriate balance between the legitimate national security requirements of the Navy and the State of Idaho's sovereign right to protect its interests.

The amendment is a recognition that good-faith negotiations are currently underway and it is my hope that these talks will lead to an agreement that protects the interests of all the parties. I want to offer special praise to Governor Batt for his effort to establish reasonable criteria for an agreement to settle this very important issue.

Mr. President, the people of Idaho have a long, successful relationship with the Navy. The Navy has been a good neighbor in southeastern Idaho for over four decades and I want to see that relationship continue.

At the same time, the House and Senate at last seem to be moving forward with a serious plan to deal with the national problem of disposing of spent nuclear fuel. This is a very positive step for Idaho and the Nation and I want to urge my colleagues to keep working toward this solution.

Mr. THURMOND. Mr. President, I am pleased to add my support to this amendment which requires all parties to negotiate in good faith immediately with officials of the State of Idaho in order to resolve the current dispute which has resulted in halting shipments of spent nuclear fuel from the Navy.

I want to commend Senator WARNER, Senator KEMPTHORNE, and others for their diligent efforts in reaching this agreement. It is critical that the Navy be allowed to resume shipments of spent nuclear fuel immediately in order to enable the Navy to continue to defuel and refuel its ships. I hope that those involved in the negotiations on both sides of the issue will work in a spirit of cooperation which provides for a timely settlement because of the serious national security implications.

I support this amendment, recognizing that it provides for further legislation in joint conference should it be necessary. I am confident, however, that negotiating officials, recognizing the importance of reaching an agreement as soon as possible will resolve this issue in the near future.

Mr. CRAIG. Mr. President, I rise in support and as a sponsor of the amendment. It is absolutely crucial that the situation that has arisen over the fueling and defueling of fuels from the nuclear Navy be resolved.

This amendment, putting this body on record as supporting good faith negotiations between the Secretary of Defense and the Governor of Idaho for the purpose of pursuing an agreement on the issue of naval spent nuclear fuels, is a step in the right direction.

Idaho has always recognized the importance of a strong nuclear Navy defense deterrent. Idaho takes a back seat to no one when it comes to supporting the defense of this Nation.

At the same time, however, Idaho will not become a de facto spent nuclear waste repository. The facilities at the Idaho National Engineering Laboratory were never designed nor intended to be a permanent nuclear waste disposal facility. I will not stand for that to happen and will always fight to assure Idaho does not become a nuclear waste dump for the Navy and the Department of Energy.

This Nation must stand up and commit itself to addressing the final disposal of commercial, military, and DOE nuclear fuels. This amendment will go a long way to assure we reach the goal of a functioning Navy and Idaho does not become a permanent nuclear waste repository.

Mr. NUNN. Mr. President, I support the amendment. I think the Senator from Virginia has outlined it correctly in terms of the urgency of trying to find some solution to this. I commend him for sponsoring this amendment. I agree with him. At some point, we will have to legislate on this subject unless the parties can agree.

Mr. President, I believe we have a pending amendment, which is the Nunn-Warner-Levin-Cohen amendment. I ask unanimous consent that be temporarily laid aside so that we can handle these three or four amendments that have been worked out, at which time the pending amendment would then be the pending action.

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

Mr. WARNER. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Virginia.

The amendment (No. 2461) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2462

Mr. NUNN. Mr. President, on behalf of Senator LEVIN, I offer an amendment which would authorize the Army to use leasing agreements to modernize its commercial utility cargo vehicle fleet. This fleet is past the point of economically useful life and has become a significant training and operational maintenance fund. This program, using commercial practices to require essential commercial services, is in keeping with the spirit of acquisition reform.

I believe the amendment has been cleared on the other side.

Mr. WARNER. Mr. President, the Senator is correct. It has been cleared.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. LEVIN, proposes an amendment numbered 2462.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate point in the bill, insert the following:

SEC. . ENCOURAGEMENT OF USE OF LEASING AUTHORITY.

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2316 the following new section:

"SEC. 2317. EQUIPMENT LEASING.

''The Secretary of Defense is authorized to use leasing in the acquisition of commercial vehicles when such leasing is practicable and efficient.''

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2317. Equipment Leasing.''

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense shall submit a report to the congressional defense committees setting forth changes in legislation that would be required to facilitate the use of leases by the Department of Defense in the acquisition of equipment.

(c) PILOT PROGRAM.—The Secretary of the Army may conduct a pilot program for leasing of commercial utility cargo vehicles as follows:

(1) Existing commercial utility cargo vehicles may be traded-in for credit against new replacement commercial utility cargo vehicle lease costs;

(2) Quantities of commercial utility cargo vehicles to be traded in and their value to be credited shall be subject to negotiation between the parties;

(3) New commercial utility cargo vehicle lease agreements may be excuted with or without options to purchase at the end of each lease period;

(4) New commercial utility cargo vehicle lease periods may not exceed five years;

(5) Such leasing pilot program shall consist of replacing no more than forty percent of the validated requirement for commercial utility cargo vehicles but may include an option or options for the remaining validated requirement which may be excuted subject to the requirements of subsection (c)(8);

(6) The Army shall enter into such pilot program only if the Secretary:

(A) awards such program in accordance with the provisions of section 2304 of title 10 United States Code.

(B) has notified the congressional defense committees of his plans to execute the pilot program;

(C) has provided a report detailing the expected savings in operating and support costs from retiring older commercial utility cargo vehicles compared to the expected costs of leasing newer commercial utility cargo vehicles; and

(D) has allowed 30 calendar days to elapse after such notification.

(8) One year after the date of execution of an initial leasing contract, the Secretary of the Army shall submit a report setting forth the status of the pilot program. Such report shall be based upon at least six months of operating experience. The Secretary may exercise an option or options for subsequent commercial utility cargo vehicles only after he has allowed 60 calendar days to elapse after submitting this report.

(9) EXPIRATION OF AUTHORITY.—No lease of commercial utility cargo vehicles may be entered into under the pilot program after September 30, 2000.

Mr. LEVIN. Mr. President, last year Congress passed the Federal Acquisition Streamlining Act of 1995, in which we sought to reform Defense acquisition procedures and rely on more commercial products and processes for the Defense Department.

Consistent with Defense acquisition reform, this amendment authorizes the Defense Department to use commercial leasing practices to acquire commercial vehicles for the Army.

This will permit the Army to modernize its fleet of commercial utility cargo vehicles [CUCVs] without any new appropriated funds.

The Army has an old and expensive fleet of about 45,000 CUCV's. They need a fleet of only about 13,000 CUCV's, and can make significant savings on operation and support costs if they use newer vehicles.

The Army is short on funds for modernization of its vehicle programs, and has identified it as a priority area for modernization. This amendment could help the Army modernize its CUCV fleet at no additional cost.

The amendment is also strongly supported by the Army acquisition executive.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate on the amendment, the question is on agreeing to the amendment.

The amendment (No. 2462) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2463

(Purpose: To place a limitation on the use of funds for former Soviet Union threat reduction)

Mr. WARNER. Mr. President, I send to the desk an amendment on behalf of Senator KYL and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. KYL, proposes an amendment numbered 2463.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the bill, insert the following:

SEC. . LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION.

(a) LIMITATION.—Of the funds appropriated or otherwise made available for fiscal year 1996 under the heading ''FORMER SOVIET UNION THREAT REDUCTION'' for dismantlement and destruction of chemical weapons, not more than $52,000,000 may be obligated or expended for that purpose until the President certifies to Congress the following:

(1) That the United States and Russia have completed a joint laboratory study evaluating the proposal of Russia to neutralize its chemical weapons and the United States agrees with the proposal.

(2) That Russia is in the process of preparing, with the assistance of the United States (if necessary), a comprehensive plan to manage the dismantlement and destruction of the Russia chemical weapons stockpile.

(3) That the United States and Russia are committed to resolving outstanding issues under the 1989 Wyoming Memorandum of Understanding and the 1990 Bilateral Destruction Agreement.

(b) DEFINITIONS.—In this section:

(1) The term ''1989 Wyoming Memorandum of Understanding'' means the Memorandum of Understanding between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on September 23, 1989.

(2) The term ''1990 Bilateral Destruction Agreement'' means the Agreement between the United States of America and the Union of Soviet Socialist Republics on destruction and non-production of chemical weapons and on measures to facilitate the multilateral convention on banning chemical weapons signed on June 1, 1990.

Mr. KYL. Mr. President, today, I rise to offer an amendment to the Defense authorization bill concerning the Cooperative Threat Reduction Program, commonly known as Nunn-Lugar. The purpose of this amendment is to require both the DOD and the Russians to get serious about chemical weapons destruction activities and to focus their efforts in a productive manner.

Of the $371 million requested for the Cooperative Threat Reduction Program with Russia and other former States of the Soviet Union, $104 million was requested for chemical weapons destruction.

Reducing the chemical weapons stockpiles of both the United States and Russia is an important goal. Chemical weapons and nerve agents are among the cheapest and most effective manner to kill people. The number of chemical-weapons nations has tripled from 8 in 1969 to as many as 26 today. Moreover, the Stockholm International Peace Research Institute has counted 15 separate cases of recent chemical conflict in the Third World.

The problem is that current CTR Program to reduce chemical weapons is ill defined and lacks focus.

The first purpose of my amendment is to withhold $54 million for a chemical weapons destruction facility until the completion of the joint feasibility study. This approach is consistent with the GAO report from June 1995 ''Weapons of Mass Destruction, Reducing the Threat From the Former Soviet Union: An Update.'' In the report, the GAO noted,

> . . . the United States have yet to agree on the applicability of a technology to be used in chemical weapons destruction facility and may not do so until midway through fiscal year 1996. This uncertainty raises questions as to the program's need for the $104 million it is requesting in fiscal year 1996, in part, to begin designing and constructing the facility.

Agreeing on a destruction technology is important because Russia is currently proposing using a ''neutralization'' technology which would blend the chemical toxin with other chemicals in an attempt to neutralize the toxin. This is an unproven technology and will create two to three times the amount of chemical waste already in the inventory. The United States preferred technology is incineration, although that is not without its problems.

My amendment requires that the United States and Russia complete a joint laboratory study before the United States provides the balance of the $104 million for a controversial, unproven approach.

A second aspect of my amendment is the requirement that Russia agree, with United States assistance, to prepare a comprehensive plan to cope with the Russian chemical weapons destruction program. According to the GAO, the administration originally proposed this approach to the Russians. The current plan is to develop a proposal for each individual which will be involved in chemical weapons destruction—there are seven sites in Russia.

With a declared stockpile of 40,000 metric tonnes, the only way to manage the chemical weapons issue is to view the totality of the problem. The United States cannot be certain whether the proposals deal with the whole problem, unless a comprehensive, detailed plan is prepared. Further, the United States cannot be certain of its total financial obligation without a comprehensive plan.

The third aspect of my amendment is to require the President to certify that the Russians are committed to resolving outstanding issues under the 1989 Wyoming Memorandum of Understanding and the 1990 Bilateral Destruction Agreement.

The Wyoming MOU was intended to build confidence between the United States and Russia in the chemical weapons area and thus facilitate completion of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction. This would be done by exchanging detailed and complete data about their respective chemical weapons programs and by testing inspection procedures.

Under the MOU, during the first phase, the countries are to exchange general data on their chemical weapons and make reciprocal visit to storage, production, and destruction facilities. In the second phase, the counties are to exchange detailed data on their chemical weapon stocks and verify this information through reciprocal on-site inspections. During this phase, each country is to provide the other with general plans for dismantling chemical weapons production facilities.

The first phase of the Wyoming MOU was completed in early 1991. The second phase of the MOU was delayed because of disputes between the two countries. In a report issued to Congress in January 1995 entitled ''U.S. Assistance and Related Programs for the New Independent States of the Former Soviet Union,'' the administration was more forthcoming. The report says:

> . . . Phase I of the [Wyoming] MOU was completed in February 1991. Documents allowing for the second and final phase of the MOU were agreed upon at the January 1994 Moscow Summit. Russian implementation of Phase II has yielded problematic results. . . . The U.S. believe that several key question and concerns have not yet been resolved in Russia's data declaration. . . . The U.S. continues to have significant concerns about Russia implementation of the Wyoming MOU. . . . Russia still must take concrete steps to fulfill its commitment and resolve existing problems.

Although not yet ratified, the Bilateral Destruction Agreement requires each party to undertake not to produce chemical weapons and to reduce their chemical weapons stockpile to 5,000 agent tonnes. The principle issue holding up completion of the agreement concerns the conversion of former chemical weapons production facilities. Russia missed the December 1992 original target date for starting its destruction program. Currently, it has no comprehensive plan defining when and how the weapons will be destroyed. An unclassified ACDA report on arms control compliances merely notes that ''questions remain on certain aspects of the Russian date declaration and inspections.''

The Wyoming MOU and the Bilateral Destruct Agreement were intended to support and facilitate the Chemical Weapons Convention which would restrict members from developing, producing, acquiring stockpiling, retaining transferring or using chemical weapons, and require the destruction of those weapons within 15 years.

Although it is in our interest to have Russia agree to a verifiable Chemical Weapons Convention, how can the United States have any confidence in the integrity of the CWC, if Russia has failed to implement these two agreements? For these reasons, Mr. President, it is my intent that the Senate send a signal to Russia and the DOD to get serious about putting this important chemical weapons destruction program in place.

COOPERATIVE THREAT REDUCTION PROGRAM

Mr. THURMOND. Mr. President, I would just like to make some general comments about the Cooperative Threat Reduction Program, otherwise known as Nunn-Lugar.

To date, close to $1.6 billion has been authorized or appropriated for this program. Out of this amount, less than half of the funds have been obligated. Earlier this year, the Department of Defense told the committee that they expected to obligate around $860 million of the previous year's funding by the end of the fiscal year.

The committee has been supportive of this effort to help the Republics of the former Soviet Union dismantle and destroy their chemical and nuclear weapons stockpile. For various reasons, however, the Department has run into problems in managing the program, either through administrative problems on the United States side, or, as a result of not being able to conclude implementing agreements with

Russia and the other Republics. I believe the program has been a useful political tool. However, I don't believe that the program has accomplished as much as the Department of Defense would lead one to believe. The Department of Defense says that the large number of reductions in Russia and the Republics are as a result of the assistance received through this program.

Mr. President, that can hardly be the case, when the majority of the funds for this program overall were not obligated until the latter part of 1994. I believe it is accurate to say that this program has been helpful in securing the reductions and return of the strategic nuclear weapons from the three Republics, Ukraine, Belarus, and Kazakhstan. Russia, however, achieved their reductions prior to entry into force of the START Treaty because it was in their economic interest to do so. By implementing the reductions prior to START entering into force, Russia was able to dismantle those items without having to declare them under the treaty and adhere to the dismantlement requirements of the treaty. A number of Members have been concerned with the slow rate of obligation of the Cooperative Threat Reduction Program. For that reason, the committee recommended a reduction from the President's budget request, and also agreed with the recommendation of the Senator from Arizona, to place limitations on the use of the funds, pending a Presidential certification regarding the progress of the chemical weapons dismantlement program.

Last week, the Senate Foreign Relations Subcommittee on Europe conducted two hearings on nuclear terrorism and proliferation. The majority of witnesses recommended that funds for this program, as well as the Department of Energy's companion program be substantially increased.

Mr. President, I believe that recommendation is premature, based on the track record of the Cooperative Threat Reduction Program. The committee will continue to pay close attention to the Department's management and obligation rate of the Cooperative Threat Reduction Program.

Mr. NUNN. Mr. President, this is an amendment that the Senator from Arizona had on the Defense appropriations bill. I believe it has been worked out. I worked with him on it. We modified some of its provisions.

I urge its adoption.

Mr. WARNER. Mr. President, the amendment would limit the use of funds authorized for the Cooperative Threat Reduction Program pending certification of the following: First, the United States and Russia have successfully completed a joint laboratory study evaluating the chemical weapons neutralization process; second, that Russia is in the process of preparing a comprehensive plan to dismantle and destroy its chemical weapons stockpile; and third, that Russia remains committed to resolving the outstanding issues regarding its compliance with the 1989 Wyoming memorandum of understanding and the 1990 bilateral destruction agreement.

This is a very important amendment. We urge its adoption.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate on the amendment, the question is on agreeing to the amendment.

The amendment (No. 2463) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2464

(Purpose: To make various technical corrections and other technical amendments to existing provisions of law)

Mr. WARNER. Mr. President, I send an amendment to the desk in behalf of the chairman of the Armed Services Committee, Senator THURMOND, and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. THURMOND, for himself and Mr. NUNN, proposes an amendment numbered 2464.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment appears in today's RECORD under Amendments Submitted.)

Mr. WARNER. Mr. President, this amendment, on behalf of the chairman of the Armed Services Committee, makes certain technical amendments to the existing provisions of law. The amendment has been cleared on both sides. I urge its adoption.

Mr. NUNN. Mr. President, I urge the Senate to adopt the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

So the amendment (No. 2464) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to. I move to lay it on the table.

The motion to lay on the table was agreed to.

Mr. SIMON. Mr. President, while I commend the work of the Senators involved in negotiating this compromise amendment on missile defenses, which is certainly an improvement over what is currently in the bill, I cannot support the amendment. By nature, compromises are never perfect, but they usually take the form of something each side can live with. In this case, I do not believe that the language in this amendment is something we can afford to live with.

Despite the changes, this proposal still commits us to the deployment in the near future of expensive and destabilizing missile defense systems. This is not the way we should be going. The time and energy the Senate has put into this issue would be much more wisely spent on ratification of the START II and chemical weapons treaties, which are sitting in the Foreign Relations Committee. The proponents of robust missile defenses argue that the end of the cold war makes obsolete arms control treaties negotiated in that area. I could not disagree more. The way to a more secure United States and a more peaceful world is through building on our arms control treaties, not destroying them.

This amendment, while designed by its authors to be compliant with the ARM Treaty, moves us in the direction of fundamentally altering or even withdrawing from the treaty. The AMB Treaty is a cornerstone of our arms control policies, and I believe we must retain its integrity, especially to ensure Russian ratification and implementation of START II. Putting at risk this ratification makes us less safe, not more.

I am also concerned about the costs of deploying national missile defenses, which has not entered into this debate to the extent it should. By one estimate, it could cost some $100 billion, and the way weapons systems go, like the B–2, it is not hard to imagine the costs soaring higher. Many of the proponents of this star wars-like deployment joined me in supporting the balanced budget amendment, but have not explained how they would reconcile that goal with the huge costs of this program.

I recognize the choices that had to be made on this issue, and Senators NUNN and WARNER got the best deal that they could. But when Senator WARNER says that the amendment sets a clear path to deployment of national missile defenses, I have no choice but to oppose it.

Mr. COCHRAN. Mr. President, I commend my colleagues who were involved in drafting this amendment on missile defense. The hard work that went into the crafting of this compromise is strong evidence of both the importance of the issue and the dedication of the members and staff who spent many days and nights attempting to defense common ground on this critical issue. Their efforts, and the several votes we have already had on the fiscal year 1996 Defense authorization and appropriations bills regarding missile defense will be viewed one day as the turning point in the debate on defending America and American interests against ballistic missile attack.

There are elements of this compromise that I am satisfied with. For example, section 232(9) contains the following language: ''Due to limitations in the ABM Treaty which preclude deployment of more than 100 ground-based ABM interceptors at a

single site, the United States is currently prohibited from deploying a national missile defense system capable of defending the continental United States, and Hawaii against even the most limited ballistic missile attacks.'' While some might find virtue in being defenseless against even the most limited of threats—a threat not even contemplated during the negotiations of the ABM Treaty—I do not. This defenselessness can only serve as an invitation to those with interests that are hostile to our own to develop or acquire the capability to put the United States at risk from long-range ballistic missiles. That this amendment recognizes our inability to defend against even a limited threat should be regarded as progress.

The recent revelations about Saddam Hussein's weapons program should teach us that we won't ever know as much about some ballistic missile and weapons of mass destruction programs as we think we do. Combine this with the cavalier export control regimes of other countries currently possessing these weapons and delivery systems, and the oft-stated l10 years until the United States could be threatened by long-range missiles sounds more like wishful thinking than dispassionate analysis.

I have three major concerns with this amendment:

First, unlike the committee-reported bill, the amendment does not require the deployment of a national missile defense system capable of defending all of the United States against even the most limited of threats. This must change. We have been engaged for too long in developing for deployment the necessary systems. Instead of committing to deploy an NMD system against a limited threat, this amendment commits to more procrastination. We've had enough of this, and anything short of a commitment to deploy is unacceptable.

Second, section 238 of the amendment prohibits the use of funds to implement an ABM/TMD demarcation agreement with any of the states of the former Soviet Union which is more restrictive than that specified in section 238(b) without the advice and consent of the Senate or enactment of subsequent legislation. This funding prohibition is fine, as far as it goes; unfortunately, it does not go far enough. The amendment is silent on the possibility that the administration could enact a more restrictive demarcation unilaterally. In essence, the amendment tells the administration that if it wants to have a more restrictive demarcation standard than that spelled out all it has to do is announce the standard unilaterally, without Russian agreement. This amendment would not prohibit the use of funds by the administration if it were simply to take the current Russian proposal on demarcation and adopt it as the unilateral position of the United States. To go one step further, as written this amendment would allow both the United States and Russia to adopt the same Russian proposal unilaterally without triggering the prohibition on the use of funds in section 238(c). If we are not willing to permit, as part of a bilateral or multilateral agreement, a more restrictive demarcation standard than that specified in the amendment, why should we be willing to allow the adoption of a more restrictive standard unilaterally?

Third, prior to deployment of a national missile defense system capable against a limited threat, section 233(3) of the amendment mandates congressional review of, ''(A) the affordability and operational effectiveness of such a system; (B) the threat to be countered by such a system; and (C) ABM Treaty considerations with respect to such a system.'' In addition to the fact that section 233(3) (A) and (B) are unnecessary restatements of a basic purpose of each year's Defense authorization and appropriations bills for all defense programs, the requirement in section 233(3)(C) is completely backward. Instead of requiring review of the effect of defending America on the ABM Treaty, we ought to review the effect of the ABM Treaty on defending America. The defense of our country is more important to me than the defense of a treaty that puts our country at risk.

There are other parts of the amendment in need of improvement, though they are of lesser importance than the problems I've already raised. I'll conclude by making four observations: First, notwithstanding the desire by some to ignore the threat posed to the United States by weapons of mass destruction and their ballistic missile delivery systems, this threat is serious and we cannot continue to procrastinate over employing the means at hand to reduce this threat. Second, a national missile defense against a limited threat would in no way undermine United States-Russian deterrence, and would only enhance deterrence of rogue nations or groups with interests contrary to those of the United States, all of whom are limited by scarcity of funds. We would do well to pay close attention to what Secretary Perry said recently, that, ''The bad news is that in this era, deterrence may not provide even the cold comfort it did during the cold war. We may be facing terrorists or rogue regimes with ballistic missiles and nuclear weapons at the same time in the future, and they may not buy into our deterrence theory. Indeed, they may be madder than MAD.'' Third, however the Russian Duma acts on the START II Treaty, its decision will be based on many factors, only one of which is their perception of United States actions with regard to the ABM Treaty. It is incorrect to suggest that Duma ratification of START II is based solely on our ballistic missile defense legislation, and the Senate cannot allow itself to be held hostage by threats of retaliation by the Duma. Fourth, the missile defense provisions in the underlying bill will not violate the ABM Treaty unless the administration takes no action to modify the treaty. Indeed, Secretary of State Christopher made this point in an August 14, 1995 cable, where in talking points provided for selected U.S. embassies he said, ''The provisions as proposed by the Senate Armed Services Committee call for deployment of a national, multiple-site missile defense that, if deployed, without treaty amendment, would violate the ABM Treaty.'' Secretary Christopher is saying that a multiple-site NMD system could be made ABM Treaty-compliant by simply amending the treaty. The assertions that have been made on this floor and by administration officials that, in and of itself, the underlying bill violates the ABM Treaty, are wrong. If you don't want to take my word for it, ask Secretary Christopher.

I think the amendment weakens the committee-reported Missile Defense Act of 1995, but having said that it is important to get this bill to conference where we will have an opportunity to improve these provisions.

Mr. DOLE. Mr. President, 1 month ago I rose to support the Missile Defense Act of 1995, as the Armed Services Committee reported it. It seemed to me to be just about the right response to the growing threat of weapons of mass destruction and ballistic and cruise missiles. Frankly, I was a bit surprised by the vehemence with which some of my colleagues opposed the bill once it came to the floor.

Many Americans are unaware that right now, America is defenseless against ballistic missiles. If that fact were better known, I think many Americans would be very angry that the Missile Defense Act of 1995 ran into so much opposition from the Clinton administration and some of my colleagues on the other side of the aisle.

But the fact is that our choice—the choice of those who want to protect America from this growing threat—was between this revised amendment or no bill at all. Given the other important aspects of this bill, and given Saddam Hussein's recent revelations, we chose to work things out and to take a step toward defending America—although it is not as big a step as we wanted. Nevertheless this amendment is a step forward and, let us not forget, we will have an opportunity in conference with the House to make modifications.

In any case, there can be no doubt that this bill and this amendment take concrete steps toward establishing effective theater and national missile defenses.

On the essential question of national defense, this amendment establishes as U.S. policy the deployment of a multiple-site national missile is operationally effective against limited, accidental, or unauthorized ballistic missile attacks on the territory of the United States—a defense system that can be augmented over time to provide a layered defense. The Secretary of Defense is instructed to implement this policy

by developing a national missile defense system—consisting of ground-based interceptors, fixed ground-based radars, and space-based sensors—capable of being deployed by the end of 2003.

Unlike some of my colleagues who still believe that the cold-war-era ABM Treaty defends America, I believe that nothing short of the development and deployment of an effective national missile defense system will truly protect America against the threats of the 21st century.

The recent revelations by Saddam Hussein—that the Iraqis filled nearly 200 bombs and warheads for ballistic missiles with biological and toxin weapons—should drive this point home.

With respect to the ABM Treaty, this legislation calls for a year of careful consideration on how to proceed with the ABM Treaty in the longer term. During that time the President could and should seek to negotiate with Russia a mutually beneficial agreement that will allow the United States to proceed with multiple-site deployments. Furthermore, this legislation prohibits the use of funds to implement an agreement limiting theater missile defenses—which were never limited by the ABM Treaty—without the advice and consent of the Senate. This was intended to address to the very real concern that the administration has not abandoned the ill-conceived course of negotiating changes to the ABM Treaty that would restrict theater missile defenses despite oft-stated and deep-seated Senate objections.

This legislation also establishes a theater missile defense core program and a cruise missile initiative that focuses our resources on deploying effective systems that are needed right now to defend, American interests around the globe.

Mr. President, this amendment does not achieve all of the objectives I would like to have seen achieved. However, it does take firm, tangible steps toward defending America—most importantly by setting a goal of 2003 to deploy a multiple site, effective defense of the United States of America. On this there cannot be and will not be any compromise. We will have a conference with the House. And if the conference report that is worked out is acceptable and is passed by the Congress, the responsibility will be with the President to sign this bill so that defending America becomes the law of the land.

HANS BETHE WARNED OF THIS

Mr. MOYNIHAN. Mr. President, at a point in our history when we have successfully avoided the Armagedonnic catastrophe of nuclear confrontation and have began the sensible process of limiting nuclear warheads by treaty, the Senate proposes to adopt a bill that could resurrect the nuclear arms race, and, in the process, jeopardize 23 years of arms control treaties. The Armed Services Committee has presented the Senate with a bill that proposes a national ballistic missile defense system. The Congressional Budget Office estimates this is a $48 billion proposition.

Can we in good conscience embark on a project to doubtful feasibility and enormous cost, which only addresses one of many nuclear threats? Potential adversaries will simply channel their resources into producing delivery vehicles that the system could not defend against; submarines, cruise missiles, stealth aircraft, terrorists car bombs.

In 1977, Prof. Han Bethe of Cornell University, one of the most distinguished figures of sciences in the nuclear age, during a visit to my home in upstate New York, warned me that such a plans would 1 day be presented to the Senate.

On March 23, 1983, with little attention given to the technical details, President Reagan proposed an initiative which became known as the strategic defense initiative [SDI]. We have yet to work out the technical details of a national missile defense system. Yet there are those in this body who appear to be bent on deploying some remnant of the SDI, without regard to the potential threats that exist, or the costs involved.

In testimony to the Foreign Relations Committee in 1992, Dr. Bethe elaborated on his objections to deploying such a system. I ask unanimous consent that an excerpt from the transcript of that hearing be printed in the RECORD.

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

HEARING BEFORE THE COMMITTEE ON FOREIGN RELATIONS, FEBRUARY 25, 1992

Senator MOYNIHAN. I recall that 15 years ago, Dr. Bethe, you and Mrs. Bethe very graciously came to lunch, and you tried to warn me against something I never heard of. I really didn't know what you were talking about. It turned out to be Star Wars.6

You described, as I recall, having me with a Soviet physicist in a conference in Rome or some such place and you both agreed that there were those people who thought one could have a small nuclear device explode in space and send out a laser beam that would zap something on the other side of the universe. You both agreed that it was crazy but that there were plenty of crazy people in both our countries and they were likely to try it. You were not wrong.

But now we are further down in our notions. Brilliant Pebbles I think is the most recent formulation.

Do you think we should pursue this kind of anti-missile technology at this level? I know that you thought at the grand level it would not prove coherent, and it did not. But might it at a lower level? Did you have any thoughts for us on this?

Dr. BETHE. I have a strong opinion on Star Wars. I thought it was misconceived from the beginning, and by now I think there is no reason at all to pursue it or to pursue any variation of it.

Senator MOYNIHAN. Or to pursue any variation of it.

Dr. BETHE. The Brilliant Pebbles, in contrast to the X-ray laser, are likely to be technically feasible. But I am terribly nervous about having 1,000 such devices cruising about above the atmosphere. One of them might hit an asteroid. They tell me and I think they are right that they have precautions against that. But I believe that the only thing that should be done is research. That should continue. But we should not deploy any of these devices.

Senator MOYNIHAN. Did I hear you correctly when you said that it might hit an asteroid?

Dr. BETHE. Yes.

Senator MOYNIHAN. I thought for a moment you had said ''astronaut.'' But it might be both or either, for that matter, if it comes to it.

May I say to the Chairman and to my colleague, Senator Robb, that in 1977, Hans Bethe on our back porch in upstate New York, said one of these days some crazy scientist is going to come along to you fellows in the Senate and say I have a plan whereby we put these nuclear weapons in place all over the atmosphere and at a certain point we detonate them and they produce a laser and it goes zap. And he said it's coming and when it comes, tell those people they are loony.

Well, it came, just as he predicted. In 1945, he wrote that the Soviets could have the bomb in 5 years; they got it in 4. After our luncheon in 1977 we got Star Wars in 5, I think.

We could have saved ourselves a lot of grief, it seems to me, if we had listened to you in the first place. You know, the people who built these bombs know something about how they work. Dr. Bethe, you've even suggested you could go down into the basement and turn uranium into reactor fuel. It is not that much of a technical feat.

But you would keep the research going on the general principle that you ought to know as much physics as you can but leave it on the ground and not deploy any Brilliant Pebbles or Sullen Sods or whatever.

Dr. BETHE. I think we should not deploy any of this. I think even if they are effective, everybody has agreed that they are no good against a strong enemy like the Soviet Union used to be. I think it would be a mistake to deploy such devices against accidental launch of Third World countries.

Is that the answer you wanted?

Senator MOYNIHAN. Yes. I wanted your view, but that was the question I wanted answered. Yes.

Does Ambassador Nitze have a different view?

Ambassador NITZE. I think the terms involved are very confusing and are not precisely defined. With respect to the interception of shorter-range ballistic missiles, for instance, such as the Patriot missile, which was used during the Gulf War, I think that is an important thing which one should continue to develop.

Dr. BETHE. [Nods affirmatively.]

Senator MOYNIHAN. I think you are getting agreement from your colleague at the table. But those are ground-based or at least based within the atmosphere.

Ambassador NITZE. They are ground based, the Patriot missile. I think most of the devices which might be used against, for instance, shorter-range things, such as SCUDS, would be ground-based. But there are some that are not.

The man who really invented Brilliant Pebbles—I forget his name—now works at Los Alamos and he believes that one ought to go for something which he calls ''burros,'' being the stupidest animal around. Instead of having these bright interceptors, you have ones with low capability but which would be very good against shorter range missiles, which would be in the lower atmosphere. I think he may be right about that.

So if there are ways and means of dealing with the shorter range threats, which the Saddam Husseins or the Iraqis and so forth are capable of, I think we ought to be willing

to deploy those in the event the technology works out.

So it's a question of I want to know precisely what it is that we are talking about when we say don't do it or do do it.

Senator MOYNIHAN. Dr. Bethe does not seem to disagree with that.

Dr. BETHE. I agree that it would be good to have an effective means against shorter-range missiles. Brilliant Pebbles is not the right thing, and I believe some knowledgeable people think that we can have such a device. When we see one, I am in favor of it.

Senator MOYNIHAN. Thank you very much.

Mr. MOYNIHAN. Mr. President, George P. Shultz recounts in his biography ''Turmoil and Triumph'' that SDI was President Reagan's own idea but that the plan was announced after a favorable endorsement from the Joint Chiefs of Staff. Then Secretary of State Shultz reports that when Lawrence Eagleburger informed him that the Joint Chiefs of Staff had told the President that a strategic defense system could be developed, the Secretary responded, ''The Chiefs are not equipped to make this kind of proposal. They are not scientists.'' Of course, when the scientists were consulted, it was concluded it could not be done.

Finally, consideration must be given to the possible response of Russia to our actions. The original bill would have required us to abrogate the ABM Treaty. If we were to break the ABM Treaty unilaterally, it is clear that Russia would respond by rejecting START II. This amendment still proposes that if the Russians do not agree to modify the ABM Treaty to allow us to deploy a national missile defense system that consideration be given to United States withdrawal from the ABM Treaty. Russian nationalists would certainly be pleased if we would do so.

My point is simply that the national missile defense system envisioned in this bill will only be effective against limited ballistic missile attacks. Limited is not defined, but it is unlikely that it might be referring to a capability of defending against 1,400 ballistic missiles launched simultaneously? We can wipe out 1,400 ballistic missiles; not with a ballistic missile defense system, but with a treaty. The START II Treaty. Treaties can go a long way to protecting us against nuclear weapons. If we jeopardize ratification of START II, we risk a lot for this limited ballistic missile defense system.

MISSILE DEFENSE

Mr. INHOFE. Mr. President, during the August recess, I had about seven events each day and never passed up the opportunity to let them know about the most critical threat facing America today—missile attack. I spoke about the fact that the actions we take today will directly affect the kind of defense posture our country has in 5 to 7 years.

The danger we face is real. Yet I was surprised and shocked at the ambivalence and lack of understanding that exists concerning this vital issue. Many people simply do not realize—and are themselves shocked to be told—that our country today has no missile defense system in place capable of protecting American cities from long range missile attacks.

I estimated that perhaps most Oklahomans were not readily aware of some of the basic terms of the debate currently going on in Washington about the important missile defense provisions of the current defense authorization bill.

I would suggest that part of the reason for this has to do with the media, particularly the national media, most of which has either not adequately focused on this issue or has skewed it in such a way as to downgrade its importance. But there are also similar problems with the local media.

For example, in Oklahoma there are two major daily newspapers, the daily Oklahoman and the Tulsa World. Their differences reflect similar disparities in the national media.

The Tulsa World reflects a consistent liberal view of the world, one which favors the expansion of the role of government in almost every area except defense. Their left-leaning editorial view tends to distort the reality of significant issues such as missile defense.

The daily Oklahoman, on the other hand, much more clearly reflects the conservative social and economic values of Oklahomans. It is a larger paper and provides a much more realistic approach to issues such as national defense.

During the past month, each of these papers had major editorials on the threat of missile attack. There is quite a difference in their approach. I think it will be instructive for my colleagues to examine these editorials and ponder how the media is shaping the debate about vital issues facing our country.

I therefore ask unanimous consent that the two editorials I mentioned concerning missile defense—one from the Tulsa World and one from the daily Oklahoman—be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Oklahoman, Aug. 20, 1995]

FOR THE COMMON DEFENSE

The Clinton administration's attachment to a pair of international agreements has the potential to weaken U.S. defenses against a foreign attack.

President Clinton last week announced the United States would cease future nuclear weapons tests in hopes of energizing stalled talks aimed at producing a worldwide test ban.

At the same time, Clinton's threatened veto of the defense authorization bill—because it orders development of a national missile defense system—is behind efforts to water down the missile defense part of the bill.

It's a double-whammy for U.S. national security.

First, although declaring a U.S. nuclear test ban looks great on television and might evoke comparisons with John F. Kennedy (something Clinton wouldn't mind), it's quite a leap of faith minus guarantees the Russians will do likewise.

Also, Pentagon officials are concerned a test ban will make it impossible to guarantee the reliability of America's 7,000 nuclear weapons. Sen. John Warner, R–Va., says doubt about the U.S. arsenal could even invite a nuclear attack.

Alarmingly, it appears Clinton cares more about reviving world test ban talks than he does about protecting the United States.

Concerning national missile defense, the Senate bill mandates a system to protect the country from deliberate or accidental missile attack. But Clinton has threatened a veto, saying it would violate the 1972 Anti-Ballistic Missile Treaty signed with the then-Soviet Union.

Recently four senators proposed an amendment to allow missile defense planning but delaying deployment pending congressional review. It also would permit the president to negotiate changes in the ABM treaty to allow a missile defense.

Sounds pretty good, but some analysts say the amendment, which will be voted on when Congress returns from its August recess, could be a subtle way to kill a missile defense system.

Baker Spring of the conservative Heritage Foundation says the amendment's delaying aspects would allow Clinton, who opposes missile defense, ''to strangle programs in the crib.'' Spring says it seems as if ''we're saying the ABM treaty comes first, the defense of the nation comes second.''

Finally, Clinton argues two mutually exclusive ideas. First, he says existing nuclear weapons can defend America, making a missile defense unnecessary. Then he says the United States will quit the testing that ensures the reliability of current weapons systems. Huh?

Clinton can't have it both ways. The Senate should insist on moving ahead with a missile defense program.

[From the Tulsa World, Aug. 14, 1995]

PORK, REPUBLICAN STYLE

Right-wing Republicans in Congress are pushing a bill that would force the Pentagon to develop a multi-site national missile defense system by 2003. This is the latest incarnation of the Star Wars program, a science-fiction anti-missile system that blossomed during the Reagan administration.

There are many reasons why this outrageously expensive scheme should be put to sleep once and for all.

First, it would have to work perfectly in order to protect American cities and military bases from nuclear weapons. It would do little good to knock down 19 out of 20 nuclear-tipped missiles aimed at, say, New York. The 20th bomb would do the job. Anyone who works with computers and other electronic equipment knows from personal experience that this goal of perfect performance is impossible.

Even if science could find a perfect way to frustrate a missile weapons system with a 100-percent success rate, the same science could just as easily find the means to frustrate the anti-missile system. So, the next logical step would be an anti-anti-missile system, a weapon to knock out or to disable the anti-missile defense system. It wouldn't have to be disabled completely—just enough to get a few nuclear devices through the ''shield.''

But there are more urgent reasons why this is a bad idea. It would violate the 1972 anti-ballistic missile treaty with the former Soviet Union. This pointless provocation does not reduce the risk of nuclear war. It increases it.

Finally, it is an insult to the budget-balancing process. It is unbelievable that this wasteful scheme is being advanced at the

same time Americans are being asked to accept cuts in such things as education, care for the elderly and medical help for the poor.

John Isaacs, spokesman for an arms control advocacy group, explained part of the problem: ''Defending pork is a bipartisan pastime. It is endorsed by both Democrats and Republicans.''

Star Wars is the right-wing Republican version of pork.

Mr. INHOFE. Mr. President, some of my colleagues who have been complaining about the liberal eastern media should be aware that there are similar problems and concerns reflected in the local media in the very heartland of America.

As we approach a vote on the missile defense provisions of the defense bill which have been worked out among our colleagues on both sides of the aisle, I want to commend Senators for their good-faith efforts to reach a compromise on this very complex and contentious issue.

I supported the wording of the original bill that came out of the committee as a good start which recognized the threat and put us on the road to providing the real missile defense we need.

While I will vote in favor of the new compromise provisions, I am not pleased with the weakening of language and goals that this compromise represents. I am very hopeful that the language can be significantly strengthened when we get to conference.

We started out saying that we would deploy a national missile defense system. Now we are just going to develop for deployment a national missile defense.

This compromise urges deployment of theater missile defenses to benefit our deployed troops and allies, but only allows a missile defense for the American people to be developed for deployment.

We began by simply calling for highly effective missile defenses; we have now required that they be affordable missile defenses.

No one wants to waste money. But how will affordability be defined? How do we put a price on defending America from missile attacks?

The truth is that the term ''affordable'' will simply be used as a club by opponents of missile defense for whom the price of security is always too high.

The term ''cost effective'' will just be used to fight every dollar that we try to spend on missile defense from now on.

Cost effectiveness should not even be an issue—the destruction by one bomb of a single building in Oklahoma City cost $500 million. Imagine how much a limited strike by nuclear weapons will cost.

We claim to recognize that the era of mutual assured destruction is over. But instead of recognizing the reality that the ABM Treaty is a relic of the cold war and mutual assured destruction, this compromise requires negotiations with the Russian Government within the context of the ABM Treaty before we defend the American people from attack.

This is a much smaller step forward than it should have been. We should stop talking about developing options, and begin to deploy a national missile defense system.

The American people must know that the threat we face in the very near future is real and it affects all of us. It would be the height of irresponsibility if we were not prepared to meet this reality.

The challenge before us is to face the facts. Former CIA Director James Woolsey, who served in the Clinton administration and is no partisan advocate, has told us bluntly: Up to 25 nations either have or are developing weapons of mass destruction and the missiles to deliver them.

The CIA currently tells us that North Korea is now working on a long-range missile—the Tapeo Dong II—which may be capable of reaching Alaska and Hawaii within 5 years.

These are serious challenges. It is our duty to face them now and not blind ourselves by rationalizing that we can wait 10 more years or 20 more years. If we do, it may well be too late.

So it is my hope that when the defense bill gets to conference we will be able to strengthen the language so that we make it clear that we are proceeding on a course which will put in place a national missile defense system within 5 to 7 years.

In my mind, this is the least we can do to meet our highest constitutional obligation—the one without which no other obligations have any meaning—to provide for the common defense—the protection of our people, our freedom, and our country.

Mr. KYL. Mr. President, today, the Senate is considering the bipartisan compromise on ballistic missile defenses [BMD]. Although two key amendments by opponents of BMD were voted down by the Senate on August 3 and 4, the bipartisan amendment is necessary in order to advance the Department of Defense authorization bill and to bring it to a conference with the House.

I supported the original version of the bill submitted by the Armed Services Committee. The original version set a proper course for deployment of theater and strategic ballistic missile defenses on a time-line commensurate with the potential threat. Additionally, the original language repudiated the ABM Treaty and its philosophical basis, mutual assured destruction, by declaring that it is the policy of the United States that the two are ''not a suitable basis for stability in a multipolar world.''

Though I am not at all entirely pleased with the compromise language, the present version does preserve the fundamental principles of the original bill: immediate deployment of theater missile defenses; the possibility of multiple site national missile defense deployments; layered defenses; and review of the ABM Treaty. The new language differs from the original bill in three sections. I hope that these differences, which are as follows, are addressed by the conferees.

First, the compromise calls for the United States to embark on a program to develop for deployment a national missile defense system. This characterizes the research we have undertaken for the last 12 years and changes nothing with respect to our Nation's commitment to deploy defenses. The original bill clearly called for deployment of a national missile defense system and is a more proactive statement of congressional intent to deploy a national missile defense system rather than to conduct research forever.

The threat facing the United States, its allies and troops abroad by the proliferation of ballistic missiles mandates that we move forward toward deploying ballistic missile defenses. In a March 1995 report, ''The Weapons Proliferation Threat,'' the Central Intelligence Agency observed that at least 20 countries—nearly half of them in the Middle East and Asia—already have or may be developing weapons of mass destruction and ballistic missile delivery systems. Five countries—North Korea, Iran, Iraq, Libya, and Syria—pose the greatest threat because of the aggressive nature of their weapons of mass destruction program. All already have or are developing ballistic missile that could threaten U.S. interests.

Second, in addressing the requirements of a layered defense system, the compromise language merely calls for a system that can be augmented over time as the threat changes. The original bill required a system that will be augmented over time as the threat changes to provide a layered defense. The key issue here is whether the DOD plans now for a layered defense system, one potentially with space-based assets, or does DOD merely hold out the option for the possibility of evolving to a layered defense?

I believe the commitment for layered defenses is important. Space-based interceptors provide worldwide, instantaneous protection against missiles launched from anywhere in the world, and are both cheaper and more effective than their ground-based counterparts. Missiles launched—either by accident or in anger—against the United States or our allies and friends, could be destroyed in the early stages of their flight, before they release their warheads if, but only if, we have space-based interceptors. This is especially important with multiple warhead missiles or missiles with chemical or biological warheads. With the latter, the early intercept results in more harm to the attacking nation as chemical or biological agents would be dispersed over its territory. Another advantage of space assets is that they are always on station.

Third, both the compromise and the original bill have language concerning the demarcation line between strategic

and theater ballistic missile defenses. This section was necessary because the current position of the Clinton administration constrains key theater missile defense systems. The effect of what the Clinton administration proposed was to degrade the only advanced theater systems in research and development in the United States. The bill and compromise both require the administration to submit for approval by the Senate any agreement it reached with the Russians on limiting theater missile defenses. In addition, it prohibits the expenditure of funds for 1 year only to implement any agreement that would limit the capability of our theater missile defense systems. It is my hope that in conference, the restriction will be made permanent.

The compromise version, however, does not make clear that it is the intent of the Senate, that any unilateral limitation by the United States should also be subject to the advice and consent of the Senate. The administration has received five letters from Members of the Senate and has participated in countless meetings over the past 8 months on this subject. That the Senate takes this matter seriously and would not look favorably on attempts to circumvent the clear intent of the Senate, should be abundantly clear.

The United States must proceed immediately with the development and deployment of theater ballistic missile defenses, and, at the earliest practical time, should deploy national missile defenses. During the last 4 weeks, while Congress has been on recess, information has surfaced concerning Iraq's military buildup of weapons of mass destruction. The Washington Post reported that Iraq turned over 147 boxes and two large cargo containers containing information which describes a broader and more advanced effort by the country to produce nuclear arms, germ weapons and ballistic missiles than previously known. Among the new disclosures is an Iraqi admission that it had germ or toxin- filled shells, aircraft bombs and ballistic missile warheads ready for possible use during the Persian Gulf war.

Iraq also admitted to having begun a crash program in August 1990—the month it invaded Kuwait—aimed at producing a single nuclear weapon within 1 year. And, finally, the U.N. Special Commission on Iraq plans to investigate Iraq's admission that it was capable of indigenously producing engines for Scud missiles and that it has made more progress in developing a longer range missile than it had previously stated.

The important lesson is that we almost always know less about a country's program to develop weapons of mass destruction that we think we do. We cannot afford to be sanguine about how long it will take one country or another to develop a ballistic missile that can threaten the United States. The evidence suggests that the threat is closer than we think. It is time to seriously address this issue.

In closing, Mr. President, I want to stress that my preference is to stick with the original bill language, and I will work with the conferees to reinstate some of the critical sections of that bill. However, in an effort to advance the DOD bill to conference, I am reluctantly supporting the compromise amendment.

Mr. BIDEN. Mr. President, I rise in support of the Nunn-Warner-Levin-Cohen amendment. I commend my colleagues for their tireless efforts in developing a compromise on this issue which moves us away from some of the most dangerous steps called for in the committee version of the Missile Defense Act of 1995.

I still have serious reservations about the compromise language, particularly the effect it may have on Russian ratification of the START II Treaty. I also question whether the greatest threat of a nuclear detonation in the United States comes from ballistic missiles.

However, given the likelihood that the Defense authorization bill will pass, I will support the amendment before us as a way to remove some of the more egregiously misguided provisions in the current bill language on missile defense.

I would like to discuss briefly some of the areas where I see improvement and to point out candidly those provisions in the amendment which I regard as still being problematic.

The amendment clearly makes significant improvements over the current language. It moves us away from the certainty of deploying a national missile defense system by 2003. It narrows the focus of missile defense efforts from all ballistic missile threats to accidental, unauthorized, or limited missile attacks. It guarantees a decisive role for the Congress before deployment can occur. It removes restrictions on the President's ability to negotiate with Russia an appropriate demarcation standard between strategic and theater ballistic missile defenses. And it includes the requirement that missile defenses be affordable and operationally effective.

These are no small achievements. They represent significant substantive improvements over the current language.

There are still several areas of weakness, however.

As I said earlier, I am particularly concerned about the effect this amendment may have on the START process. While the authors of this amendment have done their best to move us away from a collision course with the ABM Treaty, and many of us believe that they have, that may not be a view shared in Moscow by the Russian Duma.

I am not sure they will understand the fine distinction between ''develop for deployment'' and ''deploy.'' I am not sure they will understand what we mean when we say that we will proceed in a manner which is consistent with the ABM Treaty, and then say that we are anticipating the need and providing the means to means the treaty. And I think they will be alarmed by references that are made to withdrawing from the treaty.

I am concerned about the consequences if the Russians believe that we are not acting in good faith, but are intent on abrogating the ABM Treaty. As I said on this floor a month ago, the most likely consequence of our breaching the ABM Treaty would be a Russian refusal to ratify START II.

Why? Because the cheapest way to defeat a missile defense system is to overwhelm it. So, if the Russians feel threatened by our development of a national missile defense system, they are likely not only to scratch the START II Treaty, but to begin a strategic buildup. We will counter with our own buildup and efforts to improve missile defenses, and before you know it we will be in a costly arms race, which the ABM Treaty was designed to prevent.

A costly new arms race is not what Americans expected with the end of the cold war. But that is exactly what they will get if we are not careful to avoid damaging the ABM Treaty, which has been the basis for all strategic arms control agreements over the past two decades. I might add that these agreements were made without the United States deploying a strategic missile defense system.

A second fundamental concern I have is whether we are correct to focus our resources on defending against nuclear warheads delivered by ballistic missiles. Even the kind of limited program the authors of this amendment are talking about would cost tens of billions of dollars to eventually deploy.

The threat of ballistic missile attack from rogue states or terrorists groups is at best a questionable one, and is not likely to arise in the next decade, if ever.

The more likely means of delivery of a nuclear explosive device to our shores, as I have said on this floor repeatedly, would be an innocuous ship making a regular port call in the United States. A determined group could assemble a device in the basement of a landmark such as the World Trade Tower with catastrophic results. Terrorist groups or outlaw states would not need a ballistic missile to reach our territory.

And that is where we should be focusing our resources: On tracking these terrorist groups and rogue states and securing the many tons of fissile material now spread throughout the vast territory of Russia.

In conclusion, let me again thank Senators NUNN, LEVIN, COHEN, and WARNER for their efforts on this vital issue. They have greatly improved upon a piece of legislation, which unamended would have seriously threatened our national security.

Unfortunately, despite these improvements, I believe that the potential is still there to undermine the ABM Treaty and our security in the process. However, the choice between the two alternatives—the missile defense language in the bill versus the amendment before us—is really not a choice. I will support the amendment to avoid the more damaging consequences of the current bill language.

Mr. GLENN. Mr. President, the Senate has before it today two legislative proposals that address U.S. policy toward the Anti-Ballistic Missile (ABM) Treaty and missile defense generally. There is language in S. 1026 that would require the United States to deploy a multiple-site national missile defense system, an action that would violate the ABM Treaty. Its alternative, the substitute offered by my colleagues, Messrs. NUNN, LEVIN, WARNER, and COHEN, would only require the United States to ''develop'' such a defense ''for deployment.''

Though I am not happy with either proposal, I will vote for the substitute only because it does less damage to the ABM Treaty than its alternative. Nobody should interpret this vote, however, as a ringing endorsement of the policies set forth in the substitute, for reasons which I would like to discuss in some detail in this statement today. In my opinion, neither the original language in S. 1026 on missile defense, which was narrowly approved by a straight party vote in the Armed Services Committee, nor the substitute addresses my deepest concerns about the future of the ABM Treaty.

I recognize the hard work that my colleagues, Messrs. NUNN, LEVIN, WARNER, and COHEN, have devoted to forging a bipartisan consensus on this controversial issue. Yet several provisions remain in both proposals that jeopardize the future of the ABM Treaty and, as a result, the stability of the strategic relationship between the United States and Russia.

Before identifying section by section my specific concerns with these proposals, I would like to address some broader issues.

CONTEXT OF MISSILE DEFENSE ISSUES

For almost a quarter century, the ABM Treaty has helped to preserve the peace by guaranteeing the United States the means of retaliating in the event of a nuclear attack by Russia. By prohibiting Russia from deploying a national multiple-site strategic missile defense system, the treaty works to ensure the reliability of the United States nuclear deterrent; in performing this function, the treaty also saves the taxpayer the burden of supporting a robust national missile defense system.

The majority in the Armed Services Committee knows all about the importance of protecting U.S. deterrence capabilities—during committee deliberations over the stockpile stewardship program, I heard a lot about the specter of ''structural nuclear disarmament'' and the vital importance of maintaining a vital nuclear second-strike capability.

I therefore cannot explain why there is language in this bill referring to deterrence as a mere relic of the cold war. With thousands of Russian and United States nuclear weapons continuing to threaten each other, there is no law that Congress can pass that would repeal nuclear deterrence—it remains an unpleasant reality, a basic fact of international life. Mutual assured destruction is not so much a policy or a doctrine as a fundamental reality about the current strategic relationship between the United States and Russia.

It is good for our security that the ABM Treaty prohibits Russia from developing or deploying systems to kill United States strategic missiles. Similarly, the lack of a strategic missile defense system in the United States enhances Russia's confidence in its own deterrent. As a result, the treaty has provided a solid foundation upon which the superpowers can reduce their nuclear arsenals without jeopardizing strategic stability. This process is now well underway with the START I and II treaties. It is a process that, at long last, appears to be actually working: the stockpiles are indeed being reduced.

The ABM Treaty, however, is now under assault by critics who believe it is obsolete. They believe that recent technological developments offer the prospect of a safe harbor against theater and limited strategic missile strikes. This is, of course, not the first time that a technological innovation has led to great strategic instability, great expenditures, and great dangers to our national security. This is not the first time that unbounded faith in technological fixes has captured the imagination of defense specialists and editorial writers.

The development of the multiple independently targetable reentry vehicle (MIRV), for example, was once heralded as a giant technological innovation that would bolster U.S. national security. Yet the START II treaty will eliminate all ground-based MIRV's precisely because of the risks they pose to strategic stability. MIRV's were introduced, lest we forget, amid fears that Russia was deploying a missile defense system. The American and Russian experience with MIRV's should remind us all that technology must remain the tool of policy to serve the national interest—it must not drive that policy.

Yet technology is very much what is driving the current debate over the future of the ABM Treaty. The whole debate boils down to a few fairly straightforward questions: One, are the gains to U.S. and international security from developing and deploying a national strategic missile defense system worth the risks? Two, are these gains worth the costs of acquisition, deployment, and maintenance of such a system? Three, will these investments address genuine threats? Four, are there more effective and affordable alternative ways to preserve national and international security than by developing missile defenses? Five, does the legislation before us today enhance or erode the national security? And six, is America in the post-cold war environment really best served by a go-it-alone missile defense strategy, or is our security more dependent upon cooperation with our allies and maintenance of strong military and intelligence capabilities against potential adversaries?

Congress simply has not fully examined the costs we would pay from abandoning the ABM Treaty. When it comes to domestic regulatory decisions, the new congressional majority claims to favor rigorous cost/benefit analysis. Yet its members appear reluctant to apply such analysis to our national defense policy, particularly with respect to existing proposals to hinge America's security on star wars or its many sequels. Unfortunately, even the substitute missile defense amendment brings new risks and costs into the debate on missile defense.

THE FABLE IN THE FIRST-DEGREE AMENDMENT

Let us imagine for a moment that a fictitious new party to the treaty on the non-proliferation of nuclear weapons [NPT], is suddenly swept up in a new wave of collective national paranoia. Rumors of new foreign threats are rampant, though always hard to pin down. Nevertheless, the country decides to embark on a policy to acquire an affordable and operationally effective nuclear weapon to serve as a deterrent against limited, accidental, or unauthorized foreign nuclear attacks. Since the legislators of country x know that the NPT contains a provision that permits withdrawal from the treaty on only 90 days' notice, these members of parliament promptly decide—after very little debate—to enact a new law authorizing the development for deployment of nuclear weapons, so long as this is accomplished within, or consistent with that treaty. The law then goes on to define specific technical characteristics of such weapons that can be developed without breaching the treaty. And the only weapons that are taboo under this new law are those that exceed these standards and that are actually detonated.

On the 91st day of the international outcry over this incredible law, country x unveils a robust nuclear arsenal without ever having breached the treaty, leaving the whole world to ask, what went wrong?

Now forget country x. Let us take some concrete examples. What if the Iranian parliament decides that this approach makes great sense as an approach to NPT implementation? What if the Russian Duma someday decides that this is also the way to go in insert its own most-favorite notions of defense policy into its laws implementing the START II Treaty? What if Syria becomes a party to the Biological Weapons Convention and passes a law

permitting the development for deployment of certain specific types of biological weapons for what it asserts are purely defensive purposes? What if Germany decides that its commitments under the Missile Technology Control Regime only extend to missile systems that are actually demonstrated or flight-tested above the standard 500 kg payload/300 km range guidelines? What if each of the 159 countries that have signed the Chemical Weapons Convention decides to enact new laws defining the specific technical characteristics of chemical weapons that are controlled under that treaty? And specifically with respect to the ABM Treaty, if it had been acceptable in the last decade to develop for deployment weapons systems and components that are banned under the ABM Treaty, would Russias notorious Kraysnoyarsk radar station have violated that treaty?

Mr. President, I submit that this is not the way to go about interpreting treaties. This is not the way to stop proliferation. This is not the way to pursue arms control. This is not the way to enhance the national security interests of the United States. And this surely does not serve the interests of international peace and security. Yet this, I regret to say, is the essence of the approaches now before the Senate with respect to the development and deployment of missile defense systems that are not allowed by the ABM Treaty.

Though I disagree with this aspect of both of these approaches, the substitute has the advantage of at least not requiring the immediate deployment of prohibited missile defense systems. It continues to suffer, however, from several important weaknesses. It contains vague and dangerously ambiguous language. For example, the term limited, as used in the term limited, accidental, or unauthorized, is undefined and hence expands significantly the scope of the national missile defense [NMD] scheme. It requires the development, with the express intention of deployment, of an NMD system that is not allowed under article I of the ABM Treaty. It requires the development of TMD systems, such as THAAD and Navy Upper Tier that have capabilities to counter strategic ballistic missiles, a mandate that conflicts directly with article VI of the ABM Treaty. It accepts the committee's one-sided and largely unsubstantiated assertions, or findings, about the grave imminent missile threat facing the United States, while ignoring several ways in which this threat has been attenuated in recent years. It fails to offer a single finding about the positive and constructive ways that the ABM Treaty has served key U.S. security interests. It repeals laws that require U.S. compliance with the ABM Treaty. And it places the U.S. Congress on formal record endorsing a unilateral U.S. definition of an ABM Treaty-permissible missile defense system.

Yet despite all these serious weaknesses, the substitute is still marginally better for arms control and nonproliferation than the missile defense measure contained in S. 1026. In sum, though the substitute has clearly not de-fanged the missile defense proposal found in the bill, it has at least filed down some of its incisors.

FROM FABLE TO NIGHTMARE

I would now like to turn from the fable to the nightmare: namely, the missile defense language in S. 1026. On August 4, 1995, Anthony Lake wrote to the majority leader that "* * * unless the unacceptable missile defense provisions are deleted or revised and other changes are made to the bill bringing it more in line with administration policy, the President's advisors will recommend that he veto the bill."

The letter addressed specific concerns over the ABM Treaty and NMD language. If enacted, the letter stated, these terms—

> . . . would effectively abrogate the ABM Treaty by mandating *development for deployment* by 2003 of a non-compliant, multi-site NMD and unilaterally imposing a solution to the on-going negotiations with Russia on establishing a demarcation under the Treaty between an ABM and a TMD system. The effect of such actions would in all likelihood be to prompt Russia to terminate implementation of the START I Treaty and shelve ratification of START II, thereby leaving thousands of warheads in place that otherwise would be removed from deployment under these two treaties. [Emphasis added.]

This language echoes similar views expressed by Defense Secretary Perry and the Chairman of the Joint Chiefs of Staff, General Shalikashvili. At issue here is not a duel between liberals or conservatives or Democrats and Republicans—at issue is the gain and loss to the national security of the United States from abandoning the ABM Treaty. By my reading, there is no contest.

I do not believe that it in any way serves our national interest to set ourselves on a course to abrogate that treaty. It surely does not serve America's interests to encourage Russia—as this bill inevitably would—to develop its own multiple-site strategic ABM system, an action which would only weaken our own nuclear deterrent. The costs to cash-strapped American taxpayers of repairing that damage could potentially mount into the tens or hundreds of billions of dollars.

I cannot understand how the supporters of the bill's missile defense provisions can simultaneously claim to worry about what they call, "structural nuclear disarmament" while they are also pushing for a course of action—abrogating the ABM Treaty—that would truly undercut the effectiveness of the U.S. nuclear deterrent. It in no way serves our interests to encourage Russia to reconsider its commitments under the START I and START II treaties.

And by derailing the strategic arms control process, the bill's missile defense language also aggravates the global threat of nuclear weapons proliferation. Coming on the heels of the successful permanent extension of the NPT, the bill's language on both missile defense and nuclear testing would weaken, rather than strengthen, the global nuclear regime based on the NPT, an outcome that would prove catastrophic to our global security interests.

Few people realize that if there is no ABM Treaty, Russia will even be able to export its strategic missile defense capabilities, something that Article IX of the ABM Treaty now expressly prohibits. I doubt many of my colleagues are aware that the ABM Treaty is not just an arms control convention—it is also explicitly a nonproliferation treaty. Article 9 reads as follows:

> To assure the viability and effectiveness of this Treaty, each Party undertakes not to transfer to other States, and not to deploy outside its national territory, ABM systems or their components limited by this Treaty.

Note that this language does not prohibit the United States from assisting its friends and allies to develop and deploy TMD systems. The treaty does, however, prevent both Russia and the United States from sharing strategic missile defense capabilities with other countries. And in the case of Russia, those capabilities include interceptors with nuclear warheads.

It seems appropriate, therefore, that before we set ourselves on a course of abrogating the ABM Treaty, we should carefully examine the full implications for U.S. defense interests around the world of eliminating the only international constraint on the proliferation of these strategic missile defense systems.

How will such proliferation affect the ability of the United States to respond to regional crises that might arise around the world in the years ahead? How will it affect the United States ability to project power? I am not satisfied that anybody has seriously weighed such considerations.

The treaty, furthermore, does not only ban the horizontal or geographic spread of such missile technology. It also helps to constrain both the size and sophistication of the United States and Russian nuclear weapon stockpiles—in short, the ABM Treaty also constrains the vertical proliferation of nuclear weapons. By banning the deployment of national strategic missile defense systems, the treaty works to protect the effectiveness and reliability of the US nuclear arsenal and thereby works to stabilize nuclear deterrence. Abandonment of the treaty will trigger a new offensive nuclear arms race, as leaders both here and in Russia will have to find new ways to defeat these new missile defense systems.

Yet I have seen little indication in the process of reviewing this proposal

that anybody here has considered how these particular side effects of the bill's ABM proposals—in particular the proliferation-related aspects of these proposals—would affect the full range of U.S. national security interests around the world.

Even our allies, Britain and France, would be affected—the collapse of the ABM Treaty would mark an end to any hopes of encouraging these countries to engage in deep cuts of their nuclear stockpiles. And I cannot believe for a minute that China would sit by as its neighbors ringed its borders with strategic missile defense capabilities. Among China's many options to respond to such a development would be a dramatic expansion of its offensive nuclear capability. The next crisis, predictably, would be the collapse of the NPT itself as country after country submits its 90-day withdrawal notice—following the course taken by Country X.

SOME SPECIFIC CONCERNS

I would now like to outline my specific concerns with these proposals—concerns which I will address section by section.

Sec. 232 (Findings): Both the bill and the compromise language on missile defense lack any congressional findings acknowledging the positive and constructive ways that the ABM Treaty has advanced America's arms control and nonproliferation interests. In failing to address these benefits of the treaty, and in failing to recognize that in some ways the missile threat to the United States has actually lessened in recent years, the proposed findings seriously mischaracterizes—and in my view overstates—the missile proliferation threat facing the United States.

Few of us here will disagree that the spread of weapons of mass destruction, especially nuclear weapons, jeopardizes our security. Many, however, would disagree that developing systems that would be in violation of the ABM Treaty is the right way to go about addressing that threat, especially when there are so many ways of delivering such weapons other than by missile.

Sec. 233 Policy: With respect to the Policy section, the substitute is ambiguous on the fundamental issue of the U.S. intent with respect to compliance with the its obligations under ABM Treaty. To the limited extent that it addresses this issue, it focuses only on compliance with a particular version of the ABM Treaty, namely, the treaty's obligations as they are unilaterally interpreted in this bill. The language also sets in gear significant initiatives without any prior consensus among the parties to the treaty. The terminology about ''multiple-site'' deployments will apply to systems that have capabilities against strategic missiles. And given that all missile attacks are limited by the laws of nature, it is by no means clear what these current proposals mean by the term ''limited'' missile attack.

Indeed, this term ''limited, accidental, or unauthorized'' combines the features of a wild card and an elastic clause: though precedents have already been set using this undefined term, I would not want Russia to enact legislation unilaterally defining its own interpretation of these terms. Changes such as these to an important international agreement should be made on the basis of mutual understandings between the parties and in accordance with the conventional amendment and ratification process, rather than dictated by statute.

References in these proposals to the right to withdraw from the ABM Treaty are either redundant—since this right is quite explicit in the treaty—or outright extortionary, since they seek to prescribe a specific diplomatic outcome which only negotiations can appropriately accomplish.

The compromise proposal also contains language that questions the continued importance of nuclear deterrence as a basis of U.S. national security, despite considerable evidence that deterrence remains as a foundation of our national security and despite the lack of any viable alternative.

Neither the original bill nor the compromise language addresses the issue of nuclear-armed BMD systems—it would surely seem to me that before we consider taking actions that will lead to multiple violations of the ABM Treaty, we should examine fully some of the consequences of that decision, especially with respect to the proliferation of nuclear weapons. Many people forget that the ABM Treaty also prohibits the global spread of strategic ballistic missile defense systems. Considering that Russia has just such nuclear-capable systems, it hardly seems wise to set ourselves on a course to abandon a treaty that prevents the spread of just such technologies. As part of their efforts to reduce their reliance on nuclear weapons as a basis of their security, both the United States and Russia might well consider pursuing an agreement to outlaw nuclear-armed missile defense systems.

Sec. 234. TMD Architecture: The initial operational capability dates in this section and in section 235 (NMD Architecture) should be consistent with understandings reached between the parties to the ABM Treaty. THAAD and Navy Upper Tier should only be included in the Core Program if the parties to the ABM Treaty agree that such systems and their components are permissible under the treaty; the same should apply to space-based sensors including the Space and Missile Tracking System (SMTS), and to follow-on systems.

Sec. 235. NMD Architecture: As I have already noted, the term ''limited''—used both in the bill and the compromise to refer to future missile defense capabilities—is undefined in both proposals. Clearly, this term should not be defined only by one party to the treaty—if this term has a meaning which Russia does not share, it will only open the door to Russia legislating its own definitions of key terms not only in the ABM Treaty but also the START II treaty, the Chemical Weapons Convention, and possibly other important arms control, disarmament, and nonproliferation agreements.

The compromise requires the development for deployment of an NMD system capable of being deployed at multiple sites, a policy that if implemented would violate the current text of the ABM Treaty. Development and deployment of NMD systems are matters that must be arranged pursuant both to negotiations and to existing treaty amendment procedures, including ratification.

Similarly, space-based sensors should be developed only as agreed by the parties. I believe the President should at the very least be required to prepare a formal assessment of the arms control and nonproliferation implications of any systems being developed or deployed for purposes of NMD. References in this section to sea-based and space-based systems and expanded numbers of ground-based interceptors only invite the international community to doubt our willingness to live up to our ABM Treaty obligations not to develop or to deploy such systems.

Sec. 236. Cruise Missile Defense Initiative: Both the compromise and the bill contain language addressing the dangers from the continued global spread of weapons of mass destruction. Yet both also fail to clarify that some of the most likely delivery systems for most weapons of mass destruction do not involve ballistic or cruise missiles. It seems to me that before we launch into framing defense initiatives around specific weapons systems, we should understand better the nature of the specific and anticipated threats they pose relative to other weapons systems.

I can think of at least two other delivery systems that may pose a threat to US defense interests that is equal to or greater than the proliferation threat now posed from ballistic missiles—first, the capabilities of advanced strike aircraft (Pakistans F–16s come to mind here as just one example) to deliver weapons of mass destruction, and second, the threat coming from terrorists using such weapons. Spending tens and hundreds of billions on missile defense will not help us to address either of these clear and present dangers.

Sec. 237. ABM Treaty: References in the compromise proposal to provisions of the treaty relating to the amendment and withdrawal process are unnecessary since such provisions are already law of the land. Including them only signals an intention to implement such rights. Neither proposal acknowledges some of the positive contributions the ABM Treaty has made to the national security of the United States. It should not be for United States

alone, nor Russia alone, to define unilaterally key terms of this treaty—the process of interpretation must involve Russia and the normal process of making, ratifying, and amending treaties. Also the comprehensive review called for in the compromise proposal fails to include specifically an assessment of the full implications for U.S. diplomatic and security interests of a collapse of the ABM Treaty.

Sec. 238. Prohibition on Funds: The velocity/range demarcation standard is unilateral—it has not yet been agreed by the parties. The implementation of the demonstrated capabilities standard should also be governed by mutual agreement of the parties. The specific prohibition on funding should only apply to systems that are not in compliance with the ABM Treaty as agreed by the parties. Since section 232 of the National Defense Authorization Act of 1995 remains law of the land, there is no need to repeat it in this bill with respect to the President's treaty-making powers.

Sec. 241. Repeal of Other Laws: The current first-degree amendment follows the existing language in the bill by repealing outright 10 laws pertaining to missile defense. Some of those provisions are obsolete. But other parts of those laws—such as those dealing with the U.S. compliance with the ABM Treaty, the requirement for realistic tests, the importance of financial burden-sharing with our friends, the requirements for consultations with our allies, previous congressional findings about the positive value of the ABM treaty, and requirements for consultations between the parties to the treaty on activities relating to implementation.

CONCLUSION

Thus to vote for the missile defense proposal in the bill amounts to a vote against the ABM Treaty, and a vote against that treaty is to vote for the proliferation not just of defensive missile systems, but for the proliferation of the strategic nuclear missiles that will be necessary to defeat those defenses. In a very real sense, the death of the ABM Treaty could well signal the deaths of both strategic nuclear arms control and nuclear nonproliferation. I cannot support any such proposal.

I therefore urge my colleagues to oppose the committee language on missile defense. Let us by all means get on with the business of reducing external weapons threats to our country's security, a business the ABM Treaty makes legitimate with respect to TMD. But let us not retreat into a technological Fortress America as we would with the missile defense provisions in S. 1026.

Today, we have before us a choice between one missile defense proposal that is a nightmare and another that is a fable. Given additional time, Congress may well have been able to construct a third option, one which built upon and acknowledged the important contributions that the ABM Treaty continues to make to our national security. But the schedule is such that we do not have such time. Accordingly, I will vote for the least bad of the two proposals before us.

Mr. President, I ask unanimous consent to insert into the RECORD at this point an analysis prepared by my staff of the missile defense provisions now before the Senate, and a table comparing key provisions of the ABM Treaty with the proposals found in the substitute amendment.

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

ANALYSIS OF 1995 MISSILE DEFENSE PROPOSALS IN THE SENATE (SUBMITTED BY SENATOR JOHN GLENN)

Last July, the Senate Committee on Armed Services (SASC) reported out the FY96 defense bill (S. 1026), which contained several provisions that would, if implemented, place the United States in violation of the ABM Treaty (ABMT). Included were provisions requiring the deployment of a multiple-site national ballistic missile defense system and prescribing a unilateral U.S. definition of the scope of systems subject to the ABMT, thereby circumventing the ABMT formal amendment process.

Following widespread criticism of this proposal, Senators NUNN, LEVIN, COHEN, and WARNER offered in August a bipartisan substitute. Though the substitute does not require immediate deployment of BMD systems in violation of the ABM Treaty, the substitute does not resolve several outstanding questions about America's intentions with respect to its obligations under the ABMT. The table in Annex 1 of this memo illustrates some of the inconsistencies between the substitute and the ABM Treaty.

This memo (1) describes and analyzes the SASC missile defense recommendations, and (2) describes and analyzes the substitute proposal.

1. SASC ACTION

In summary, the bill moves U.S. policy: (a) away from nuclear deterrence (mutual assured destruction); and (b) away from several ABMT prohibitions (including: multiple-site deployments, ABM systems based at sea and in space, giving TMD systems capabilities to intercept strategic missiles, space-based sensors useful against strategic systems, etc.). The bill contains a unilateral U.S. definition of an ABMT-permissible system. The bill also limits the negotiating flexibility of the President and prohibits the President from spending funds to implement more restrictive ABM controls.

The current text of S. 1026 was reported out of Committee on July 12. Subtitle C of Title II (RDT&E) contains 11 sections pertaining to ''missile defense.'' The proposed language covers theater missile defense (TMD) against theater ballistic missiles (TBMs), national missile defense (NMD) against strategic ballistic missiles (SBMs), announces several findings and new national policies covering both systems, alters the U.S. policy toward the ABMT, and repeals 10 other missile defense laws. While not quite abrogating the treaty outright, the SASC language still sets the US on a course out of the ABMT.

Findings and policy

In S.1026, Congress ''finds'' that: missiles are posing a ''significant and growing threat'' to the US; the development of TMDs ''will deny'' US adversaries an option for attacking the US and its allies; the intelligence community sees a growing missile threat; TMDs will ''reduce the incentives'' for missile proliferation; the ABMT's distinction between strategic and non-strategic missile defense is ''outdated''; nuclear deterrence (mutual assured destruction) is ''not a suitable basis for stability''; TMD and NMD enhance strategic stability by reducing incentives for first-strikes; export control and arms control regimes are not alternatives to TMD and NMD; and the ABMT prevents the US from establishing a limited missile defense.

In response to such findings, the SASC favors the following US policies: to ''deploy as soon as possible'' TMDs; ''deploy a multiple-site national missile defense system''; ''deploy as soon as practical'' effective defenses against ''advanced cruise missiles''; invest in R&D for follow-on BMD options; employ ''streamlined acquisition procedures'' to speed BMD deployments; and ''seek a cooperative transition'' away from the doctrine of mutual assured destruction.

System Architecture

With respect to TMD, the Secretary of Defense (SecDef) shall establish a ''top priority core theater missile defense program'' consisting of (by year of deployment) PAC–3 (1998), Navy Lower Tier (1999), THAAD (2002), and Navy Upper Tier (2001). These systems are to be interoperable and are to exploit air and space-based sensors and battle management support systems. The Corps SAM and BPI systems will be terminated. The SecDef shall develop a plan for deploying follow-on systems. The SecDef shall submit a report in 60 days specifying a plan to implement these provisions.

With respect to NMD, the SecDef shall develop a NMD system for deployment by 2003 consisting of: ground-based interceptors in such locations and numbers as are necessary to provide a defense of Alaska, Hawaii, and CONUS against ''limited ballistic missile attacks; fixed ground-based radars and space-based sensors; and battle management/command, control, and intelligence (BM/C3).'' SecDef shall develop an ''interim'' capability by 1999 as a ''hedge against the emergence of near-term ballistic missile threats.'' SecDef shall use ''streamlined acquisition procedures'' to expedite NMD deployment, while saving costs. SecDef shall submit a report in 60 days on the implementation of this law and analyzing options to improve the system, including: additional ground-based interceptors or sites; sea-based missile defense systems; and space-based kinetic energy and directed energy systems.

With respect to cruise missiles (CMs), SecDef shall undertake ''an initiative'' to ensure effective defenses against CMs. He shall submit a plan in 60 days.

The ABM treaty (ABMT)

The bill offers a sense of the Congress that the Senate should undertake a review of the ''value and validity'' of the ABMT and should consider establishing a ''select committee'' to review the ABMT and that the President should cease negotiating any understandings on the ABMT until this review is completed. The sense of the Congress also includes a requirement for SecDef to submit a declassified negotiating history of the ABMT. The bill provides a unilateral demarcation line to designate permissible BMD systems: if a system or component has not been ''flight tested in an ABM-qualifying flight test'' (defined in the bill as a flight test against a missile target that is flying over a range of 3,500 km or at a speed of greater than 5 km/second), it is not covered by the ABMT. The Senate finds, however, that these parameters are ''outdated'' and hence should be ''subject to change'' after the Senate review of the ABMT. The bill prohibits the expenditure of funds to implement

any lower standard. SecDef is to certify annually that no US BMD system is being constrained more than as provided in this bill.

Budget categories

For budgetary purposes, the bill identifies the following as of the national BMD program: PAC–3, Navy Lower Tier, THAAD, Navy Upper Tier, Other TMD, NMD, and Follow-On and Support technologies.

Repeal of 10 BMD Laws

The SASC bill repeals the following, including several significant provisions:

1. In the MDA91: Congress endorsed US efforts to work with Russia on strengthening nuclear command and control, reduce strategic weapons, and strengthen nonproliferation efforts. Congress also: defined the US BMD system as directed against ''limited'' ballistic missile threats declared that this system shall be ''ABM Treaty-compliant'' and limited to ''100 ground-based interceptors''; urged the President to pursue ''discussions'' with the Soviet Union to clarify what is permissible with respect to space-based missile defenses and to permit other changes in the ABMT (including adding sites, using space-based sensors, etc); required the SecDef to include ''burden sharing'' in a BMD report; clarified that the ''limited'' BMD defense capability shall only cover threats ''below a threshold that would bring into question strategic stability''; and provided $4.1 billion for SDI projects, including $465 million for ''space-based interceptors'' (including Brilliant Pebbles).

2. In sec. 237 of the NDAA94: the SecDef was prohibited from approving any TMD project unless it passed ''two realistic live-fire tests.''

3. In sec. 242 of the NDAA94: Congress sought to increase burden-sharing of BMD development costs; the SecDef was to prepare a plan of cooperation with allies (specifically cited were NATO, Japan, Israel, and South Korea) to avoid duplication and reduce costs; the section contains a sense of the Congress that whenever the US deploys a TMD system to defend a country that has not provided financial support for that system, the US should consider ''whether it is appropriate to seek reimbursement'' to cover some of the cost of that deployment; the section also established a special ''Theater Missile Defense Cooperation Account'' (subject to audit by GAO) to receive foreign funds to support TMD development.

4. In sec. 222 of the DDAA86: Congress prohibited the deployment of any ''strategic defense system'' unless the President first certifies that the system is both ''survivable'' and ''cost effective'' (i.e., that it ''* * * is able to maintain its effectiveness against the offense at less cost than it would take to develop offensive countermeasures and proliferate the ballistic missiles necessary to overcome it'').

5. In sec. 225 of the DDAA86: Congress found that the President's Commission on Strategic Forces had declared in its report to the President dated 3/21/84 that ''One of the most successful arms control agreements is the Anti-Ballistic Missile Treaty of 1972''; noted that the Secretary of State has stated that ''* * * the President has explicitly recognized that any ABM-related deployments * * * would be a matter for consultations and negotiation between the Parties''; and issued a sense of Congress that it ''fully supports the declared policy of the President * * * to reverse the erosion of the Anti-Ballistic Missile Treaty of 1972,'' that Congress's support for SDI ''does not express or imply an intention on the part of Congress that the United States should abrogate, violate, or otherwise erode such treaty,'' that such funding ''does not express or imply any determination or commitment on the part of the Congress that the United States develop, test, or deploy ballistic missile strategic defense weaponry that would contravene such treaty,'' and that funds ''should not be used in a manner inconsistent with any of the treaties commonly known as the Limited Test Ban Treaty, the Threshold Test Ban Treaty, the Outer Space Treaty, or the Anti-Ballistic Missile Treaty of 1972.''

6. In Sec. 226 of the NDAA88/89: The SecDef was prohibited from deploying ''any anti-ballistic missile system unless such deployment is specifically authorized by law after the date of enactment of this Act.''

7. In Sec. 8123 of the DDApA89: This was a sense of the Congress on SDI. It said SDI ''should be a long-term and robust research program'' to provide the U.S. with ''expanded options'' to respond to a ''Soviet breakout'' from the ABMT and to respond to other future Soviet arms initiatives; such options ''can enhance'' U.S. ''leverage'' in arms reductions negotiations; funding levels ''must be established using realistic projections of available resources''; and the ''primary emphasis'' on SDI should be ''to explore promising new technologies, such as directed energy technologies, which might have long-term potential to defend against a responsive Soviet offensive nuclear threat.''

8. In Sec. 8133 of the DDApA92: Congress here reached several findings about the implications for our NATO allies of modifying the ABMT, including—that all of our NATO allies ''have in the past been supportive of the objects and purposes of the ABM Treaty''; that ''changes in the ABMT would have profound political and security implications'' for these allies and friends of the U.S.; and that before seeking to negotiate any changes in the treaty, the U.S. should consult with U.S. allies and ''seek a consensus on negotiating objectives.''

9. In Sec. 234 of the NDAA94: Congress reached several findings, including that: the MDA91 ''establishes a goal for the United States to comply with the ABM Treaty''; DoD is ''continuing to obligate hundreds of millions of dollars'' on development and testing of systems before a determination has been made that such items would be in compliance with the ABMT; and the ABMT ''was not intended to'' limit systems designed to counter modern TBMs ''regardless of the capabilities of such missiles'' unless such TBMs ''are tested against or have demonstrated capabilities to counter modern strategic ballistic missiles.'' The SecDef was required to conduct a review of several listed BMD systems to determine if such systems (including Brilliant Eyes) ''would be in compliance with the ABM Treaty.'' The SecDef shall immediately notify Congress if there is any compliance problem in pursuing advanced TMDs and describe the problem. The bill attached funding limitations pending submission of the report.

10. In Sec. 235 of the NDAA95: This section listed 13 program elements for the BMDO, for budgetary purposes.

Analysis of the SASC Language

The SASC language establishes a policy of deploying a multiple-site national ABM system—this cannot be implemented without either amending or abrogating the ABMT. Amending the treaty would permit the Russians to deploy their own multiple-site system, including enhanced BMD features ostensibly intended only for TMD systems but which would have some significant capabilities against strategic ballistic missiles. The measure thus focuses only on what may be potentially gained from expanded BMD efforts, and ignores what may be potentially lost—including the credibility of the U.S. nuclear deterrent, the ABMT itself, the START process, and the NPT, as the strategic arms reduction process comes to a halt amid new missile defense developments.

The committee text also places into law a unilateral U.S. definition of systems that can be developed within the ABMT—under that treaty, such changes are supposed to be arranged by through an amendment process based on mutual agreement of the Parties. A unilateral U.S. definition would serve as a dangerous precedent inspiring Russia to insert its own ''most-favorite-notions'' of BMD into its own statute books. Moreover, the 5 km-second/3500 km range demarcation line is well above the parameters of most TBM systems today (which fly at about 2 km/sec), yet dangerously close to the slowest SBM systems (which fly at between 6–7 km/sec). Thus the Committee language serves to: blur the distinction between strategic and theater systems; raise the risk of technological surprise and treaty ''break out'' activities; complicate treaty verification (given the greater growing ambiguity over which systems are strategic and which are theater); and jeopardize the strategic arms reduction process.

The Committee language also repeals several laws that specifically required U.S. adherence to the ABMT and that required burden-sharing in the form of increased financial contributions from our allies for BMD systems.

The premise of all the SASC proposals are the findings that the U.S. is now facing a serious missile threat and

that this threat is growing. Both of these premises are open to question.

There are at least six rebuttals to the proposition that the U.S. is now facing a ''serious and growing threat'' that requires either the amendment or abrogation of the ABMT to counter—

(1) A Growing Threat? In April 1987, President Reagan announced the establishment of the Missile Technology Control Regime to regulate international commerce in goods relating to missiles that are capable of delivering a 500 kg warhead a distance of 300 km. Since that time, Congress has heard Administration spokesmen repeatedly testify about the 15–20 countries that either now have such missiles or are developing them (or may have the capability to develop them). Yet the number of countries alleged to be developing such missiles has remained, to a considerable extent, constant since the MTCR was established.

Arguably, the worst missile threats facing the U.S. are those that involve the delivery of weapons of mass destruction (WMDs, including nuclear, chemical, and biological weapons) against U.S. territory, U.S. forces, or U.S. allies. The most potentially destructive threat comes, and will continue to come for the foreseeable future, from Russia's nuclear-tipped ICBMs—a situation that will likely persist for quite a while. Ironically, nothing would be more effective in encouraging Russia both to halt its nuclear disarmament activities and to expand its missile fleet than if the United States decides to deploy—or even prepare to deploy—a multiple-site national missile defense system in contravention of the ABMT. The ABMT has succeeded in permitting the superpowers to reduce their nuclear arsenals because the treaty gives each country high confidence in the credibility of its nuclear deterrent. Eliminating or watering down that treaty is thus the wrong way to go about alleviating the worst nuclear and missile threats now facing the United States.

The worst missile threat to the U.S. is, in short, the old missile threat, not a new one. The U.S. has a big stake in the success of the START/ABM process: its success will mean that America's worst missile threat will be a declining threat.

Is the global WMD proliferation threat—serious though it is—growing? If not, then the global missile threat may not be as grave as is commonly believed.

Support for international nonproliferation regimes provides one indicator of the WMD proliferation threat. As of August 1995, the NPT has 178 parties; over 159 countries have signed the CWC and 135 countries have ratified the BWC. Though some parties may well be in violation of those treaties, it is difficult to deny that these three treaties enjoy widespread, almost universal international support, and that this support is growing. The rush is on to get rid of chemical and biological weapons, not to acquire them. The stockpiles of the nuclear weapon states are going on a downward, not an upward, trend. If the CTBT is successfully concluded in 1996, there will be no more nuclear explosions anywhere for any purpose. Progress is being made on a cutoff of the production of fissile nuclear material for weapons or outside of safeguards. To point to the illicit weapons activities of a few states is not to suggest the existence of a new international proliferation norm.

Moreover, the interest that Iran, North Korea, India, Pakistan, and Israel have shown in developing long-range missile capabilities needs to be interpreted in light of other international trends. Over the last three decades, the following surface-to-surface missiles have either been cancelled or are going nowhere: South Korea's NHK–1; Taiwan's Chin Feng (''Green Bee''); Argentina's Condor II; Egypt's al-Zafir, al-Kahir, Ar-Ra'id, and Vector; Saudi Arabia's CSS–2; Iraq's Al-Hussein; Iraq's Al-Abbas; Iraq's Badr-2000; Brazil's SS–300; the Israel/Iran ''Flower'' project; the Libyan Otrag rocket program; all of the United States and ex-Soviet INF missiles; the disarmed and to-be-dismantled ICBM's in Belarus, Kazakhstan, and Ukraine; the South African missile and space launch vehicle program; the China/North Korean DF–61; and several others. It is wrong, therefore, to declare without qualification that the missile threat against the United States is only growing—in some respects it continues to jeopardize U.S. interests, but in other respects the threat is arguably declining.

(2) Clear and Present Dangers. The worst dangers come from the further proliferation and use of WMDs by additional countries or subnational groups. As for systems of delivering such weapons, Congress's preoccupation with missiles—typically ballistic missiles—is baffling. The massive investments called for in the legislation for TMD and NMD will surely not address the worst (albeit unlikely) military threat now posed to the United States involving the delivery of WMD—that is, an all-out Russian strategic nuclear attack on the United States. It will do little to address attacks coming by means of cruise missiles and various remote piloted vehicles. And it will do nothing to prevent or deter a country of subnational group from deploying a weapon of mass destruction in the U.S., against U.S. citizens or troops, or against U.S. allies by means of any of several non-missile delivery systems that would be available for such a mission, at a fraction of the cost.

Among the most attractive delivery systems—in terms of ready availability, cost, reliability, and potential effectiveness—are advanced strike aircraft. These are delivery systems that are not regulated by any treaty or regime. As for national policy, the United States continues to export nuclear-capable strike aircraft or parts for such aircraft without even verification measures or host-country commitments to guarantee non-nuclear uses. Pakistan, for example, a country now under U.S. nuclear sanctions, continues to make commercial U.S. purchases of spare parts for its F–16 nuclear weapon delivery vehicles. France, meanwhile, is seeking buyers for its Mirage 2000 wherever they can be found. The F–16C aircraft has a maximum weapons load of 5,400 kg and a combat radius of 930 km; the Mirage 2000 has a maximum weapons load of 6,300 kg and a combat radius of 700 km. By comparison, the North Korean Nodong—now under development—will have a reported 1000 kg payload and a 1000 km range.

In November 1991, Stanford University's Center for International Security and Arms Control issued a report entitled, ''Assessing Ballistic Missile Proliferation and Its Control,'' authored by a panel of participating experts that included three senior officials now in the Clinton Administration, including the current Secretary of Defense, William Perry. The report found that: ''Advanced-strike aircraft are generally as capable as missiles, and in many cases more capable, for delivering ordnance, so it is logical to devote, at minimum, comparable efforts to their control.'' Yet US efforts, epitomized by the SASC bill and past BMD legislation, continue both to neglect this clear and present threat. These efforts instead focus shortsightedly on (a) the ballistic missile threat, (b) developing technological defenses against such missiles, while (c) neglecting the potentially negative military consequences of developing such defences, and (d) ignoring other means of addressing the missile proliferation threat (i.e., prevention, preemption, and deterrence).

(3) Future Threats. Both the CIA and the DIA directors have recently testified that the U.S. will not face a new missile proliferation threat for at least a decade. As stated earlier, even North Korea's Taepodong will at best be able to reach remote U.S. island territories sometime in the 21st Century, assuming that country remains in existence and its missile development program is successful.

Also, if the ballistic missile threat to Israel, Japan, and South Korea were so immediate and direct, the gravity of this threat is still not reflected in national funds invested by these countries in missile defense ventures. Though these countries have expressed interest in TMD systems, the United States is still paying most of the bills.

Missiles are not the only means by which a country could attack the United States. A variety of aircraft and unmanned aerial vehicles (UAVs) could serve as potential delivery vehicles for WMDs, including nuclear weapons. For example, the Tier 2+ experimental reconnaissance UAV now under development in the United States, was described in the July 10, 1995 issue of

Aviation Week as having the following performance characteristics: a 14,000-mile range, a 2,000-pound payload, an ability to stay in flight for more than 42 hours, and a maximum altitude of 65,000 feet. The United States, and U.S. forces abroad, may well be facing a graver threat from such aircraft in the next decade than they will face from ballistic missiles. Smuggled or covertly deployed WMDs also remain a serious threat, as do WMDs deployed by means of land vehicles or a wide variety of ships.

Proponents of the new legislation raise the specter of North Korean missile attacks against the United States. Yet North Korea is still many, many years away from having a missile that could reach the continental United States, or even Alaska or Hawaii—assuming it would want to launch such a missile even if it had such a capability. Nevertheless, the SASC's missile defense proposal would lead the United States out of the ABMT (and thereby scuttle the START process), a multi-billion-dollar proposal intended largely to cope with the Taepodong's hypothetical worst-case capabilities in the 21st Century. An alternative to this approach would be to concentrate more on discouraging North Korea from building such missiles in the first place.

Furthermore, certain trends in advanced conventional weaponry may rival or surpass the threat to U.S. forces in the years ahead that will come from ground-to-ground missiles—especially with respect to increasing accuracy and stealthiness of advanced conventional weapons.

(4) Missiles Have Not Historically Been Decisive. From Hitler's V–2 rocket bombardment of London, through the Iraq/Iran war of the cities, to the recent war in Kuwait, missiles have not proven to be a decisive weapon, either as an offensive weapon or as a weapon of deterrence. Israel's significant technological edge in nuclear and missile technology did not prevent it from being repeatedly attacked by modified Iraqi Scuds; nor did the Patriot antimissile batteries deter Iraq from launching repeated missile strikes on both Israel and Saudi Arabia. It is also not at all clear that the widespread deployment of TMD systems in East Asia, South Asia, and the Middle East would necessarily alleviate the nuclear weapons proliferation threat in those regions—it could even aggravate that threat by stimulating the search for new weapons designs and delivery systems.

(5) BMD Proliferation. The ABMT is not just an arms control treaty. It is also a nonproliferation treaty, in two respects. First, Article IX prohibits Russia and the United States from exporting strategic missile defense systems or components covered by the treaty. If the ABM treaty collapsed, there would be no legal obstacle to Russia exporting highly-capable missile defense technology to hot spots around the globe, such as East Asia, South Asia, and the Middle East. The export of such systems could well foster or aggravate regional WMD and missile races. Some of Russia's BMD interceptors are reportedly nuclear capable. Others have characteristics (range, thrust, navigation systems, materials and coatings) very much like offensive ballistic missiles. The simulated offensive ballistic missile used as a interceptor, for example, is another Arrow. Second, if horizontal (or geographical) BMD proliferation becomes popular thanks to the collapse of the ABMT, this will also stimulate more vertical proliferation of both existing strategic nuclear weapons and their delivery systems.

(6) Alternatives to Missile Defense. To the extent that the U.S. and its allies face missile proliferation threats, there are more—and more effective—ways to approach this threat than in searching for technological shields. The massive funds that have been spent on missile defense have drained valuable resources away from needed investments in nonproliferation regimes, sanctions, export controls, intelligence collection and sharing, active and preventive diplomacy, conventional war-fighting capability, and other such classic nonproliferation tools. Arguably, the U.S. Marines remain today America's best ''ground mobile TMD system,'' if one factors in cost, effectiveness, and treaty considerations. Given past underinvestment in sharpening the classic tools of nonproliferation, one should not be surprised to see chronic nuclear and missile proliferation threats.

2. THE NUNN/LEVIN/COHEN/WARNER SUBSTITUTE

In summary, while the substitute dulls the teeth of the SASC's missile defense language, it surely does not ''defang'' that language. The text still sets the U.S. on a course out of the ABMT: it requires the ''development for deployment'' of a multiple-site missile defense system covering all U.S. territory; it accepts all the SASC findings about the gravity of the missile threat; it questions the value of nuclear deterrence; it establishes a provocative new national policy to ''consider . . . the option of withdrawing'' from the ABMT if Russia refuses to accept unilateral U.S. proposed treaty amendments; it seeks the accelerated development and ''streamlined'' acquisition of systems that are not ABMT-compliant; it endorses the ''demonstrated capabilities'' definition of an ABMT-compliant system; and it endorses a unilateral U.S. definition of the velocity and distance criteria for distinguishing strategic from non-strategic missiles.

The BMD provisions are broken down into the following sections: findings (232); policy (233); TMD architecture (234); NMD architecture (235); cruise missile defense initiative (236); policy toward ABM treaty (237); spending prohibition (238); BMD program elements (239); definition of ABM treaty (240); and repeal of 10 laws (241). A copy of these provisions appeared in the Congressional Record on August 11.

The substitute includes the following notable findings: (a) the existence of a ''significant and growing'' missile threat to the U.S. (later called an ''increasingly serious threat''); (b) TMD can reduce incentives for proliferation; (c) NMD can ''strengthen strategic stability and deterrence''; (d) the doctrine of nuclear deterrence (''MAD'') is ''questionable''.

The bill would establish the following national policies to: (a) deploy ''as soon as possible'' TMDs against TBMs; (b)''develop for deployment'' a multiple-site NMD system (and to ''consider'' withdrawing from the ABM treaty if Russia refuses to agree to necessary treaty amendments); (c) develop BMD ''follow-on'' options; (d) streamline the BMD acquisition process; and (e) seek a ''cooperative transition'' away from MAD.

The SecDef is to report to Congress (before submitting the FY 1997 defense budget) on the costs of RDT&E/deployment of each BMD system (both TMD and NMD).

The bill includes Navy Upper Tier system and THAAD within TMD core program—both of which have been criticized as having potential strategic ABM capabilities.

Requires the SecDef to develop a NMD system by 2003 that shall ''be capable of being deployed at multiple sites,'' include space-based sensors, include a limited NMD ''hedge'' capability by the year 2000 involving ''one or more'' sites. SecDef shall conduct an analysis of options to improve NMD effectiveness, including sea-based and space-based weapons, and additional ground-based interceptors.

The SecDef shall prepare a plan to upgrade U.S. cruise missile defenses.

The Senate should undertake a review of the ''value and validity'' of the ABM treaty.

The President cannot implement over the next fiscal year a more restrictive definition of an ABM-permissible system than that established in the bill—the bill establishes a demarcation line at targets traveling at 3,500 km range, 5 km/second velocity, and the ban only covers deployment of systems that are ''flight tested'' against targets fitting this definition.

The bill repeals 10 TMD/NMD-related laws (following the SASC bill).

Analysis of the substitute proposal

The table in Annex 1 compares this proposal with key provisions of the ABMT. The most troublesome language pertains to the requirement to develop for deployment a multiple-site BMD system along with specific new systems (e.g., space-based and sea-based) that are not now permitted by the ABMT.

There is a real danger that this language will be perceived by the Russian parliament and by Russian military and political leaders as a U.S. intention to abandon the treaty. If this occurs, then the consequences for both arms control and nonproliferation will be grave. We can expect the following:

The Start II treaty will be in jeopardy; Russia may even consider withdrawing from Start I.

The other nuclear weapon states (France, China, and Britain) will be reluctant to join in the process of nuclear arms reductions if Russia and the U.S. are no longer constrained by the ABMT.

Russia's reactions to the U.S. deployment of a national multiple-site missile defense system could well include a reversal or even an expansion of its offensive nuclear arsenal and deployment of its own national multiple-site defense against U.S. missiles—all of which would lead the U.S. to consider following suit.

There is adequate reason to believe that the Russians will indeed interpret the U.S. policy to develop a national multiple-site BMD system for deployment as an intention to violate the ABMT, an action that could jeopardize the Start process. Russian perceptions of the U.S. legislation will have a profound impact upon the future of several strategic arms control initiatives, as indicated in the following statements:

On August 17, Mikhail Demurin, a spokesman for the Russian Foreign Ministry, told a wire service reporter that Russia believes the legislation pending in the U.S. Senate on missile defense would lead to the ''actual liquidation'' of the ABMT.

On August 4, National Security Advisor Anthony Lake wrote to the Senate Majority Leader that the NMD language in S. 1026 ''would effectively abrogate the ABM Treaty. . . . The effect of such actions would in all likelihood be to prompt Russia to terminate implementation of the START I Treaty and shelve ratification of START II.''

On July 28, Defense Secretary Perry wrote a letter to Sen. Nunn in which he said that the SASC's BMD language would ''put us on a pathway to abrogate the ABM Treaty . . . jeopardize Russian implementation of the START I and START II Treaties . . . [and] threaten to undermine fundamental national security interests of the United States.'' By continuing to call for the development with the intention of deploying a multiple site BMD system, the compromise language keeps the U.S. on the ''pathway'' to abrogation.

On June 28, the Chairman of the Joint Chiefs of Staff, Gen. Shalikashvili, wrote to Sen. Levin that ''Because the Russians have repeatedly linked the ABM Treaty with other arms control issues—particularly ratification of START II now before the Duma—we cannot assume they would deal in isolation with unilateral U.S. legislation detailing technical parameters for ABM Treaty interpretation. While we believe that START II is in both countries' interests regardless of other events, we assume such unilateral US legislation could harm prospects for START II ratification by the Duma and probably impact our broader security relationship with Russia as well.''

On June 20, Russian President Yeltsin submits the START II treaty to the Russian Duma with a cover letter stating that ''It goes without saying that the Treaty can be fulfilled only providing the United States preserve and strictly fulfill [the] bilateral ABM Treaty of 1972.''

On April 27, Russian foreign ministry spokesman Nikita Matkovskiy expressed alarm that the US has started testing anti-missile defense systems that the US unilaterally claims are non-strategic; Matkovskiy stated that ''In our opinion the continuation of the policy of accomplished facts instead of an intensive search for a mutually acceptable solution can only complicate matters, if not drive them into a blind alley.'' (Interfax)

On April 23, Russian arms control expert Anton Surikov stated that US BMD plans ''are in fact yet another attempt to push through the back door the old Reagan SDI idea. That's why they pose a considerable threat to strategic stability in the world and provoke China and other 'minor nuclear countries' to sharply build up their nuclear missile forces.'' (Itar-Tass) On August 4, Surikov specifically claimed that the US Senate's BMD language ''prompts our country to refrain from ratifying the START-2 Treaty and reconsider some provisions under the START-1 one.'' (Itar-Tass)

On March 28, Russian Foreign Minister Kozyrev commented on prospects for Russian ratification of the START-II treaty, noting that ''It is also essential that no attempts be made to evade the ABM Treaty, since both treaties are closely connected with each other.'' (Itar-Tass)

On March 17, columnist Vladimir Belous wrote in Segodnya that ''Some [US] senators even demand that the administration stop the ABM negotiations, which can allegedly limit US freedom of action. In fact the intention is to reanimate the Reagan SDI program, although in a more modest form . . . It must be admitted immediately that if the ABM Treaty is effectively undermined, further implementation of the START I Agreement will be in question.

On March 7, Aleksander Piskunov, the vice-chairman of the Duma Committee for National Defense, stated after a meeting with American congressmen that ''It is absolutely obvious that the discussion of the possibility of implementing the ABM system will be fraught with serious consequences and will tell negatively on the upcoming ratification of an agreement on the further reduction of strategic offensive weapons.'' (Itar-Tass)

On February 10, retired Major-General Vladimir Belous, writing at length in Segodnya about ABMT-related developments, concluded that each Party ''will give its own interpretation to the parameters for delimitation and will be guided by them, which could lead to the de facto undermining of the treaty as a document of international law. Too much is at stake for there to be haste or inconsistency on this issue. The profound connection between strategic offensive and defensive weapons must be pointed out once more. This signifies at this stage that the ratification of the START-2 treaty by the Russian parliament is possible only when the delimitation of strategic and 'non-strategic' . . . has been achieved and officially affirmed. And in no case before that.''

On January 18, Aleksandr Sychev wrote an article in Izvestiya warning that ''The White House plan to avail itself of a new ABM defense system gives rise to the suspicion that the United States is trying to bypass the ABM Treaty and attain military-strategic superiority.''

On January 16, a senior Russian foreign ministry official criticized a recent test of ''a tactical ABM system''; noting that the test occurred ''at a time when both countries were holding discussions . . . on distinctions between strategic and tactical ABM systems,'' the official stated that ''Washington's actions worsen the atmosphere at the consultations and may have a negative effect on the entire complex of security negotiations in general.'' (Interfax)

The danger that Russia will interpret the substitute as an intention to abrogate the ABMT is further aggravated by the repeal in both the Committee's bill and the substitute of provisions of existing law that require the United States to remain in compliance with the ABMT (e.g., repeal of the Missile Defense Act of 1991).

The substitute includes in a Sense of the Senate certain technical parameters to define the types of BMD systems that are permissible under the ABMT: any system that has not been tested against test targets flying at or above 5 km/second or exceeding a 3,500 km range would be permissible. Though the substitute is an improvement over the SASC bill's provision, in that it is non-binding, it nevertheless places the Congress in favor of adopting a BMD testing standard that has not been agreed by the Parties to the ABMT. The substitute also prevents the President from spending any funds in the next fiscal year to implement any more restrictive standard. Moreover, in establishing a US national policy that a BMD system will be controlled only if it is actually flight tested, the substitute departs from the ABMT's prohibition on developing systems that have inherent capabilities to destroy strategic ballistic missiles. The substitute language would, therefore, put Russia on notice that the United States would have no objection if Russia developed and even deployed sophisticated strategic BMD systems as long as the systems are not flight tested against the unilaterally-defined US target criteria. Any subsequent Russian action to exercise these options would serve to weaken the credibility of the US nuclear deterrent.

IMPACT OF THE SUBSTITUTE PROPOSAL ON THE ABM TREATY

[Although the text does not explicitly require the U.S. to abrogate the ABMT, the substitute MDA95 would require the Executive to take steps that would—if implemented without amending the treaty—violate both the letter and the spirit of that treaty. Examples:]

ABM Treaty (ABMT)	Missile Defense Act of 1995 (MDA95)
Preamble: considers that ''effective measures to limit anti-ballistic missile systems would be a substantial factor in curbing the race in strategic offensive arms and would lead to a decrease in the risk of outbreak of war involving nuclear weapons''; proceeds from the premise that ''the limitation of anti-ballistic missile systems . . . would contribute to the creation of more favorable conditions for further negotiations on limiting strategic arms''.	The substitute effectively substitutes ''expand'' and ''expansion'' for the ABMT Preambles terms for ''limit'' and ''limitation.'' Sec. 232 (4) ''finds'' that the deployment of ''effective defenses'' against ballistic missiles ''of all ranges'' can reduce incentives for missile proliferation. Sec. 232 (5) refers to the difference between strategic and non-strategic ballistic missiles as a ''Cold War distinction'' in need of review. Sec. 232 (7) ''finds'' that BMD systems ''can contribute to the maintenance of stability'' as missile proliferation proceeds and as the U.S. and the CIS ''significantly reduce the number of strategic forces in their respective inventories.'' Such findings are inconsistent with the letter and spirit of the preamble of the ABMT. The findings, moreover, are not balanced: they fail to address any of the strategic benefits that the U.S. has gained from the ABMT.
Article I: Bans the following—deployment of ABM systems for a ''defense of the territory of its country,'' the provision of a ''base'' for such a defense, and deployment to cover an individual region. In short, the ABMT allows limited defenses against strategic missiles, but they cannot be deployed to protect the whole country. The treaty thus permits missile defenses against both strategic and non-strategic missiles, but defenses against the former must be limited to one site (and even then, only certain types and numbers of ground-based interceptors are permissible) and defenses against the latter may not be given capabilities against strategic missiles.	Sec. 233 (2) establishes a policy to ''develop for deployment'' a ''multiple-site national missile defense system'' protecting against limited missile attacks ''on the territory of the United States.'' Though this language echoes a similar provision in sec. 231 of the Missile Defense Act of 1991, it omits language in that act requiring U.S. compliance with the ABMT; indeed, the substitute repeals the MDA91 in its entirety. The substitute also opens up a can of worms for treaty verifiers and arms control lawyers. In light of the bill's positive ''finding'' in sec. 234(4) about a defense against missiles ''of all ranges,'' the language could be read both to authorize a territorial, multi-site defense against ''limited'' attacks involving strategic missiles—exactly what the treaty prohibits. Note that the text does not define ''limited''—and given all missile attacks are in some ways limited, the language invites a treaty interpretation that would ultimately permit a defense against all missile attacks. If implemented without modification of the treaty, this would violate several key provisions of the ABMT, including (but not limited to) the bans on: (1) multiple ABM sites; (2) ''development'' of space-based and sea-based ABM components; (3) giving non-strategic BMD systems capabilities to counter strategic missiles; (4) developing a ''base'' for a territorial ABM defense; and (5) developing a missile defense for an individual region. The term ''territory of the United States'' covers a third of the globe, including: (in the Pacific) the Northern Mariana Islands, American Samoa, Guam, Baker and Howland Islands, Jarvis Island, Johnston Atoll, Kingman Reef, Midway Island, Palmyra, and Wake Island, and (in the Atlantic) the Virgin Islands and Puerto Rico—it is hard to imagine an ABM-compliant system that would be ''operationally effective'' in defending such an area without violating the ABMT. Even if the scope were limited to Hawaii, Alaska, and the CONUS, this would cover an area of over 3.7 million square miles; the total area would be far greater. It would not be unreasonable to interpret this proposal as a statement of a U.S. intent to break the treaty. Indeed, the dictionary defines the preposition ''for'' (as used in the phrase ''develop for deployment'') as meaning: ''with the object or purpose of.''
Article II: Defines a strategic ABM system as including not just interceptors, launchers, and radars, but also system components which are ''undergoing testing,'' ''undergoing . . . conversion,'' or ''under construction.''.	Sec. 233 establishes a national policy of developing a NMD system that will be ''operationally effective'' against limited ballistic missile strikes (regardless of their origin or flight characteristics) against ''the territory of the United States.'' Sec. 235 defines the NMD ''architecture'' and directs the SecDef to ''develop'' a specific system achieving this goal. This provision is unilateral, given that Russia has not yet agreed to the BMD testing parameters found in the substitute. Sec. 235 (b) requires the SecDef to make use of ''upgraded early warning radars'' and ''space-based sensors'' in the NMD plan.
Article III: The ABM system may cover only one deployment area (of fixed dimensions) and consist of no more than 100 ABM interceptor missiles; also radar limitations. [This provision is pursuant to Article I of the ABM Protocol of 1974.].	Sec. 233 (2) establishes a policy to ''develop for deployment'' a ''multiple-site national missile defense system'' protecting against limited attacks ''on the territory of the United States'' (see comments above). Such a deployment would thus violate both Article III of the ABMT and Article I of the ABM Protocol of 1974. Sec. 235 (a) requires the SecDef to ''develop'' an NMD system (covering CONUS, Alaska, and Hawaii) involving ground-based interceptors ''capable of being deployed at multiple sites''.

IMPACT OF THE SUBSTITUTE PROPOSAL ON THE ABM TREATY—Continued

[Although the text does not explicitly require the U.S. to abrogate the ABMT, the substitute MDA95 would require the Executive to take steps that would—if implemented without amending the treaty—violate both the letter and the spirit of that treaty. Examples:]

ABM Treaty (ABMT)	Missile Defense Act of 1995 (MDA95)
Article V: Bans development, testing, or deployment of (a) ABM systems or components which are air-based, space-based, or mobile land-based; (b) ABM launchers for launching more than one interceptor at a time from each launcher; (c) rapid reload ABM launchers.	Sec. 235 (a) requires the SecDef to ''develop'' a NMD system (covering CONUS, Alaska, and Hawaii) involving ground-based interceptors ''capable of being deployed at multiple sites''. The system is to include ''space-based sensors'' including the SMTS (formerly Brilliant Eyes) and BM/C3 systems. Sec 235 (b) requires the SecDef, in developing the NMD plan, to ''make use of . . . one or more of the sites'' that will be used as deployment locations. Same section requires the SecDef to prepare ''an analysis of options'' for developing NMD system that includes several systems that are not ABMT-compliant, including: ''additional'' (presumably in addition to the 100 authorized by the ABMT) ground-based interceptors at existing or new sites, sea-based missile systems, space-based kinetic energy interceptors, and space-based directed energy systems. This list amounts to a congressional requirement for the SecDef to evaluate ''options'' to violate the treaty—an action that could reasonably be interpreted in Moscow as a prelude to treaty abrogation.
Article VI: Bans giving non-strategic defensive missiles, launchers, or radars any capabilities to counter strategic missiles, and not to test such missiles in an ABM mode; bans deployment of future radars for early warning of strategic missiles except at locations along the periphery of its territory and oriented outward.	Sec. 235 (b) requires the SecDef to make use of ''upgraded early warning radars'' and ''space-based sensors'' in the NMD plan. The purpose of the NMD system (sec. 235(a)) is to develop an ''operationally effective'' counter to a ''limited, accidental, or unauthorized ballistic missile attack''—yet the only systems permitted under the ABMT that can be ''operationally effective'' against limited/accidental/unauthorized launches of strategic missiles can only be deployed at one site, cannot be deployed at sea/air/or mobile/or with rapid reloads, etc—none of these restrictions appears in the bill. Also, given that (a) the term ''limited'' missile attack is not defined, (b) every missile attack is limited in some way, and (c) there cannot be infinite missile attacks—the law effectively constitutes a green light to counter all missile attacks on all U.S. territory—just what the ABMT was created to prohibit. The substitute also distinguishes between a BMD system having an inherent capability against strategic missiles and a BMD system that has been ''tested against'' such missiles. This language contrasts sharply with the ABMT's ban on giving non-ABM systems capabilities to counter strategic ballistic missiles.
Article IX: Bans transferring ABM systems or their components to other states or deploying them ''outside its national territory''.	Sec 235(b) requires the SecDef to prepare ''an analysis of options'' for NMD including sea-based missile systems, space-based kinetic energy interceptors, and space-based directed energy systems—all of these would presumably be ''outside the territory'' of the United States. Under a unilateral interpretation of its own obligations under the ABMT, Russia could in turn argue that it is permissible for Russia to deploy its own ABM systems around the world to counter ''limited, accidental, or unauthorized'' U.S. missile attacks. Russia could (if the ABMT is finally abrogated) also export whole strategic NMD systems or critical components to all destinations.
Article XIV: Allows amendments; but agreed amendments shall enter into force with the same procedures governing the entry into force of the treaty.	The amendment process provides no authorization for unilateral national definitions of key terms of the treaty. Moreover, the substitute misleadingly claims (in sec. 237(a)(4)) that all the programs in this bill ''can be accomplished through processes specified within, or consistent with, the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty.'' By the same reasoning, any non-nuclear-weapon state party to the Nuclear Non-Proliferation Treaty could ''accomplish'' a robust nuclear weapons arsenal fully ''within'' the procedures of the NPT, simply by following the 90-day withdrawal procedure. Indeed, either the U.S. or Russia could go ahead and develop and deploy a completely impermeable, national Star Wars system fully ''within the ABM Treaty'' simply by exercising that treaty's right to withdraw (or by not engaging in flight tests). The proposal thus converts a prohibition into a right or even an obligation.

Mr. HELMS. Mr. President, I support the Nunn amendment identified as ''The Missile Defense Act of 1995.'' Last week there was a curious, trumped up suggestion in a local newspaper that, somewhere along the line, I had mysteriously changed my position regarding the ABM Treaty. I have not, and the reporter who wrote the story knew it. I have always questioned the wisdom of the ABM Treaty, and I still do.

In fact, this past April I wrote to President Clinton stating my belief that the current U.S. position on the ABM Treaty is rooted in cold war mentality. In 1972, Mr. President, neither United States nor Soviet negotiators had any way to envision the security environment of 1995, characterized as it is by the rampant proliferation of ballistic and cruise missile technology.

Even former Secretary of State Kissinger—one of the principal architects of the ABM Treaty—recently told me that he too feels that strategic stability in the post-Cold war world has moved beyond the current scope of the ABM Treaty. I use the word ''current'' because the ABM Treaty itself contains provisions for modification or legal abrogation.

Mr. President, the national security interests of the United States should be our number one priority, and for that reason I have directed the Committee on Foreign Relations, in consultation with the Committee on Armed Services and other appropriate committees, to undertake a comprehensive review of the continuing value of the ABM Treaty for the purpose of providing additional policy guidance during the second session of the 104th Congress.

In this regard, I reiterate my opposition to the creation of yet another special Select Committee replete with bureaucratic trappings, staff, and cost to the American taxpayer for the purpose of reviewing this treaty. We already have standing committees with the responsibility for making these determinations and recommendations, and we are going to do our job.

In conclusion, I support the Nunn amendment for its foresight in developing a missile defense system to protect all Americans. Still, I confess having reservations about the amendment because I am convinced that it may compromise some of the decisive language and vision contained in the original bill.

Mr. President, I reiterate my support for passage of the Defense Authorization Bill of 1995.

Mr. NUNN. Mr. President, I intend to make a statement concluding the final passage of the authorization bill outlining some of the challenges I think we have in conference. I do think there have been a number of improvements made in the bill in the Chamber, most notably the Missile Defense Act, which I anticipate will be approved in a few minutes on a rollcall vote.

There are a number of other challenges we have in conference if this bill is going to become law, and I will speak to that at passage of the authorization bill because I think it is enormously important that we work together in a cooperative way with the administration to make every effort to see that this bill will be one the President will be willing to sign.

There are a number of items that are in the bill now which will not meet that definition according to what I have been reliably informed.

So I will be working with my colleagues to both identify the administration objections and to see if those can be worked on as we go forward.

I also think the committee chairman and all those who worked in good faith in the Chamber have a real stake in trying to make sure we get a bill that can become law this year, and I know we will work together in that regard.

Mr. WARNER. Mr. President, I say to my distinguished colleague, I know there are Senators on this side of the aisle, particularly Senators KYL and SMITH, who likewise feel very strongly about this amendment about to be voted on, so I am sure their voices will be heard as this matter proceeds to resolution in conference.

Mr. NUNN. I say to my friend from Virginia, I was referring both to that matter and to other matters also. My comments were in general because there are a number of areas where the administration and the Secretary of Defense have noted they want to work to see that changes are made. So I was not speaking just on the Missile Defense Act but that was included in my remarks.

Mr. WARNER. Mr. President, I just wanted to make sure I protected the interests of my colleagues who did work on this particular amendment about to be voted on.

Mr. President, parliamentary inquiry. Has the time arrived now for the vote?

AMENDMENT NO. 2425

The PRESIDING OFFICER. Under the previous order, the hour of 9:30 has arrived and the question now is on the Nunn amendment.

Mr. THURMOND. Mr. President, the distinguished Senator from Oklahoma desires about 2 minutes. I suggest he be given 2 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Oklahoma is recognized.

Mr. INHOFE. I thank the Senator from South Carolina.

During the course of this recess, I averaged about seven events a day throughout the State of Oklahoma, and during that time I did not let an opportunity go by without letting the people of Oklahoma know how serious the threat of missile attack will be to the United States within just a very few years, probably as early as the year 2000.

I also let them know that we do not have a national missile defense system, and probably the most significant thing we will do is to keep this system going so that when we have a friendlier

environment in the White House we can have this system ready to be deployed by the year 2000 or 2001.

We know the threat that exists from North Korea right now. We know the threats that were articulated by Jim Woolsey, the chief security adviser to the President, when he said that we know of between 20 and 25 nations that are working on weapons of mass destruction and the missile means of delivering those weapons.

I know the negotiators worked very hard, and I commend the work product. However, I am a little disappointed it did not come out stronger. I intend to support the missile defense portion of this bill, but I think when we used the words that we want to deploy a national missile defense system and they changed it to ''develop for deployment,'' that is too weak. I think that when we are calling for highly effective missile defenses that we now have changed to ''affordable,'' I suggest to you, Mr. President, there is nothing that is more significant going on right now than preparing for a national missile defense system.

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

The question is on agreeing to the Nunn amendment No. 2425. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Alaska [Mr. MURKOWSKI] is necessarily absent.

Mr. FORD. I announce that the Senator from Hawaii [Mr. AKAKA] is absent because of attending a funeral.

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

The result was announced—yeas 85, nays 13, as follows:

[Rollcall Vote No. 398 Leg.]

YEAS—85

Abraham	Feinstein	Lott
Ashcroft	Ford	Lugar
Baucus	Frist	Mack
Bennett	Glenn	McCain
Biden	Gorton	McConnell
Bingaman	Graham	Mikulski
Bond	Gramm	Murray
Breaux	Grams	Nickles
Brown	Grassley	Nunn
Bryan	Gregg	Packwood
Bumpers	Hatch	Pressler
Burns	Hatfield	Pryor
Byrd	Heflin	Reid
Campbell	Helms	Robb
Chafee	Hollings	Rockefeller
Coats	Hutchison	Roth
Cochran	Inhofe	Santorum
Cohen	Inouye	Sarbanes
Conrad	Jeffords	Shelby
Coverdell	Johnston	Simpson
Craig	Kassebaum	Snowe
D'Amato	Kempthorne	Specter
Daschle	Kennedy	Stevens
DeWine	Kerrey	Thomas
Dodd	Kerry	Thompson
Dole	Kohl	Thurmond
Domenici	Kyl	Warner
Exon	Levin	
Faircloth	Lieberman	

NAYS—13

Boxer	Feingold	Leahy
Bradley	Harkin	
Dorgan	Lautenberg	
Moseley-Braun	Pell	Smith
Moynihan	Simon	Wellstone

NOT VOTING—2

Akaka Murkowski

So the amendment (No. 2425) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. BINGAMAN. Mr. President, I am going to vote against this bill as I did in the Armed Services Committee. We have had a good debate on the Senate floor on the bill and I went into this debate hopeful that we would fix many of the problems I saw in the bill as reported.

We have fixed some of those problems. For example, the Department of Energy provisions have been almost completely rewritten and all the provisions I objected to during committee deliberations have been corrected, with the exception of the hydronuclear testing provision which Senators EXON and HATFIELD sought to eliminate.

Elsewhere, unfortunately, the improvements have been modest. The Missile Defense Act of 1995 has not been changed enough for me to be able to support it. I commend Senator NUNN and Senator LEVIN for their efforts to defuse the worst features of the reported bill's missile defense provisions. I voted for their language as a substitute for the reported bill. But I believe that these provisions will still contribute to the unraveling of critical arms control agreements that would enhance our security far more than accelerating the development and deployment of a limited national missile defense system.

Our current policy on missile defense, the Missile Defense Act of 1991 as amended, makes it a goal of the United States to comply with the ABM Treaty while developing, and maintaining the option to deploy, a limited national missile defense. That is as far as we should go. We simply do not need to be making a several-hundred-million-dollar downpayment this year for a multitens of billion dollar national missile defense system.

The bill has many other provisions which I oppose. Section 1082 prohibits retirement of strategic weapons delivery systems that the nuclear posture review says we don't need. We cannot afford to keep every nuclear weapon delivery system, even those the Pentagon says we don't need, as bargaining chips for future arms control negotiations. We should not be sending the signal that we expect the START II and START I treaties to unravel and therefore intend to maintain the maximum nuclear capability possible within the START counting rules. If we end up with the nuclear posture review force structure, we will be quite adequately defended and will hardly have to sue for surrender if the cold war is revived.

Mr. President, I fundamentally disagree with the need to add $7.1 billion to the President's defense request. The weapons research and production funded with that money are only going to make our out-year defense budget problems worse. The committee has admitted that it has designed a defense bill that will require many billions of dollars in additional defense spending in future years beyond the budget resolution levels. Since I didn't support the first $33 billion added by the budget resolution, I can't support a bill that assumes even more spending in future years. I regret that the Kohl-Grassley effort to enforce budget discipline failed.

I regret that my efforts to cut spending for unneeded antiarmor munitions and for an amphibious assault ship we don't need to buy before 2001, if then, were defeated in votes on the companion Defense appropriations bill. These are the tip of the iceberg of unneeded Member-interest spending in this bill and the companion appropriations bill.

Mr. President, this bill is better than the House bill in most respects. The House bill has terrible provisions on discharging members who are HIV positive and on denying female service members and female dependents of service members the right to get an abortion in overseas military medical facilities with their own money. The House bill funds additional B–2 bombers with their multitens of billions of dollars out-year funding requirement. The House bill has a fundamentally misguided provision that attempts to lock in the Bottom-Up Review force structure of 1.445 million active duty service members in permanent law. The House bill's combination of force structure and weapons systems provisions would require rapid real growth in defense spending in future years, even more rapid than the Senate bill's. This is simply not in the cards.

Mr. President, we go to conference with two bad bills, each deserving a veto in my view. It's possible that we will strip the worst of both bills in conference and end up with a product acceptable to the President. But far more likely is a result that the President would have to veto.

This is the first time in my 13 years in the Senate that I have voted against a Defense authorization bill. I do not do it lightly. I regret that I feel compelled to do this.

I urge my colleagues who believe this bill spends too much money on unneeded and wasteful defense projects or who oppose its cold war revival provisions to join me in voting against this bill.

STRATCOM

Mr. THURMOND. Mr. President, I wish to bring to my colleagues' attention an important initiative by USSTRATCOM to provide the regional CINC's with mission-planning analysis for counterproliferation of weapons of mass destruction. STRATCOM'S mission-planning analysis is of proven

value to regional commanders charged with responding to proliferation threats.

In situations that could require putting American forces in harm's way, it is vital that all factors—the risks, benefits, and consequences of contingency plans—are thoroughly understood in advance. Once a crisis breaks out, it is too late to undertake the studies required to assess the potential threats.

STRATCOM's unique planning analysis method gives commanders advance warning of danger by helping to identify and characterize current and emerging proliferation threats in the region. In cases when proliferation activities challenge U.S. interests and military operations, this unmatched mission-planning analysis capability allows defense planners to identify a variety of potential military targets; assess the effectiveness, consequences, and costs of military operations; and develop alternative contingency plans that maximize mission effectiveness, while minimizing the risk, cost, and collateral effects.

Moreover, in the case of countries with embryonic weapons activities, STRATCOM's mission-planning analysis can provide the early and detailed alert that will allow policy makers to fashion effective export controls and other preventative measures to block weapons programs before they become a threat to the United States or other nations.

Mr. MCCAIN. I agree with Chairman THURMOND'S assessment of USSTRATCOM'S mission-planning analysis activities and the importance of this program in supporting the broad spectrum of U.S. nonproliferation and counterproliferation goals. Unfortunately, during our markup of the fiscal year 1996 Defense authorization bill, we were unaware that the program is not adequately funded in the budget request for STRATCOM.

Without funding, analysis that commanders find essential for mission planning will at best be performed on an ad hoc basis or, worse, not at all. This issue is too vital and the risks of proliferation are to great to be ignored by the Senate.

I hope the conferees will see fit to include the required funding for this program.

DISPOSAL OF OBSOLETE AND EXCESS MATERIALS CONTAINED IN THE NATIONAL DEFENSE STOCKPILE

Mr. BAUCUS. I would like to raise an issue with the manager regarding section 3402 of the bill. This section appears on page 587 and is entitled ''Disposal of Obsolete and Excess Materials Contained in the National Defense Stockpile.'' I understand that the purpose of this provision is to eliminate the strategic materials in the national defense stockpile with three exceptions. Is that correct?

Mr. THURMOND. The provision recognizes that the stockpile contains materials which are excess to national security needs. At the direction of Congress, the Department of Defense conducted a thorough analysis of requirements and reported their findings.

Mr. BURNS. And I understand that if the disposal of those materials is authorized by the Congress, the actual sales of the materials would be preceded by a recommendation by the Federal Market Impact Committee regarding the adverse domestic and foreign economic impacts on the private sector as a result of the proposed stockpile sales. Is that correct.

Mr. THURMOND. No disposal from the stockpile may occur until the Market Impact Committee has analyzed the DOD plan for annual disposals. Congress must then concur with the annual materials plan before DOD can dispose of any materials. We maintain very tight control over these disposal and the procedures have worked very well.

Mr. BAUCUS. Our concern is with the proposed sale of palladium and platinum in the stockpile. The national defense stockpile of palladium represents the equivalent of 20 percent of the annual demand for this metal, and the national defense stockpile of platinum represents 5 percent of the national demand. The price of both of these metals is quite volatile. There is already some indication that just the recommendation for sale has had a depressive impact on the market price. Did the committee, when it included palladium and platinum among the materials to be disposed, examine the implications of disposition of palladium and platinum?

Mr. THURMOND. Any disposals of those materials could only occur in small amounts over a very long period of time, according to market and impact conditions. Although no subcommittee hearing was conducted this year to review stockpile operations, we have been working closely with DOD on this matter and the final DOD report has been reviewed.

Mr. BURNS. Historically, the National Defense Stockpile was created to provide a supply of strategic materials not available from domestic production or not available in sufficient quantities from domestic production to meet critical military needs. Since the palladium and platinum that is in the stockpile was acquired, the Stillwater Mine in Montana has begun production and, in fact, is the only mine in the world which is a primary palladium producer, platinum representing a secondary metal from that mine. Virtually all other palladium and platinum comes from South Africa and Russia.

Mr. BAUCUS. The problem from Montana's perspective is that the Stillwater Mine has only recently begun to recover its costs of production as the price of palladium has stabilized at a level sufficient to justify operation of the mine. Because of the improvements in price, Stillwater Mining Co. has announced an intention to double its production of palladium beginning in mid-1997. The doubling of production will increase the number of high-paid underground mining jobs by approximately 400. In Montana, these jobs are extremely important to our economic health.

Mr. BURNS. We are deeply concerned that there not be some activity with respect to the disposition of palladium and platinum in the stockpile which would undermine the basic economics of the Stillwater Mine and its proposed expansion. The question to the manager of the bill is whether the conferees, on behalf of the Senate, will support an amendment from the Montana delegation which will assure that disruption in the price of palladium and platinum not occur.

Mr. THURMOND. I would emphasize that this legislation would not permit DOD to dispose of a single ounce of these materials. Any disposal requires approval by Congress of an annual materials plan and I suggest to my colleagues that the AMP is the mechanism we have established in law to protect domestic industry from disruption. The provision in this bill enables DOD to develop a plan for potential disposals in a manner which will not disrupt the market or disadvantage domestic producers. This procedure has worked very well in the past and any disruption has been minimized.

Mr. BIDEN. Mr. President, I rise in opposition to the National Defense Authorization Act for fiscal year 1996. In the course of debate on this legislation many improvements have been made to what was a dangerous piece of legislation.

To mention two of these positive changes: The provisions on the Energy Department relating to our nuclear weapons activities have been greatly improved and the National Missile Defense Act of 1995 has been significantly altered.

Unfortunately, these changes have not gone far enough to correct what I believe is still a flawed piece of legislation.

I will oppose this legislation primarily for two reasons. First, the Missile Defense Act of 1995, though much improved over the original committee version, risks undermining the START treaties. Second, the bill provides for an increase of $7.1 billion in spending on programs that the Pentagon does want nor need.

At this juncture, I want to make clear that I support a robust national defense. I do not think, though, that spending money on weapons systems that the military itself does not want and pursuing a national missile defense which could lead to a new arms race, as this bill does, is a good way to promote our national security.

Senators NUNN, LEVIN, COHEN, and WARNER worked hard to develop a compromise which altered some of the more egregious provisions of the committee-reported version of the Missile Defense Act of 1995. I commend them for their efforts, and I supported their amendment as a way to improve the original bill language.

The amendment does move us away from the original bill's commitment to deploy a national missile defense system by 2003. Furthermore, the scope of the Strategic Missile Defense Program has been strictly limited to defending against unauthorized, accidental, and limited launches as opposed to a more ambitious defense against all types of ballistic missiles. The Congress is now guaranteed a decisive role in the decision to deploy any missile defenses. Finally, provisions which would have tied the President's hands in negotiating ABM Treaty amendments have been removed.

Despite these significant changes, many problems remain with the Missile Defense Act of 1995. In particular, there is a real threat that the Russian Duma will not understand the legislative finessing we have engaged in to avoid a head-on collision with the ABM Treaty. The distinction between developing for deployment a national missile defense system versus deploying such a system are subtle at best. They may also be concerned about policy statements referring to the possibility of withdrawal from the AMB Treaty should negotiations not succeed.

The danger is that these measures on our part will be viewed as violations of the ABM Treaty by the Russians. If the Russians believe that we are developing an effective national missile defense system in violation of the ABM Treaty, then they are likely to lose confidence in their offensive strategic arsenal, which has been shrinking thanks to arms control agreements like START I.

To overcome that lack of confidence, they will seek to develop the means to counter our missile defense system. The cheapest way to do so is to overwhelm missile defenses. In order to retain the ability to do that they will stop implementing START I and refuse to ratify START II.

The progress in arms control which accompanied the signing of the ABM Treaty over two decades ago will have been thrown by the wayside, and ironically we will have the kind of arms race in the post-cold-war world which we were able to avoid in the heyday of the cold war.

Instead of focusing on a threat from ballistic missiles reaching our shores—a threat which we may never face—we should be concentrating our efforts on those areas where a realistic threat does exist. That threat primarily comes in the form of a rogue state or terrorist group gaining access to widely scattered fissile material in the former Soviet Union, fashioning a crude nuclear explosive device, and smuggling it into the United States by conventional means such as a boat.

Our focus should be on securing the many tons of nuclear material in the former Soviet Union, and on tracking dangerous terrorist groups who may be potential customers for that material, not on defending against the remote possibility of a ballistic missile attack from outlaw states or groups.

The second primary concern I have with this legislation is that it calls for wasteful spending. I want to repeat that I stand for a strong national defense. Unfortunately, the additional $7.1 billion in spending above the administration's request called for in this legislation does nothing to improve our national security.

Not one penny of the increase is going into the operations and maintenance account, also known as the readiness account. The reason for that is that there is not a readiness problem under the Clinton defense budgets as some would like us to believe.

Some of the $7.1 billion increase in spending, such as that for national missile defense, could lead to expenditures of tens of billions of dollars in future years if plans are fully carried out. This is an indirect way of forcing enormous increases in future defense budgets which are not included in current budget plans.

At a time when many valuable programs are being subjected to unprecedented cuts, I find it difficult to support large increases in programs in the Defense bill which were not requested by the military and will do nothing to enhance our national security.

For these reasons, Mr. President, I must oppose the Defense Authorization Act for fiscal year 1996.

Mr. SMITH. Mr. President, I rise in strong support of the fiscal year 1996 Defense authorization bill, as reported by the Armed Services Committee. This is an excellent bill, and I want to specifically commend the distinguished chairman of the committee, Senator THURMOND, for his able leadership and tireless efforts on behalf of the men and women of our Armed Forces. I also want to thank Senator NUNN, the distinguished ranking member, for his hard work and dedication.

Mr. President, when the 104th Congress convened in January, Senator THURMOND initiated a comprehensive review of our national defense requirements in view of the administration's future years defense plan. The review highlighted some serious deficiencies in military readiness, modernization, quality of life, and investment, and served as a basis for establishing a list of top priorities for the Armed Services Committee in this year's defense program. For the benefit of my colleagues, I ask unanimous consent that this list of priorities be inserted in the RECORD.

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

ARMED SERVICES COMMITTEE PRIORITIES

Guarantee our national security and the status of the United States as the preeminent military power:

Maintain FY 96 defense budget at FY 95 levels in real terms.

Determine outyear defense budgets based on national security requirements.

Reprioritize the President's budgets to ensure appropriate balance of personnel, near-term readiness and long-term readiness (modernization).

Ensure a high quality and sufficient end-strength of personnel at all grade levels through effective recruiting and retention policies.

Buy the weapons and equipment needed to fight and win decisively with minimal risk to personnel.

Eliminate defense spending that does not contribute directly to the national security of the United States.

Ensure an adequate, safe, and reliable nuclear weapons capability.

Reevaluate peacekeeping roles, policies and operations and their impact on budgets, readiness and national security.

Protect the quality of life of our military personnel and their families:

Provide equitable pay and benefits for military personnel to protect against inflation.

Restore appropriate levels of funding for construction and maintenance of troop billets and family housing.

Revitalize the readiness of our Armed Forces:

Restore near-term readiness by providing adequate funding to: reduce the backlog in maintenance and repair of equipment; provide adequate training; and maintain stocks of supplies, repair parts, fuels, and ammunition.

Ensure U.S. military superiority by funding a more robust, progressive modernization program to provide required capabilities for the future.

Accelerate development and deployment of missile defense systems:

Deploy as soon as possible advanced land and sea based theater missile defenses.

Clarify in law that the Anti-Ballistic Missile Treaty does not apply to modern theater missile defense systems.

Reassess value and validity of the Anti-Ballistic Missile Treaty to the national security of the United States.

Accelerate development, testing and deployment of a national missile defense system highly effective against limited attacks of ballistic missiles.

Mr. SMITH. The bill before us delivers on each of the priorities that were developed by Senator THURMOND and members of the committee. In fact, every element of the list is embodied in direct actions taken by the committee. We made a commitment, and we delivered on that commitment.

The committee bill authorizes approximately $264.7 billion in budget authority for the National Defense Program. Although this represents an increase of $7 billion from the administration's grossly underfunded request, it still falls short of fully meeting our military requirements. The situation in the outyears is considerably worse.

Both the Clinton plan and the recently passed budget resolution fail to fund defense at a level that even keeps pace with inflation. We are on track for a major train wreck between defense requirements and resources. If we are to maintain any semblance of a stable defense program we will need to maintain the spending outlined in this bill, and revisit future years funding levels next year.

Mr. President, there are a number of very important initiatives contained in this bill, which I would like to briefly summarize for my colleagues. The committee bill:

Provides a 2.4-percent pay raise for military members and a 5.2-percent increase in basic allowance for quarters.

Equalizes dates for military and civil service retiree COLA's for 1996 through 1998.

Authorizes $1.3 billion to purchase the LHD–7 amphibious assault ship.

Fully funds the F–22 fighter program.

Initiates a long overdue upgrade of our airborne electronic warfare programs.

Funds critical antisubmarine warfare and countermine programs.

Provides $110 million to purchase the second of three ships under the Marine Corps Maritime Preposition Ship Enhancement Program.

Provides $35 million to begin retrofitting aging Patriot missiles with an advanced seeker to defend against modern cruise missiles.

Includes a provision ensuring free and fair competition between Electric Boat and Newport News for the new attack submarine program.

And perhaps most important, includes the Missile Defense Act of 1995, a historic and long overdue refocusing of our Ballistic Missile Defense Program.

Mr. President, the Missile Defense Act establishes a comprehensive program to counter the threats posed to our Nation by ballistic missiles and cruise missiles. The program has three key elements that I want to bring to the attention of my colleagues.

First and foremost, the legislation accelerates the development and deployment of national missile defenses to protect all Americans against the threat of ballistic missiles. The Clinton administration has effectively killed the National Missile Defense Program, leaving the American people totally vulnerable to ballistic missile attack.

The committee bill rejects the administration's misguided approach, and establishes a specific program and schedule to deploy a multiple site, ground based national missile defense by the year 2003.

Second, the committee bill would codify the demarcation proposal that the Clinton administration offered in Geneva some 18 months ago. It establishes a demonstrated standard for evaluating compliance with the ABM Treaty.

The bill specifies that theater missile defense systems would not be subject to the terms of the ABM Treaty unless they are flight tested against a ballistic missile with a range greater than 3,500 kilometers or a velocity in excess of 5 kilometers per second. This is a reasonable and appropriate standard that was suggested by the administration, and we have included it in this bill.

Third, the committee bill establishes a cruise missile defense initiative to counter the threat posed by existing and emerging air breathing threats. The intelligence community estimates that at least 12 countries have land-attack cruise missiles under development. Although the Defense Department has a variety of programs underway to address these threats, there is poor coordination and synergy among the Department's programs.

The bill would direct the Secretary of Defense to better coordinate the Pentagon's cruise and ballistic missile defense programs, prepare a plan for prompt deployment of these systems, and provide a substantial increase in funding.

In addition, Mr. President, the bill advocates a cooperative transition to a post-cold-war regime that is responsive to the global threat environment. The committee heard testimony from many different witnesses this year urging the United States to move away from the cold war doctrine of mutual assured destruction toward a more flexible deterrent posture that integrates both offensive and defensive weapons.

In particular, Henry Kissinger, who was a key negotiator of the ABM Treaty and a proponent of mutual assured destruction, indicated to the committee that this doctrine has been surpassed by events, and is no longer relevant or constructive in the post-cold-war world. The committee took this testimony very seriously, and has recommended that we work with our Russian counterparts to move cooperatively away from the confrontational policy of mutual assured destruction toward a more multipolar oriented deterrent posture.

The committee bill also recommends the establishment of a select committee to conduct a 1-year review on the continuing value and validity of the ABM Treaty. The select committee would conduct hearings and interviews, review all relevant documents, and carefully consider the full range of policy issues surrounding the treaty.

To support this initiative, the committee bill would require that the ABM Treaty negotiating record be declassified. This action would be consistent with the classification policy that was established by Executive order on April 17 of this year by the Clinton administration.

Mr. President, these initiatives on ballistic missile defense are responsible, measured, and necessary to protect the national security of the United States. The American people overwhelmingly support the deployment of national missile defenses and highly effective theater missile defenses.

Unfortunately, the Senate now appears poised to completely rewrite the Missile Defense Act. Although the Senate has voted twice to preserve key aspects of the legislation, a so-called compromise has been developed which totally changes the focus and content of the bill. As one who has dedicated a great deal of time and effort on this issue, I am deeply disappointed with this sudden change of course. The Armed Services Committee bill was the right answer to a very complex and urgent problem, and I am troubled that for nothing more than convenience sake, it appears this body is prepared to compromise its principles and our Nation's security. This is a terrible mistake, and I will not support it.

The truth is, that contrary to the assertions of our friends who oppose missile defense, nothing in the committee bill, absolutely nothing, would violate the ABM Treaty. It merely begins preparations for the eventual deployment of a system to defend all Americans against the threat of ballistic missiles.

The authors of the treaty expected evolutionary changes and incorporated provisions that would encourage cooperative modifications or, if necessary, withdrawal from the treaty after a 6-month notice. The Armed Services Committee bill does not prejudge the results of negotiations to amend the treaty, nor does it advocate a unilateral withdrawal from the treaty. It merely affirms the moral and constitutional requirement to defend all Americans, and initiates a comprehensive program to counter threats to our security.

Mr. President, that is the fundamental issue at stake here. The American people are totally vulnerable to ballistic missile attack. They have no defenses. And the Clinton administration intends to keep it that way. The question for Senators today is whether you believe that all Americans deserve to be defended, or you support the Clinton policy which says no Americans should be defended. You can't have it both ways.

But, sadly, that is what my colleagues are trying to do with this so-called bipartisan compromise. In an effort to prevent the President from vetoing the defense bill, they have agreed to water down the missile defense provisions, to soften the findings, to hedge on deployment dates, and to completely undermine the principles that were embodied in the committee bill.

Mr. President, I appreciate the efforts of my colleagues to try and find common ground, and to seek compromise in order to build consensus. But national security is not something to be compromised, and I refuse to associate myself with a policy which perpetuates the vulnerability of our citizens. I will oppose the so-called bipartisan compromise on missile defense, and any other amendment which undermines the excellent work of the Armed Services Committee.

I yield the floor.

ACQUISITION AND TECHNOLOGY

Mr. SMITH. Mr. President, as chairman of the Acquisition and Technology Subcommittee, I have been charged with overseeing of the technology base programs in the defense budget request for fiscal year 1996. The technology base budget includes funding for the basic research, exploratory development, and advanced development accounts, the so-called 6.1, 6.2, and 6.3 accounts of the budget.

In addition the subcommittee also has responsibility for the so-called RDT&E infrastructure accounts. These

accounts fund the maintenance of laboratories, R&D centers, and test and evaluation facilities. The portion of the accounts allocated to the Acquisition and Technology Subcommittee in fiscal year 1996 budget request amounted to a total of $9.5 billion.

As the incoming subcommittee chairman, I faced a number of challenges. The budget request for fiscal year 1996 was already reduced from the amounts appropriated for these accounts in fiscal year 1995. Unlike other portions of the budget, the technology base programs are spread out among 250 separate program elements complicating a systematic review of the programs. Finally, it was clear that we needed to undertake a thorough review of each of these programs in order to ensure that defense relevance be the most important test for their continued funding. I was determined to understand the details of the programs under my purview.

To aid in its review of these programs, the subcommittee conducted six hearings on program categories as well as on relevant policy areas. We began with an overview hearing on the technology programs in the Subcommittee's jurisdiction on March 14. This hearing yielded important insights into the relationship of the programs under the purview of the Office of the Secretary of Defense and those managed by the services.

Over the past several years, there has been a distinct trend in technology funding shifting from service programs to programs managed by OSD. This trend may have serious consequences if we are robbing Peter to pay Paul and are thereby reducing service influence on the investment of our defense technology dollars.

The importance of technology to the military in the face of the emerging revolution in military affairs was one of the subjects discussed at length during a subcommittee hearing on May 5. At that hearing, Admiral Owens, Vice Chairman of the Joint Chiefs of Staff and Mr. Andrew Marshall of the DOD Office of Net Assessment presented a preliminary sketch of the future battlefield and the key role that technology, especially information technology, will play in bringing victory or defeat.

The hearing underscored the need to maintain sufficient levels of defense technology investment to ensure that we are able to exploit the potential of future battlefield. Technology issues are only one aspect of the revolution in military affairs, and I am hopeful that the full committee will hold at least one hearing over the next year to examine the implication of this revolution for areas like organization and training that extend beyond the scope of any one subcommittee.

The technology reinvestment project has become one of the more controversial programs under the subcommittee's jurisdiction. On May 17, the subcommittee held a hearing to review this program and other so-called dual-use technology programs in the Department of Defense budget request. As a percentage of the budget, these programs have been growing since 1990. The dual-use designation refers to the fact that such programs involve technologies that have application in both the commercial as well as the defense sectors of the economy. Dual-use technologies will be used to an increasing extent in weapon systems as the electronics content of such systems continues to rise.

In the electronics industries, for example, the commercial marketplace, not defense requirements, is driving the pace of technology development. Because the Department of Defense represents a shrinking share of the electronics market, DOD leverage over the market is decreasing.

For that reason, the paradigm for future interaction between the Department of Defense and the electronics industries is a dual-use partnership approach in which both DOD and the industry provide funding for the development of technology. Such partnerships can help to make our acquisition process more efficient as we inject commercial technologies into defense weapons systems.

I want to make clear, however, that there are dangers in placing too much emphasis on this approach. If programs are not managed carefully, we may end up doing dual-use for dual-use sake with only a limited emphasis on military utility. Military utility must be the driving factor, and a time of limited funding, we have to ensure that we are not raiding critical technology base programs under the guise of dual-use development. We also need to ensure that Congress maintains the proper level of visibility and oversight in dual-use programs.

At the May 17 hearing on dual-use programs, we explored these issues in depth with the Under Secretary of Defense for Acquisition and Technology, Paul Kaminski, and representatives of the defense industry and the General Accounting Office. What emerged from the testimony was the potential payoff of some existing dual-use programs, such as those underway in the technology reinvestment project, but also the need for improvements in management and oversight of these programs.

An area that is directly related to our investments in technology is the issue of export control. Unless we have in place an effective process for reviewing licenses for the export of sensitive technologies, especially those that are dual-use in nature, we will end up having to spend scarce R&D dollars to counter technologies that we already have paid to develop. I am particularly concerned about the licensing for export of technologies for satellites and satellite-related services.

On May 31, I chaired a hearing reviewing current export license review procedures and the relationship among the Departments of Defense, State, and Commerce in this process. The hearing uncovered some significant problems of coordination and cooperation among the agencies that have directly undermined our national security. I intend to continue pursuing these issues in further hearings.

Mr. President, the proliferation of weapons of mass destruction is an ever growing threat to our national security. Because of this increased threat, I have made counterproliferation programs and policies a major area of new emphasis for the Subcommittee on Acquisition and Technology. On April 14, the subcommittee held a hearing to review the funding request for fiscal year 1996 for counterproliferation programs. The hearing revealed that additional funding would be necessary to accelerate development and deployment of military counterproliferation technologies. The bill before us addresses many significant deficiencies in our counterproliferation program.

Upon completion of the hearing process in May, I began a comprehensive analysis of the funding requests for the 250 program elements in the Acquisition and Technology Subcommittee. As I announced at the first hearing in March, my litmus test for funding a program was simple: if there is a defense investment, there must be a defense return. We put everything on the table. I carried out this review independent of political bias, and without any prejudice toward systems or technologies.

Because high priority requirements in readiness, modernization, and quality of life were severely underfunded in the President's defense budget request, Chairman THURMOND directed me to reduce accounts under the jurisdiction of the Acquisition and Technology Subcommittee in areas of nondefense initiatives or lower priority activities. I agreed with that direction and accepted the guidance to reduce the programs $330 million below the President's request.

However, in the midst of our review, the subcommittee received requests from Senators for additions to the bill totaling nearly $620 million. As we clearly could not accommodate even a majority of these requests, I attempted to apply the same litmus test to these requests as I applied to the programs in the administration request: direct defense relevance.

In preparing the subcommittee recommendation on the President's request, we endeavored to protect the core, defense relevant technology programs above everything else. We gave programs with defined technology development a higher priority than those that lacked it. The largest source of reductions was the technology reinvestment project, which we cut by $262 million. This funding would all have supported a new competition in fiscal year 1996 for which technology thrust areas have yet to even be defined.

Mr. President, as the committee report on page 111 indicates, despite our

continued support of dual-use technology development programs, a new competition for unspecified technologies in 1996 must have a lower priority from a defense standpoint than funding well-defined technology programs in the budget request for the services. We changed the name of the program to the Defense Dual-use Technology Initiative and have also changed the statutory basis for the program to clarify the need for close connection between research and a military mission requirement.

Another source of funding reductions was an undistributed cut of $90 million to the work conducted through the federally funded research and development centers known as FFRDC's. The FFRDC issue has been a controversial one in recent years due to the perception of some that these institutions lack effective management oversight from the Defense Department. While the subcommittee is satisfied with the efforts of the Under Secretary of Defense for Acquisition to review the future role of the FFRDC's, our reduction was made in a manner consistent with overal reductions in R&D, and in anticipation of some redistribution of workload betwen the FFRDC's and the private sector.

Another source of significant reductions was in the accounts supporting the research, development test, and evaluation infrastructure. One of the most disturbing trends in the technology budget is the greater and greater portion of R&D funding that is going, not to programs, but to maintaining facilities and test ranges. The base closure and realignment process has not dealt effectively with the need to consolidate laboratories, research centers and test facilities across the services.

As a result, at a time when the R&D portion of the budget request has declined by over 10 percent from last year, the RDT&E support programs have declined overall less than 4 percent. In recognition of this trend, we reduced the infrastructure programs by $85 million. It is my hope that we can develop an effective process for consolidating facilities so that we can devote a greater share of our scarce resources to programs rather than maintenance. I intend to continue to pursue this issue vigorously next year.

In the midst of these reductions, I am pleased to say that we were able to fund some critical gaps in the budget. We added $36 million to create a counterproliferation support program to accelerate the development and deployment of technologies for military counterproliferation. Our report details the new initiatives in such areas as biological agent detection, cruise missile defense, and proliferation of space technology. We also shifted $24 million into Army technology base accounts to correct some of the most serious shortfalls in the Army's underfunded technology budget.

I want to thank members of the staff for all their work in helping out the members of the Subcommittee on Acquisition and Technology. Monica Chavez, Jon Etherton, Tom Moore, Tom Lankford, and Pamela Farrell provided essential support for our review. On the minority side, Ed McGaffigan, John Douglass, and Andy Effron were extremely cooperative with our staff and members in working through these issues.

I especially want to express my appreciation for the support and counsel I received from the ranking member of the subcommittee, Senator JEFF BINGAMAN. I was privileged to serve as the ranking member under his chairmanship of the subcommittee during the last Congress where Senator BINGAMAN conducted the process with fairness, openness, and always in a spirit of bipartisanship. I know there were recommendations in this bill that trouble the Senator from New Mexico, but he has remained supportive and helpful throughout our process.

In summary, Mr. President, I believe that the acquisition and technology portion of the defense authorization bill maintains a strong technology base program. The core, defense-relevant programs are funded at or above the requested amounts, and the bill lays a solid foundation on which we can build future technology investments for national defense.

I thank the Chair, and I yield the floor.

Mr. GLENN. Mr. President, I voted against final passage of S. 1087, the Department of Defense appropriations bill and S. 1026, the Defense authorization bill. I did not cast these votes lightly. In fact, this is the first time in my Senate career that I have voted against a defense spending measure. I supported the authorization bill in committee in the interest of bringing the bill before the full Senate with the hope that the bill's more problematic provisions could be eliminated by amendment.

A number of factors contributed to my decision to vote against final passage.

I have always supported a strong defense for our Nation. I have supported increases in defense spending beyond what has been requested by Presidents when I believed those programs were the interest of our national security. But, these spending measures add as much as $7 billion in funding for programs that I do not support and do not believe represent a responsible means of spending limited taxpayer funds. I could have supported additional funding for some of these individual programs, but not the total funding package, particularly at a time when we are trying to balance the Federal budget and are considering substantial cuts in domestic funding to accomplish that.

The bulk of the additional funds are spent for procurement programs for which the Pentagon made no request: close to $600 million was added for F/A–18's, $361 million for F–15's, $175 million for F–16's, $1.4 billion for DDG–51, $1.3 billion for LHD–7, and close to $800 million for Guard and Reserve equipment.

In addition, the two bills add $600 million above the President's budget request for ballistic missile defense, $300 million of which is for national missile defense, bringing total funding for ballistic missile defense to $3 billion. This level of funding exceeds our national requirements and undermines our commitment to the ABM Treaty, an agreement critical to our national security needs.

With respect to the Department of Energy's nuclear weapon production complex, several significant improvements were made in the bill since it was reported out of committee. However, the bill still contains over $120 million in unrequested, unneccessary funds for plutonium pit manufacturing and refabrication capability. The bill also includes $50 million for low yield, hydronuclear testing purposes, which I oppose.

At the same time that these two bills add billions for programs the Pentagon claims it does not need, they leave unfunded the estimated $1.2 billion in costs for our current operations in Bosnia and Iraq, funds which the Pentagon undisputedly needs. So, while these bills purport to add funds in the name of long term readiness, they create an immediate threat to our readiness by forcing the Pentagon to siphon off more than a billion dollars in operations and maintenance funding to finance current operations.

In addition to the funding issues, I am very disturbed by the provision in the authorization bill related to the Anti-Ballistic Missile Treaty. I will address my specific concerns in this area in a separate statement.

HUGE PENTAGON SPENDING INCREASES REFLECT DISTORTED PRIORITIES

Mr. WELLSTONE. Mr. President, this week I am voting against both of the major Department of Defense spending bills for next year. I am doing so for a number of reasons, including the fact that these bills provide about $7 billion more in defense spending than the President, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff have requested for next year. That's right. Congress this year will approve spending for about $7 billion more than the Pentagon has requested, or than they have indicated they will be able to responsibly use, next year.

Coincidentally, perhaps, this is just about the same amount—in Pell grants for students, in Head Start, in substance abuse prevention, in employment and training, in worker protections, and many other key domestic areas—that was recently slashed by the House appropriators for next year.

Since my perspective, these are seriously skewed priorities. And since polls continue to show substantial support for bringing down the post-cold-war defense budget, I do not believe they are

the priorities of the vast majority of Americans. Even worse, the two bills increase the President's request for star wars spending by hundreds of millions—in one case, about $770 million—which will spell serious trouble for future arms control negotiations.

Following an unsuccessful bipartisan effort before the recess in which I joined Senator KOHL, GRASSLEY, and others to amend the bill to eliminate the overall increase above the President's request, I tried to split the difference, offering another amendment to reduce the increase by only about 50 percent. It too was defeated, as were all other efforts to modestly scale back overall funding in the bill to more responsible levels.

I also tried, through numerous other amendments offered with my colleagues, to scale back or eliminate spending on a number of unnecessary or obsolete weapons systems. Most of those efforts were unsuccessful. Given tight funding constraints, continued overspending on defense is unwise, it is irresponsible, and it is a policy which does not serve our real national security interests. If we fail to invest in our children in order to bolster post-cold-war defense budgets, because we were too afraid to thoroughly rethink our real national security needs, and retool our defense budget accordingly, we will regret it for at least a generation.

I believe that a time when we are slashing budgets for hundreds of social programs that protect the vulnerable, preserve our lakes and streams, and provide for expanded opportunities for the elderly and the broad middle class, such as student loans, Medicare, and job retraining, it is wrong to increase, substantially, already bloated military spending.

In defense, as elsewhere in the Federal budget, there are responsible ways to eliminate wasteful and unnecessary spending; by cutting obsolete cold war weapons systems, imposing money-saving reforms within the bureaucracy, and streamlining procurement policy to make the system more efficient and more cost effective. I have proposed a number of ways to do this in recent months, including scaling back bloated Pentagon travel budgets, which the General Accounting Office has found could provide substantial savings—hundreds of millions of dollars per year. Over and over, these attempts have either been voted down here on the Senate floor, or the bills to accomplish these ends have been bottled up in committee.

In the end, there is almost no Pentagon streamlining, no elimination of waste, provided for in this bill. Instead, when faced with difficult choices between competing weapons systems, basic housing improvements for our troops, and other readiness requirements, the committee decided simply to buy all of the big weapons systems, ships, and planes that they could, larding the bill with special interest funds for defense contractors in Armed Services or Appropriations Committee Members' home States, often accelerating purchases not scheduled to be made for many years, if at all. In fact, the purchase of many of these extravagantly expensive weapons systems is actively opposed by the Pentagon, because they have identified higher national security priorities for the funding that is available.

I also have serious concerns about the potentially catastrophic arms control consequences of this bill. For example, I voted against even the so-called compromise on the national missile defense or star wars system because I believe that, even though it was better than the original bill, the approach urged by the compromise amendment would seriously undermine the 1972 ABM Treaty, and is likely to jeopardize the nuclear weapons reductions in the START I and II treaties.

While some have argued, I think in good faith, that this compromise meets basic arms control and nonproliferation requirements, I disagree. As a practical matter, there is no question in my mind that enactment of this bill would lead us toward near-term deployment of a national missile defense system. It is the latest version of the earlier star wars system that was roundly rejected by most knowledgeable scientists, and national security experts, as a waste of money and a fraud.

Senator WARNER has been very clear that he believes this compromise will move us along toward rapid deployment of such a system. Since, regrettably, I agree with Senator WARNER that that is so, while I commend Senator LEVIN and others on our side for their efforts to develop the compromise, I could not support the final agreement. I believe that spending scores of billions of additional dollars to deploy an elaborate national missile defense system that's not likely to work effectively, and thus violating the ABM Treaty, to defend against a far-fetched scenario in which a ballistic missile is fired on the United States from a rogue terrorist state, is irresponsible. The more likely means that terrorists might use to deliver such a bomb—in a suitcase placed in some public place, or in a Ryder truck, or in a van parked underneath a building—is a far more serious threat. And that is a threat we can combat for a lot less than $50 to $100 billion.

I also believe that the additional funding provided by the bill for hydronuclear testing in Nevada will likely have a profoundly negative impact on the test ban negotiations now underway in Geneva. The French nuclear test detonated in the South Pacific yesterday underscores the urgency of bringing to a successful close negotiations on a truly comprehensive test ban that is enforceable, and that constrains its signatories from further tests.

There are a host of other serious problems with this bill, Mr. President, some of which we have tried to address during the debate through various amendments. Virtually none of them have been resolved. I believe that this bill in its current form spends vastly more on defense than we can afford, would threaten longstanding arms control agreements and nonproliferation efforts, and would not be in our national security interests. I hope the President will follow through on his threatened vetoes of these bills. I urge my colleagues to vote against these huge and unwarranted increases in defense spending, as I will. I yield the floor.

Mr. DODD. Mr. President, I rise in opposition to final passage of S. 1026, the DOD authorization bill. And as was the case with the 1996 Defense appropriations bill, I do so with a heavy heart.

I would inform my colleagues that today marks the first time in my 15 years of Senate service that I will vote against final passage of a Defense authorization bill. This is a not so much a vote of disagreement, but a vote of conscience.

The 1996 Defense authorization bill contains spending instructions of almost $7 billion above the Pentagon's initial request. Let me clarify that point, neither the President nor the respective service chiefs have asked for these funds. The programs earmarked for these increases were never part of the Pentagon's original budget request. That fact weighs heavily in my decision today.

I think most of my colleagues know that I have consistently supported prudent and necessary spending for our national defense. On more than one occasion in my career, I have listened carefully to the words of various Secretaries of Defense when the Pentagon badly needed support for future weapons programs. And on each of those occasions, I supported those requests without regard for party affiliation or personal politics. I did so because it was in the best interest of our country.

However, this is a very different situation. This Defense authorization bill contains almost $7 billion in additional funding for Defense programs not contained in the original Pentagon request—$7 billion is simply too much to add to a bill while entire agencies are eliminating programs that are crucial to working families across this Nation.

As I stated earlier, Head Start, Goals 2000, and other critical investment programs for our Nation's youth are near extinction, while this bill authorizes increased Defense spending. I cannot rationalize that inequity.

As a member of the Senate Budget Committee, I opposed the increases in the Department of Defense spending allocations. Likewise, on three separate occasions during floor debate, I voted to keep defense spending at the original levels requested by the administration. I did so because it was right, and because to do otherwise would be an endorsement of the cuts in other vital domestic programs.

Let me conclude by saying I respect the members of the committee for their diligent and hard work in bringing this important bill to the floor. But this is an issue of priorities. And I vehemently disagree with those priorities as presented in this bill.

I urge my colleagues to reject this bill.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

UNANIMOUS-CONSENT AGREEMENT

Mr. NUNN. Mr. President, I ask unanimous consent to modify the previously adopted Nunn amendment No. 2078 by striking out subsection (d) thereof. This has been cleared on both sides.

Mr. THURMOND. Mr. President, we have no objection.

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

Are there further amendments?

Mr. THURMOND. Mr. President, I ask for third reading of the bill.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. THURMOND. Mr. President, I urge passage of the bill and ask for the yeas and nays.

The PRESIDING OFFICER. If the Senator will withhold.

Under the previous order, H.R. 1530 is discharged from the committee, and the clerk will report the bill.

The legislative clerk read as follows:

A bill (H.R. 1530) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1996, and for other purposes.

The PRESIDING OFFICER. All after the enacting clause of the bill is stricken, and the text of S. 1026 is inserted in lieu thereof, and the House bill is considered read the third time.

The Senator may now request the yeas and nays.

Mr. THURMOND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on passage of H.R. 1530, as amended.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Alaska [Mr. MURKOWSKI] is necessarily absent.

Mr. FORD. I announce that the Senator from Hawaii [Mr. AKAKA] is absent because of attending a funeral.

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

The result was announced—yeas 64, nays 34, as follows:

[Rollcall Vote No. 399 Leg.]

YEAS—64

Abraham	Frist	McConnell
Ashcroft	Gorton	Mikulski
Bennett	Graham	Nickles
Bond	Gramm	Nunn
Breaux	Grams	Packwood
Brown	Grassley	Pressler
Bryan	Gregg	Reid
Burns	Hatch	Robb
Campbell	Heflin	Roth
Chafee	Helms	Santorum
Coats	Hollings	Shelby
Cochran	Hutchison	Simpson
Cohen	Inhofe	Smith
Coverdell	Inouye	Snowe
Craig	Kassebaum	Specter
D'Amato	Kempthorne	Stevens
DeWine	Kerrey	Thomas
Dole	Kyl	Thompson
Domenici	Lieberman	Thurmond
Faircloth	Lott	Warner
Feinstein	Lugar	
Ford	Mack	

NAYS—34

Baucus	Feingold	McCain
Biden	Glenn	Moseley-Braun
Bingaman	Harkin	Moynihan
Boxer	Hatfield	Murray
Bradley	Jeffords	Pell
Bumpers	Johnston	Pryor
Byrd	Kennedy	Rockefeller
Conrad	Kerry	Sarbanes
Daschle	Kohl	Simon
Dodd	Lautenberg	Wellstone
Dorgan	Leahy	
Exon	Levin	

NOT VOTING—2

Akaka	Murkowski

So the bill (H.R. 1530), as amended, was passed, as follows:

[The text of H.R. 1530 will appear in a future edition of the RECORD.]

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

Mr. THURMOND. Mr. President, I ask unanimous consent that H.R. 1530, as amended, be printed as passed.

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

Mr. THURMOND. Mr. President, I ask unanimous consent that the Senate proceed immediately to the consideration en bloc of the following bills:

S. 1124 through S. 1126, Calendar Order Nos. 167, 168, 169; that all after the enacting clause of those bills be stricken and that the appropriate portion of H.R. 1530, as amended, be inserted in lieu thereof, according to the schedule as follows, which I have sent to the desk; that these bills be advanced to third reading and passed; that the motion to reconsider en bloc be laid upon the table; and that the above actions occur without intervening action or debate.

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

So the bill (S. 1124) was deemed read the third time and passed.

(The text of S. 1124 will appear in a future edition of the RECORD.)

So, the bill (S. 1125) was deemed read the third time and passed.

(The text of S. 1125 will appear in a future edition of the RECORD.)

So, the bill (S. 1126) was deemed read the third time and passed.

(The text of S. 1126 will appear in a future edition of the RECORD.)

Mr. THURMOND. Mr. President, with respect to H.R. 1530, previously passed by the Senate, I ask unanimous consent that the Senate insist on its amendment to the bill and request a conference with the House on the disagreeing votes of the two Houses and the Chair be authorized to appoint conferees; that the motion to reconsider the above-mentioned votes be laid upon the table; and that the foregoing occur without intervening action or debate.

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

Mr. THURMOND. Mr. President, I ask unanimous consent with respect to S. 1124 through S. 1126, as just passed by the Senate, that if the Senate receives a message with regard to any one of these bills from the House of Representatives, that the Senate disagree with the House on its amendment or amendments to the Senate-passed bill and agree to a conference with the House on the disagreeing votes of the two Houses and the Chair be authorized to appoint conferees and the foregoing occur without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered. Under the previous order, S. 1026 is indefinitely postponed.

Mr. THURMOND. Mr. President, we have completed many long hours of debate on S. 1062, the National Defense Authorization Act for fiscal year 1996.

I would like to thank the distinguished ranking member of the committee, Senator NUNN, for his insight, wisdom, and devotion to our Nation. He and I have always worked to achieve the same objective of providing our Armed Forces with the direction and resources necessary to carry out their difficult responsibilities.

Mr. President, I want to extend my deep appreciation to the distinguished majority leader, Senator DOLE, who has been most helpful in every way in bringing this bill to passage. He is a great leader of whom the Senate can be proud.

I would also like to thank all the Senators from both sides of the committee and the entire committee staff, and I commend them for their dedication and support. In particular, I would like to thank personally my staff director, Gen. Dick Reynard, for his fine work, and Gen. Arnold Punaro, the staff director for the minority. I ask unanimous consent that a list of the committee staff be printed in the RECORD following my remarks.

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

(See exhibit No. 1.)

Mr. THURMOND. We have achieved a number of important successes in this bill, and I commend my colleagues for their good judgment. Among these are:

Adding $7 billion to the administration's budget request to revitalize the procurement, and research and development accounts which are the core of future readiness;

Passing the Missile Defense Act which initiates a policy to deploy a national missile defense system, and prohibits inaccurate interpretation of the ABM Treaty which would serve to limit theater missile defense systems;

Correcting the erosion in nuclear weapons capabilities by reasserting that the primary responsibility of the Department of Energy is to strengthen the strategic stockpile;

Directing improvements and modifications in nuclear weapons production facilities and supporting important initiatives at the nuclear weapons laboratories;

Adequately funding current readiness while reducing funding for nondefense programs;

Significantly improving quality of life programs for our troops and their families, including funds for housing, facilities, and real property maintenance;

Approving a 2.4-percent pay raise for military members and a 5.2-percent increase in basic allowance for quarters, and achieving COLA equity for retirees;

Providing funding for DOD and DOE environmental programs;

Establishing a dental insurance program for the selected reserves and an income protection insurance program for self-employed reservists who are mobilized;

Providing funding for essential equipment for the Active, Guard, and Reserve components.

Once again I thank Senator NUNN, Senator DOLE, the members of the committee, and the staff. I thank the Chair, and yield the floor.

EXHIBIT 1

MINORITY

Dick Combs, Chris Cowart, Rick DeBobes, John Douglass, Andy Effron, Jan Gordon, Creighton Greene, P.T. Henry, Bill Hoehn, Jennifer Lambert, Mike McCord, Frank Norton, Arnold Punaro, Julie Rief

MAJORITY

Charlie Abell, Alec Bierbauer, Les Brownlee, Dick Caswell, Monica Chavez, Chris Cimko, Greg D'Alessio, Don Deline, Marie Dickinson, Jon Etherton, Pamela Farrell, Melinda Koutsoumpas, Larry Lanzillotta, George Lauffer, Shelley Lauffer, Steve Madey, John Miller, Ann Mittermeyer, Joe Pallone, Cindy Pearson, Connie Rader, Sharen Reaves, Dick Reynard, Jason Rossbach, Steve Saulnier, Cord Sterling, David Stone, Eric Thoemmes, Roslyne Turner, Deasy Wagner, Jennifer Wallace

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I thank the Senator from South Carolina for his summation of this bill. As he said, there are many important features in this bill. I supported the bill in the final form that it passed. I think there have been dramatic improvements made on the floor.

The Corps SAM Program has been restored, which is an important part of our overall theater missile defense capability. The national missile defense language has been, I think, made much more acceptable and compatible with America's security interests. That has been done on an amendment we passed this morning. An important program on the junior ROTC that had been cut has now been restored. The civil-military language has been modified and, in my opinion, strengthened, and some of the problems there have been corrected. The humanitarian and disaster assistance, which had been cut, has been partially restored, which is important. And there have been very significant changes made on the floor in the Department of Energy section.

We need to ensure that the conference maintains the Senate approach in these areas. We also have other challenges in the conference. I think too much has been cut out of defense research, even in our bill. The TRP Program has been cut in ways that I think need to be reexamined in conference, in close consultation with Secretary of Defense Perry, who probably knows more about this program than any person in America and has spent an enormous amount of his Secretary of Defense time and energy in making sure that this program is successfully implemented.

Also, I think there is too much micromanagement of the ballistic missile defense accounts in our bill and in the House bill, and that needs to be addressed in conference.

We have some serious challenges on the House bill that are going to be difficult to work out when we get to conference, including language on abortion, including language on HIV, including command and control of U.S. forces participating in multilateral organizations, including peacekeeping and contingency operations, as well as some of their language—and perhaps, from their point of view, some of our language—on missile defense and other programs.

My final assessment is that we have a bill here that has been improved on the floor, that we have an opportunity to work on and make further improvements on in conference, working in good faith with the House. We have a lot of high hurdles to clear if we are going to have this bill become law this year, based not on what I have been told formally but on what I have heard informally from the White House and from the Department of Defense. But I have seen a lot of high hurdles in the past and I have seen those high hurdles overcome by people working in good faith for the national security interests of our country. So it is my hope that, with a cooperative spirit and a constructive approach, we will be able to work with our House conferees and with the administration to see that the Defense authorization bill becomes law this year. That remains a serious challenge, but I think it is one that we must all strive to meet.

I thank the Senator from South Carolina and all of his staff and all of the staff on the Democratic side and all the members of the committee for a very, I think, commendable effort. I thank the Chair.

The PRESIDING OFFICER. The distinguished majority leader.

Mr. DOLE. Mr. President, let me first of all congratulate the managers. This is a major piece of legislation that is always very difficult to bring to a conclusion. But it has been done because of the leadership of the distinguished Senator from South Carolina, Senator THURMOND, and the cooperation of the distinguished Senator from Georgia, Senator NUNN. They have worked together to bring it together, as have other Senators, particularly Senators WARNER and COHEN on this side, who have just resolved a very important issue by a vote of 85 to 13. In my view, that compromise should have been passed by that lopsided margin. There is still a conference. They can still make other changes.

But I congratulate all the members of the committee and members of their staffs for what I think is an excellent bill. We just heard the Senator from Georgia address some of the concerns that were resolved. The Senator from South Carolina addressed some of the concerns earlier. Now it goes to conference. I think, again, it indicates we are making progress in the Senate. Plus the appropriations bill will be ready for passage as soon as the House acts on it. So as far as the defense area is concerned, I think we are in good shape on the Senate side.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I have been discussing, through staff, with the Democratic leader, and I now ask unanimous consent that, after all the discussions on the DOD bill, there be a period for morning business not to extend beyond the hour of, I think we will make it 11 o'clock, now, with Senators permitted to speak for up to 10 minutes each.

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

Mr. DOLE. I further ask unanimous consent the Senate stand in recess between the hours of 1 p.m. and 2 p.m. today in order for the Democratic Members to conduct their weekly caucus luncheon.

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

Mr. DOLE. Mr. President, I also ask unanimous consent the Senate resume the welfare bill following the morning business period just provided for.

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

PROGRAM

Mr. DOLE. Again, let me indicate to my colleagues, we are trying to accommodate many who wish to go to the baseball game tonight, a very important baseball game in Baltimore. If we can work out some agreement where we can have a vote fairly early tomorrow morning on the Democratic welfare proposal—because it is my hope to

complete action on the welfare bill by next Tuesday, and I think we are making progress on our side and I hope it is going to be a bipartisan effort before it is over. I hope we will have Democratic support. But we would like to move forward and dispose of the Democratic proposal—by ''dispose,'' I mean either adopt it or not adopt it, that would be disposition; hopefully not adopt it—and then to move on to amendments, if necessary, and I assume some will be necessary, and then complete action by next Tuesday.

I think we have now completed action on seven appropriations bills. There are no other appropriations bills now ready for consideration. We may try a two-track system—I will discuss that with the Democratic leader—so we can keep abreast of the House on appropriations bills and have all appropriations bills in the President's hands by October 1.

So it may mean some late, late, late evenings. But we will try to accommodate major concerns that many Senators have from time to time.

The PRESIDING OFFICER. The Senator from Virginia.

CONGRATULATING THE LEADERSHIP

Mr. WARNER. Mr. President, I wonder if we could all join in thanking the distinguished majority leader for his assistance on getting this very important bill through. There were times just before the recess when the list of amendments was as long as your arm. Together with our distinguished chairman and the ranking member, and, indeed, the Democratic leader, we were able to condense an almost impossible list of amendments and proceed to this bill and set a time certain for a vote. I think there is a great value in the Senate when we can establish a time when Senators can expect to have a vote on a major piece of legislation like this.

I congratulate the distinguished chairman, Chairman THURMOND, of South Carolina. I think the people of his State can take great pride.

This is your first bill—although having served on the committee these many, many years—this is the first bill on which your name is on it as chairman of the committee. It was your leadership that enabled this bill to be passed right on time. That leadership started in the very early days of the hearings—first at the subcommittee level, then at the full committee, through markup, with the able assistance of the distinguished ranking member, Mr. NUNN of Georgia.

So, I congratulate our leadership. We are fortunate, and I think I may say to both, that they carried it on in the finest traditions established many years ago by your predecessors, both as chairman and ranking member, in a bipartisan way.

I yield the floor.

Mrs. HUTCHISON. Mr. President, I would like to add my congratulations to the committee chairman and the ranking member of our committee for the superb job they did in this authorization bill. Many people came together to make this bill happen. I think the chairman provided leadership. He stood for a strong national defense. It was a bipartisan effort on behalf of the full committee to try to make sure that when our young men and women sign up to protect our freedom, they will have the training and the backing of our country to do the job. That is what the chairman decided we were going to do. There was not a week that went by that the chairman did not talk to his fellow members and colleagues about the importance of keeping our strong national defense.

So I want to commend him for the great job that he did. I am proud to be a member of the Armed Services Committee. I also want to commend the leadership of Senator WARNER, the No. 2 person on the committee, who was deputized by the chairman to meet with people on the very important issue of theater missile defense, because this is an important long-term issue for our country. Senator WARNER led the effort, along with Senator COHEN, Senator NUNN, and Senator LEVIN, to make sure that we did have a strong commitment to our own defenses so that no matter what might happen in the field of technology in the next 10 years, we are going to protect our country and our shores.

So I commend Senator THURMOND, Senator NUNN, Senator WARNER, and all of those who made this very important bill happen, and I will look forward to working with them in the conference committee to maintain the freedom and the protection and security of our country in the fine tradition that we have had.

Mr. THURMOND. Mr. President, I wish to thank the able Senator from Texas for her kind remarks. She is a very prominent and able member of the Senate Armed Services Committee and does a great job. We appreciate all that she has done in connection with this particular bill.

Again, I wish to thank Senator WARNER for the fine job he has done, and Senator NUNN for his fine cooperation and assistance.

Mr. President, I yield the floor.

Mr. WARNER. Mr. President, I wish to associate myself with the remarks of the chairman with respect to our distinguished colleague, the Senator from Texas. I am privileged to have her as a member of my subcommittee. She certainly looks out for the interests of not only the United States, but certainly the people of Texas.

I wish to recognize the occupant of the chair, the Presiding Officer, who was very helpful throughout this piece of legislation, although not a member of our committee, primarily because the senior Senator is a member and, therefore, he cannot be. But we look forward to working with him in the course of the conference on a number of issues, primarily the issue of missile defense on which he is an acknowledged expert.

I yield the floor.

The PRESIDING OFFICER. Senator PRYOR is recognized.

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me.

TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS

Mr. PRYOR. Mr. President, I rise to briefly discuss a small, and virtually unnoticed amendment to the DOD authorization bill that just passed the U.S. Senate. It was an amendment offered by Senator NUNN, Senator BINGAMAN, and myself to restore some common sense to the Missile Defense Act of 1995.

As my colleagues know, the Missile Defense Act of 1995 contains, among other things, an aggressive program to develop and deploy theater missile defenses in the form of sophisticated missile interceptors.

Our amendment to the DOD bill will help ensure that these interceptors are tested properly so we know how the taxpayer's money is being spent on these programs.

If we want to protect ourselves from the threat of missile attacks, we should make sure these interceptor programs are capable of destroying incoming missiles.

I was disappointed that this bill originally deleted a provision passed by Congress 2 years ago that would help us monitor these programs through a series of live-fire tests.

I believe it would be dangerous for the Senate to show a lack of interest in monitoring the progress of our theater missile defense interceptors. Our primary concern should be in making sure they are maturing properly.

Mr. President, I am pleased that the Director of the Ballistic Missile Defense Organization [BMDO] and the Pentagon's Director of Operational Testing agreed to work together in an effort to help us properly emphasize the importance of testing our TMD interceptor programs.

I applaud the Director of the BMDO, Gen. Malcolm O'Neill, and the Director of Operational Testing, Phil Coyle, for working cooperatively in this effort.

Mr. President, this is a responsible amendment that asks the Pentagon to periodically assess the maturity of each interceptor program, and to advise the Congress on the progress we're making. It also asks the Secretary of Defense to certify to Congress that these programs work properly before they enter into full-rate production. Finally, this amendment will help prevent the wasteful practice of building weapon systems that do not work as expected.

This concept, Mr. President, is commonly referred to as ''Fly Before You Buy.'' Fly Before You Buy means that new weapons must demonstrate their progress and maturity in operational

testing so that we do not waste money buying systems that do not work, that give us a false sense of security.

I am proud to say, Mr. President, that with this amendment, the weapon developers in the BMDO office and the Pentagon's testers have worked together to reach an agreement on the proposed language.

This is indeed a remarkable accomplishment that the entire U.S. Senate and the Congress should applaud.

This is exactly the type of productive cooperation that Senator GRASSLEY, Senator ROTH, and I envisioned when we wrote the legislation creating the independent testing office back in 1983: Developers and testers working together for a common goal. Unfortunately, for many years, the developers have refused to allow operational testers to monitor their progress. Too often in the Pentagon, the word ''test'' is considered a four-letter word.

This is exactly the scenario we should avoid with our interceptor programs.

We have already spent well over $5 billion on theater missile defense interceptors. In this bill, an additional $2 billion is authorized for these programs. And the total costs are projected to exceed $22 billion.

As we continue spending more and more on ballistic missile defenses, let us not forget the most basic and most important element of these programs—making sure they work.

I wish to once again thank Gen. Malcolm O'Neill for his cooperation on this amendment. Also, special thanks to Mr. Phil Coyle, the President's testing czar, for his outstanding leadership, and for his help in seeing that the Pentagon practices Fly Before You Buy by testing new weapons before they are produced.

Mr. President, I thank the managers of this bill for accepting this amendment.

I yield the floor.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. May I inquire if we are now prepared for morning business?

MORNING BUSINESS

The PRESIDING OFFICER. We are in morning business.

Mr. COATS. I thank the Chair.

(The remarks of Mr. COATS and Mr. PACKWOOD pertaining to the introduction of S. 1201 through S. 1218 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. PACKWOOD. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

JAWSAT

Mr. HATCH. Mr. President, I want to bring special attention to a cooperative satellite development program between the U.S. Air Force Academy and Weber State University located in Ogden, UT. Both institutions, I hasten to emphasize, Mr. President, specialize in undergraduate teaching and undergraduate research.

The Joint Air Force Academy-Weber State Program is known as ''JAWSAT.'' The Air Force Academy satellite will be built by Weber State, which is the first undergraduate institution in the world to design, build, and launch satellites. Weber State began building satellites in 1990, and has launched them in low-earth orbits. The WEBERSAT is the product of the Weber State University Center for aerospace technology. The satellite continues to orbit Earth, providing invaluable learning experiences for the student managers at Weber State. Currently, WEBERSAT provides the students at the campus command center with such benefits as color photographs of the Earth, data acquired by a high spectrometer on the satellite, and information on micrometeor impacts that is derived from sensor equipment also aboard WEBERSAT.

It was a natural choice for the Air Force Academy to tap into Weber State's expertise for building and deploying a satellite to train our future Air Force leaders in satellite use and management. We, in this body, in the midst of a debate on Defense authorizations and appropriations, recognize the critical importance of satellite technology in defense systems employment. I especially commend both Houses of Congress for supporting JAWSATS.

Mr. President, this program is an example of the new directions that our universities are taking in bringing undergraduate training, education, and research to the highest possible levels of achievement. I thank my colleagues for their support of JAWSAT.

SMALL BUSINESS AND SUPERFUND REFORM

Mr. PRESSLER. Mr. President, I wanted to bring to my colleagues' attention the concerns of several prominent South Dakotans regarding the Superfund Program.

Like many of my colleagues, during the August recess, I spend considerable time back in South Dakota talking to my constituents. While in South Dakota, one issue came up on a number of occasions: Superfund reform. This issue is important to small business men and women throughout South Dakota. In fact, several South Dakota small business leaders just launched a new coalition, South Dakotans for Superfund reform. Recently, the coalition leadership's comments on Superfund, and an op-ed from Rob Wheeler of Lemmon, SD, were published in local newspapers in the State. I ask that these articles be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. PRESSLER. We all agree that the current Superfund Program does not work. It is one of the most expensive environmental programs on the books. Despite the vast amounts of taxpayer dollars that are poured into the Superfund, the program has a very low success rate. One of the prime causes of this low success rate is a confusing and costly liability system. This system is unfair to small businesses and encourages excessive and costly litigation.

I am encouraged by the draft proposal drawn up by my esteemed colleague from New Hampshire, Senator SMITH. As chairman of the Superfund, Waste Control, and Risk Management Subcommittee, he has assumed the daunting task of rewriting the existing Superfund law. I look forward to working with him to create a new Superfund law based on fairness and common sense. We should not insist on a system that calls on small businesses that complied with past laws and regulations to shoulder the burden of cleaning up our hazardous waste sites.

I believe these newspaper articles represent not only the concerns of South Dakota small business leaders, but of all small business men and women across the country. They are the innovators who collectively make our economic engine run. For that reason, we must take these concerns to heart as we reexamine the Superfund Program.

EXHIBIT 1

[From the Argus Leader (Sioux Falls, SD), Sept. 5, 1995]

MESSAGE TO CLINTON CLEAR—REFORM SUPERFUND PROGRAM

(By Rob L. Wheeler)

I attended the White House Conference on Small Business in June—one of about 2,000 entrepreneurs and business owners from across the country invited to Washington by the Clinton administration.

At the end of the four-day event, the White House asked us to put together a list of the most important steps the federal government could take to really help small businesses. One of the top recommendations may come as a surprise: overhauling the Superfund program.

Superfund was created by Congress in 1980 to clean up the nation's worst hazardous waste dumps. Fifteen years have passed since then and more than 1,300 Superfund sites have been identified by the Environmental Protection Agency. Over $20 billion in government and private sector funds has been spent. But only 6 percent of those sites have been cleaned up completely.

With a record of failure like that, it's no mystery why the Superfund is nearly universally regarded—by environmentalists and business owners alike—as the single most ineffective piece of environmental legislation in history.

Why is the Superfund such a hazard for small businesses?

It starts with the Superfund's liability scheme called ''strict, retroactive, joint and several liability.'' Retroactive liability means a small business owner can be held responsible for action that took place before the law has passed. Even if you didn't act negligently, even if you followed every law and regulation completely—you're still on the hook. Joint and several liability means the company can be forced to pay 100 percent of the cost of cleaning up a Superfund site even though it was only responsible for a small fraction of the pollution.

With marching orders like that, you can guess the EPA's standard operating procedure: Find any organizations even remotely connected with a Superfund site; then drag them into court to make them pay the cleanup bill. So far, over 20,000 small businesses, hospitals, towns, and community groups—even a Girl Scout troop—have been stamped as ''polluters'' by the EPA and face potentially crippling legal liability.

All that litigation costs money—a lot of money. More than 20 percent of all Superfund dollars get spent in the courtroom, not to clean up the environment. That translates into an incredible $6.7 million in lawyers' fees and court costs per Superfund site. No wonder the EPA keeps about 500 lawyers on staff just to work on Superfund liability issues.

So our first recommendation for Superfund reform is repealing retroactive liability for waste disposal prior to 1987, when small businesses were first required to keep detailed disposal records. The conference also recommended changing ''joint and several liability'' to proportional liability, so those liable would only pay to clean up what they're responsible for.

Another recommendation was that Congress should require the EPA to use ''sound science and realistic risk assessments'' in identifying toxic sites and establishing cleanup standards. That just sounds like common sense; you'd thing that danger to health and safety would be the only criteria for selecting Superfund sites. But you'd be wrong. Today's EPA standards are so seriously flawed that according to a recent federal government study, more than half of the so-called hazardous sites on the EPA's National Priorities List don't even pose a threat to human health.

There are several other reforms on our list, but they all share a common goal: creating a new Superfund that focuses on cleaning up the environment, not harassing innocent businesses. These reforms have a good chance of passing Congress, but the Clinton administration—which asked for our recommendations to begin with—is now resisting.

Recently, a group of business and civic leaders from across the state got together to form South Dakotans for Superfund Reform—a grass-roots coalition dedicated to the type of Superfund reform we proposed to the White House. Our goal is to work with South Dakota's elected representatives in Washington to fix Superfund this year.

There are currently four Superfund sites in South Dakota, including one that has been on the EPA's list for more than 10 years. And 15 small businesses and other organizations in South Dakota have been targeted by the EPA. Unless Clinton and Congress fix Superfund, those busineses—and the jobs they provide to South Dakotans—will remain in jeopardy.

The Clinton White House should be on notice. If it's serious about helping small business, it needs to stop blocking Superfund reform. Washington conferences on small business are fine. But real action speaks a lot louder.

[From the Rapid City Journal, Aug. 24, 1995]

S.D. GROUP CRITICIZES LIABILITY RULES

(By Dan Daly)

The 1980 Superfund law was a good idea gone awry, according to a group of business people who launched a political coalition called South Dakotans for Superfund Reform.

The environmental cleanup program has become expensive, ineffective and unfair, coalition members said Wednesday.

Just 15 percent of the nation's 1,355 sites on the Superfund priority list have been cleaned up, according to the group's literature, and half of Superfund dollars go to lawyers and regulators.

But the group's main complaint was about the retroactive liability rules that place blame for pollution—and the job of paying for cleanup—on companies and landowners ''remotely associated with a hazardous waste site,'' according to the group.

''The reality is that this . . . involves innocent landowners, innocent new businesses that come onto a site unknowing about these things,'' said Carol Rae, state chairman of the coalition's steering committee. ''What we want to do is establish reasonable rules and limits on natural resources damages.

''It's not that any of us here are out to say that we do not want environmental protection or to be responsible corporate or private citizens,'' said Rae, vice president of external affairs for Chiron Corp., parent company of Magnum Diamond Corp. in Rapid City.

None of the business people at Wednesday's news conference are themselves liable for Superfund cleanup projects. In fact, only a handful of South Dakota sites have been on the Superfund list.

Their interest, said Rae, is as taxpayers and regulated businesses.

Rae, Kroetch and Rob Wheeler of Wheeler Manufacturing in Lemmon, who was also at Wednesday's news conference, served together as delegates to the recent White House Conference on Small Business.

Rae said the conference delegates identified some 2,000 issues important to small business. Changes in Superfund laws, she said, ranked fifth on the list.

She and seven of the group's steering committee members held a news conference in Rapid City Wednesday to outline their position. Members ranged from Richard Krull, manager of the Merillat Industries particle board plant in Rapid City, to Art Kroetch, president of Scotchman Industries in Philip.

The group itself was organized by Steve Knuth of Sioux Falls, who is working for the National Coalition for Superfund Reform. Knuth formed a similar group earlier this year to push for changes in product liability laws.

[From the Argus Leader (Sioux Falls, SD), Aug. 25, 1995]

SUPERFUND REFORMERS START GROUP IN S.D.

South Dakotans who want Congress to change the nation's hazardous waste cleanup program, called Superfund, have organized to promote reform.

South Dakotans for Superfund Reform represents people of various business and community backgrounds with ''the desire to see an end to Superfund's unfair and punitive liability system,'' said committee chair Carol Rae of Rapid City.

The group announced its plans Thursday at a Sioux Falls news conference.

Congress enacted the Superfund law in 1980. Since then, the Environmental Protection Agency has placed more than 1,300 sites on its National Priorities List, but has cleaned fewer than 15 percent of them. More than $25 billion in public and private money has been spent on the program—nearly half mainly on lawyers and bureaucracy, Rae said.

A TRIBUTE TO CAL RIPKEN, JR.

Mr. PRESSLER. Mr. President, I join with all Americans to applaud the tremendous achievement of Baltimore Orioles shortstop, Cal Ripken, Jr. Tonight, Cal will play in his 2,131st consecutive major league baseball game, eclipsing the previous record set by the immortal Yankee great, Lou Gehrig, in 1939.

I commend Cal not just for the singular distinction of being baseball's all-time iron man, but the way he achieved it: with class and with dignity. His approach to baseball is the approach hard-working Americans take to their professions—each and every day he goes out and tries to do his best not just for himself but for his coworkers, his team. He doesn't try to be flashy or flamboyant. He quietly and consistently goes out and gets the job done. And for nearly 13 seasons without missing a game, he has done just that—he got the job done.

Cal also recognizes that being a baseball player also means being a role model to millions of youngsters. Cal plays his life off the field the same way he plays on the field—with tireless energy and quiet excellence. He devotes time to numerous charities in his community. He spends countless hours signing autographs and working with young people on how to be both good ballplayers and good citizens. Most important, Cal Ripken is a husband and father of two children. When asked about how important this day is to him, Cal was said to have replied that it was indeed a big day because he was driving his daughter, Rachel, to her first day at school.

I commend Cal Ripken, Jr., and wish him well. Tonight, he will make history as baseball's most consistent, hardworking ballplayer. For myself and on behalf of all South Dakotans, I applaud him for that. I also applaud him for demonstrating that same consistency, that same hardworking spirit off the field as well.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the skyrocketing Federal debt, now soaring toward $5 trillion, has been fueled for a generation now by bureaucratic hot air—and it's sort of like the weather, everybody talks about it but almost nobody did much about it until immediately after the elections in November 1994.

But when the new 104th Congress convened this past January, the U.S. House of Representatives quickly approved a balanced budget amendment to the U.S. Constitution. On the Senate side, all but one of the 54 Republicans supported the balanced budget amendment—that was the good news.

The bad news was that only 13 Democrats supported it and that killed it for

the time being. Since a two-thirds vote—67 Senators, if all Senators are present—is necessary to approve a constitutional amendment, the proposed Senate amendment failed by one vote. There will be another vote either this year or in 1996.

Here is today's bad debt boxscore:

As of the close of business Tuesday, September 5, the Federal debt—down to the penny—stood at exactly $4,968,612,934,278.22 or $18,860.94 for every man, woman, and child on a per capita basis.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDING OFFICER. The clerk will report the pending business.

The bill clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

(1) Dole further modified amendment No. 2280, of a perfecting nature.

(2) Daschle amendment No. 2282 (to amendment No. 2280), in the nature of a substitute.

Mr. MOYNIHAN addressed the Chair.

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

Mr. MOYNIHAN. Mr. President, I rise to correct a statement which I made on the floor in the course of our previous 2 days of debate, the beginning of debate, on this legislation. I rise to not only correct my statement but to offer an apology to the Senate if I have misled anyone, which I certainly did not intend, nor did anyone.

On that occasion, I offered a chart, as you see here, indicating the proportion of children who received aid to families with dependent children in 1992.

This data was prepared for us at the Department of Health and Human Services, Mr. Wendell Primus is responsible there, and mistakes were made. He found those mistakes and called them to our attention.

In the meantime, the Washington Times had written a very fine editorial pointing to this data, saying, ''My God, if there is ever evidence this system is failing, it will be found in these tables.'' These bar charts are easily translated into tables. Then we had to inform the Washington Times that the numbers were scrambled. At one point, it was no more than a simple typing error in a computer printout.

But we now have the correct numbers, and I would like to introduce them to the Senate at this time, as against the data I presented on August 8. The new figures are the corrected numbers for 1993.

The data are the estimated proportion of children receiving AFDC, that is aid to families with dependent children, title IV of the Social Security Act, in 1993, which is our last count. As you can see, Mr. President, if you were to recall the numbers originally, the city of Los Angeles was recorded as having almost two-thirds of its children on welfare at one point or over the course of a year. That involved a mistake between the city and the county, not something I am sure happens frequently. Los Angeles drops to a point where I can almost say, Mr. President, that in 1993 only 38 percent of the children in Los Angeles were on AFDC at some point or other in the year.

Think what it means to say ''only'' 38 percent, which is to say quite literally, by Federal regulation—and my friend, the distinguished chairman, will be talking about some of those regulations. I see he has some stacked on his desk. I am reminded, those are historic desks. If they were to collapse under the load of Federal regulation, the historical society would have something to say about that.

But the idea under AFDC regulations, there are not too many requirements of the AFDC Program. One is a limit on assets, and the limit on assets is $1,000; $1,000 for households, which is to say these are households that are paupers and have to stay paupers as a condition of staying alive. If you said only 38 percent of the children in our city were paupers during the course of the year, 20 years ago the public would say, ''What?''

In Detroit, it is 67 percent. Those figures were adjusted. We found that Los Angeles went down. New York went up; 39 percent of all children at one point of the year. New York is our largest city with about 7.5 million persons. We have at any given time rather more than a million persons on welfare, which is AFDC plus home relief, numbers not known in the depths of the Great Depression. During the Great Depression, in 1937, when you probably had about as much as 30 percent unemployment, there were half a million persons receiving home relief in New York City. Today, in the aftermath of 50 years of economic growth, we look up and there are more than a million. And 39 percent of our children are on AFDC at one point or another in the course of the year.

In Philadelphia, it is 57 percent. In San Diego, it is 30 percent. The San Diego figures and the Los Angeles figures are close in that range. Texas has, generally speaking, a low rate—San Antonio, 20 percent, and Houston, 22 percent. There is a certain uniformity there. The city of Phoenix, AZ, has as prosperous an appearance as any city on Earth. It grows, I have been told, by a square mile a day. The southern Arizona project brings in water. Barry Goldwater provides a welcome and people cannot wait to move out there. There are green lawns where I think there should not be green lawns. That is desert. But that is another matter. In Phoenix, 18 percent of the children are paupers at one point during the year.

These numbers can be elaborated. To what exact purpose, I would be hesitant to say. But we do know that Senator DASCHLE's legislation, as well as Senator DOLE's and Senator PACKWOOD's, does address this question of putting children on supplemental security income as a mode of welfare benefits.

If you combine AFDC with SSI in 1993, you get yet higher rates. You get 67 percent for Detroit. You see that it goes from 54 percent AFDC when you add SSI. It is a large number. I think it is the case that the number of children receiving SSI has grown by about 400 percent in the last decade. This is not because there are 400 percent more children disabled. We have had administrative interpretations of statutes which increase the number of children in this category. Philadelphia gets 59 percent; San Diego, 30 percent; Los Angeles, 38 percent; Baltimore, 56 percent; New York, 40 percent. And so it goes.

These are horrendous numbers, and they ask for—they demand—some level of interpretation. The Washington Times, in a perfectly fair-minded editorial—to my mind, a fair-minded editorial—had commented on these numbers that are overstated in the case of Los Angeles and understated in the case of New York. It had this in its editorial, ''Welfare Shock.''

I ask unanimous consent, Mr. President, that this be printed in the RECORD at this point, without the table.

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

[From the Washington Times, Sept. 1, 1995]

WELFARE SHOCK

Having spent the better part of the past four decades analyzing the statistical fallout of the welfare and illegitimacy crises enveloping our great cities, Sen. Daniel Patrick Moynihan never has needed hyperbole to describe the dreadful consequences of failed social policies. Perhaps that is because the New York Democrat possesses the uncanny ability to develop or cite pithy statistics that shock even the most jaded welfare analyst, case-worker, senatorial colleague or reporter.

Several weeks ago, Sen. Moynihan, appearing on one of the ubiquitous Sunday morning interview shows, shocked his questioners (and, undoubtedly, his television audience) by revealing that nearly two-thirds of the children residing in Los Angeles, the nation's second largest city, lived in families relying on the basic welfare program, Aid to Families with Dependent Children (AFDC). To illustrate that Los Angeles was not unique, he observed that nearly four of every five (!) Detroit children received AFDC benefits.

The accompanying chart details the extent to which residents in the 10 largest U.S. cities have become dependent on AFDC—and the government. After about three decades of fighting the War on Poverty, during which time more than $5.4 trillion (in constant 1993 dollars) has been expended, perhaps no single statistic offers more proof of the war's unmitigated failure than the fact that federal and state governments provide the financial

support of 38 percent of all children living in the country's 10 largest cities.

How does one begin to address such a horrendous problem? for all the talk among Democrats, particularly President Clinton, about the need for increased spending for education to help underwrite welfare reform, it's worth recalling that real (inflation-adjusted) spending for elementary and secondary education has dramatically escalated since the federal government declared war on poverty. Indeed, some of the highest per pupil expenditures occur in the largest cities. Unfortunately, as spending increased, test scores plummeted.

In a more serious tone, Mr. Moynihan approvingly cited the 1966 report on the Equality of Educational Opportunity (the Coleman Report), which ''determined that after a point there is precious little association between school resources and school achievement. The resources that matter are those the student brings to the school, including community traditions that value education. Or don't.''

Sen. Moynihan has offered his own welfare-reform plan, which, unlike any Republican plan in the House and Senate, would retain AFDC's entitlement status without placing any time restrictions on recipients. Despite the underwhelming success of federal job-training and job-placement programs, his plan places great emphasis on more of the same. Attacking the Republicans' proposals to cancel welfare's entitlement status and enforce time restrictions, Sen. Moynihan frets that ''we don't know enough'' to design programs that attempt to influence the behavior of poor people.

Take another look at the figures in the chart provided by the senator. They represent a small fraction of the statistical indictment against the failed welfare policies of the liberal welfare state. Tinkering around the edges of such failure without seeking to change the behavior that three decades of the War on Poverty have produced, will surely not solve any of the many social problems that accompany dependency on the scale depicted in the chart. That much we do know.

Mr. MOYNIHAN. Mr. President, the point of the editorial is, good God, what happened to our children? Can the present system be as bad as the data depict? If so, let us be rid of that system directly. I wrote to them informing them that we had new data, and it was not significantly different. Well, in the case of Los Angeles, it was; that should be made clear. Otherwise, it was in this range. I wrote a letter in which I simply made the point that—well, first of all, I submitted the correct new data, which took a slightly different view from the editorial. It was a very different view from the editorial in the Washington Times.

I ask unanimous consent that my letter and the subsequent editorial with the corrected data be printed in the RECORD at this point.

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

[From the Washington Times, Sept. 5, 1995]

THE AFDC NUMBERS: BAD ENOUGH, BUT NOT THAT BAD

Regarding the Sept. 1 editorial ''Welfare shock,'' The Washington Times is entirely correct in stating that the information on AFDC caseloads I presented in the August welfare debate in the Senate was mistaken. We received the data from the Department of Health and Human Services on Aug. 4. I found the numbers hard to believe—that bad?—and called the deputy assistant secretary responsible to ask if he would check. He did and called back to confirm.

On Aug. 23, however, with the Senate in recess, Mr. Wendell E. Primus, the deputy assistant secretary who provided the data, wrote to say that there had indeed been a miscalculation. It was a perfectly honest mistake, honorably acknowledged and corrected. I will place his letter in the Congressional Record today.

The new numbers are sufficiently horrendous. The proportion of the child population on AFDC or Supplemental Security income in the course of a year in Los Angeles is 38 percent. In New York, 40 percent. In Chicago, 49 percent. In Philadelphia, 59 percent. In Detroit, 67 percent. My contention is that things have gotten so out of hand that cities and states cannot possibly handle the problem on their own. Thirty years ago, certainly. No longer. Mr. Hugh Price of the National Urban League suggests that we will see a reenactment of deinstitutionalization of the mental patients which led so directly to the problem of the homeless. I was in the Oval Office on Oct. 23, 1963 when President Kennedy signed that bill, his last public bill signing ceremony. He gave me the pen. I have had it framed and keep it on my wall. Premium non nocere.

DANIEL PATRICK MOYNIHAN,
U.S. Senator,
Washington.

[From the Washington Times, Sept. 5, 1995]

CHARTING THE STATE OF WELFARE

Even by the appalling standards and results of U.S. welfare policy, the chart that appeared in this space last Friday exaggerated the depths of the situation that prevails in some of this nation's largest cities.

Last month Sen. Daniel Patrick Moynihan, New York Democrat, appeared on the floor of the Senate citing statistics showing that nearly two out of three children in Los Angeles and nearly four out of five children in Detroit lived in households receiving the government's basic welfare grant, Aid to Families with Dependent Children (AFDC). At the request of The Washington Times' editorial page, Sen. Moynihan's office faxed a copy of a chart listing the 10 largest U.S. cities and the percentage of each city's children relying on AFDC, which was developed by the U.S. Department of Health and Human Services (HHS). Regrettably, the information was incorrect.

Nearby is a chart with updated, expanded, and presumably correct, information that HHS subsequently sent to Sen. Moynihan's office, which then forwarded it to the editorial page. The revised chart offers both a snapshot of welfare dependency of children in our largest cities (at a ''point in time'') and a more expansive statistic incorporating all children whose families relied on AFDC during any portion of an entire year. Clearly, neither classification places Los Angeles or Detroit in nearly as dreadful a position as conveyed by HHS's initial, incorrect tallies. It should also be noted, however, that the earlier chart understated the problem of pervasive welfare dependency in other cities: New York and Philadelphia, for example. The revised chart offers no solace to anybody intersted in the future of our great cities and the children who live in them.

ESTIMATED RATES OF AFDC CASELOADS

[In major cities (Feb. 1993)]

State	Percentage of children on AFDC at a point in time	Percentage of children on AFDC within a year
New York	30	39
Los Angeles	29	38
Chicago	36	46
Detroit	50	67
Philadelphia	44	57
San Diego	23	30
Houston	18	22
Phoenix	15	18
San Antonio	14	21
Dallas	16	20

Source: Department of Health and Human Services.

It's been 30 years since the federal government initiated its so-called War on Poverty. During that time more than $5 trillion was expended fighting it. What has been accomplished? As the Senate reconsiders the various welfare-reform proposals during the next few weeks, let us keep in mind that anything less than revolutionary in scope is likely to have little long-term impact on these depressing statistics and the numerous pathologies and deviancies that derive from them.

Mr. MOYNIHAN. Mr. President, here is the point I made, and some will not agree—probably most will not agree. Yet, I have been at this long enough to recognize this. The Times takes the view that any system which has produced this result is so bad it must be profoundly changed, dismantled, and done away with. Indeed, the legislation before us on this side of the aisle—the majority leader's legislation—would in fact put an end to this system. It abolishes title 4(a) of the Social Security Act of 1935. It makes a block grant which is sent down to the States, based on their present Federal benefit, and leaves it that the States are free to do what they will. I will not get into it at this moment.

But the States are not free to do what they will, anyway. No State has to have a welfare program. No, you do not have to have a welfare program. You do not have to provide more than—you can provide $1 a month per child or $1,000 a month per child. The idea that there are big Federal regulations is mistaken. It is not that the Federal Government has not sought to do a lot of regulating, but the statutes are relatively spare. With a waiver, you can do virtually anything you want. And to say it is your job, now that this system has failed, to take it over, what that does is disengage the Federal Government.

No child is entitled to welfare benefits. The State can provide that a child receives benefits, or it can do otherwise. But under the Social Security Act, if a State provides welfare benefits, the Federal Government provides a matching grant. It will match 50 percent, up to about 79 percent, at this point. It used to be as high as 82 percent in the Southern States.

My point is that 30 years ago, when we first picked up the onset of this extraordinary demographic social change, you could have made the case: Let the States do it; let the cities do it. You could have made that case. You

cannot make it today, in my view. This is too much. This is beyond the capacity of State governments and city governments. They will be overwhelmed, and soon we will be wondering, what did we do?

Mr. Hugh Price, the relatively new, recently appointed, director of the National Urban League, made an important comment on the ''Charlie Rose Show''—not a pronouncement, just a comment. He said if we do what is proposed and put time limits—the President, at Georgetown University in 1991, when he began his Presidential campaign, put out a 2-year time limit—he said that we will have an effect similar to the deinstitutionalization of our mental institutions that began in the 1950's and culminated in Federal legislation in 1963.

I am going to take a moment, if I can, just to talk about that, because I think Mr. Price hit upon a brilliant analogy—the appearance on our streets of homeless persons sleeping in doorways, sleeping in bus stations. You do not have to do more than walk down Constitution Avenue from the Capitol, not four blocks from here, and you will find, in the dead of winter, people sleeping on grates. It has happened everywhere. It has happened, I dare to say, in Portland, OR. I say to my friend, the chairman of our committee, that Portland, OR, will not appear on this list. It is a very interesting story, and it is a very powerful cautionary tale.

I was present at the creation, 1955, in the spring, in the State capitol in Albany, N.Y. Averell Harriman was being introduced to the person who was to be nominated as the commissioner of mental hygiene, a wonderful doctor named Paul Hoch. He had been head of the New York Psychiatric Institute, a great research analyst. He had been chosen by the late Jonathan Bingham, then secretary to the Governor, later Member of the House of Representatives.

As has happened before in history, the Governor was playing a role in a little drama that had been preconceived. Present also was the director of the budget, Paul H. Appleby, the eminent public servant of the New Deal era, deputy director of the budget under President Truman. Also present, notetaker, if you will, was the Senator from New York. I was an assistant to Mr. Bingham.

The Governor greeted Dr. Hoch and said how pleased he was to learn that he was willing to come and do this job, and Jonathan Bingham has recommended him most particularly, as indeed Jack Bingham had done.

The Governor asked how were things going in that field. Doctor Hoch said, well, down at Rockland State Hospital, which is in Rockland County in the lower Hudson Valley, Dr. Nathan Kline had been working with a chemical substance that had been derived from the root rauwolfia serpentina, used in medicine for 5 millennium. It calmed people down in the Hindus Valley. German organic chemists had succeeded in reproducing it, and it was used on patients in Rockland State, and it had real effects. It was our first tranquilizer. It would come to be known as reserpine. The doctor said he thought it should be used systemwide.

At that time in the 1950's, mental health was one of our most visible public issues. Every State legislature proposed every year, appropriated another bond issue to build another hospital. We projected the time when half the population of New York State would be in a mental institution and the other half would be working in a mental institution—97,000 persons.

Today, Mr. President, there are about 6,000. We wanted them out, but we did not care for them after they left.

I came to Washington in 1961 in the administration of President Kennedy, who was much interested in this subject. A report of a joint commission established by the Congress was waiting for us. In effect, it said, go with medication and deinstitutionalization.

The last public bill signing ceremony that John F. Kennedy conducted was on October 23, 1963. He signed the Community Mental Health Center Construction Act of 1963. He gave me a pen. I was present. I had worked on the legislation, having had something in the background from Albany. We were going to build 2,000 community mental health centers by the year 1980, and one per 100,000 population, as the population grew.

We wanted our mental institutions, but we did not build the community centers. We built about 400, the program got folded into another program, shifted around, and pretty soon people were thinking about something else and it quite disappeared from our minds.

Then the problem of homelessness appeared. With the unfailing capacity for getting things wrong in my city of New York, an advocacy group grew up saying we have a problem here of a lack of affordable housing. That is not what it was at all.

Schizophrenia—we knew in the 1960's there would be a constant incidence of that particular disorder in large populations. We did not have quite the genetic information we have now. I do not speak beyond my knowledge, but the statistical data was sufficient to say this is something that happens in Patagonia, it happens in Alaska, it happens in Bucharest, it happens in Los Angeles, all at about the same rate. There it is. A puzzle, a great public failure.

My friend from Oregon will remember that during the brief interlude in which I was chairman of the Committee on Finance, the last New Yorker was in 1849, and it may be another century and a half until the next New Yorker was, but there were 2 years, not necessarily a shining moment, but there it was. We were dealing with health care matters, as the chairman will not soon forget. I had two things on our wall. One was a small portrait of Alexander Hamilton, the first Secretary of the Treasury, that great New Yorker. The other was the pen certificate which had the pen that President Kennedy gave me on that day in October 1963, when we signed the Communities Mental Health Center Construction Act of 1963.

As I just said, ''Be very careful what you do.'' To cite Hippocrates, primum non nocere. It is my contention, Mr. President, it would be my argument, I cannot demonstrate, I can simply make the case with numbers this large, proportions this large, we dare not disconnect the Federal Government from this problem of our children.

The connection we made in 1935 when our resources were vastly fewer than they are today, they will be overwhelmed. In a very little while as the time limits comes into effect, I estimate a 5-year time might put half a million children on the streets of New York City in 10 years' time, and we will wonder where they came from. We will say, ''Why are these children sleeping on grates? Why are they being picked up in the morning frozen? Why are they scrambling? Why are they horrible to each other, a menace to all, most importantly to themselves?''

Well, this is what will have happened, in my view. I can say that 30 years and more of association with this subject makes me feel it would happen.

Mr. President, once again, with apologies to the Senate for having provided somewhat misleading data on August 8, without intention, it was received from the Department of Health and Human Services without any purpose to mislead, and was corrected by the Department. Having placed the incorrect data in the RECORD, I ask that the correct table be printed in the RECORD at this point.

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

PROPORTION OF CHILDREN RECEIVING AFDC (1993)

City	Percent at point in time	Percent within a year
Chicago	36	46
Dallas	16	20
Detroit	50	67
Houston	18	22
Los Angeles	29	38
New York	30	39
Philadelphia	44	57
Phoenix	15	18
San Antonio	14	21
San Diego	23	30

Source: Department of Health and Human Services, August 23, 1995.

Mr. MOYNIHAN. With great thanks for the courtesy and attention of the Chair, I yield the floor. I see my distinguished friend has risen, and I am happy to turn to him.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, I never cease to learn from my good friend from New York. In the quarter of a century I have been in this Senate,

there have been a number of memorable Senators, none that I have learned more from than PAT MOYNIHAN. I count him as a friend, a teacher, a mentor.

It is interesting how we sometimes take the same facts, however, and reach different conclusions. I went to law school at New York University in the center of Manhattan in the mid-1950's. And much as I love New York and Manhattan and find it an exciting borough, when I finished law school I had no desire to stay there. I went back to Oregon and started to practice law and kept my home and roots there ever since.

But I remember public housing in the mid-1950's in New York. The Federal Government dictated what public housing would be, and we knew best. Our philosophy was that, if people had a decent roof over their heads, all else would flow and follow. Education would follow, crime would disappear; so long as you had a decent shower and a bed. So we built, not 5- and 10-story public housing projects, 20- and 25-story public housing projects. And we clustered them together; not one building, but three or four, with concrete parks, barely any grass for the kids to play, and thousands and thousands of roughly similarly economically situated poor people clustered together.

What we ended up with were 20- and 25-story slums, crime-ridden, drug-infested slums. It did not work. I do not mean this as critical of the thinkers of the mid-1950's. That was the best thought in the fifties.

Now the Federal Government thinks the best thought is what we call scatter buildings. We are not going to put up 25-story buildings; we are going to put 60 units in Queens and 30 units in Westchester County and some more in Staten Island. We are going to scatter them about. It may be a better decision. It may not be. I am not sure. Yet it is another example of where the Federal Government now says the philosophy of 40 years ago was wrong and this philosophy is right.

I offer this only to say there is no guarantee that any public policy you adopt will work out exactly as you hope it will work out. It does not mean that you are malevolent in your thoughts or deliberately ordaining that it would not work out. It is just things you thought would happen do not. How often I heard my friend from New York talk about the law of unintended consequences.

So, with that background, I want to go back into the history of welfare in the United States, starting in 1935; what we hoped would happen, what has happened. I think we can say this. If our hope of welfare was to get people off of welfare, if welfare was to be a trampoline so that you could spring back useful to society, it has not worked. It has become not a trampoline, but a hammock. And that I think we can say with assuredness.

I am not sure we had any witness that appeared before the Finance Committee as we were having hearings on welfare reform that defended the present system as working. Some wanted to simply jettison the entire thing. Some wanted to tinker with it but keep it a Federal system. Others wanted to devolve more power and authority to the States. But nobody defended it as it was. So how did we get to where we are?

Go back to 1935. My good friend from New York talked about the 1935 Social Security Act. It was passed in 1935. And Social Security, the act, had two parts to it. One was the pension that we are well familiar with. The other was a welfare component for widows and orphans. How often has the Senator from New York referred to it colloquially, but correctly, as a pension for the miner's young widow and the miner's young child.

Both provisions, in essence, covered the same people but for different purposes. In the mid-1930's if you are the breadwinner—it is basically men that are working—if you lived to 65, you took care of your wife, and probably by that time your minor children had grown up. If you died at age 45 however, and you were the breadwinner, there was no survivors' benefits in the original Social Security Act. Suddenly the widow and the child are thrown out onto the street. So the welfare provision of the 1935 Act was designed to take care of the widow and the orphan child. And it was presumed, I think, that if the widow got married again, she would no longer need any public support, and if she did not get married, she at least got this income while the child was a minor and she was a widow. And almost all welfare at this time—1935 onward for a fair number of years—was for widows and orphans.

Then in 1939, we amended the Social Security Act to include survivors. The breadwinner dies at 45. It was still usually a man in those days. He has a 40-year-old widow and three children, ages 16, 12, and 9. There were survivors' benefits under Social Security. If you were a widow with children, you got 75 percent of what the person who died would have gotten had that person reached Social Security age, and you got 75 percent for each child, though it was capped. You did not get 75 percent for every child if you had 15 children.

After World War II, we rather rapidly expanded the coverage of Social Security. My hunch is the biggest single group may have come in in 1953 or 1954 under President Eisenhower, when we brought in an immense number of people: Agriculture——

Mr. MOYNIHAN. Self employed.

Mr. PACKWOOD. Self employed. We brought in an awful lot of people.

Mr. MOYNIHAN. State and local.

Mr. PACKWOOD. State and local. We brought them in and, by 1960, most people were covered by Social Security and that included survivors. So if the breadwinner died, the widow and the orphan were taken care of. Therefore, welfare—I am not talking about Social Security survivors insurance, I am talking about welfare as we knew it in the 1930's; when the breadwinner dies there is no Social Security survivors' benefits—welfare as we knew it began to disappear because Social Security benefits, survivors' benefits, were usually more generous than welfare would be, and survivors' benefits supplanted what welfare had initially been for widows and orphans.

From about 1950 onward, maybe a little earlier again—the Senator from New York would know more specifically than I would—aid to dependent children, as we now call it aid to families with dependent children, AFDC, started tilting toward support for unwed mothers and children who had never had a breadwinner in the house. It was no longer the concept of the widow and the orphan. There never was a breadwinner. And, instead of emergency financial support for a widow who was suddenly deprived of her breadwinner, AFDC, aid to families with dependent children, gradually and then overwhelmingly became a lifetime support system for many people. And in many cases it became a generation after generation support system.

Today, only 1 to 2 percent of welfare is because of the death of a breadwinner. That is how much it has changed from what it was originally intended.

Now, from 1935 onward, but especially from 1960 onward, as we have seen this movement toward welfare being for unwed mothers, people who never had breadwinners, the Federal Government has tinkered and tried and toyed to make this system work. If the woman dropped out of high school in the middle of her junior year and had a baby and did not go back, to try to educate her, to try to help her get a job—and we have attached more baubles and geegaws to the Federal welfare system in efforts to make it work than the mind can comprehend.

But it has not worked. If it was meant to stem the rise of illegitimacy, it has not worked. If it was meant to get people back to work, it has not worked. If it was meant to somehow break the generational cycles, it has not worked.

Has it failed because we did not spend enough money? Let us go back and take a look over the years of what we have spent. I am going to use the year 1947 as a base for this reason. What we spent in the 1930's was minuscule. During World War II, we did not spend anything for all practical purposes. But during the war, from 1944 to 1945, believe it or not—we talk about the defense budget now—the defense budget was 40 percent of our gross domestic product and 90 percent of our total budget. We did not do anything else. We were a war machine. We were borrowing to do it. And we were willing to spend that much on defense because we

thought it was necessary for the preservation of Western civilization. I am inclined to think that was a correct decision.

So when I hear people say we cannot afford to spend for our defense, just as an aside, a great nation can afford to spend. We are now spending 4 or 5 percent over gross national product on defense. We can argue, can we afford 4 or 5 percent? Yes, we can. But it did mean in those years we were not spending money for anything else of any consequence except on the war. And the first real budget year, fiscal year, after the war was 1947; 1946 was midway through when the war was still going on.

I am going to use the term ''constant dollars'' rather than ''current dollars'' because current dollars can be illusory. I will define the difference.

A current dollar is $1 today. I spend $100 on a Federal program. Let us say you have 100 percent inflation. Next year we spend $200 on the Federal program. You have not spent any more money. You have 100 percent inflation. The person that gets it has not gotten anything more to spend. That is why we have COLA's on Social Security. That is called current dollars.

To put it in comparison, in current 1947 dollars we spent $2 billion on what the Social Security Administration basically called welfare. This is 10 or 12 programs. In 1947 we were spending $2 billion. In 1991 we were spending $180 billion. Even if you put it in terms of constant dollars—because current dollars does not take into account inflation—the figures are still dramatic. If you assume that the value of the dollar today was the same as the value in 1947, and there has been no inflation in that period of roughly 45 years, then in 1947, in today's dollars, we were spending $10 billion on all of these programs. Today, we spend $180 billion. On AFDC alone, in 1947 we were spending in constant dollars $697 million, today we are spending $18 billion, about a 2500-percent increase.

You want to take a last figure. These programs in the Social Security Administration count as programs for the poor. In 1947, they were 0.7 of 1 percent of our gross domestic product. Today, they are slightly in excess of 3 percent. So they have grown dramatically.

Welfare has not failed because we did not spend money. We have spent more money by any measure.

Has it failed because of inadequate regulations? The 1935 bill when it passed was 2½ pages long. This is the section relating to welfare, 2½ pages.

There were no regulations initially. The bill really had six requirements of the States as follows:

First, the program had to be in effect in all political subdivisions throughout the State. That is an easy enough requirement.

Second, there had to be some financial participation by the State. That is easy enough to figure.

Third, it had to be administered by a single State agency. That is easy enough to figure.

Fourth, there had to be an opportunity for a fair hearing for somebody if they had been denied benefits. That is not too difficult to figure.

Fifth, although this one becomes a little more ephemeral, the State had to provide such methods of administration as would be necessary for an efficient operation of the plan.

As I say, I am not quite sure what that means exactly, but I will show you what it means in just a moment.

Then lastly, the State had to file reports that would assure the correctness and verification of basically what they were intending. That was relatively simple.

From that has grown what we have in welfare today.

The Senator from New York referred to this stack on this desk which I shall attempt to lift. These, Mr. President, are the regulations that an Oregon caseworker must be familiar with in order to determine just two things: No. 1, the eligibility of a recipient for welfare; No. 2, how much shall that recipient get. That is what you have to go through in order to determine just whether you are eligible. How much do you get?

Follow me to this chart back here. Here is the eligibility process.

You come into the welfare office. ''Hi, I am Johnny Jones. I would like to apply for welfare.'' Initial application. All right.

The caseworkers says, ''Give me your proof of identity, age, citizenship. I want your driver's license, Social Security card for each person, birth certificate for each person, alien registration, or arrival and departure record, or any other identification from any other agencies or organizations.''

This assumes a person coming in for welfare actually has these things or knows how to put their hands on it. Assuming you have proved your identity, we now go to proof of relationship and child in the home. Signed and dated statement from friend or relative naming each child and residence, birth certificate or other documents stating parent's name.

Assume you have that. Then we go over to proof of residence and shelter costs.

''Give us your electric bill, paid or unpaid; give us your gas or fuel bills, paid or unpaid; rental or lease agreement; rent receipt; landlord statement; landlord deed to property; proof of housing subsidies.''

No wonder this stack is getting thicker and thicker as you go through giving us all of this information. Now we come down to proof of family after you have gone through all of this.

Death certificate for deceased parent; divorce papers or separation papers showing date, if separated; a statement from a friend, neighbor, or relative proving marriage certificates; if in prison, date of imprisonment, length of service; if pregnant, a medical statement with expected delivery date; if disabled, name of doctor, name of hospital and a doctor's statement.

This is just starting to prove eligibility.

Does anyone here have any income? No. You have no income.

I want you to think about proving a negative.

''No, I do not have any income.''

''Let me see your bank account and savings account.''

''I do not have a bank or savings book. I do not have any bank account.''

Well, you have to prove you do not have a bank account. Current checking account statements and real estate documents.

I want you to picture Johnny Jones coming in asking for welfare.

''Where are your real estate statements?''

''I don't have any.''

''What do you mean, you do not have any? Can you prove it?''

''No. I don't have any.''

''Prove you don't have any.''

''I do not have any.''

Payment books or receipts for all mortgages and land sales.

Do you know how much land Johnny sells? He is not really involved in big time in real estate sales.

List of all stocks and bonds and current market value; title of all motor vehicles and bill of sale; bank payments or agreement; documents showing life insurance and estate or trust funds.

Name me welfare recipients who have trust funds. If they have trust funds, they are not welfare recipients and they will not be in this office at the first stage.

Insurance policies? They might have insurance policies.

Now, if you have done all that, you make an eligibility decision. However, this is if you have no income. But if you have income, now we come down here.

Proof of income.

Uncashed worker's compensation or other benefit check; latest Social Security or VA benefit award letter; court order stating amount of support or alimony; notice of unemployment benefits, record of payments received, or uncashed check; records of income from self-employment, farm income or business income, tax records, profit and loss statements, or income producing contracts; wage stubs or employer's statement of gross wages for the last 30 days.

You have to prove all that. But interestingly, what counts as income and what does not count as income?

Count adoption assistance if not for special needs. That counts as income.

Do not count as income adoption assistance for a child's special needs.

Now, you are poor Johnny Jones getting these questions, trying to figure it out. You count as income payments under the Agent Orange Act of 1991. You do not count as income benefits

from the Agent Orange Settlement Fund if it is given by Aetna Life. I do not know why it is limited to Aetna Life.

Well, Mr. President, I am not going to go on with the rest of this. This is what welfare has become. It is no wonder that caseworkers are frustrated beyond belief. The caseworkers I have met are perfectly decent people who would like to help the poor.

Now I will give you a quote from the former executive director of the Oregon Progress Board.

''Almost all of the Oregon Option undertakings''—Oregon Options is the welfare plan that we have gotten authorization to try—''require the use of federal funds and, in many cases, the waiver of federal rules and restrictions on how the money is used.'' As Wyse said,

> We need the federal government as a partner. But federal programs that provide money tend to be severely prescriptive and riddled with red tape that stifles innovation. In the biggest area of federal aid—welfare—at least 20 percent [20 percent] of our administrative time and money costs have been spent on federal paperwork.

My classic example, however, does not deal with welfare per se. It is Harley, Harley, the Vietnamese potbellied, drug-sniffing pig. This pig can smell drugs like dogs do, so the Portland police bureau applied to the DEA, the Drug Enforcement Administration, for Federal funds that they allocate for drug-sniffing dogs. The DEA, Drug Enforcement Administration, said no, it only applies to dogs. It does not apply to pigs. To which the Portland police bureau said: ''This pig can smell better than a dog, and it is cheaper than a dog.''

Now, I have to give Vice President GORE credit. He worked this out by declaring Harley an honorary dog. That solved our problem. There is Harley, the honorary dog, right there. That is the frustration of dealing with the Federal Government. Did the DEA mean to be obtuse and mean? Of course not. Of course not. It is just that big things of necessity have to be pigeonholed. It is not true just of Government. It is true of big institutions. It becomes more and more difficult, the bigger you get, to deal with individuality. You have to fit the pigeonhole whether you are a university with 25,000 students or General Motors. It is one of the reasons why small and often family-held companies are able to do much better and compete against giants that are 100 times their size but immobile.

About 20 years ago, maybe 25 years ago now, there was a story in one of the nationwide business publications on who sets the price of plywood in the United States. Weyerhaeuser is a big producer. Georgia Pacific is a big producer. But the article concluded that it was set by Ken Ford of what was then called the Roseburg Lumber Co. That is now Roseburg Forest Products. It was a family-owned company and still privately held, as I recall. They have about 3,000 employees in an area of about 15,000 to 20,000. It is the dominant employer.

The article said as Mr. Ford's plywood is moving across the country on the railcars, he can call Chicago and say, ''Cut it 50 cents a board foot,'' and it is cut. And Weyerhaeuser and Georgia Pacific immediately follow suit. But they cannot take the lead because it is a corporate board decision of some kind. They do not have anybody in the organization that can say to cut it 50 cents a foot.

So Mr. Ford sets the prices for plywood. He is still alive and the company is still going. And he is still a dominant force in his business.

You see it in the electronics business today. How many companies are there? Have you ever seen that wonderful list of companies? There are over 20,000 or 25,000 companies that did not exist in 1968, either just did not exist or were just getting founded in the 1960's, electronics or otherwise.

You look at just one facet of communications, personal communications, the little hand-held phones you use. In 1982, when AT&T and the Federal Government agreed to a consent decree breaking up AT&T and creating what we now call the regional Bells—seven—it was a very inclusive agreement. The Justice Department and AT&T tried to think of everything they could to include. Do you know the one thing they left out? Personal portable telephones. There was no future in that. There were 18,000 in the country. There are 25 million now. By the end of the century—there might be 125 million in 10 years. We will have as many of those as we have telephones.

It is not AT&T, MCI, and Sprint that are dominating that business. Those are long-distance carriers. But the companies that have moved into this business were small, sharp, quick companies that can compete with Bell Atlantic, compete with AT&T. And they move rapidly. They find a niche. They are good at it. They are small.

So when we get to this bill, it is an interesting difference in philosophy, on average—I am generalizing here—on average, between Republicans and Democrats to this extent. On average, Democrats in the provision of social services have a mistrust of it being done by private enterprise, whether that be a profitmaking private enterprise or not. I want to emphasize, I am generalizing. They have less mistrust if it is done by Catholic Charities or Goodwill, but they feel more comfortable if the Government is doing it. Republicans are a little more inclined to say let us let the private sector do it or let us give some grants or help with the private sector, but let them take the lead.

The second difference is that if it must be done by Government, there is still a general feeling among most Democrats that it should be done or at least directed by the Federal Government. Republicans feel pretty much the converse, that it should be done and directed by State or local government.

I am delighted we are debating this bill outside of what we call reconciliation. Reconciliation is going to be this big-budget bill that will come to us in 2 months—6 weeks, I would say. It is going to have everything in it—Medicare, Medicaid, earned-income tax credit, and tax cuts—and it is limited under our rules to 20 hours of debate, 10 hours on a side. Welfare, if put in that bill, would get half an hour's debate. Medicare, I will bet, gets 8 hours of 10 in the debate, and this subject deserves more debate than that because it is an honest difference of opinion. I emphasize ''honest difference of opinion.''

The Republicans want to do what we call break the Federal entitlement. We are saying we will give to the States as much money as they are getting now—but not as much as they would otherwise get if we did not change the law. And in exchange, we will say to the States, we are going to remove most of the strings that have been hampering you for the past if not 50 years, certainly 30 years. We are going to give you certain outlines and guidelines, and you cannot use this money for airport tarmacs. You have to use it for the poor. But you decide, New York, whether your problems are different than South Dakota's. You decide, Oregon, whether your problems are different from Ohio's and attempt to shape your welfare program with the limited amount of money we give you to what you think your needs are.

Mr. President, they are different. If you are Florida or Texas or New Mexico or Arizona and have an immense immigrant population and, in any case, a Hispanic-speaking population—New York has it—virtually you have a problem just of language for many young people. That same problem, but to a much lesser degree, exists in Oregon. My guess would be, I do not know, that it exists not at all in South Dakota. I am taking a guess there is not an immense Hispanic-speaking immigrant population in South Dakota.

So right away, the problems are different.

(Mr. ASHCROFT assumed the chair.)

Mr. MOYNIHAN. Will my friend yield for a question?

Mr. PACKWOOD. I will.

Mr. MOYNIHAN. Because he is making an important point. Does he recall the occasion on which the Committee on Finance—of course he recalls—held a retreat in Maryland, and the Senator from North Dakota learned about the proposal to deny welfare benefits to mothers of children who themselves were under 18. He returned to his State and checked that out to see just how much of a problem it was in North Dakota. Mr. President, you would be interested to know that there are four such families, two of whom had just arrived from West Virginia.

Mr. PACKWOOD. There is a slight difference in the problems. When the

Dole bill passes, and I hope it will—I think the amendment of the Democratic majority leader will fail—I hope we go forward with this not in a spirit of, ''Well, the Republicans have won'' and cheer.

I want to close with what I said at the start. There is no guarantee that if we pass this bill, as the Republicans are talking about, there is no guarantee we will solve the problem. There is a guarantee that if we continue as we have been going, we will not solve the problem. We have not solved the problem and there is no hope we will solve the problem continuing on the line of Federal regulation and control as we have gone.

My guess is that many States will experiment with this and will find their experiments fail. Many others will experiment with it in a different fashion and find they succeed. And then some of the successes will be taken to other States and found it does not work in that State yet does work in other States. The States are going to become labs over the next 5 years and, by and large, most of them are going to hit upon what will work in their State with the limited amount of money that we give them, and they will be much quicker to jettison programs that do not work than we are.

The last thing we have put in this bill—and I see the Senator from Missouri is in the chair and it was his suggestion—we have put in this bill, to the extent that it is constitutional, that it is permissible for this money to be given to religious organizations to carry out social welfare purposes.

There is nothing wrong with that. Just because Catholic Charities is Catholic should not mean that it is incapable of administering to the poor. Just because the Salvation Army may have a cross on the wall does not mean that it cannot run a good sheltered workshop. It will run a better sheltered workshop than anything the Government might run.

As I say, we cannot by law make something constitutional that is unconstitutional. I know the fear and the argument: Not only are they going to minister to the needs of the poor, they are going to try to proselytize them, make them Catholics or make them whatever.

Mr. President, I think that risk is worth it. I think the risk is worth it. If a person goes to a Salvation Army sheltered workshop or a meals program run by a charity that happens to have a menorah in the hallway, I am not sure that is going to be so offensive to what we are trying to achieve that it should be prohibited. I will leave it to the courts—and there will be suits—to decide whether or not it is constitutional.

I will say this to my good friend from New York, he and I now almost 20 years ago, not quite, introduced bills to allow tuition tax credits. In the interim, Wisconsin has tried it and now I see the courts have declared it partially unconstitutional. But it is working. These inner-city kids are getting a good education. We simply wanted to say to the parents—by and large, it liberates the poor. It does not liberate the rich. They are going to private schools anyway and they are going to parochial schools. It was a modest credit.

We say a parent can put their child in a religious school and they can deduct part of their cost off of their income tax. For 18 years he and I have tried to get that. We have been unsuccessful so far.

Every now and then, he will send me a clipping when another inner-city Catholic school has closed or perhaps the whole diocese has closed, I do not know, and say, ''They didn't listen to us, they didn't listen to us.''

It was touching when we had hearings on this to have some of the poorest women come and testify. These were single mothers working for the Federal Government, often in relatively modest positions, making in those days, the late seventies, $15,000, $16,000 a year, putting their children in private school, paying for it themselves, religious schools, not even of their religion because they wanted an alternative to public school.

This bill is going to try to permit all of that, not because we want to intrude religion on people, but because we do not want to preclude religion having the opportunity to serve people.

Mr. President, over the next 4 or 5 days, we will debate the philosophy of this bill. I suppose we will debate lots of itsy-bitsy details. But the philosophy is infinitely more important than itsy-bitsy details.

This bill, if adopted, is a watershed, is a turning point from the concept that the Federal Government is be all and know all. I hope we are daring enough to take the step. I do not promise it will work, but I do promise that with what we are trying now, we will continue to fail.

I thank the Chair and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOLE. Since there are no other Senators seeking recognition on welfare reform, was leader's time reserved?

The PRESIDING OFFICER. Yes, it was.

SALUTE TO SENATOR PELL

Mr. DOLE. Mr. President, nearly 35 years ago, the voters of Rhode Island decided to send CLAIBORNE PELL to the U.S. Senate. And in the years that followed, they have made the same decision in five separate elections.

Yesterday, Senator PELL announced that this term will be his final one in the Senate.

While there are still 16 months left in Senator PELL's term, I did want to take a minute to pay tribute to this dedicated public servant.

As all of my colleagues know, Senator PELL has devoted his years in the Senate to many issues of great importance: To foreign relations, where he has served as chairman and ranking member of the Senate Foreign Relations Committee; to bettering the environment; and, of course, to education, where Pell grants to college students have become a household word. I listened to the Senator from New York comment on that yesterday.

Mr. President, the State motto of Rhode Island is just one word—the word ''Hope.''

And from serving in the Coast Guard during World War II, to representing our country in the Foreign Service for 7 years, to serving here in the Senate for three and a half decades, CLAIBORNE PELL has never given up hope on America.

I join with all Senators in wishing Senator PELL all the best as he writes the final chapters in a very distinguished Senate career.

TRIBUTE TO CAL RIPKEN

Mr. DOLE. Mr. President, my mother had a phrase she used to repeat. ''Can't never could do anything,'' she told us. I have tried to live by those words throughout my life, and I want to pay tribute today to someone else who doesn't know how to say ''can't.''

For over half a century, baseball experts have said that one record that could never be broken was the great Lou Gehrig's record of playing in 2,130 consecutive games.

As all baseball fans know, that record was tied last night, and will be broken tonight by Baltimore Orioles shortstop Cal Ripken, Jr.

In every game played by the Orioles since May 30, 1982, Cal Ripken has taken the field and done his job with dedication and with excellence.

No doubt about it, as a baseball player, Cal Ripken is a superstar. But more importantly, he is also a superstar as a human being, a husband, a father, and a role model.

Make no mistake about it, like most professional athletes, Cal Ripken is very well paid. But you cannot watch him play without thinking that he would still be out there, trying as hard as he can, if he was not paid at all.

And Cal's commitment to baseball does not end on the field. As a goodwill ambassador for a game that desperately needs one, he freely gives his time to countless charities, and throughout this season, Cal has stayed in the stadium for hours after games, signing autographs for every fan who wanted one.

I know that all Members of the Senate join with me in tipping our hats to

Cal. May he have as many years on the field as our ''iron man,'' Senator STROM THURMOND, has had in the Senate. He could run that record way up there.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I mention as an aside and not part of the statement that my colleague from Maryland, Senator MIKULSKI, is calling me every 5 minutes, 10 minutes. We are going to try to arrange so that the people who want to be at that game can catch the 5:30 train.

There are Members of the Senate and others who want to attend that game, so we are trying to work out some agreement for the Democratic leader where either we could have debate on welfare reform for those who would be watching it on television, or maybe take up a nomination that has been pending for some time and some of my colleagues on the other side would like to take up. I thank the managers.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

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

RECESS

Mr. DOLE. Under a previous order, we had agreed to stand in recess between the hours of 1 o'clock and 2 o'clock so that my colleagues on the other side of the aisle might have an opportunity to discuss welfare reform. I am advised there are no speakers and no speakers asking for recognition between now and 1 o'clock. Rather than sit in a quorum call, I suggest we now recess until 2 p.m.

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:00 p.m.

Thereupon, the Senate, at 12:27 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GRAMS).

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, it is with enthusiasm I rise to support the Democratic alternative on welfare reform. I support it with enthusiasm because it is firm on work, provides a safety net for children, brings men back into the picture in terms of child support and child rearing, and at the same time provides State flexibility and administrative simplification.

Mr. President, I am the Senate's only professionally trained social worker. Before elected to public office, my life's work was moving people from welfare to work, one step at a time, each step leading to the next step, practicing the principles of tough love.

This is the eighth version of welfare reform that I have been through as a foster care worker, as a child abuse and neglect worker, a city councilwoman, Congresswoman, and now U.S. Senator. Each of those previous efforts in times have failed both under Democratic Presidents and under Republican Presidents. It failed for two reasons. One, each reform effort was based on old economic realities, and, second, reform did not provide tools for the people to move from welfare to work, to help them get off welfare and stay off welfare.

I believe that welfare should be not a way of life but a way to a better life. Everyone agrees that today's welfare system is a mess. The people who are on welfare say it is a mess. The people who pay for welfare say it is a mess. It is time we fix the system.

Middle-class Americans want the poor to work as hard at getting off welfare as they themselves do at staying middle class. The American people want real reform that promotes work, two-parent families, and personal responsibility.

That is what the Democratic alternative is all about. We give help to those who practice self-help. Democrats have been the party of sweat equity and have a real plan for work. Republicans have a plan that only talks about work and can not really achieve it.

Democrats have produced a welfare plan that is about real work, and we call it Work First because it does put work first. But it does not make children second class. Under our plan, from the day someone comes into a welfare office, they must focus on getting a job and keeping a job and being able to raise their family.

How do we do this? Well, first, we abolish AFDC. We create a temporary employment assistance program. We change the culture of welfare offices from eligibility workers to being empowerment workers. Instead of only fussbudgeting over eligibility rules, social workers now become empowerment workers to sit down with welfare applicants to do a job readiness assessment on what it takes to move them to a job, stay on a job, and ensure that their children's education and health needs are being met.

Everyone must sign a parent empowerment contract within 2 weeks of entering the welfare system. It is an individualized plan to get a job. The failure of individuals to sign that contract means they cannot get benefits. Everyone must undertake an immediate and intensive job search once they have signed that contract. We believe the best job training is on the job. Your first job leads you to the next job. Each time you climb a little bit further out of poverty and at the same time we reward that effort.

Yes, this is a tough plan with tough requirements. It expects responsibility from welfare recipients. Everyone must do something for benefits. If you do not sign the contract, you lose the benefits. If you refuse to accept a job that is offered, you lose the benefits. If, after 2 years of assistance, you do not have a job in the private sector, then one must be provided for you in the public sector.

No adult can get benefits for more than 5 years in their adult lifetime, but if you are a minor, you are able to stay in school and receive benefits.

So, yes, we Democrats are very tough on work. Everyone must work. Assistance is time limited and everyone must do something for benefits. If you do not abide by the contract, then you lose your benefits.

What else do we do? We provide a safety net for children. We not only want you to be job ready and work force ready, we want you to be a responsible parent. We want you to be able to ensure that as part of getting your benefits, your children are in school and that they are receiving health care.

Once you do go to work, we will not abandon you. We want to make sure that a dollar's worth of work is worth a dollar's worth of welfare, and while you are working at a minimum wage, trying to better yourself, we will provide a safety net for child care for your children, nutritional benefits will continue, and so will health care. We want to be sure that while you are trying to help yourself, we are helping your children grow into responsible adults.

I do not mind telling people that they must work because I do not mind telling them that they will not only have the tools to go to work, but that there will be a safety net for children.

This is what the Republican bill does not do. It does not look at the day-to-day lives of real people and ask what is needed to get that person into a job.

People we are telling to go to work are not going to be in high-paid, high-technology jobs. We know that that mother who wants to sign a contract that requires her to work will be on the edge when it comes to paying the bills.

She does not have a mother or an aunt or a next door neighbor to watch her kids. She needs help with child care to move into the work force.

The Republican bill does not provide enough money to pay for real child care. Suppose that mother lives in suburban Maryland or Baltimore city or the rural parts of my State? She does the right thing; she gets about an entry-level, minimum-wage job.

She is going to make about $9,000 a year, but will have no benefits. She might take home, after Social Security taxes, $175 a week. But if her child care costs her $125 a week, that leaves her $50 a week for rent, food, and clothing.

So that means, under the Republican welfare bill, it is like jumping off of a

cliff into the abyss of further and further poverty. Our bill wants to help people move to a better life. The Republican bill will push them into poverty through its harsh, punitive approach.

How do we expect this woman to support a family on $50 a week? There would be no incentive to do that. Welfare reform is about ending the cycle of poverty and the culture of poverty. Ending the cycle of poverty is an economic challenge. It means helping create jobs in this country and then making sure that our country is work force ready and that welfare recipients are job ready.

But it also must end the culture of poverty, and that is about personal responsibility, that is about bringing men back into the picture, that is about tough child support, saying that if you have a child, you should support that child and rear that child.

We believe that the way families will move out of poverty is the way families move to the middle class, by bringing men back into the picture, having two-parent households, by ensuring that there are no penalties to marriage, to families, or to going to work.

So, Mr. President, that is what the Democratic alternative is. That is why I support it with the enthusiasm that I do.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I am very concerned about the direction in which the welfare debate is now headed. I come to the floor at this point in time, not to discuss any specific aspect of welfare reform or my views on it. I come, not to cast aspersions on the Republican approach nor to praise the Democratic approach. But I wanted to express my concern that the welfare debate is headed in absolutely the wrong direction, the direction of partisan bickering.

As far as I know, there has been no real effort by the other side, or by this side, to try to work out a compromise solution. We have had our task force. The Democrats have been talking about their approach. I understand the Republicans have had their groups talking about their approach. We now have a bill on the floor. We have a Democratic substitute. Then there is the Republican proposal.

I must tell you, I think this is absolutely the wrong way to go. I think welfare reform is much too important to the American people and to the taxpayers to be caught up in some kind of partisan warfare.

We are tougher than you.

No, we are tougher than you.

We care about kids more than you.

No, we care about kids more than you.

We are going to give the States more flexibility.

No, we are going to give the States more flexibility.

It pains me to see this happen because I believe there is enough similarity between the Republican bill and the Democratic bill to work out a compromise, but not if it is done in the heat of partisan bickering, which I believe is starting to take place right now on the welfare bill.

Several years ago my State of Iowa decided to do something about the welfare problem in our State. We set up task forces, set up pilot projects around the State to try to find out what would work and what would not work. This went on for several years. As a result of these experiments, the State legislature in Iowa a few years ago pulled together a welfare reform bill and passed it through the Iowa legislature.

That bill was passed with the support of conservative Republicans and liberal Democrats. As I have often said, it was supported by Pat Robertson conservative Republicans and Jesse Jackson liberal Democrats. Only one person voted against it, because it was put together in a bipartisan fashion. Folks from both sides of the aisle worked together to fashion a legitimate welfare reform bill.

It passed and was signed into law by Governor Branstad. We have now had about 2 years of experience with it and it is working. We now have the distinction in Iowa that we have a higher percentage of people on welfare who work than any State in the Nation—Iowa. We doubled the number of people on welfare who work. Doubled—went up by almost 100 percent. Our caseload is down. And the expenditures per case are also down by about 10 percent.

So the number of people on welfare is down. The cost per case is down. The number of people working is up.

Last of all, of the States that have gone out and tried to do welfare reform, Iowa, according to a New York Times article that I read, Iowa is the only State that has actually cut people off of welfare. It is the only State that said, ''Here is a contract. We signed the contract. If you, welfare recipient, do not live up to your part of the contract, it ends.'' Iowa has done that.

I do not believe Wisconsin or any other State has been touted as having done such a thing. So it is working in Iowa.

I say that because it was not done in a partisan fashion. It was done in a bipartisan fashion. I believe for welfare reform to work nationally, it must also be done in a bipartisan fashion. That is why it pains me to see what is happening on the floor of the Senate today.

I was looking in the Congress Daily of Wednesday, August 9. It quoted the majority leader, Senator DOLE. It said that Senator DOLE said that President Clinton and he were talking privately a couple of weeks ago about working out a bipartisan solution on welfare reform. DOLE said, ''He pulled me aside and asked me if there was a chance and acknowledged that there are some similarities between the Democratic and GOP bills.''

I took that at face value. So on that same day, August 9, I wrote a letter to the majority leader and to the minority leader, Senator DASCHLE. I am going to read for the RECORD what I said in that letter.

I said:

DEAR MR. MAJORITY LEADER: I am writing you regarding our extremely important efforts to reform the welfare system. We clearly have agreement that the current welfare system is failing those on it and taxpayers who have to support it and it needs fundamental reform. You have put forward a comprehensive reform plan, the Democratic leader has done the same, Senator Bond and I have introduced a plan as has Senator Gramm and other of our colleagues. And while there are significant differences between our plans, I feel strongly that there is enough common ground that there is no good reason why we can't fashion a bipartisan approach that would garner overwhelming support in the Senate and among the American people.

In Iowa, we did just that. Democrats and Republicans worked together, ironed out their differences and came up with a bipartisan plan. It passed with just one dissenting vote in the legislature and was signed into law by Governor Branstad. And it is working. The number of welfare recipients working and on their way off welfare is up 93 percent. And welfare awards and total payments are down.

I feel strongly that we should not let welfare reform fall victim to politics. As I'm sure you agree, the American people don't care what political party reforms welfare; they just want it done. They want to be assured that their tax dollars are being spent responsibly. I'm concerned that if we don't begin now working together to iron out our differences that when we come back in September we may be no closer to agreement than we are now and the chance for bipartisan agreement lost. Therefore, I ask that before we leave for recess you and the Democratic Leader appoint a bipartisan task force to begin work on forging a welfare reform bill that has strong support across party lines. I believe this would be constructive and could well lead to a package of tough, effective reforms emphasizing work of which we can all be proud.

Thank you for your attention to my request. I look forward to your reply. I am sending a similar letter to the Democratic Leader.

Mr. HARKIN. Mr. President, I did not hear back from either the majority leader or minority leader. I do not say that in any way derogatorily. I know we have been gone. People have been busy. That is not my point. My point is that I still urge the majority leader and the minority leader to step back just one step. I request that the majority leader appoint six people and that the minority leader appoint six people and that they take the remainder of this week and this weekend to see if we can work out a bipartisan approach, to see if they can agree on something and bring it back to us the first of next week.

I believe this would be the best approach to take. I think we could step back from this partisan bickering that we are going to encounter here in the next few days. It is going to come. I think we already hear the opening strains of it—this bill is better than yours, this and that. The American people are sick and tired of that kind of partisan bickering, especially when

it concerns welfare. I believe there are enough similarities that we can work out a bipartisan agreement. It will not be all of what we want. It will not be all of what you want. But I believe it can garner enough support to be a truly bipartisan effort.

On August 7, I read again for the RECORD, Senator BREAUX from Louisiana had the following statement. He said:

> ''I think we ought to work together.
>
> So we have a decision to make as to whether we are going to cooperate and work on this together—
>
> Meaning welfare reform.
>
> or make political points and get nothing done. That is an option. But if that option is exercised, I suggest the real losers are the American people and the American taxpayer. We will make short-term political points for short-term political gain. But in the long run, the real losers will be the taxpayers and those who are on welfare who will not have had an opportunity to have a program passed in a bipartisan fashion.

Mr. President, as I said, the State of Iowa, of which I am proud to represent, did it in a bipartisan fashion. It showed that it could be done and showed that it can work.

Why is it that we cannot do it here? Why can't the majority leader and the minority leader appoint five or six people each? We have business on our calendar that we can spend the rest of the week on. We have appropriations bills and other things that we can consider in the meantime.

I repeat: There has been no serious effort in the Senate to reach some kind of bipartisan cooperation on welfare reform. I am not blaming that side. I am not blaming our side. I am just saying that it is a fact. Neither side has tried to reach across the aisle to form a bipartisan consensus. But I think that is what we ought to do.

I suppose maybe it is too late now. I do not know. All I can say is, I take this time to express my concern about the direction this debate is headed.

I wish an amendment were possible or something. I guess the tree is full. No amendments are possible. I wish there was some way we could express ourselves with a Sense-of-the-Senate resolution to get a bipartisan group together to work on this.

I think it is too bad. I think the losers are going to be the American taxpayers and the losers are going to be people on welfare because it is going to be caught up in partisan bickering. Partisan shots being taken here on something I consider to be equally as important as the health care debate or anything else we debated around here.

I guess maybe I would not feel so strongly about it had I not seen what had been done in the State of Iowa 3 years ago when both sides reached across the aisle and worked out a bipartisan welfare reform program. And the fruits have shown that it is working.

I do not think any welfare reform bill can work unless it has that same kind of bipartisan support. So again I call upon the majority leader and I call upon the minority leader to step back one step, appoint six people from each side, and let us take the rest of the week to see whether or not we can reach some kind of bipartisan agreement and bring it back on the floor next week. If we could do that, we would save ourselves a lot of time and we would save a lot of partisan bickering, and I think the American people could at last be justly proud of something that the Senate is going to do this year.

Mr. President, I want to take some time here for a second, because I want to demonstrate what happened in the State of Iowa with welfare reform. As soon as I get my easel set up here, I want to show it for the record here. I apologize to the President for taking the time, but I want to show graphically basically what had been done in the State of Iowa here.

First of all, in the State of Iowa, these lines show what has basically happened with our cash welfare grants. The yellow line is 1994; the green line is 1993; the blue line is 1992. We can see that the cash welfare grants have basically stayed about stable over these years.

Look at what is happening now under the new programs since Iowa passed this. It is going down, constantly going down. The total expenditures have gone down considerably since we passed our welfare reform bill. This is one measure of how it is succeeding.

Now, again, I mentioned we now have the distinction in Iowa of having a higher percentage of people on welfare who work than any State in the Nation. Prior to the welfare reform bill passing, we had about 18 percent of the people on welfare working. We now have about 35 percent. I mentioned it is about a 100 percent improvement on that, people on welfare working. They get the jobs skills they need to get off welfare. So in terms of workfare, it is working. Here is the caseload.

I think this chart is interesting, Mr. President, because it shows what everyone in Iowa understood. Both Republicans and Democrats, conservatives and liberals, understood that in changing the system, there was going to be an increase in the caseload immediately. Everyone knew that, and they accepted that. Because, for example, prior to this point in time, if you had an automobile worth more than $1,500, you were not eligible for welfare. We took a lesson from the State of Utah. Utah had gotten a waiver to allow persons to have a car valued to $8,000 and still be on welfare. We raised ours to $3,000. So there are a lot of people that maybe had a car worth $2,000 or $2,500 or $3,000 before that were not eligible. Now they are eligible.

So this is why this caseload went up. We knew that was going to happen in the beginning. But we were confident enough in our bipartisan approach that we knew once that happened initially, it would come down drastically. And that is exactly what has happened. Our total caseload over the last 2 years has gone from around 36,000 down to around 34,000. So the number of people, the total number of people on welfare has dropped after that first initial increase.

I mentioned the average grants were down. The average grant per family has gone now from $373 down to $336. That is over a 10-percent decrease, I guess, in the average grant per recipient.

So the caseloads have gone down, and the average per family has gone down, and the number of people on welfare has declined. I think this is really the most important one of all: The number of people on welfare who are working has almost doubled.

So, again, that is what happened in Iowa. But I think it only happened because people on both sides of the aisle got together and did it in a bipartisan fashion. And that is what I hope we will do here. I do not think it is too much to ask that—today is what, Wednesday—Thursday, Friday, over the weekend, next Monday, a bipartisan group from both sides of the aisle get together, appointed by the respective leaders, and report back a bipartisan approach to this.

If not, then I am afraid the remainder of this week and probably the first of next week, we are going to be involved in some very serious partisan bickering—who is going to be toughest, who is going to be the best for kids, and who is going to be the most lenient on States, on giving States flexibility. There will be a lot of hot rhetoric and a lot of partisanship. And in the end, the American taxpayers and the people on welfare are going to lose.

So I just make one final plea to the majority leader and to the minority leader to appoint six people each, work it out in a bipartisan fashion, and report it next week. And let us take it off the partisan table.

I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I think we all would like to have a bipartisan approach to welfare reform. I, for one, am a little discouraged.

I remember the President's rhetoric in the campaign when he talked about changing welfare as we know it. For 2½ years, as my colleagues will remember, we waited to see the President's welfare reform bill, to see how he was going to change welfare as we know it. And when we finally, after 2½ years of prodding, got to see the bill, it had three characteristics that came as a shock to most people.

First, it spent more money; second, it provided more benefits to more welfare recipients; and, third, it hired more Government bureaucrats. I do not believe that is what America has in mind when America is talking about reforming welfare.

Now, in my mind, there are really two issues in welfare reform. One issue, and the most important issue, had to

do with the people who are involved. I want to change the system because never in history have we taken so much money from people that are pulling the wagon and given so much to people riding in the wagon, and made both groups worse off simultaneously.

Since 1965, we have spent $5.4 billion on our current welfare system, and since nobody knows what a trillion dollars is, let me try to convert it into English. If you took all the buildings, all the plants, all the equipment, and all the tools of all the workers in America, they would be worth slightly less than what we have spent on all means-tested welfare programs since 1965.

What has been the result of this massive expenditure of money? Well, the result has been that we have made mothers more dependent, we have driven fathers out of the household, and we have denied people access to the American dream. If we love these people, if we want them to be our equals, not just in theory but in fact, it seems to me that we have to reform the welfare system. And I am hopeful in the end we will have bipartisan votes in making that happen.

Here are the reforms that I think we need. I think we need a mandatory work requirement. I think able-bodied men and women on welfare ought to get out of the wagon and help the rest of us pull. If the best job somebody can get in the private sector pays $4 an hour—there is dignity in working at $4 an hour—we can supplement their income, but they will be contributing toward their own independence, toward their own well-being.

If somebody cannot get a job in the private sector, then they can pick up trash along our streets, they can help clean up our parks, they can wash windows on our public buildings. But, again, they will be participating in the communities they live in. They will be part of building a better country. And I believe that they will be richer, freer, and happier for it. I think able-bodied men and women ought to have to work the number of hours that their welfare check will bring at the minimum wage.

When we started this debate, which has largely been a debate among Republicans, unfortunately, we did not have a binding mandatory work requirement in the bill, we did not have a pay-for-performance provision in the bill. So from the point of view of the Federal Government and a mandatory work policy, we had a peculiar situation where we asked people to work; but if they did not work, we did not have a mechanism that took away their check.

I am proud to say that has been changed. We now have a very strong work requirement. I am very proud of that. I am very supportive of it.

The second thing we need to do is to stop inviting people to come to America to go on welfare. People ought to come to America with their sleeves rolled up ready to go to work, not with their hand held out ready to go on welfare.

The original bill that came out of the Finance Committee continued to invite people to come to America to go on welfare and literally would have allowed someone to come to America today as a legal immigrant and go on welfare tomorrow.

I am proud to say that after a tremendous amount of work, that that is something that we have changed. Our bill now has people come to America to work, not to go on welfare, and I think it is a dramatic step forward.

We do have a dispute about how large the scope ought to be of block granting. Should we just give AFDC back to the States and a few training programs, which is what the current bill does, or should we give food stamps, housing subsidies, all training programs back to the States and let the States run them? That is something we are going to have to settle on the floor of the Senate. I think the more leeway we give to the States, the more flexibility we give to the States, the better we are going to do.

The remaining issue that prevents us from having a consensus among Republicans in the Senate—which is an indispensable ingredient, in my opinion, to building a bipartisan consensus and passing this—bill, is, what do we do about illegitimacy? I believe this is the biggest problem in the bill.

One-third of all the babies born in America last year were born out of wedlock. Under the current trend, illegitimacy could be the norm and not the exception in America by the turn of the century. I think anybody who is not frightened by this prospect fails to understand that no great civilization has ever risen in history that was not built on strong families. No civilization has ever survived the destruction of its families, and I do not believe America is going to be the first.

We have a system today that subsidizes illegitimacy. If someone is on welfare and they take a job, they lose their welfare. If they marry someone who has a job, they lose their welfare. But if they have another baby, they get more cash payments.

I am totally committed to the principle that we have to break the back of illegitimacy in America. We have to give people incentives under the welfare system to be more responsible. We have to stop giving people more and more money to have more and more children on welfare. I think this is an indispensable ingredient.

No one is saying that when children are here and they are needy that we are not going to help them. No one is saying we are not going to provide children with services and with goods. But what we are saying is, it is suicidal to go on giving larger and larger cash payments to people who simply have more children on welfare in return for more and more cash money. That is a system that has to be changed.

We also have to do something about the perverse incentives that exist today where a 16-year-old can escape her mother, can get almost $14,000 in pretax equivalent worth of income simply by having a baby. By having a baby, they can qualify for AFDC, food stamps, housing subsidies, gain independence of their mother and then gain additional cash payment by having more and more children.

This is a system that has to be changed, and, again, the objective is to change behavior. When babies are born, we want to help them. We want to give them services, we want to give them goods, but we are not going to continue to pay people cash money in return for having more and more children on welfare.

This is an area where there is a deep division in our party. I believe there is room for consensus. I am willing to work with other Republicans and with Democrats to find that consensus. But we are not going to end welfare dependency in America unless we want to deal with illegitimacy. This illegitimacy problem creates a permanent demand for welfare, and if we are going to deal with the problem, if we are going to end welfare dependency in America, we are going to have to do it by addressing illegitimacy. You cannot reform welfare, you cannot, in the President's words, ''end welfare as we know it'' unless you are going to deal with illegitimacy.

I am committed to the principle that we have to end welfare as we know it. I share the President's commitment. His program does not fulfill his commitment, something not unusual in Washington, DC, but I believe illegitimacy has to be addressed. A welfare bill that does not address illegitimacy is not worthy of its name.

I yield the floor.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I thank the Presiding Officer.

Mr. President, I urge the Senate to improve the welfare reform bill before us by voting for this very important amendment known as ''Work First.''

Before the August recess, it was a relief that the majority leader agreed to wait until September for us to debate welfare reform so we have some time. This is not a subject where we should pretend that legislating is like ordering fast-food. Welfare reform is about very serious issues—the budgets for the States we represent and how many billions of dollars will be spent or cut from those budgets; the rules qualifying families for assistance or denying them assistance; the safety net for children, and whether it will survive; and other difficult questions about taxpayers' dollars, people's lives, and yes, values. The Senate should take the time to produce legislation that justifies the word ''reform'' next to the word ''welfare.''

I hope that the recess provided time for each Senator to reflect on these

major questions that we have to answer when we act on welfare reform. I hope we will do that with our heads and our hearts. I hope we will think about the stakes involved in welfare reform, for the people we represent, for our States, and for children.

For a long time, I assumed welfare reform would be one of history's endeavors that both Democrats and Republicans in the Senate would produce together. After all, we presumably want changes in the welfare system to take root and bring about real, long-lasting results that most Americans expect from all of us.

And let me be clear, the Congress and President should deliver on welfare reform. It has been 7 years since we enacted any kind of significant change to the welfare system. We know it is time to attack the problems with welfare again, with much more emphasis on personal responsibility and on work. This is our chance, but with an obligation to deal with realities.

When I think of what West Virginians expect from welfare reform, the answers are in this amendment, the Work First plan. It does something Democrats sometimes have a hard time doing. We want to bury the past. Out with the confusing name for welfare assistance, AFDC. Out with welfare's invitation to some people to live on the dole forever, while their fellow citizens struggle to make ends meet by working and scrimping. Out with the excuses for not working when you can work.

Simply put, Work First ends welfare as we know it, and creates a new but temporary assistance program for parents with children. A fundamental change will be made from the first day: Work First requires parents to sign a tough contract—a Parental Empowerment Contract—in order to get benefits. This way, every parent will know from the beginning that the rules and expectations are completely different. Work First will require work from every able-bodied parent, but also offer job placement, training when necessary, and child care so that the work requirement can be met in the real world.

Work First is tough, but fair. We expect parents to work, but we also expect America to still be a place that protects its children—the majority of our population that gets help through welfare spending, and who are getting forgotten and ignored in the political halls and talk shows where welfare is debated. As any parent knows, children need decent shelter, clothing and food, and Work First includes the mechanism—through vouchers—to care for some of these needs. We should not be punishing innocent children because of their parent's irresponsibility or bad luck.

Work First also retains the partnership between the Federal Government and States. The country as a whole has a stake in the future of each and every child regardless of where a poor child is born—in the hollows of West Virginia or the neighborhoods of Houston, Chicago, or Kansas City.

Also, simply converting welfare spending into 50 or more block grants for the States is not exactly real reform. I can completely understand why some Governors in office for the next few years are eager for the money. I was a Governor for 8 years, but I also remember what happened in my State when the block grants created by Congress in the early 1980's stopped keeping up with need, by design. That is when Governors have to find other programs to cut or raise local taxes or just watch people and small children show up on the grates.

Having been a Governor, I want to see a welfare reform bill pass that gives States a lot of flexibility. But I also think some basic principles should hold in every State. The entire country should take on the same challenge to promote work, responsibility, and protect children.

This alternative before the Senate, Work First, is tough where Americans say they want welfare to be tough. Actually, back in 1982, when I was Governor, I struck a tough, but fair deal with many of the adults getting welfare in West Virginia. With our high unemployment then, I said if you cannot get a paying job but still need a welfare check, fine, work for that check. The term is ''workfare.'' West Virginia's experience is also a reminder that we do not have to demonize everyone on welfare. Many of the West Virginians in my State's workfare program said they liked the approach. They hated having to resort to welfare, and with something productive to do—from cleaning streets to jobs in government offices—they felt better about themselves. Again, let us be sure we remember that a lot of people are on welfare out of desperation. If they can get the basics—certain skills, some information, some child care—they are going to work.

I know it is tempting to just pretend that everything will get better if we just send a check, with no-strings attached, to Governors. It would be nice to pretend that Governors will just take care of it. It is not that easy.

I do not think we should talk down to Americans about what it takes to get real results from welfare reform. Poor mothers and fathers need child care just as much as the middle class. Think about it—we put parents in jail for leaving their children alone at home.

Some poor Americans simply have to get more education and job skills, too, so they qualify for jobs that earn a decent living for the rest of their lives. And when it is time to cut off the parents, it is not right to pretend children do not exist.

There are differences between the majority leader's bill before the Senate and this Work First amendment. Differences with real, human consequences. Differences in how honest we are willing to be about what it will take to deliver on the promises and the political rhetoric of welfare reform.

Americans are not exactly crusading for block grants as the prescription for welfare. They are expecting more than just a different place to send the money. We are here to think about the kind of country we can be and should be. We are here to be honest about what it will take to move millions of poor Americans from welfare to independence. And I think we are here to regard every child in this country as important as the next one, no matter what State he or she happens to grow up in.

The Democratic plan, Work First, has some essential elements, including honesty about what it takes to achieve real change in the welfare system and how to keep children from being the ones punished. I hope it will get a serious look from everyone in this body over the next days or however long it takes us to finish this legislative debate on welfare. If there is a middle-ground, let us find it and work out our differences. And I urge every Governor to take a close look at these issues again—and think about the next 10 to 20 years in our States, not just the next couple of years. If welfare reform turns out to be Congress' slick, painless way to slash the Federal budget and leave States holding the bag, we are leaving some painful work for our successors and for the people in our States.

We still have a chance to pass a bill to be proud of and one that is honest about welfare, poverty, parental responsibility and other values, what it takes to work, and the children, who are two out of three people on welfare. That is what should determine our votes and action before reporting to Americans that we have passed a bill that actually reforms welfare.

The PRESIDING OFFICER. Who yields time?

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

Mr. BREAUX. Will the Senator withhold?

Mr. CHAFEE. I will be glad to.

Mr. BREAUX. I ask the Presiding Officer, what is the order of the day at this point?

The PRESIDING OFFICER. There are no restrictions on debate.

Mr. BREAUX. No one is in charge of time?

The PRESIDING OFFICER. There is no control of time.

The Senator from Louisiana is recognized.

Mr. BREAUX. Mr. President, I will take this time in order to make some comments about where we are and what I hope the ultimate result will be.

I want to start off by saying there is no disagreement that the welfare situation in this country is a mess. There is no argument from any Democrat that I know who would stand up on the floor of the Senate and say welfare programs are just fine and we should not do anything to change any of them.

I think most Americans, whether they be independents, Democrats or

Republicans, would agree with the statement that welfare does not work very well for those who are on it, nor does it work very well for those who are paying for it. It is a program that really cries out for major reform. I think that is what this body is charged with doing, coming up with a reform package that we can send to this President that he will sign, so when this Congress draws to a closure, we can say one thing that we did that will benefit future generations and the very stability of this country is that this Congress, when we had a chance, was able to come together in a bipartisan fashion to reform the current welfare system, which we all agree does not work.

It does not work, as I said, for the people who are on it nor for the people who are paying for it. Therefore, there is no disagreement on the fact that we have a major problem facing us and that we should do something about it.

Then, of course, the question that divides us is how do we go about reforming the system? Some have said we in Washington, working with the States in the past, have not solved the problem so we are going to give it all to the States. We are just going to walk away from the problem. Let us think of a phrase we are going to call it. How about block grants? That sounds pretty good. People like that term. Let us say welfare reform is going to be a block grant. I think most Americans would say, ''What do you mean?'' They will say, ''The Federal Government has not solved the problems, so we are going to let the States do it.'' I guess most people would say that makes sense. The Federal Government has not solved it so let the States do it.

Let me talk for a moment about that. This is a problem that cannot be solved by the Federal Government here in Washington by ourselves, nor can it be solved by the State governments, nor the county governments nor the city governments, nor in my State of Louisiana by the parish governments by themselves. This is a problem that cries out for all branches of government, Federal, State and local, working together, to come up with a real solution.

Block grants are like taking all the problems that we have with the welfare program and putting them in a box, then wrapping it all up, tying a bow around it, and then mailing that box of problems to the States, saying: Here, it is yours. It is a block grant.

It is a block grant of problems with less money to help solve those problems. That, I think, is not a solution. It is an additional problem. The real solution is to say that each State, of course, is different. I have heard my Republican colleagues say that. I totally agree with that. States should have the authority to be innovative. What works in my State of Louisiana may not work well in the State of California. What works well in New York may not work well in Florida or Louisiana or any other State. So, clearly, each State has an absolute right and a need to be able to be inventive and to be able to come up with solutions to the problems that are unique and will work in that State that may not work in some other State.

But that does not mean the Federal Government walks away from any responsibility to participate in solving the problem. What some would suggest is that a block grant means we in Washington are going to have to raise the money and pass the taxes and then ship the money to the States and say, ''Do what you want with it, it is a block grant; no restrictions, almost no guidelines, and spend it as you want.'' That is an abdication of our responsibility as legislators who are looking after the interests of the American taxpayer.

I admit we in Washington have certainly not solved the problem by ourselves very well. I admit the States have not solved the problem by themselves. Therefore, I would argue that any solution has to be a joint venture, if you will, a partnership, if you will, between the States coming up with their best ideas about what fits and the Federal Government coming up with our ideas and the financial help in order to solve those problems. It has to be a partnership. It cannot be a walking away and shipping the problem to the States. That is the first point I want to make.

The second point is that the States have to participate. We use this phrase, ''State maintenance of effort.'' There are some, particularly my Republican colleagues, who advocate we are going to let the States pretty well do what they want with this block grant but then we are not going to require them to put up any money.

States have always, in the true partnership, had to participate in solving the problem. That means raising local money through their tax system, putting up a portion of the money going into the welfare program so it can be used to help solve the problem, matching it with Federal funds. The Republican proposal, as I understand it, says no, we are not going to do that. The State does not have to put up anything if they do not want to. They can just walk away from the problem financially and say, ''We are going to take all the money from the Federal Government. We are going to do what we want with it. And, by the way, the money we used to spend on welfare, maybe we will pave the roads this year, or maybe we will give all the State employees a raise this year. Maybe we will build some bridges this year. But we are not going to use it for the people who are in poverty in our own State.''

That is not a partnership. That is an abdication of the responsibility that I think that we have, as Federal legislators and State legislators, to work together to solve the problem.

There should be a clear maintenance of effort by the States. We in Washington cannot say you have no obligation to do anything. That is a defect that I think is very clear in their proposal which needs to be worked on. We will offer amendments to say the States have to be able to participate in helping us solve the problem. We cannot be responsible for raising all the money and the States have no requirement to do so and expect that to solve the welfare problem in this case.

In addition, one of the other concerns I have is that the legislation the Republicans are proposing takes middle-income job training programs and makes them into welfare programs. Why, I ask, is it appropriate for programs that work to help dislocated workers, to help in vocational-technical training schools that train people, students in this country, programs that are used for dislocated workers who everyday are finding their job is taken away from them through downsizing, and we have programs to help retrain and relocate those people—why are we taking those type of programs, which are basically programs that have done a wonderful job to help middle-income families in this country, and make them into welfare programs? I think that is a serious, serious mistake.

Do we need to reform those programs? Do we need to consolidate them? Absolutely. But we do not need to turn job training programs into welfare programs. It does not fit. It cannot be forced to fit. You cannot put a round peg in a square hole no matter how hard you push, without doing grave damage to the block that you are trying to push it into. And the same thing, I think, happens here.

Their proposal tells middle-income families that have had to get retraining because of dislocation and being laid off that all of a sudden those programs that were meant for you are going to be used by welfare recipients and you are going to be left out. What about the middle-income families that those programs were designed for when they find out these programs all of a sudden are going to be turned into welfare programs? I think it is bad policy. It needs to be corrected. It is not a solution to the problem. In fact, it aggravates the problem, and it needs to be addressed.

Child care is another concern I have that I think we have to address very seriously. How do you tell a teenage mother with two children, we are going to make you go to work but, by the way, there is no money for child care? There is not a Governor that we have talked to, Republican, Democrat, independent, or maybe not certain what they are, that has not said that this is a very serious problem. It is a serious defect in the Republican proposal, to require the States to put three times more people to work but to give them less financial assistance in order to make it happen, to give them less money or in fact no additional money whatsoever to pay for child care.

What is going to happen to the children? Who is going to take care of a 2-year-old or a 1-year old if we put the mother into a job, which I think is absolutely essential? The best social program we can pass is a good job. But with that requirement that someone goes to work, there is going to be an obligation somewhere that somebody does something with the children. Are they going to be left home alone, unsupervised, getting into trouble, or causing more problems from the standpoint of health than they were before?

So they have a very serious defect in the sense that the child care provisions are very deficient. It is one thing to say we are going to put three times more people to work. But you cannot do that unless you address what is going to happen to the child care provisions. That needs to be addressed. It needs to be worked on. It cannot in fact be a real reform bill unless child care is addressed.

Another issue is the so-called family cap. I have heard some Members give speeches that it is time for people who have been riding in the wagon to get out of the wagon and start helping pull the wagon. That is a nice little phrase, and it sounds pretty good. But when you are talking about throwing babies and children out of the wagon into the street, that is not what America is all about. That is not what this country stands for. Sure, make the people who can afford to pull the wagon, who are strong enough to pull the wagon, go to work. There is no problem with that. But do not throw babies and children out of the wagon into the street and say that is welfare reform. That is not.

Children and babies do not ask to be born. They did not ask to come into this world. There is a parent somewhere—in fact, two—that had something to do with bringing that child into this world. Punish them. Require them to go to work. Require them to take training. Require them to be responsible. Force them to live in adult supervision. Force them to live with their parent or parents if there are some. But do not penalize the innocent child who did not ask to be born. What kind of a country are we that we are going to say if you are a teenage mother and you have another child, you are not going to get any help for the child? Why penalize the child? That is creating more problems, not solving any problem.

So I suggest that this is a major defect with the Republican proposal that has to be addressed. I cannot imagine any Member of this institution saying they are going to reform welfare by telling a newborn baby that it is not going to get any help because its mother made a mistake and it has been born into this world, and they cannot afford to take care of it. So it is out of luck. Go into an orphanage, or be put up for adoption. I think we have to be wiser than that in seeking solutions to what welfare reform ultimately has to be all about.

So that does not solve the problem. That is a defect in their proposal to say that we are going to solve the illegitimacy problem in this country by terminating any assistance to people with babies who are born into this world. That does not stop illegitimacy. That does not help solve the problem. It creates more problems, not less. It absolutely has to be addressed.

While I said what I think is wrong with the pending Republican proposal, I do think that there is a recognition in a bipartisan fashion that we have to do something. Our plan is called Work First. It abolishes AFDC. It starts off by saying there is no more AFDC. Every time a person comes into a welfare office, they have to sign an employment contract in order to receive any benefits. That contract is going to require them to do certain things. It is going to start moving them into the work force.

We put time limits on how long someone can be on welfare assistance in this country, but we protect the child. We protect the children. We protect the babies who are born into this world. Require the mother to live at home, or require the mother to live in an adult-supervised home if there are no parents. Require them to move into the work force. Put on time limits. Yes, do all of those things. But, yes, also provide child care as we require people to move into the workplace, as we do that.

So it is one thing to sound tough and to talk tough. But as we all know, talk is cheap. It does not solve the problem. This problem is not going to be solved on the cheap. It is going to be solved only with thoughtful ideas and tax dollars being spent more wisely than we have spent them in the past in a recognition that we do need to make some dramatic changes.

I want to say something else, too. I will conclude with this: As I said in the beginning, this is a problem that the Federal Government cannot solve by itself and the States cannot solve by themselves. This is a problem that Democrats cannot solve by ourselves and Republicans cannot solve by themselves because we do not have enough votes, quite frankly, to pass our bill without some help from the other side. On the other hand, I suggest that the Republican Party does not have enough votes to pass this bill that will be signed into law without our participation.

So we are sort of joined together because we have to be. We have a choice here. We can start talking to each other. We can start cooperating on some of these key issues that I mentioned. We can see where we can come together and devise a proposal that makes sense that can be adopted. It may not be everything that I want or the distinguished senior Senator from New York, Senator MOYNIHAN, the manager of the bill, wants; or it may not be everything that the Republican leader or Senator CHAFEE, who is on the floor, wants. But I think there is enough common ground here to help address these differences in a way that we get a compromise that works. By the way, compromise is not a dirty word. It is a coming together of different opinions in order to accomplish something that makes sense.

Therefore, when we talk about fair compromises in the interest of solving the ultimate problem, that is what this body is supposed to do. Very few times in this world in anything do we get our way all the way all the time. And this legislation, welfare reform, which is so important, is an area that cries out for some bipartisan cooperation, working out our differences, because I am afraid that if we do not do that, we will do nothing. If we are not willing to meet somewhere in the middle on these difficult problems, we will have accomplished absolutely nothing.

Some will say, ''But we have a good issue for the next election.'' I suggest that the best issue for all of us is passing a real welfare reform bill that gets the job done.

I think all of our colleagues on this side are ready, are willing, and I think we are able to sit down in the sense of compromise and come up with a proposal that in fact gets the job done.

With that, at this time, Mr. President, I yield the floor.

Mr. MOYNIHAN. Mr. President, may I just express the appreciation of all Members on this side, and I think on both sides, for the thoughtful comments of the Senator from Louisiana. He has worked so very hard on the bill now before us as a second-degree amendment that Senator DASCHLE and he and Senator MIKULSKI have put together. It is an effort to meet concerns that are shared on both sides of the aisle. He is right. We have succeeded in moving this subject forward when we have been together.

The Family Support Act passed out of this Chamber 97 votes to 1. We had a clear consensus, a clear set of agreements. And we have been hearing repeatedly on the floor of programs that State governments have put in place which seem to be taking hold.

The Senator from Iowa was speaking just a few minutes ago about the proposal of Iowa, which passed, as he said, 98 to 2 in their legislature. That is the program under that Family Support Act with bipartisan support that came from this Chamber out to the States. We have something to show. It would seem such a loss to give all of that up at this point.

I thank the Senator. I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I want to join with the Senator from New York. Those were very thoughtful remarks by the Senator from Louisiana. I hope we can get a bill out of this Senate that will really

make some real progress in welfare reform. So I think the Senator from Louisiana has made a constructive contribution. I express my appreciation to him.

Mr. SANTORUM. Mr. President, I want to add my kudos to the Senator from Louisiana for his comments. I share his sentiment that welfare reform needs to be bipartisan in nature. And we have had discussions off the floor that both sides have moved from the initial introductions of legislation, even here in the Senate, and have moved more together.

I think the Dole bill, as introduced, comes more toward a common ground. And I hope—in fact, I am optimistic—that with some refinements, we can get bipartisan support for the Dole package. I admit that the Democratic leader's package has moved significantly from past welfare reform efforts that we have seen here on the Senate floor from the other side of the aisle. That is a constructive move in the direction of real reform.

I have a few questions, if the Senator from Louisiana will just take a few questions, about the bill that is on the floor. I know he was very involved in drafting it.

I guess it is more of a concern that I have where I sort of see that the bill falls a little short, and where we might be able to move again in a more constructive way forward.

Let me start out with three basic areas. One is the exemptions to the new Temporary Employment Assistance Program. The Temporary Employment Assistance Program is a new program replacing the old AFDC program, which is the Aid to Families with Dependent Children Program, which generally is conceived as welfare, the cash grant to a mother, in most cases, single moms with children. That program is eliminated under the Democratic leader's bill and replaced with what is called the Temporary Employment Assistance Program. But in the bill, there is provided a whole laundry list of exemptions to the time limit on that program.

I guess I have a problem that the exemptions are so broad that it looks, to me, that there are very few people who would actually be limited in time, under this program, to the 5 years. And let me just read through some of the major exemptions.

No. 1 is an exemption for high unemployed areas. High unemployed areas in the bill is defined as an area that has an unemployment rate of 7.5 percent or higher. I believe just about——

Mr. BREAUX. Will the Senator yield? It is 8 percent.

Mr. SANTORUM. OK.

Mr. BREAUX. We changed the date.

Mr. SANTORUM. That is under the revised legislation. I know even at 8 percent, because I have seen figures, most major communities, at least in 1994, would not have met that criteria, and would have been over the 8 percent. So no recipient in that city, for the period of 1994, anyway—and my staff is now looking to see how far back that goes—no person who lived in the city of New York, for example, would have had any of that time they spent on welfare count toward that 5-year limit.

I know there are many cities that have had unemployment rates of over 8 percent far back for many years, and none of the people would be considered as time limited.

Many of them would——

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. I see that as a problem.

Mr. BREAUX. I think the discussion is good. What our Work First bill says is we require people to go to work. We know that if you live in a high unemployment area—we pick 8 percent because that is the same number that applies in the food stamp program. That is why we adjusted it to 8 percent. But we do not think it makes any sense to push a young mother out into the street if there are no jobs available in that area. These people, however, would operate under the same rules as everybody else. They are expected to engage in job search. And if, after 2 years, even in this high unemployment area, they are not working, they are then expected to perform workfare, community service in return for their welfare benefits.

So when we are saying there are some areas where there are not any jobs available, these people still have to engage in job search. And then, after 2 years, if they are unable to find a job, they have to perform community service or engage in workfare in their local community. They still have to do something, in other words, to get the benefits.

Mr. SANTORUM. Would that be part of what we would consider your—I guess it is called the Work First employment block grant? Would that be under the Work First employment block grant, after the 2-year transition in that program?

I am just trying to understand.

Mr. BREAUX. It is a legitimate question.

The short answer is yes, it is a requirement that after the 2 years, they have to engage in community service, workfare programs, located in that community.

In other words, what we are saying is there is no free lunch. They are not going to be able to continue receiving benefits for not working if they are capable of working.

Mr. SANTORUM. Even if they are in a high unemployment area—I am going through the other exceptions here—even if their children are living with other than a parent; even if you have a child who is ill or incapacitated, irrespective of all of these exemptions, after 2 years, you have to go into some sort of community work program?

Mr. BREAUX. I would say this is one of the areas that perhaps we agree on, State flexibility, because the State would have the flexibility to make that determination on what best fits the people in their State, would have the flexibility to determine the conditions and the time restraints that would be effective in their particular States. Some States may be different than others.

Mr. SANTORUM. Does that apply just to those exemptions or the high unemployment exemption also, so if the State of New York, for example, did not want the people to go to work in New York City? Or is that an automatic? Is there no State flexibility there?

Mr. BREAUX. The point I make in response is that in the high unemployment areas, the 8 percent or above, they have to go to work. I mean, that is a requirement. They would have to engage in workfare or community service or whatever.

Mr. SANTORUM. Now, my understanding is also that one of the limitations on this workfare program is that after 2 years, you then go into the Work First employment block grant program, which requires you to perform—is it 20 hours, is that correct, 20 hours of some sort of work?

Mr. BREAUX. Twenty hours. It actually goes into effect not after 2 years; it goes into effect after 6 months. So that is a requirement that starts from the very beginning of the program after 6 months, not after 2 years. The community service, the 20 hours of community work or workfare in their local community, is something that is kicked in very early in the program, not after 2 years, but after 6 months.

Mr. SANTORUM. I guess then my question is, let us say you have someone who is a single mom with a couple of children, and she is on the program for 2 years and has been in job search and doing things that are required under the temporary employment assistance part. She hits her 2-year limit and then is required, to continue on with those benefits, to work.

Now, my understanding from the participation requirements is that 30 percent of your caseload would be in that situation, is that correct, in the year 1996? So you are talking about 30 percent would be in this transition program, temporary program, and then would eventually get into the block granted work program? Is that your understanding?

Mr. BREAUX. I am not sure I understand the direction the question is leading to in the sense that——

Mr. SANTORUM. My understanding is you have participation rates. We have participation rates in our bill and you have participation rates in your bill.

Mr. BREAUX. If I can respond to the Senator, I think the Senator may be misreading the amendment that is pending with regard to participation.

Mr. SANTORUM. Now I ask maybe a broader question.

How many people who go into the welfare program have to participate in

this new program as designed by the leader's amendment? What is the participation—I know what it is in our bill. We eventually get up to 50 percent, but we do not have exemptions.

Mr. BREAUX. I think the Senator will find what we are trying to do in both our bill and his is similar in that regard. We are talking about participation rates. We are talking about really work rates, not participating in a program.

We feel we have enough programs out there. We are not judging the success of our bill on people participating in programs, but on participation in actual work. We go from 20 percent up to 50 percent in actual work, in jobs, in earning their benefits that they are receiving—not participation in the sense of participating in a job training program, but actually require working; they move from 20 percent up to 50 percent in a work program, actually working.

Mr. SANTORUM. So, again—and my analysis here may be a little dated because I know you have revised your bill and I may not have the current analysis. That is why I am trying to understand.

So those who are required to work, in 1996, at least according to our 30 percent of the State caseload, would have to be working in 1996?

(Mr. THOMAS assumed the chair.)

Mr. BREAUX. That is correct. That is working; not in a program, actually working.

Mr. SANTORUM. That goes up to 50 percent by the year 2000.

Mr. BREAUX. That is correct.

Mr. SANTORUM. And it is up to the State to determine who those people are that should be working or should not, which 50 percent. It is a State flexibility issue?

Mr. BREAUX. Very similar to the Republican proposal.

Mr. SANTORUM. That is the point I was trying to make. On this issue, it seems like there is some agreement that 50 percent is a fair figure and allows for some State flexibility in considering the fact that roughly a third of the parents who are on the current AFDC caseload are disabled in one way or another. They have a disability or their children are disabled or there is some problem where they would not be a good candidate for work and, therefore, would not be required under the bill to have a work requirement. We allow the States the flexibility to determine that.

Mr. BREAUX. Will the Senator yield at that point?

Mr. SANTORUM. Yes.

Mr. BREAUX. We allow the States flexibility because we believe, again, in maximum flexibility, but we have exemptions that are exemptions with which I think most people would agree. You are talking about people who are ill, incapacitated, someone with a child under 12 months old. There are certain exemptions we feel should be there and spell those out, but we still have the work requirements from 30 to 50 percent. That is locked in with some exemptions.

Mr. SANTORUM. Let me understand this. Maybe we are a little more different than I thought we were. What you are saying is you take the entire caseload of people that are on welfare, and you say a certain number of them are ineligible because of an incapacity. I think that is the term the current welfare law uses, ''incapacitation.'' We figure that that number is roughly a third. So you take them out of the mix before you apply the 50 percent standard?

Mr. BREAUX. Well, it is 20 percent. That is correct. It would start from 20 percent up to 50 percent.

Mr. SANTORUM. Thirty. I think it is 30 in 1996, up to 50 percent in the year 2000, just according to the numbers I have here.

Mr. BREAUX. On the work rates; the Senator is correct on the work rates.

Mr. SANTORUM. Right. So what you basically take is, let us say, 65 percent of the people who come into the program, and then by the year 2000, half of the 65 percent must be in some sort of work program.

On the Republican side, we do not make that initial separation. What we say is that 50 percent of the entire caseload, and it would be up to the States' discretion, and I am sure they, in all likelihood, because of the expense of someone who has an incapacity of some sort, would not require them to work.

Mr. BREAUX. Will the Senator yield on that point?

Mr. SANTORUM. I yield.

Mr. BREAUX. Does not the Republican bill have an exemption for moms with children under 1 year old?

Mr. SANTORUM. That would be the one exemption, but there is no exemption for someone who has a disability or something like that.

Mr. BREAUX. Will you disagree with that being a viable exemption?

Mr. SANTORUM. My feeling is we should allow the States complete flexibility to deal with this issue instead of the overall goal of what percentage of the entire caseload should be in work. I think 50 percent is fair of the entire caseload, given the fact that we know a substantial number cannot work. It is usually around a third. That is what we found. We are even giving more of a fudge factor of another 15 percent or more of people who can work, but we are not going to require them to work or the State required to put them to work.

Mr. BREAUX. Will the Senator yield? Apparently you made some decisions that exemptions from the national level are acceptable.

Mr. SANTORUM. I said that would not be my preference. My preference would be to have no exemptions at the Federal level. We allow the States the ultimate flexibility to determine who is going to work and who is not, given the standard of half, which is a fairly generous standard where usually only around a third has a disability problem that would make them ineligible for work.

We do allow, I think, a fair amount of flexibility. I just want to understand the difference, and the difference is that you would require half of two-thirds to work. We would require half of the entire caseload.

Mr. BREAUX. I respond to the Senator by saying under our bill, we are even tougher on those who are capable of working, because we are requiring by the year 2000, 50 percent are required to work. That is 50 percent of those eligible.

The Senator from Pennsylvania is saying his 50 percent is looking at the whole broad range, a larger group saying 50 percent of them. We are saying that when you find the people who are able to work, let us make sure you get them to work. I think we are even tighter than you are on that particular point.

Mr. SANTORUM. I do not know how you can be tighter if you have a million people—let us assume we have a million people in the welfare system in Pennsylvania, which is high, but let us say we have a million people, and we say 50 percent of those people have to go to work. That is 500,000 people.

Under your standard, we say 667,000 are technically under your new program because the other 333,000 are ineligible right from the start, and if you take half of 667,000, you are now down to 333,000, not 500,000. So we are going to have, in the case of a million, we are going to have 120,000-some more people working, required to work than under your bill.

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. I will be happy to.

Mr. BREAUX. I think what we are establishing by our conversation, and I think it is helpful in understanding the two approaches, is that we both have requirements of people who are now on welfare to go into the work force. Even the percentages, I think, are ultimately the same: 50 percent by a date certain.

We both have exemptions as to who should not be forced to work. Ours are more broad. We have people who are incapacitated, mothers with children under 1 year old. You have fewer exemptions.

I think the key point that needs to be made here is that we require these people to be put to work, and we are going to help the States fund the programs that put them to work. The concern that I and other Democrats have about the Republican proposal is that it is an unfunded mandate in the sense you are telling the States they have to meet these goals, but not providing them any financial assistance in order to meet it. That is a bigger question, and I think is a legitimate question for discussion: How are the States going to meet these goals with less help than they are getting now?

Mr. SANTORUM. I will be happy to answer that question. I would really

defer to the Governors of the States that have come to us and have been very strongly in support of what we have been putting forward. How they are going to do it is, we are going to release them from all the Federal strings attached to the current program.

What Governors will tell you is they can run a much more efficient program than we can out of Washington through the States. I happen to believe—I had a conversation just this past week with my Governor from Pennsylvania, Tom Ridge, a former Member of the House, who feels very strongly if given the opportunity to design their own program, given the existing amount of AFDC dollars coming through, existing amount of what was the Jobs Program coming through, which is what is in the Republican bill, they cannot only design a better program, put more people to work, get more people off the rolls, get people back into productive work in Pennsylvania at less money, that without the hoops they have to jump through here at the Federal level—I know the Senator from Oregon put up a chart earlier today about all the things you have to do to process someone through the system—we now provide that flexibility for them to be able to design their own system, which we hope and I believe will be a lot more efficient.

It is a good question. It is one I think most Governors would say they would like the responsibility, the opportunity to design a program based on. I know the Senator from Iowa was up here just within the last couple of hours talking about what they have done in Iowa and the fact they have cut caseload, they have cut the amount of money in the program. Why? Because they got a waiver to allow them to run their own program. So we have seen, even with the limited waivers that have been allowed already, programs that have spent less money, that have put more people to work and have been better for the taxpayers and people in the system. I think we have seen a history that we can do this if the States are given the opportunity to design a program.

Mr. BREAUX. If the Senator will yield on that point, Governor Thompson, who I think has done a good job of trying to reform welfare in Wisconsin, when he testified before the Finance Committee, made the point very clearly that some States are able to do some of these things because they have the financial wherewithal to do it. But there are an awful lot of States, when they face a 50-percent requirement of putting people to work with less money coming from the Federal Government, they are simply not going to be able to do it.

That is why the concept of a partnership, where the Federal Government puts up a certain amount and the States put up a certain amount, a requirement that the States participate financially, is so important.

I think the discussion is good. I think there are some areas for us to meet in the middle. When I talk about a compromise, I am talking about not just agreeing with the Dole bill. A compromise is your side moving a little over to the middle of this aisle and our side moving toward the middle on some of these things—we have some common goals and we are close, I think—in order to reach an agreement that the President can sign and that will ultimately be reform. I hope to continue to work with the Senator from Pennsylvania to reach that goal.

Mr. MOYNIHAN. Does the Senator from Pennsylvania yield the floor?

Mr. SANTORUM. I yield the floor.

Mr. MOYNIHAN. While the Senator from Louisiana is here, I want to say I very much appreciated this exchange. It made me feel like we are back in 1988.

There are two things to say. One is that there is a participation requirement in existing law of 20 percent. It was put in the law in 1988—to be phased in to 20 percent—with the clear expectation that as the program took hold, the jobs program, it would move forward. In a bill before the Finance Committee—which the administration has abandoned, and I grant that—we moved that rate from 20 percent, as anticipated, on schedule just about, to 35 percent in 1998, to 40 percent in 1999, to 45 and then 50 percent in the year 2001.

What we lose in so much of what is on the floor right now is the specific Federal funding to do this. Governors and mayors will look up in despair in 5 years.

I say to my friend from Pennsylvania, there will be on the desk very shortly now the estimates for the proportion of children on AFDC, welfare, in 1993. These are estimated, but they are fairly accurate. In Philadelphia, at any point in time, 44 percent of the children are on AFDC. In the course of a year, 57 percent are.

Now, those numbers overwhelm the system. Thirty years ago, when it would have been 10 percent at one time and 13 over a time, you could say, all right, Philadelphia, PA, you take care of this problem. I have watched it come that these numbers overwhelm the city. These problems are so much deeper.

On last Saturday in Baltimore—the Senator from Connecticut will be interested in this—there was a kind of public celebration as they blew up the Lafayette Public Housing Complex in downtown Baltimore. It happened in Newark a year ago. It first appeared in St. Louis, where the Pruitt-Igoe Houses were blown up in 1972. In the city of Baltimore, it was announced, and the mayor had the plunger, and they had T-shirts, and they made the most of it. They described the housing as ''warehousing the poor.'' When it was built, it was a model complex. It got awards everywhere. What a nice way to live, right downtown, and I think they could see the harbor. They are going to replace them now with townhouses. Eighty-five percent of the persons in the townhouses will be on AFDC. Each will have a case manager from the Johns Hopkins School of Social Work. They will be very carefully attended to and all these things. There will be townhouse case managers. How many townhouses? There will be 317.

Those are the realities. How many hundreds of thousands of children in Baltimore will be eligible? I plead to a Senate that does not hear me on this. These numbers of people receiving welfare benefits are beyond the capacity of the States and local government. Cutting off the Federal commitment that we have had for 60 years is an action bordering on mindlessness. And I make the case with no very great expectation of persuading anyone.

Thank you, Mr. President. I thank my friend from Pennsylvania. This morning, the Senator from Oregon and I were going over these numbers. If Philadelphia is 57, Detroit is 67. New York, which is larger, is 39.

Mr. SANTORUM. If the Senator will yield——

Mr. MOYNIHAN. I yield the floor.

Mr. SANTORUM. Mr. President, I say to the Senator from New York that I think he makes a strong point that work programs are expensive to administer. They are very expensive to administer.

I chaired the Republican task force last year in the House as a member of the Ways and Means Committee that drafted a bill that was different from the bill that passed the House, but it provided a substantial amount more money for work programs. In fact, I think over the 5-year period in the bill that I, in a sense, authored, we spent $12 billion more, understanding the expense of doing so. So I have some sympathy with what the Senator is saying as to the problems States are going to confront.

I am telling you, from the perspective of governors who I have talked to, they feel comfortable that if we removed all of the restrictions, which in a sense in the Republican bill we do—there are some, but very minimal—if we remove the restrictions in place, they believe they can get sufficient savings to be able to run a work program in addition to the current AFDC program. I am hopeful that they can. I have my own skepticism. I hope they can. Given the budgetary realities, I think that is going to be something we are going to challenge the Governors to do.

If we did nothing with the AFDC program—that program is not doubling every couple of years or so. This is not a program projected to dramatically increase, and it is not that we are not keeping up with the skyrocketing costs. I do not have the numbers in front of me—and correct me if you have them—but my understanding is that I think, in the next 7 years, AFDC was to go from $16 billion to maybe $18 billion, something like that—maybe $19

billion. It is an increase, but it is not like the numbers on AFDC are growing like we have seen on SSI and some other programs. In fact, we are seeing a lot of people on AFDC moving over to the SSI.

Mr. MOYNIHAN. Which is 100 percent Federal money.

Mr. SANTORUM. And more, because the benefits are more generous. I suspect we will see more people moving from the AFDC rolls, in an attempt to claim some sort of disability to get into the SSI.

I suggest that given the fact that this program is not rapidly increasing in many States—maybe New York and Pennsylvania being two of them—we will see a leveling off and maybe even a decline where we have in those States an opportunity to get work into these programs and get significant cost savings. And we have provided in this bill a growth factor of $1.5 billion, I think, over the next 7 years for the higher growth States to tap into more money to be able to deal with the increases in AFDC population. So we have not completely turned our backs to the possibility of growth.

We hope that with the combination of the Governors being able to redesign programs with some limited additional assistance from the Federal Government, we can handle those States that are having growth problems in AFDC.

Mr. BREAUX. Will the Senator yield for a question?

Mr. SANTORUM. Yes.

Mr. BREAUX. Here is my problem with the Republican proposal. We both have the requirement that States put 50 percent of the welfare recipients into work by the year 2000. We are the same on that essential provision. But the difference is that your proposal does not provide the States with the funding to do that.

Here is my concern. It is that if they do not have the funding to do that, they are not going to be able to meet that target. Your response to that, as I understand it, is that we are going to eliminate the redtape we now have imposed upon the States.

Now, my question is, what type of redtape are we going to be eliminating that would give the States the extra funding that they need in order to put 50 percent of the recipients to work?

What type of redtape elimination is going to add up to those type of dollars in order to meet the 50 percent requirement that we both agree is an appropriate target?

Mr. SANTORUM. Obviously, they can redesign the entire program. They can redesign eligibility criteria. They can do a whole host of things that put requirements in that we do not have now.

For example, you mentioned the work requirement. Several States have put in an immediate work requirement. I think it is Wisconsin that did, and we saw the number of people on welfare drop, by some enormous number like 20 or 30 percent, like that because people did not want to sign up and work.

I think we will see, and I think Governors believe if you make welfare into a system that is a dynamic system where people are going to have their lives changed, turned around, back out, it is sort of—I think of the Wizard of Oz. When Dorothy got to the Wizard of Oz, before they saw the wizard, they went in and the scarecrow got stuffed full of hay and the tin man got all shined up.

If you see this as this program where you come in and try to change peoples lives as a dynamic process, in a shorter scope as opposed to one that is more of a long-term maintenance kind of system, you will see people opting out in some cases, so we have lower caseloads.

We have seen that happen in States that put those kind of requirements in place, and we will see people on for less periods of time, because if the system works well—I remember debating this in the House—if the system works well, people will not end up in the welfare system, because if it works well, we will get them ready for jobs and get them back into job placements.

That, to me, is what we have to sort of change—the entire psychology of what is going on here. I think what we have done is give States the flexibility to do that in a way that we have seen in other experiments works very, very effectively.

Mr. BREAUX. If the Senator will yield for a comment, I appreciate the Wizard of Oz analysis. I am afraid it is more like an Alice in Wonderland approach.

Mr. SANTORUM. I have small children.

Mr. BREAUX. Hopefully, we will see the merits of each other's approach before the day is over and reach an accommodation that does get the job done.

Mr. SANTORUM. I will be happy to yield the floor.

Mr. LIEBERMAN. Mr. President, I thank my friend and colleague from Pennsylvania.

I was enjoying and benefiting from the thoughtful colloquy between the Senator from Pennsylvania and the Senator from Louisiana, and, of course, as always, benefiting from the thoughtful comments of the Senator from New York.

I will say two things about what I just heard. One is that it is from this kind of thoughtful colloquy that, hopefully, a bill will emerge that has a strong bipartisan base of support. We will see whether that happens.

Second, I say to my friend from New York who raised the question a moment ago of whether anybody is listening, I am listening. I have always found the Senator from New York to be right on target on these matters. Sometimes the role of the prophet is not to have the masses behind him, but if you speak the truth, ultimately they will come to you. I think that is where we are today.

Mr. President, I rise to support the substitute that is now pending offered by Senator DASCHLE, Senator BREAUX, Senator MIKULSKI and many others. I am privileged to be a cosponsor of the so-called Work First plan, which really represents a genuine attempt at welfare reform.

Mr. President, before I speak about this pending substitute, I do want to say a few words about the colloquy that we have just heard and the comments of the Senator from New York.

This is a real test for this Chamber, for the body politic, as to whether we can do what is right and what is reasonable on the question of welfare. I have yet to find, and I will be glad to present an award to, anybody who can present to me an elected official who will support the status quo regarding welfare in America today. No one does. Everyone is for reform of one kind or another. The question is what kind will it be.

Do we have the capacity to break out of the business of competing images, even our own perspectives—sometimes accurate, sometimes skewed—on what is causing this dreadful problem not just of poverty but of the underlying problem of babies being born in increasing numbers to mothers who are not married, and who do not have fathers?

That is the main way people get on welfare, because it is aid for dependent children. One of the most frequent ways that one qualifies for welfare, is when one is born in a situation where one's parents cannot support them. Over and over again in the millions—not the thousands, but the millions—there are children being born to parents unmarried and therefore needing welfare.

These are central challenges, not just to our capacity to be reasonable and to break through the competing images and politics and to do something thoughtful, to prove that Congress can legislate, break through the politics, shake up the system, make it work, make it reflect the values of the American people as the American people are so convinced it does not now—that is, the welfare system does not now reflect their best values.

Mr. President, this is a welfare program that started with such good intentions in the 1930's and now is disparaged by those who benefit from it and by those who pay for it. It is a program that has grown very, very large—billions and billions of dollars every year.

Part of what is at work here is our ability to prove as elected representatives of the people of this country that we are capable of changing the status quo if they are not happy with it. A problem that took 60 years to get into will not be solved in 6 days or maybe not even in 6 years. The effort did begin with the Family Support Act, which I consider to be an act of genuine welfare reform. I believe that the Daschle substitute which is before the Senate continues that work.

To me, with the prevailing mood in this country of questioning the credibility, the legitimacy, the effectiveness

of Government to step out and deal with real problems, part of the test that we are facing in this welfare reform debate is a more general one, which is, are we capable of truly dealing with this program that has gone off the course, bringing it back to be cost effective, to be helpful to people who are beneficiaries of the program, and to better reflect our values?

Let me deal with that second point. Part of the great public anger about welfare is the perception, too often accurate, that it does not reflect the best of American values. When programs of our Government, particularly ones as central and large as this one, do not reflect the values of the American people, we lose their support. It is as simple as that.

What is a great basic American value? We speak about it so much it loses its meaning. It is work. It is work in the broader sense, in the sense that this is an impulse that drove so many of our parents and grandparents and great grandparents before them to come to this country. Not just, of course, the dream of political freedom which impelled millions of Americans—millions—to emigrate to America, but the dream of economic opportunity, the understanding of people who came from feudal, oligarchic, unfair economic systems where they had no opportunity that America was the country where, if you worked hard, there was nothing you could not achieve. The welfare system seems to have turned this on its head, motivated by good intentions, charitable intentions at the outset, and created a system that does not encourage work, that seems at times to reward the opposite, and that offends the great majority of people who are out there, working hard, who, too often in the last decade or two, do not see their standard of living going up but do see themselves paying large tax bills and believe in their minds, understandably, that a lot of that money they worked hard for goes to people who are not working as hard, not reflecting the values of work in this country.

Family, in this society and other societies, the core unit, the basic, primal sense of responsibility, the kind of natural division of familial labor between man and woman, mother and father, is destroyed in our society in numbers, as the Senator from New York has pointed out, that we do not find—I have heard him say this—in other societies. Increasing numbers, more than a third of the babies, as I said before, are born in this country every year with no family, a mother living alone without a father, a desperate situation causing all sorts of problems for our society including contributing greatly to the problem of crime and violent crime.

But the point I make here, as I speak about values, is that of the basic value of parents caring for their children. Let me focus on the fathers, whose absence is the cause of so many millions of mothers having to go on welfare, fathers not accepting and carrying out what we would think would be the most fundamental, uncomplicated, natural sense of obligation: to take care of their children.

So, this program, as it exists, offends some basic American values. It challenges us to bring the program into line with those values, to gather more support, to open the way for the American people to return to their basic nature, which is to be charitable, which is naturally to want to help people who cannot help themselves. But the majority of American people, I am afraid, feel that welfare, as it exists now, takes advantage of their good natures. I think part of the challenge that we have is to break through and reform this program, genuinely reform it so it reflects the values held by most Americans and once again liberates their better natures to care for those who cannot care for themselves.

I will make one final point in this opening, general part of my statement, Mr. President, which is this. The Senator from New York touched on this as he talked about the extraordinary percentages of children in various of our cities who are at one time or another on welfare, AFDC: 47 percent, 67 percent. These are astounding numbers, but they bring me to make this point.

I want to urge my colleagues here to go forward with a certain sense of humility and caution, understanding that as we reform welfare we are not dealing here with widgets. We are not dealing here with constructs of wood and metal and paper. We are dealing here with people, and particularly with millions of children—if I may say so, millions of God's children—whose fate it was, through no act of their own, to be born poor, to be born, in the majority of cases, with only one parent accepting any responsibility for them.

So, as we go forward, understandably in the direction of reform, I hope we will remember that it is these children who are going to be affected and that they are innocents. Let us innovate, let us demand, let us come down hard on those whose misbehavior is the cause of this system that in so many ways has failed. But let us not punish the children. And let us not leave the streets of our cities and towns full of children for whom no one will take responsibility. We do not want a country like that.

Mr. MOYNIHAN. Will the Senator yield for just a question?

Mr. LIEBERMAN. Certainly I will.

Mr. MOYNIHAN. I know he would be aware, he is speaking so well, so feelingly and wisely, that in 1992 the number of children born to unmarried women was 1,224,876 souls, one and a quarter million children in 1 year.

Mr. LIEBERMAN. I say to the Senator, the numbers are overpowering. Of course, remember, as we think of the accumulated welfare rolls, we are talking about those children, in a sense, times 18—it comes out to a little bit less—but until they reach the age of majority. That tells us two things. One is the extraordinary number of children involved here. And second, the extraordinary cost of the program. I saw a number about a year or two ago that said in any given year we spent $34 billion on children born out of wedlock. That is an amazing number, $34 billion. That is the accumulation of funding to support children from birth to 18.

So this program needs reform, but let us do it with a sense of humility and understanding about the human impact of what is happening here.

Mr. President, let me come now to the so-called Work First plan, introduced by Senator DASCHLE and many others of us. I think this is real reform that would improve the lives of welfare beneficiaries, break the cycle of dependency, better serve the taxpayers of this country, and better reflect the values of the American people. The primary welfare program in this country, AFDC, is failing in what ought to be its most important task—moving welfare beneficiaries into the work force. We have seen some improvement as a result of the jobs program coming off of the Family Support Act. This Work First plan continues that improvement by changing the strategy and devoting the resources for moving real people into real jobs.

This proposal would also give welfare beneficiaries some genuine incentives to break the cycle of poverty, give them the same incentives that we have associated with characteristic American values instead of trapping them, enslaving them in dependency by discontinuing current programs that reward single parents who do not work, do not marry, and have children out of wedlock.

These are steps that many of us on this side are united in taking because the existing system really does contradict our most cherished values and contributes to society's most serious problems. The Work First plan actually replaces the AFDC program, so welfare as we have known it will not exist if the Daschle substitute is adopted. It replaces AFDC with a Temporary Employment Assistance Program that is focused on putting people to work. It gives States the flexibility and the incentives they need to successfully move people into the private sector for jobs.

It also addresses two of the key causes of welfare dependency that I have spoken about. Through child support enforcement it finally forces deadbeat dads to assume at least their financial responsibility, and it starts a major national campaign to reduce out-of-wedlock births, particularly to teenagers.

Mr. President, others have said it but I will say it again, and it is very important to say. While preserving the kind of guarantee that those who are genuinely poor and unable to work will receive some benefits, the minimum assistance consistent with what I have described as America's best charitable

nature, the Work First substitute ends unconditional welfare benefits. Each person receiving assistance will have to sign an individualized personal empowerment contract. This is something new that has come up from the States.

As the Senator from Iowa indicated earlier, if the recipients do not comply with the contract—in other words, you do not just get the benefit but you have to promise in a signed contract to do some things in return, including, of course, looking for work from day one on welfare—then the beneficiaries will lose some, and ultimately could lose all of their benefits if they do not comply with their end of the bargain—mutual responsibility.

While the contract may include some training for education, the emphasis is going to be on work experience. All recipients will be required to search for a job from day one. Eligibility for benefits is going to be limited to 5 years, although children whose parents reach this time limit will still be eligible for vouchers to enable them to receive basic sustenance. This I think reflects the principle, the value, that I described earlier, which is that these are kids. These are innocent kids. Let us not punish them more than they deserve while we are trying to solve this problem, and unintentionally create a greater problem for our society.

States under this Daschle substitute must focus this program directly on placing people in private sector jobs. As has been discussed in a colloquy between the Senators from Louisiana and Pennsylvania, the bill requires States to have at least 50 percent of their caseload working by the year 2001. It moves away from telling States how to succeed and instead rewards results. States that have high private sector job placement rates will receive a financial bonus.

Mr. President, the work requirements in this bill are tough, and just as important, they are funded. We understand that child care assistance is the critical link between welfare and work. Unlike the alternative proposal, this substitute gives States the child care funding they need to put people in jobs and move them off welfare.

Mr. President, I noted a discussion among my colleagues a short time ago about the importance of trying to achieve a bipartisan result. I could not agree more. I recall the Senator from New York indicated the overwhelming bipartisan support for the Family Support Act of 1988.

As you look at these bills, as I have, there is a lot that holds them together. There is a lot in common. I hope we can build on that common base in the next week as we move toward passing legislation. In some ways, it has actually been quite gratifying to watch the bills change, and in this sense, watch Senator DOLE's bill as it has evolved. The first major change, as I see it, was related to the so-called participation requirements in the original version of Senator Dole's bill. These requirements for the States did not require the States to move beneficiaries into jobs, as I read the original proposal. That has now changed. And work standards very much like those included in the Daschle substitute are now included in the Dole bill. And there, I hope, is one common basis from which we can build.

Mr. President, the Daschle substitute also tackles the critical problem of teen pregnancy. Unmarried teen parents are particularly likely to fall into long-term welfare dependency. More than one-half of welfare spending goes to women who first gave birth as teens.

This legislation, among other things, requires teen mothers to live at home and helps communities establish supervised group homes for single teen mothers; that is, second-chance homes.

Mr. President, within the last couple of years, I have been so perplexed by this problem of babies being born to unmarried mothers. I have spent some time visiting programs in Connecticut, visiting with teens, trying to understand how this has happened, how these numbers have skyrocketed as they have. I do not have any conclusive answer. But one thing I found in some of my conversations with young women who have had babies while they were teenagers is when you ask them, ''Why? Why did you do it,'' it is very interesting. Almost every time I have had this conversation, the mothers will say, ''I love my baby, but I wish I had waited.'' Of course, in that, they are acknowledging that it is not only the child born to the unwed mother in poverty that suffers. It is the mother, whose dreams are severely restricted as a result of suddenly having a child to care for.

But once you get beyond that, and they say they wish they had waited, and you ask why this happened, some just give the obvious answer. ''I did not use birth control.'' I found others saying that they did it intentionally. They had the child because they wanted to get out of their homes. They wanted to be independent. And they knew that if they had a baby, they could receive welfare payments and that would be the basis for establishing their independent residency. Obviously, that is a sad and sorry commentary—I shall leave it at that—as a motivation for bringing a child into the world.

But this Daschle substitute gets to that problem by removing that motivation, by requiring teenaged mothers to live at home or live in the supervised group homes, if their home is not a suitable environment, and by requiring teenaged mothers to remain in school or in a training program, all as a condition of receiving welfare benefits. No longer will there be a blank check regardless of the behavior of the recipient. Instead, we will demand mutual responsibility. Society will try to take care of your child. We will try to help you out of dependency, but only if you make the effort yourself.

Finally, Mr. President, this Daschle substitute incorporates very strong child support enforcement legislation which Senator BRADLEY and others introduced earlier this year. I was privileged to be a cosponsor of it. I was attorney general of the State of Connecticut, before I was honored to be elected by the people of my State to serve in this body. One of my responsibilities was enforcing child support orders. I was startled, as I went through the files—thousands of them—to see the degree to which men who had fathered children refused to accept fiscal responsibility, financial responsibility for those children, and found 100 different ways to try to avoid or make excuses for not doing so.

The legislation that is part of the Daschle substitute will make it easier for States to locate absent noncustodial parents; that is, parents not having custody of the children, almost always the fathers. It will also make it easier for States to establish paternity. Science has been a great help here in facilitating the establishment of paternity through blood tests, and also establishing a court order and enforcement of court orders. The tough child support enforcement system will help keep millions of children out of poverty and off welfare. It is a simple statement. It is as simple as the fact that when babies are born to unwed mothers, they are much more likely to end up on welfare. But the fact is that if fathers took care of the children, society would not have to do so and the welfare rolls would go down.

Of course, these tough child support enforcement laws will send a message of responsibility to would-be deadbeat parents, deadbeat dads. In an era of skyrocketing out-of-wedlock births and rising teen pregnancy rates, child support payments must become a clearly understood, highly visible, and unavoidable fact of life for absent parents. In other words, these absent parents must live in fear of their local prosecuting attorney or attorneys general coming after them to make sure that any money they earn will go in a substantial degree to supporting the children they have fathered.

Mr. President, I will have an amendment that I will introduce later in the proceedings that expands the effort to deal with teen pregnancy, building on some work done by Kathleen Sylvester of the Progressive Policy Institute establishing a highly visible national campaign to cut the rate of teenage births, setting goals for States, giving them some money to innovate with programs to cut the rate of teen pregnancies, and rewarding them as we do with regard to placement of people in private-sector jobs when they achieve a reduction in teen pregnancies.

One of the dreadful facts that comes out as we go over this problem of teen pregnancies is that a remarkable percentage of the babies born to teenage mothers have been fathered by men

who are considerably older. So the vision that we may have of two reckless teenagers casually creating a baby is not the norm. As I understand it; it is men who are typically older than these teenaged girls who, in a setting that is often abusive, exploitive, or overpowering, are fathering these children in acts that from a legal point of view are pure and simple statutory rape.

And there is not much we can do from Washington to deal with that except to—and my amendment will have some element to it that will—try to encourage the States, the local prosecuting attorneys, the district attorneys to be very aggressive in working with the welfare authorities to once again take statutory rape as a serious crime and to prosecute it, understanding that this is done to deter adult men from committing a sexual act that will result in a child born to poverty, who to a devastating degree is likely to end up a part of the criminal problem in society.

So I hope we can begin to take from these statistics of the ages of the men who are fathering too many of the children born to teenaged mothers, some attempt to build a genuine national effort among prosecuting attorneys to look at the seriousness of a crime that in an age of permissiveness has been winked at, which is statutory rape.

In conclusion, Mr. President, I think this Daschle substitute, the Work First plan, is true welfare reform. It does demand responsibility from parents while providing continued protection for children, and it does address the two key causes of welfare dependency—teen pregnancy and unpaid child support. It does reflect the values of the American people. And it does take on the welfare status quo, building on the work of the Family Support Act, and really does amount to genuine welfare reform. I understand that over the next week we will hear conflicting views on this subject. But I can only echo the sentiments expressed earlier in this Chamber, let us cut through the politics, let us get to the heart of the problem. And let us see if we can, as happened in 1988, resoundingly adopt a true welfare reform proposal. I thank the Chair and I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from New York.

Mr. MOYNIHAN. I thank the Senator from Connecticut for his extraordinary, moving, judicious, serious comments. I know his capacity for sometimes biblical patience, and I also know his capacity for indignation when things have gone on for too long. We have been too long on the subject.

In 1971, a Republican President, President Nixon, had proposed a guaranteed income as a substitute for this subject. It was H.R. 1 in the House of Representatives. And it happened that on February 8, 1971, all three of the then major news magazines—and still those—had the subject of welfare on their covers. News Week on its cover had welfare. ''WELFARE: There Must Be a Better Way,'' it said of the President's program, ''It will constitute a humanitarian achievement unrivaled since the New Deal.'' It was not humanitarian enough for Democrats; too humanitarian for some Republicans.

The cover story of Time was devoted to ''The Welfare Maze.'' It began: ''The U.S. welfare system is a living nightmare that has reached the point of the involuntary scream and chill awakening.'' That is how Time began its issue.

The cover story of US News & World Report: ''Welfare Out of Control—Story of Financial Crisis Cities Face.''

Now, in that year, sir, the illegitimacy ratio for the nation was 11.2 percent. It is now three times that, the number of children born in that circumstance. Where we have 1,225,000 today, in 1971 it was 400,000. It is three times, almost, that ratio. The ratio has increased by a factor of three, the number of children by a factor of three. That is the central phenomenon.

I think the Progressive Policy Institute has been very helpful in this regard. There is this phenomenon of statutory rape. As deviancy gets redefined, we do not think much of that anymore. But it is still law.

Mr. LIEBERMAN. That is right.

Mr. MOYNIHAN. What would the Senator hypothesize? Would the Senator hypothesize that the households in which the children grow up no longer have anyone who will defend them? ''You can't come in here. And you will please go out there and close the door behind you.''

Lee Rainwater, a whole generation ago studying the public housing in Pruitt-Igoe in St. Louis, wrote an essay on the feeling within a household, ''Can you say no to someone who wants to come in?'' A thought that perhaps would not occur to many persons here. Close your door at night, and that is it. Close yours, and I close mine.

The French sociologist, Henri Bergson spoke at the turn of the century of society becoming a dust of individuals—no ties. I think this new data on ages of the fathers suggests that. I think you are absolutely right; if anybody could mobilize the attorneys general, the Senator from Connecticut could. I will certainly support that amendment. I look forward to it. And I thank you for your comments. I know the Senator from Pennsylvania would agree we are trying to reach some understandings here. We have understandings. And where we have different assessments, well, that is why we have the Senate.

Mr. President, I yield the floor.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. I very briefly want to thank the Senator from New York for his kind words. He has made here what is to me a very important point, a very stunning point, and I just want to repeat it if I may, which is that there is a way in which the collapse of the family opens the door, in the metaphor that the Senator has used, to the further collapse of the family. And we are, of course, generalizing here. There are many circumstances where this does not take place. But if you have a situation where babies are born to unmarried women and there is no father in the house, then as the baby, if it is a girl, grows up, will the mother be able to alone protect the child from a man who may be a predator? And I understand it is much more complicated in many cases than that.

But there is a way in which nature has created this unit, and we all have our roles to play in it. The single, poor mother may be ill-equipped to alone defend her child, against a man whose intentions are not good. The Senator is right, we do not enforce these statutory rape laws anymore, but they are statutory. These acts are illegal, and they are illegal for a good reason. The consequences are disastrous, and I think if we can put some fear out there by more vigorously enforcing these laws, we not only will be doing what is right, but we may actually have an effect on the rate of out-of-wedlock births.

I thank the Senator from New York. I personally thank the Senator from Pennsylvania, not only for the thoughtfulness of his earlier comments, but for the kindness of yielding the floor to me. I went on a bit longer than I expected to, but I appreciate very much his kindness to me.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Thank you, Mr. President. I thank my friend, the Senator from Connecticut, for his thoughtful comments and for his kind remarks about me. I look forward to working with him and others in, again, trying to craft what I believe will be a bipartisan solution to this problem. We may not get the resounding vote that we got in 1988 in this Senate on this measure, but I think the measure that passes in the Senate this year will be quite significantly more dramatic than what we did in 1988. When you stretch the envelope, you leave more people behind. There is, in a sense, less consensus.

I think it would be easy to craft something that is watered down that could get everybody's vote here, but I do not think we would accomplish what we set out to accomplish, which is truly reforming the welfare system.

I am hopeful we can stretch the envelope, be bipartisan and really help millions of Americans get out of poverty.

I rise to just finish up on some of the comments and discussion I was having with the Senator from Louisiana. He asked, really, the question that is asked probably most about the Republican proposal, which is how are States going to be able to put people to work and run these work programs and, at the same time, do that, which is very

expensive, with a flat amount of funding, given that some States are going to see increases in poverty population? I mentioned the fact those States that do experience increases, we do have a pot of money there that would help them.

What about just dealing with the increased cost of providing for a work program? I cite an example of Riverside, CA. The Senator from New York, on many occasions, has cited Riverside, CA, as an example of an existing program that seems to be having some good results in a work-related program, the GAIN program, and other Members on the floor have done the same thing.

I just state for the RECORD that in Riverside, and I will add Grand Rapids and Atlanta, those three programs combined, which have gone into a program that is a work program that requires a substantial investment of time and energy on the part of the welfare recipient, is this dynamic program that I believe the States would go to under the Republican proposal.

In those areas, what we have seen is a dramatic cost savings. So, assuming that this could be replicated on a State level, we are seeing flat funding, yes, but in these three communities that put this program in place, this work requirement and other kinds of dynamic turnover off the welfare roles back into productive society, there was a 22 percent reduction in AFDC—22 percent reduction in AFDC. Not flat, not an increase. They saved 22 percent in costs. Their caseload went down 16 percent overall. Food stamps went down 14 percent.

So to suggest that we have to pump in more dollars to accomplish this purpose of putting people to work I do not think meets with the numbers. And, by the way, Riverside, CA, had a 9 percent unemployment rate at the time. So we have the exemption for anything over 8 percent that you do not have to go to work, you do not have to go to work in the temporary assistance program. You can do it.

I can tell you, I come from southwestern Pennsylvania. We have had some very tough economic times and continue to have them. I can tell you there are lots of people who say, ''Look, there are jobs out there, you just have to go out and find them and be willing to work and go do it. It proves the case that, No. 1, there are jobs out there and you can save money in the process and run a better program that is being lauded by both sides of the aisle.

So the numbers of what we have seen of what has been successful in this country prove that you can run a program with less money, get people off welfare into work even in high unemployment areas. I think what we have seen is you have these programs that really do focus on the individual, and they provide what the individual needs. That is not a check the first of the month and, ''Thank you, ma'am,'' and out the door, but it is care and concern and cooperation and an intensive desire by the people in the system to see that person who walks through that door who has had a tough run of luck in a problem situation get that kind of assistance they need to turn themselves around.

I have another comment I want to make about the discussion I had with the Senator from Louisiana.

Mr. KERREY. Mr. President, will the Senator yield just to make a unanimous consent request for staff on the floor?

Mr. SANTORUM. I yield the floor.

PRIVILEGE OF THE FLOOR

Mr. KERREY. Mr. President, I ask unanimous consent that Debra Wirth, a fellow in my office, be granted the privilege of the floor for the duration of the welfare debate.

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

The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, what we talked about was the 8 percent figure as any area of what I thought was a Bureau of Labor Statistics area, which is a geographical area defined by the Bureau of Labor Statistics as an area they will then determine the number of people, the percentage of people in that area that are unemployed.

If those areas are above 8 percent, in the Democratic leader's bill, those people who reside in those areas that have an unemployment rate of over 8 percent, that time in which they live in those areas of high unemployment does not count toward their 5-year limit. In fact, it can be indefinite.

What I found out was that, yes, it was 7.5, they raised it to 8, but they eliminated the requirement that they had to be a defined Bureau of Labor Statistics area, that the State could now define what the area would be. It could be an entire State. It could be a portion of the Bureau of Labor Statistics area. It could be a neighborhood.

What it does is it makes this determination completely arbitrary on the part of the State, potentially even indecipherable, because you could have literally neighborhoods picked out or communities picked out.

I think it is poor policy, but I think it creates a huge loophole in this whole area of exemptions from the time limit on welfare, not a step in the right direction. They gave with one hand and took away with the other. They gave by increasing the unemployment rate from 7.5 to 8 percent, and then they said we will define where the area is, we will not use the current Bureau of Labor Statistics area, we will let the States determine what they mean. That really does take away any real change in that policy.

Mr. WELLSTONE. Will the Senator yield for a moment?

Mr. SANTORUM. I will be happy to.

Mr. WELLSTONE. Does not the Bureau of Labor Statistics—who does the survey right now on unemployment, officially?

Mr. SANTORUM. Bureau of Labor Statistics.

Mr. WELLSTONE. And the Senator is concerned they continue to do the surveys? I do not quite understand the Senator's position.

Mr. SANTORUM. No, no. In the Democratic leader's bill, what they have done with their most recent modification is eliminate the boundaries for determining who would be eligible for the exemption from the 5-year limitation. And so——

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that I may be allowed to address the Senator from Pennsylvania directly.

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

Mr. MOYNIHAN. I will check this out and have an answer for you directly, but I believe the actual surveys of household unemployment are done by the Bureau of the Census and the data is analyzed by the Bureau of Labor Statistics. And I think you are on to a point which should be resolved. I will do my best to do so. I thank the Chair.

Mr. SANTORUM. I thank the Senator from New York. There are two additional points I wanted to make. No. 1, I stated before there would be many cities that, for potentially the foreseeable future, unfortunately, people in those cities would not be subject to the time limit under the Democratic leader's bill. I point to the cities of New York, which has an 8.7 percent unemployment rate; Los Angeles, which has a 10.6 percent unemployment rate; there is an 8.2 percent unemployment rate in Washington, DC; Detroit has a 10.8 percent rate. Those are a few cities where the unemployment rate exceeds 8 percent. As a result, under the bill put forward by Senator DASCHLE, none of the people living in those cities would have any of their time limit being worked off during those periods of high unemployment.

So you could have, potentially, in a city like Detroit, which has historically had very high unemployment rates, no time limit for people who live in those cities. You are not talking about small or insignificant welfare populations. You are talking about New York, Los Angeles, Detroit, Washington, Miami, and many others. You are talking about a very large percentage of the caseload that will never, potentially, be time limited or will be time limited to 10 or more years. That is a big loophole in this bill, let us make no mistake about it. I believe that needs to be addressed.

Mr. WELLSTONE. Will the Senator yield?

Mr. SANTORUM. I yield to the Senator from Minnesota.

Mr. WELLSTONE. What the exception is saying—I agree that in the big cities you have an unemployment rate at 8 percent and many higher. That does not tell us anything about self-employment, part-time workers, discouraged workers, which is much higher. Why is the Senator so troubled by

this when it could be a mother with small children who could be penalized if they live in a community with high levels of unemployment—unofficially defined unemployment? You keep calling that a loophole? Why does he see it that way?

Mr. SANTORUM. What I think is important in this whole debate is an understanding that the work requirement provision in the bill is not a penalty, it is an opportunity. It is an opportunity for people who have not had the chance to go out to find work, in many cases to be placed in a work program so they can go out and be productive and learn skills and, in many cases, because you have people who have never had jobs before, they can learn what it is to get up in the morning and get their children ready for day care, or for someone else to come into the house, and get yourself to a work site, work an 8-hour day, and get home and again provide for their children. That is an experience that, unfortunately, many people in our society have not experienced. That is a very valuable one. I add that it is something many people in our society have never seen a parent do. They have no idea what it means to grow up in a house where they never saw that happen.

So it is important that we provide to everyone the opportunity to work and that we require it, in a sense, and that we say that this is a temporary program; this is not a program that is going to go on and on. Welfare is not a maintenance system where we provide for people in poverty for indefinite periods of time, but it is a dynamic transitional program that prepares people to get from a position where they cannot work, or they are not prepared to work, to a position where they will and do work. That is lost if you provide what I call ''impoverishment zones,'' not ''empowerment zones,'' where you basically tell a group of people that because you are in a big city that has high unemployment, we have no expectation that you will ever be able to find work, and therefore you can stay on welfare. But the rest, everybody else, we will change the system for you. But you in Detroit and you in the City of New York, you cannot make it, and we do not believe you can, so we are going to sort of write you off.

I do not want to write anybody off. I think everybody should have the same level of expectations. As I cited before the Senator from Minnesota came to the floor, the Riverside, CA, example, where during the period of time of the GAIN program they experienced a 14 percent drop in food stamps, a 16 percent drop in caseload, and a 20 percent drop in AFDC, and they had in excess of 9 percent unemployment. People were getting off the rolls, getting to work, doing the things that many on both sides of the aisle said is a successful program.

So I believe it must happen. I think to write off particular areas of the country because of difficulties in unemployment is an unwise move.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. SANTORUM. Yes.

Mr. MOYNIHAN. In making a thoughtful point and comment, he would be aware that the GAIN program in Riverside, CA, is a program developed under the Family Support Act?

Mr. SANTORUM. There have been many experiments done under waivers under the Family Support Act.

Mr. MOYNIHAN. If I may put it in question form. He might know that in the summer of 1992, President Bush visited Riverside and was making a point that it seemed to be working and is catching on. I rushed to the floor with a photograph of President Reagan signing the Family Support Act and shaking hands with then-Governor Clinton, who was head of the Governors Association at that time. He and the Governor of Delaware, now our colleague in the House, worked together on a bipartisan basis. I just wish that we would be conscious of this. I do not ask the Senator to agree. But I am saying we have something working, and we may miss it.

Mr. SANTORUM. If I can, I say to the distinguished Senator from New York that there are isolated instances where the current law is working and, I think, from social science evaluations, modestly working. We have come in welfare to expect that modest improvement is as good as we will ever get. Maybe that is the case. I am not satisfied with that as a benchmark for the ceiling. I think what we need to do is, as I said, to stretch the envelope.

While the Family Support Act of 1988 did create a window of opportunity for certain areas to get waivers and to try new things and to engage in work and other kinds of things, which we believe on this side and I know many on the other side believe is the way to go, we believe it needs to be more dramatic, that we need to do more and try new things. That is what this Dole-Packwood bill does, I think, and does it in a very dramatic way.

The final point I want to make is on the cost side. I know the Senator from Minnesota is here. I say to my colleagues on the Republican side, it is getting rather lonely over here. There are plenty of opportunities to speak on this issue. I hope that those who have comments will come to the floor and make their comments and debate this very important issue. There are no speakers on this side at this point. I say to those listening, if you have statements you would like to make, this is a good time to come down and make those.

I say, with respect to the cost estimates on this program, what we see is really a cost-neutral program on the part of the Democratic leader's bill when it comes to welfare spending. The bill saves, over 7 years, roughly $20 billion. But $19 billion of the $20 billion in savings is in food stamps. So what we see is what most on that side would consider welfare and SSI and AFDC and child care. A lot of those—in fact, most of those go up in spending. What we see is most of the savings really being gathered out of the Food Stamp Program. I say those, over a 7-year period, are rather modest compared to what the Republicans suggest. I think we had about 50 percent more in savings under the Food Stamp Program.

So it does not meet with what I think most would see as what is necessary to get Government spending under control.

I say that even under the Republican bill, spending goes up dramatically in virtually all these programs. I know the block granted AFDC Program does not go up and the child care program does not. But the rest of the programs—the SSI, Food Stamp Program, everything else—goes up at very dramatic rates. In fact, we are talking about a very minimal reduction in the spending on welfare in this country. If this was being judged solely based on how much money we are saving on welfare, I think both proposals in the eyes of the American public would be considered a failure. This is not a big cut in welfare spending. We are just barely curving the rate of increase in welfare.

I think given the dramatic nature of these proposals, that may be the best we should do. As I had the discussion with the Senator from New York, transitioning people, making the program a dynamic system is expensive. We are turning a system where you basically have someone behind a computer cranking out checks to people who come and show up and verify certain things, and they get a check or stamp and leave. That is not a lot of time consumed by that person, not a lot of effort involved.

When you are taking that system from a maintenance processing system and turning it into a system where you actually sit across the table from someone and try to figure out what their problems are and how you can help them and what we need to do to change their lives, that takes energy, it takes time, it takes resources.

To suggest that we can change welfare at the time that we can slash it or cut it dramatically, I think would be unwise. We have not done that on this side. In fact, I have not heard a lot of comments on the other side about how we are slashing welfare. The reason is because we are not. Welfare is going to grow fairly dramatically over the next 7 years.

It will be different. It will be different than anything we have ever seen. I think it is worth a try. We may come to the point in time where we look at what has happened with this bill, if it is successful, and I believe it will be, and all the attempts will be made and all the different projects will be tried by the different States, you might find out we get modest gains at best, or we get no gains.

We may have to step back and say, is it worth it? You have some writers in this town who are suggesting that we should just give up. That it is not worth trying any more. It is not worth spending the money. We may be there.

I think it is worth a try of a different way, and what we have suggested here in this bill is a dramatically different way of dealing with this problem. It is truly ending welfare as we know it. Welfare will no longer be the image of someone showing up and receiving a check, but almost go back to the image of the Depression when we had the WPA—can the Senator help me?

Mr. MOYNIHAN. The WPA and PWA.

Mr. SANTORUM. And programs where you saw it more as a dynamic program where people were there to do things, to make a positive contribution to their community.

I am hopeful that is what will result in this. I am very optimistic that we can find, I think, very solid support from the Republican side and a significant number of Democrats to pass this Dole bill or something very similar to it and do it while being very kind, I think compassionate, in the truest sense of the word, compassionate with the people who find themselves involved in this system, and at the same time respectful of the people who work hard and pay taxes to fund the system. I yield the floor.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that Carolyn Clark, who is a fellow, be admitted for the duration of the debate on welfare reform.

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

Mr. WELLSTONE. Mr. President, I say to my colleague from Nevada, I will be relatively brief. I wanted to analyze the Daschle bill and I wanted to talk about why I think the differences between the Daschle bill and the Dole bill make a difference. I also wanted to talk about some of the weaknesses in the minority leader's bill, or at least raise some questions.

Again, I think there is hardly any comparison when I look at the two. I think—and it is hard when you ask a Senator to yield, and the Senator from Pennsylvania certainly did that—it is difficult to really get into the debate, so let me try and first try and respond to some of what was said.

When I hear Senators come to the floor and talk about how optimistic they are and how they think this will be such a huge change, I sort of think to myself that part of the problem is they are not really passing legislation that is going to affect them or their children.

I think part of the problem, and I will try and stay away from the harshness, I think the point can be made we would do better if we had less hate and more debate. I do not come here to the floor with malice.

But, it does seem to me, Mr. President, that some of my colleagues just want to ignore some unpleasant facts, some unpleasant realities.

My colleague from Pennsylvania talked about opportunities. Well, we will take the minority leader's bill. If there is an 8 percent officially defined unemployment, there are many more people who are working part-time who are not counted. There are many people who are discouraged workers who have dropped out. If you have that high of an unemployment rate—by the way, in some of our cities it is higher than that, than there is not really an opportunity for a single parent, usually a mother, to find a job, but she gets cut off welfare anyway, regardless of the employment conditions in the community.

How can that be called an opportunity? That is not an opportunity. Of course, part of what is bogus about this reform effort is that if you look at the job opportunity structure and you look at some of the communities where we have large numbers of welfare mothers, the unemployment level is so high, the under-employed level is so high, that, as a matter of fact, there is no evidence whatever that the jobs are going to be there that these women can support their families on.

So in the absence of that evidence, with those kind of high rates, it is hardly unreasonable to say if you cannot obtain the opportunities, the employment opportunities, because they are not there, then we are certainly not going to cut you off of assistance for yourself and your children. That is what this is about. That is really what this is about.

Mr. President, as I look at the Daschle bill on the floor, I do think there are some very significant and positive features about this piece of legislation. I think the main feature, Mr. President, that I want to zero in on has to do with maintaining the commitment to children to make sure that there will be benefits for some of the most vulnerable citizens in this country.

Today at caucus, and my colleague from New York, Senator MOYNIHAN, is free if I say this and as he listens it seems that it was too personal and he did not mean for this to be public, I want him to cut me off. He said something that has stayed with me most of this afternoon. Senator MOYNIHAN said the last piece of legislation that President Kennedy signed publicly, was a piece of legislation we all had high hopes for: This was deinstitutionalization.

It made sense as a philosophy. We would take people in the mental hospitals and we would basically move them out and then there would be community-based care. But we never did that. What we wound up with in all too many communities in this country was an ever larger population of homeless people. We see that all over the country.

Then the analysis was there that it was a lack of affordable housing. What Senator MOYNIHAN said today during the caucus meeting was really the answer to the question: We did it. We passed that legislation. But, we did not follow through on the commitment, and that is what happened.

He then went on to say, and this is exactly how I feel about this debate, that we should not pass a piece of legislation that ends the basic commitment that there will be support there for families, for single parents and children. The support has got to be there, it will not just be block granted to States who can pretty much do what they want to do.

It does not matter whether there is a recession or not or what kind of resources are invested, if we end that kind of commitment, that is a commitment we made as a nation, then I will tell you exactly what is going to happen. It is easy for Senators to tell us this is an experiment. ''Gee, we think this is going to do a lot better.'' It is not them. It is not their families. I will tell you what is going to happen. I will predict it. We will have many more children among the ranks of the homeless. And then we are going to ask ourselves the question: How did that happen?

We did it. That is exactly what the Dole bill does. I do not think it is the intention of the Senators, but that is exactly, that is precisely what the effect of this are going to be.

To the credit of the minority leader, that commitment is maintained in his bill, at least for 5 years. And it is important.

There is a second issue which is, I think, maybe one of the most important features of the Daschle bill, the Work First bill. The Daschle bill provides childcare. That is, if you are going to say to a single parent—almost always a woman; quite often men who should be there with support are not there—you work, and she has small children, what about the children? Where is the commitment of resources to child care? Actually, what we are doing here in the Congress, for those citizens who are watching this debate, is we are cutting investment in child care.

So, we are saying to parents: You go to work. You have small children. That is it. And we do not provide any support for child care. By definition, please remember, in spite of all of the scapegoating and all of the stereotypes, there is not a welfare benefit in this country that is even up to the official definition of poverty, and now we are saying to single parents, almost always a woman: You go to work and we do not invest any resources in child care. The Daschle bill does make that investment.

You cannot have welfare reform—all you have out here right now, at least with the Dole bill, is reverse reform. You are saying to a parent: You go to work. It does not matter if you have small children. We know you are poor. You work, and there are no resources

for child care so you can afford decent child care for your children.

That is antifamily. That is antifamily. I challenge any Senator in here, how would you like it if you were the single parent of low income, told you had to work—and you wanted to work. There is more dignity in work. And you hoped it would be a decent job. There is nothing you would like to do more, but there was no way—let us not kid ourselves. In a lot of these communities where we have large populations of welfare mothers, there are not an abundance of jobs that pay anything near what Senators make, or even middle-income salaries. So we are not going to be talking about, by and large, high-wage jobs. You are told, ''You take the job. It does not matter.''

And you say, ''OK, I want to work in that job, and it is $6.50 an hour and I will do it and I want to.'' And then you are told, ''By the way, but when it comes to your two children who are under 3, there are no resources for child care. You figure out what to do.'' And you cannot afford it. That is why many mothers get off welfare and then go right back on.

The minority leader's bill makes a commitment to child care. I do not know how my colleagues on the other side, in all due respect, can deal with that contradiction.

The third feature I think is important is that, in the minority leader's bill, there is the transition so people are not immediately cut off Medicaid. I do not remember the precise provision of the majority leader's bill. I ask the Senator from New York, is there a transition period of time for Medicaid in the Dole bill?

Mr. MOYNIHAN. I would say I do not know. There is, of course, a 1-year transition in the current law of the Family Support Act. We will find that out.

Mr. WELLSTONE. Because my understanding is the Daschle bill allows for the currently provided year of transitional Medicaid, plus an extra year of transitional care on a sliding scale basis to ease the transition.

I do not think that in the Packwood-Dole bill, there is such an allowance for that second year of transition.

It seems to me, now we have a situation where we are saying it does not matter what the unemployment level is in your community and, in addition, it does not matter from State to State, what States decide to do. It does not matter whether there is a recession. It does not matter how many children are born into poverty. It does not matter what the population growth is going to be. It does not matter whether or not there is going to be a commitment of resources to child care. By and large, we are ending our commitment to low-income children. And in addition, you have 6 months, that is it, that is the only guarantee you have of being able to keep your Medicaid.

This is called reform? These women and their children are in a worse position than when they all started. The Daschle bill is a significant improvement over that.

I say to my colleagues, we should not be so reckless with the lives of children. That is what I do not understand. I have colleagues, on both sides of the aisle, who are friends. I understand the political climate in the country. I understand some of the scapegoating. But I cannot understand how men and women of such good will can be so reckless with the lives of children.

The minority, the Daschle bill, as I understand it, does not block grant food stamps. There is a reason for that. The Senator from New York knows this history well. What happened—and it was President Nixon, as I remember, who really took the final initiative in making sure there was a national standard. Although the Federal Government was going to pay that bill, States got to decide what would be the level of benefits and many States had the level of benefits pegged at an extremely low level. Much to the shame of the United States of America, we saw it on television with documentaries about Hunger USA. We saw children with distended bellies, and we learned about scurvy and rickets and malnutrition and hunger among children in America.

Therefore, President Nixon led the way and we set national standards and we had a national food stamp program. We are a national community. We made a national commitment to children. Now we are going to back away from that? The minority leader's bill does not back away from that commitment, nor should it, Mr. President.

Questions to raise. Maybe my colleague from New York, or colleague from Tennessee, can help me out on this. Again, I raise these questions more in a constructive way. This is just out of intellectual integrity that I want to raise these questions about the minority leader's bill. I cannot cheerlead on everything.

There still is this feature in this legislation that, as I understand it—we can get technical—it is in the Dole bill, it is in the Daschle bill, that now counts LIHEAP benefits as income, low-income energy assistance. So what happens is, for the purpose of calculating food stamp benefits, LIHEAP benefits, low-income energy assistance, gets counted as income and this becomes this classic choice of eat or heat. I do not know why we are doing that. That is the question I raise.

The second question somebody has to ask on the floor of the Senate, I talked about earlier the importance of making sure we do not back away. It is my understanding—and I quote from an Urban Institute study—of all families that have become dependent on welfare systems, about 43 percent receive benefits for less than 24 months. But at any point in time there are many more long-term recipients, for example, more than 75 percent of families on welfare, at any point in time, are on for more than 60 months.

So if it is an aggregate 5-year period, I have some very serious concerns about what we are doing because I think quite often the pattern is that a mother—by the way, mothers do not need Senators to tell them that they ought to work. Most are—75 percent within 2 years—are off welfare and are working.

Now, the problem is that all too often what happens is, think about this: You go to work, and you try to work out a child care arrangement. But you cannot afford it. Then you go back to welfare. By the way, for the low-income people, the monthly expenses of child care is not like 7 percent. It is 35 percent, or 40 percent of income. Or you go to work again.

When Sheila and I were younger, we did not have much money at all. We had this experience. You find out. It is the most horrifying thing in the world when you leave your child, whom you dearly love, with a child care center and the conditions are awful.

By the way, according to the national reports on the state of child care, we are not investing resources in child care—not just for low income, but for middle income. You get paid more money to work the zoos than you do to take care of children in the United States of America.

Mr. President, so what happens? You are supposed to be there at 5 to pick up your child. You show up at 4, and you find the conditions are awful. So it did not work. Now you are back to welfare. Or, Mr. President, remember, you are a single parent. You get sick or your child gets sick, and your child is sick more than a week. You get laid off work. This happens all the time.

So I will raise three questions and then get a response. I am really very worried about this 5-year period because it seems to me that if, in fact, the Urban Institute is right and more than 75 percent of families on welfare at any point in time will receive welfare for more than 60 months, we are cutting a lot of people off, who are mainly children, Aid to Families With Dependent Children, the children who do not give the big campaign contributions, the children who are not the big players, the children who are not the heavy hitters, the children who do not get on television with their ads. They are the ones that some of these proposals treat so harshly, though I must say again I believe that the minority leader's bill, thank God, is at least a significant improvement over Packwood-Dole.

Mr. MOYNIHAN. Mr. President, does the Senator wish to have these data at this point?

Mr. WELLSTONE. I would be. I will yield for that.

Mr. MOYNIHAN. I am happy to.

Mr. President, I ask unanimous consent that I may address the Senator directly.

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

Mr. MOYNIHAN. It happens that we presented this data in the debate that was a truncated debate in August. The Senator is exactly right in what he has said. But there is more to say. This was the work of Donna Pavetti at the Urban Institute—the Urban Institute was established under the auspices of President Johnson in the 1960's—of ''distribution of total time on welfare.''

The Senator is absolutely right. About 27 percent of welfare recipients are on for less than 1 year. About 40 percent are on for less than 2 years.

We do not know as much as we should. We have been very poor about gathering data. We, in the last Congress, enacted a Welfare Indicators Act, which I spent 14 years trying to get passed, that will start giving us an annual report on the subject.

So this is data from the Urban Institute. A number of people who go on AFDC are two groups. There is this group that is on for 2 years or less, 40 percent, 41 percent. We know who they are. They are married women whose marriages breakup. They need some time to get their affairs together. And they do. A very refreshing counsel of the Manpower Demonstration Research Corp., when we were drafting the Family Support Act, was to say, do not bother with these good people. The Senator is absolutely correct—at any given time 76 percent, three-quarters, of the persons on welfare have been there more than 5 years.

The Urban Institute also went on to estimate the number of families affected by a 60-month time limit, a 5-year time limit. Between the year 2001 and the year 2005—2001 you can reach out and touch that—1.4 million families will have exceeded the 5 years. By 2005, 10 years from now, 2 million families will have exceeded the 5 years. This assumes the caseload does not grow. That is half the caseload.

You were kind enough to mention what I had said in our caucus today. I said it earlier on the floor. In 10 years time we will wonder where these ragged children came from. Why are they sleeping on grates? Why are they making life miserable for themselves and others? What happened? We will have a city swarming with pauper children, penniless and without residence. You said it could not happen. It happened to the mentally ill. And half the families in 10 years will have been dropped by a 5-year time limit.

Mr. President, I thank the Senator so hugely. And this is the point.

Mr. President, I would ask these tables be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

DISTRIBUTION OF TOTAL TIME ON WELFARE

Time on welfare (in months)	New entrants (percent)	All current recipients at a point in time (percent)
1–12	27.4	4.5
13–24	14.8	4.8
25–36	10.0	4.9
37–48	7.7	5.0
49–60	5.5	4.5
Over 60	34.6	76.3
Mean Duration (in years)	6.10	12.98

Source: Urban Institute, 1995.

NUMBER OF FAMILIES AFFECTED BY A 60-MONTH TIME LIMIT, FY 2001–FY 2005

[in millions]

Fiscal year	Families currently receiving benefits	New entrants	Total families
2001	1.34	.08	1.42
2002	1.41	.24	1.65
2003	1.37	.43	1.80
2004	1.29	.61	1.90
2005	1.19	.77	1.96

Note: This table assumes that the caseload remains at its current level of 4.35 million families headed by an adult over the next 10 years.

Source: Urban Institute, 1995.

Mr. MOYNIHAN. I thank the President for allowing me to ask the Senator to yield.

Mr. WELLSTONE. Mr. President, I have more to say, more of a critique. But I think that what the Senator from New York just said was very powerful. I cannot add to that at this time.

I would yield the floor to the Senator from Rhode Island. I ask the Senator from Nevada, will the Senator from Rhode Island then speak?

Mr. MOYNIHAN. I believe the Senator from Rhode Island was told he would be in sequence after Senator WELLSTONE, and that our good friend from Nevada knows that. We look forward to our most distinguished, revered colleague.

Mr. PELL. I thank my colleagues and my friends, one and the same.

I am very glad that the Senate has resumed debating the matter of welfare reform. And I am encouraged that the first few days of this debate—both before the August recess and again today—have been composed largely of thoughtful concerns and constructive suggestions about what can be done to make the current system work better and cost less.

In reviewing the legislation before us, however, we must each decide for ourselves what it is we believe about the current welfare system and how it can best move people from dependency to self-sufficiency, and from poverty to a living wage.

I continue to believe that our welfare system should provide temporary— I emphasize the word temporary—financial assistance to those in need. There are millions of people who fall on hard times; losing a job, getting divorced, or becoming widowed should not be a ticket to poverty. Welfare is there largely to help women and children get back on their feet—and to protect them from hunger, homelessness, and desperation in the interim. In this respect, welfare is a compassionate and needed social program and I support its continued existence.

But there is also no question that the system has, at times, been abused, and that it has been viewed by some welfare recipients as a free ride with no concomitant responsibility. These individuals, whom I believe to be a minority of welfare recipients, have nevertheless prompted understandable wrath in many other Americans who work hard, play by the rules, and do not receive any Government assistance. I understand their anger at what they perceive as a Government handout, and I think there is considerable merit to their claim that this abuse must stop.

In fact, many of us who believe that welfare has a role to play in helping people get a hand up also believe that certain responsibilities go along with Government help. I strongly believe that those welfare recipients who are able to work should work, and that every American should understand that our Nation's welfare system provides a safety net, and not a way of life.

But with that said, the question arises ''how do we get people to work?'' Do you simply impose a requirement that they must work to receive benefits or they will no longer receive them? And what do we do if they try to find a job but can't due to high unemployment, a lack of skills or education, or an inability to find anyone to care for their infant child? Do we simply say that if they do not work they will receive no benefits?

To me, Mr. President, that approach is too harsh and far too unlikely to produce the results we seek. What we want to do, what we need to do, is create a system that moves people off of welfare—for good. A system that gives them the tools they need to find a job, get employed, and stay employed at a living wage. Only then—and perhaps it will take some additional investment by both the Federal Government and the States—can we end the cycle of dependency and poverty that keeps generation after generation on welfare and discouraged from seeking to work.

The Democratic alternative—the Work First bill—addresses many of these issues in a thoughtful and comprehensive way. It fosters the transition from welfare to work by providing health care, and, when needed, access to affordable child care services. And it provides a reasonable period of time for people to move into the workforce.

In fact, the Democratic alternative involves welfare recipients in a full-scale, full-time search for real employment; a job they can be proud to have. Its Work First Employment Block Grant makes one and only one demand on States: an increasing number of their welfare recipients must find a job and keep the job. How the State does that is up to the individual State.

Mr. President, on another matter, I am distressed to see that the Dole bill lumps vocational and adult education

with welfare reform. Simply put, education is not welfare. Vocational and education programs are not, and should not be considered welfare. And while I certainly endorse enthusiastically the idea of a welfare recipient undertaking education as a means of obtaining a good job to move off of welfare, I do not think that this welfare legislation should tinker with existing education or vocational education programs, and shall oppose their inclusion in this legislation. In fact, we have already reported a comprehensive education and training bill from the Labor and Human Resources Committee, which I supported. It is a very important bill, and ought to be considered independently and in its own right.

Mr. President, there are a number of other parts of the Democratic bill that I think are crucial to our effort to reform the welfare system. I strongly believe in ensuring the ability of all who financially qualify to receive welfare, and thus do not support the concept of a limited block grant. Such an approach, adopted by the Dole bill, would leave millions of women and their dependent children with no financial assistance at all. And further, it would prevent them from participating in the new system we hope to create—which will give them the tools to get off of welfare once and for all.

Mr. President, as we undertake the very difficult task of reforming our Nation's welfare system, we may be tempted to seek simple answers to complex questions or be moved by rhetoric rather than fact. In my view, two basic principles should guide us in these discussions: fairness to taxpayers and compassion to those in need. I hope that my colleagues will share this view and spend the time and care necessary to make the right changes, not simply any changes.

I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. May I just once again say it is a great pleasure to have the opportunity twice in one week to express my great appreciation to the Senator from Rhode Island, who has very cogent remarks on education and carries weight in this Chamber. None has done so much as he in a generation of legislating. He is revered, respected. I hope and trust he will be listened to.

Thank you, Mr. President.

Mr. PELL. I thank my colleague.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I see the majority leader on the floor.

Before the Senator from Rhode Island leaves, may I say a few words in his direction?

Mr. DOLE. I just want to get a unanimous-consent request.

Go ahead.

Mr. REID. Mr. Leader, I will just ask him to stay.

If the Senator from Rhode Island would stay at his desk for a couple minutes.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. I say this has been cleared by the Democratic leader.

I ask unanimous consent that the vote occur on the Daschle amendment numbered 2282 at 4 p.m. Thursday.

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

Mr. DOLE. That will be tomorrow.

For the information of all Senators, there will be no further votes today. However, Members who wish to debate the Daschle amendment are urged to do so this evening.

Also, Members should be aware, prior to the close of business Thursday, the two leaders will ask consent to limit the remaining amendments in order to the welfare bill to finish the welfare reform bill by Tuesday or Wednesday of next week.

And there will also be after the vote, depending on the vote on the Daschle amendment, additional votes and debate tomorrow evening.

But we are trying to accommodate a number of our friends who want to attend the very historic baseball game tonight in Baltimore to see Cal Ripken, Jr., break the record of Lou Gehrig. So we hope that all those who are able to go will be very cooperative the rest of the week.

I thank the Senator from Nevada.

TRIBUTE TO CLAIBORNE PELL

Mr. REID. Mr. President, I wanted to take this opportunity, as unprepared as I am, to say a few words about the senior Senator from Rhode Island.

I had been planning the last couple of days to prepare a statement and come to the floor and give a speech that reflected my feelings about the Senator from Rhode Island. But, coincidentally, we are on the floor at the same time, and I want this time to be used while the Senator is on the floor and direct these remarks to him personally.

I cannot recite a great deal about the Senator from Rhode Island. I know the Senator from Rhode Island graduated from Princeton University, one of the premier schools of this country, cum laude. He also attended Columbia University. It is my understanding he has about 50 honorary degrees that have been awarded to him over the years. He served in the U.S. Coast Guard. He is an author.

I often, after having come from the House to the Senate, tried to determine how this Senator from Rhode Island had the ability to communicate in the way he does, in such a gentlemanly way but yet with so much authority and wisdom. Probably the basis for that, more than any other thing, is his service as a member of the U.S. Foreign Service.

In my time in Washington, being a Member of the House and the Senate, if there is a group of people that I think represent this country better than any other group, it is those people who are in the Foreign Service. Wherever I go, whether it is here in Washington meeting with them, or around the world, I find a group of people who are tremendously underpaid and highly educated and overworked and do a better job than anyone else representing our country as Foreign Service officers. Senator PELL served for 7 years in the U.S. Foreign Service.

I think that is the foundation, the background that has allowed him to do the many things he has done in the way he has done them.

It has been said many times on this floor that it is an honor to be able to serve with a man of CLAIBORNE PELL's ability, and certainly that is true.

Mr. President, it is also true that it is not only an honor to serve with him, but to be associated with him. I was in the Senate dining room with some constituents and, of course, people walk in who are known all over America. But the person sitting with me asked me if they could meet Senator PELL. Why? Because he felt his ability to go to college was made possible as a result of his having obtained a number of Pell grants. I took him over. The only Senator he wanted to meet was CLAIBORNE PELL of Rhode Island, because it was his feeling that he is responsible for his having been able to get a college education.

That is the way, Mr. President, that not only thousands but millions of young Americans would feel if they would direct their attention to Washington; that is, their ability to be educated as a result of the foresight of Senator PELL setting up Pell grants, allowing young people who ordinarily would not have the ability to go to college to be educated.

I, 6 years ago, on more than one occasion, went to Senator PELL and said: ''I think that your service is needed here in Washington and we need you very badly.''

I am one of many, many people that went to Senator PELL and told him that. I was right; we did need his service for another 6 years, and his service has certainly been as dedicated these past 6 years as it was the prior 24 years.

I appreciate the Senator waiting on the floor to allow me to impart my admiration and respect and love. There is no one in the Senate that deserves more attention and credit than the senior Senator from Rhode Island. As I go through life, there will be no one who has given me more pleasure serving with in any capacity of Government than the Senator from Rhode Island. So on behalf of the Senate and the people of America, I extend my appreciation to you.

Mr. PELL. I thank my colleague and friend for his kind words and appreciate them more than I can say.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. REID. Mr. President, I do not have the experience of the Democratic manager of this bill, the senior Senator from New York. On this occasion, and others, I heard him talking with President Nixon and President Kennedy on matters of importance dealing with measures that are now before this body. He has written numerous articles. He has written books dealing with welfare, so I cannot match that.

But as I told the Senator from New York, I have done something he has not done, and that is, I have spent a night in a homeless shelter in Las Vegas. Truly one of the remarkable experiences of my life—I do not know if ''remarkable'' is the right word—but interesting and educational experiences of my life.

And I just want to confirm what the Senator from New York has said on a number of occasions—that the homeless problem did not come about accidentally.

The homeless problem came about as a result of the Federal Government, in effect, emptying what we used to refer to as the ''insane asylums,'' mental institutions, as we now refer to them. We, in effect, emptied them. There were prescriptive drugs, and the Presiding Officer, who is a medical doctor, knows more about the different compounds that were developed to allow us to get people out of these institutions. But as part of the program, after having gotten them out of the institutions, we were to provide community health centers where these people would have the opportunity to come back and get new medicine and be evaluated and, in effect, not make them homeless people wandering the streets, as we see so often now.

Mr. President, one of the things we have to be aware of as we begin welfare reform, which we all acknowledge is needed, is that we do not create more problems, like the problems created when we decided to empty the mental institutions. The Senator from New York is concerned that 10 years from now, we are going to have a half a million children on the streets competing with the adult homeless. I hope he is wrong.

I think that almost every Member of this body agrees welfare reform is needed. The question is, How should we reform welfare? We all acknowledge that we must do something to change the present system. The current system, in many respects, is out of control. In fact, today, Mr. President, the name ''welfare'' itself invokes certain perceptions of which we are all aware. Presently, it is assumed that people on welfare are lazy, that they do not want to work and are simply looking for a handout. Our current system tends to foster these perceptions, however invalid they may be. I think what we need to do is to go back to the original intent of the welfare system.

We have had welfare systems in this country that are legendary in their success: the WPA, Works Progress Administration. When I do town hall meetings in Nevada, many times I take pictures of what the WPA did around Nevada: built schools, built roads, planted trees, built bridges, helped with grasshopper infestations. And I, with these pictures, tell my constituents that here is a Government program that was a success and, yes, a Government welfare program that was a success.

I was born and raised in Searchlight, NV, a small mining town when I was growing up there of a couple hundred people. Not much in the way of mines but it was a mining town. At that time, the gold was about gone.

But all around the area of Searchlight we had evidence, when I was growing up, and it is still there, of the welfare recipients having been to Nevada. They did not know they were welfare recipients, but they were. They were part of the Civilian Conservation Corps. They came to the deserts of southern Nevada. They came to all over Nevada, but the deserts of southern Nevada I am familiar with. They came to all over southern Nevada.

What did they do? They built corrals, watering holes, fences. They built trails. There is still evidence of these welfare recipients' work in Nevada. This was a welfare program that was successful. So because we have a welfare program, it should not mean that it is demeaning, that it is bad, that it is negative. There are reasons we have welfare programs.

This great society of ours must help those people who need help. We know that welfare covers the infirm, the blind, the handicapped. Who would say we do not need welfare programs to help people who, for whatever reason, find themselves in that condition or position? There are also people who are able-bodied that, for reasons, need help. And that is what this welfare reform is all about—to do something about people who are down on their luck and need help.

There is no reason that welfare should foster a perception of people being lazy and worthless. We need to go back to the original intent of the welfare system. Welfare was initially developed as a temporary assistance, not a way of life. I believe that we all agree on this. Reform of the current welfare system should be as bipartisan as we can make it. Both sides of the aisle, I hope, have the same goal: to make welfare temporary and to move people currently on welfare into jobs.

The bill that the Democrats have sponsored, the Democratic alternative, of which I am a cosponsor, recognizes this intent. It clearly recognizes this intent and has a prepared plan, tightly tailored, to not only succeed in moving people off of welfare and into jobs but to keep them in those jobs. The Democratic substitute streamlines the current system and addresses the problems people now face. It addresses the major barriers to getting a job, keeping a job, and getting off welfare. In contrast, while the Dole bill has the same objectives, it falls short in its plan on how to achieve these goals.

I must say, Mr. President, that the Dole bill is a moving target. It has changed many, many times. I am doing my best to understand the Dole bill and to give it as fair an interpretation as I can.

I have a number of problems with the Dole bill. I am going to focus today on block grants. As U.S. Senators, we deal with Federal dollars. That is the way it should be. We cannot simply hand the States a fixed amount of cash with no direction or requirements. I think this would be irresponsible. Welfare is a national concern. That is why we are here today debating reform of the system. It is important that the Federal Government have some control over the funds it disburses.

Mr. President, under the majority's legislation, there is going to be a race to the least. Who can get to give the least the quickest? Who can provide the least amount of benefits? Because who does that is going to win the battle because they are going to have no money to do anything else with.

A favorite criticism of the Democratic Party by some is that we throw money at projects. That is exactly what the Republican block grant does in this legislation. It throws money at the problem. It throws moneys to the States and tells them to deal with the problems without giving them sufficient money. That is, the irresponsibility is compounded by the fact that the money States are going to get in the block grants is significantly insufficient. Many of the Senators on the other side of the aisle who have spoken on behalf of the Dole plan have emphasized that block grants allow the States to decide how and where to spend the money it is given, the logic being that the State knows best where they must focus the money. I do not disagree with the basis of that argument. Individual States should know where their weaknesses lie and what their States need. However, those speaking on behalf of the underlying bill have failed to emphasize that there are Federal requirements States must meet in order for the States to receive these block grant moneys. They are not automatic. States, for example, would be required to double their participation rates. Yet, they will not be given the necessary resources to carry out this work.

The Republican block grant plan is not truly a block grant plan, but an unfunded mandate to the States. One of the first bills we worked on in this Congress, and one of the first we passed—and there was agreement with the Contract With America—is that we should not have unfunded mandates. We agreed with that. Here is an unfunded mandate. In fact, the head of the U.S. Conference of Mayors, which

is bipartisan, called the Republican plan ''the mother of all unfunded mandates.'' This is not something I dreamed up or the Democratic Policy Committee came up with in some cute little phrase. This comes from the U.S. Conference of Mayors, which is a bipartisan group. He called the plan ''the mother of all unfunded mandates.''

For example, in order for States to meet the new work requirements prescribed in the Republican bill, by the year 2000—fiscal year 2000—the Congressional Budget Office analysis estimates that the States would have to find up to $4.3 billion extra—more than the current State and Federal expenditures—to meet the new child care costs alone. Overall, the unfunded work requirements would result in $35 billion in additional cost to the States over the next 7 years; $35 billion. Everybody within the sound of my voice should understand that this is a lot of money that is going to be picked up by State and local governments. For the State of Nevada, the unfunded mandate will result in costs upwards of $110 million, as we now see it, at least.

Finally, the Congressional Budget Office estimates that a majority of the States will not be able to meet the work requirements included in the bill. In fact, CBO assumes that given the cost and administrative complexities, States would choose to accept a penalty of up to 5 percent of the grant rather than implement the requirements.

My primary concern with the underlying bill and the block grant plan in it is its unfairness and insufficiency. The plan simply shifts the problems of the current welfare program to the States, with limited Federal funding. This plan is inadequate for high-growth States like Nevada. In fact, Nevada may be the best example of how unfair a block grant frozen at fiscal year 1994 will be—frozen for 5 years. Nevada is the fastest-growing State in the country, with the fastest-growing city in the country, Las Vegas. It will not take long for high-growth States like Nevada to run out of money. And then they will be forced, under the terms of this bill, to borrow money from a so-called ''emergency loan fund'' which this plan provides. The loan is limited to 10 percent of the State's grant, and the State is required to repay the loan, with interest, within 3 years.

Of course, if the State does not have the money to repay the loan, what happens? We know what happens. The costs will be shifted to the State's residents in the form of increased taxes. There is no other alternative. This plan has a very real potential of forcing States into playing a catch-up game that they will never win. This is not my definition or, I think, anyone's definition of State flexibility. It is the definition of State destruction.

To add to this disturbing scenario is the fact that the underlying bill cuts back on welfare funding in order to give $270 billion of tax cuts. The block grant method proposed is particularly harsh on a State like Nevada. Nevada, I repeat, is rapidly growing. From 1993 to 1994, Clark County, NV, which is Las Vegas, grew by 8.2 percent. That is tremendous in 1 year.

This equates to about 75,000 new people coming to Las Vegas in 1 year. Our growth rate is on the rise and shows no sign of slowing. The growth rate in Clark County is expected to increase 23 percent over the next 5 years. We are going to have moneys frozen at the 1994 level for 5 years?

Meanwhile, this block grant under this underlying bill would freeze funding, as I said, at the 1994 fiscal level. As Nevada's population soars, the funding for welfare will remain fixed with no consideration of changing it under conditions of population growth or even inflation. This rationale simply does not make sense and is not fair.

I have been listening to my colleagues on the other side of the aisle speak about giving the States flexibility and that one size does not fit all. Well, I agree. States should have flexibility, but the plan that is now being debated here, that is, the underlying Republican plan, does not allow this flexibility. They provide an insufficient amount of money to the States expecting to fill the requirements tied to that money. This is not flexibility. This is an unfunded mandate. I agree that one size does not fit all. We do not live in a static society. Each State is changing rapidly.

The City of Las Vegas grows 75,000 a year. Why does this Republican plan keep the funding level at the 1994 level for 5 years? Block grants are not fair and they do not make sense.

Some would have us believe that this block grant program is some new idea. We are going to do the right thing, and we have come up with the great idea of block grant. I do not know when block grants first started, but in the Nixon years they had block grants. We tried them in a number of different areas. Most of them we got rid of, for reasons just like I talked about, because block grants are an easy way to do things.

It is like we talked about balancing the budget. It is easy to balance a budget if you use welfare, Social Security moneys, and do not make some of the hard choices we have been forced to make this year with the balanced budget resolutions that now have passed. Those are tough decisions.

Block grants are an easy way, a buck passer for the Federal Government. Bundle up all the problems in a nice little bundle and ship them to the States. That is what we are doing with welfare.

Another primary concern of mine is the so-called child exclusion provisions. Under the majority's plan, States would have the option to deny assistance to unmarried minor parents and their children. States would also be given the option to deny additional assistance to families who give birth to a child while on assistance or who have received assistance any time during a 10-month period.

These provisions directly punish and hurt children for merely being born, over which they of course have no control. The concept behind these provisions seems to be that if women know they will not receive money for additional children, they will not get pregnant.

This simply is not the case. To quote the Senator from New York, Senator MOYNIHAN, ''Anyone who thinks that cutting benefits can affect sexual behavior does not know human nature.''

The family cap provisions were enacted in New Jersey, I think in about 1992. After a study of mothers who are penalized if they had more children while on welfare, a Rutgers University study recently found there is no reduction of birthrate of welfare mothers attributable to the family cap. Further, last month New Jersey officials announced that the abortion rate among poor women has increased since the passage of their policy.

I do not know the precise cause of this increase, but I think common sense dictates that it could be a result of the message which is sent to poor women under these provisions which is, ''Do not get pregnant. But if you do, you better do something about it because you will not get any money to feed that child.''

Obviously, many young people will turn to abortion rather than having a child that they will not be able to feed and clothe. Withholding welfare benefits to prevent pregnancy is not the answer to illegitimacy problems.

The Democratic proposal does deal with teenage pregnancy—and we will talk about that a little later—in a firm, concise, and compassionate way.

Furthermore, the family cap provisions are focused on the actions of women. What about the father of these illegitimate children? Should we talk about them at all? Should they be part of this major legislation reform? Of course they should be.

National Public Radio this morning had on its program Prof. Richard Moran of Mount Holyoke College. Now, I ask my learned friend from the State of New York, is this a New York institution, Mount Holyoke?

Mr. MOYNIHAN. Massachusetts.

Mr. REID. Thank you. Professor Moran stated what most believe is simply common sense. He said if we can change the behavior of adult men who father illegitimate children, we could make a substantial dent in the rate of teenage illegitimacy. Instead of trying to limit teen pregnancy by reducing welfare benefits for the girls, public policy, according to Moran, should focus on holding adult males financially responsible for their children.

I think that is pretty sound reasoning. It is common sense and our bill does that.

Professor Moran went on to explain that 25 years ago, two-thirds of expectant teenage mothers married. Today,

less than a third marry. Of course, no one is saying that early marriage is a solution to out-of-wedlock births.

A new national study indicates fully one-half of the fathers of the babies born to mothers are adults. This is not a situation of teenagers having sex. The facts are that these young girls are being impregnated by adult males, and they should be held responsible for their actions. They should pay.

These statistics show that the problem of illegitimacy is not going to be solved in an easy fashion. We must focus on the family and do it in a way that is intelligent.

The Democratic Work First program is called Work First—that is the amendment pending before the body at this time—because that is what it is about. The Democratic Work First welfare plan will change the current welfare system dramatically by replacing the current system with a conditional entitlement program of limited duration requiring all able-bodied recipients to work, guaranteeing child care assistance, and requiring both parents to contribute to the support of their children.

The Work First plan is a plan where assistance is continual. Assistance is time limited. I think it is important that after 2 months we recognize clients who have signed the contract, the Parent Empowerment Contract, are working toward objectives and can continue to receive assistance.

After 2 years, if the individual is not working, States will be required to offer workfare or community service. Again, tough sanctions arise to those who refuse to participate in this welfare program.

The Democratic plan requires work and establishes the Work First employment grants if States focus on work, providing the means and the tools needed to get welfare recipients into jobs and to keep them in the work force. All able-bodied recipients must work.

There are successful programs now. We do not know how successful; they have not been in existence long enough. We have a great program in Riverside, CA. They have sorted clients into two streams. Most programs put everybody in the same stream. What they have done is they sort clients into two streams: one, those that need educational assistance; and those that are job ready.

It is a program we can look to see if it will have long-term benefits. We have a program in Iowa that has received some rave reviews. It is a family investment type program designated to move families off welfare into self-sufficient employment. The State of Oregon has a program. There are a lot of programs that States, if they have resources, which will be given in this bill that we have submitted in the form of an amendment, States can do some type of innovative programs.

Our program does not say, States, you must do it this way. But we are saying people must work and that we are going to give you some financial assistance so that you can accomplish some of these things.

I repeat, States are provided resources for the work requirement. Under our plan, States are given the resources so welfare recipients not only get a job but remain in the work force. See, getting a job is not the key to everything because you have to keep them in the job. States have the flexibility that I have outlined before.

One of the key facets of the Democratic proposal that is not in the Republican proposal is child care. That is, to help recipients keep a job, child care assistance will be made available to all those required to work or prepare for work. There are three current child care programs. They would be consolidated into one program. We have had good work by Senator DODD and Senator HATCH on this in years gone by. I conducted hearings in the State of Nevada on child care and how important it was. I learned firsthand, in hearings I held in Reno and Las Vegas, how critical it is, if we are going to have a successful welfare program, to have some child care components.

We also have to encourage clients to stay in jobs by making employment more attractive than welfare. We have talked about the importance of child care. We also have to talk about the importance of health care. Under our program, an amendment we will vote on tomorrow afternoon at 4 o'clock, Medicaid coverage will be extended by an additional 12 months beyond the current 1-year transition period. It is needed. If you are going to give people incentives to keep working and save the Federal Government money, then they must have the ability to have child care and health care.

Also, we have to make sure the statistics are not phony. Our program counts actual work. As I have indicated earlier, the underlying bill is kind of a moving target because it keeps changing for reasons we have all read about in the newspapers. But we must have a work performance rate that is a real work performance rate.

I have talked about fathers, how they also must be part of the program if we are going to do something about absent parents. The burden has been on women. We have to divert the attention to make it a responsibility of parents, and parents includes the man. That is usually the one who avoids responsibility. Absent parents who are delinquent on child support payments, under our legislation, must choose to enter into a repayment plan with the State, community service, or try jail. That is in our legislation, and I think that it is fair.

Under our legislation, we are going to try to keep families together. Unlike the current system under which women and children receive more assistance if parents are separated or divorced, the Work First plan encourages families to stay together to work their way off welfare. Our plan eliminates the man-in-the-house rule, which prohibits women from receiving benefits if they have a spouse living in the same house who is working full or part time. Let us have this a family friendly welfare package.

We have talked about teen parents. Under our plan the message to teen parents is clear: Stay at home and stay in school. Stay at home and stay in school. No longer will a teenage parent be able to drop out of school and establish a separate household, creating the cycle of dependency that is difficult to break. Custodial parents under the age of 18 would be required to live at home or, if there is some reason because of an abusive situation or whatever other reason that is meritorious that they should not live at home, then there would be an adult-supervised group home where parenting skills would be taught, where there would be employment opportunities available.

I say to my friends, a program like this is not impossible. A few months ago I went to Fallon, NV. Fallon, NV, is about 60 miles from Reno. It used to be an agricultural community and it still is. The largest naval training facility for airplanes in the world is there, Fallon Naval Air Training Center. It is a great facility.

I had been asked to visit a Lutheran Church in Fallon, because it was part of the AmeriCorps project. I went there and met with the priest who had moved to Fallon several years before. He was contacted first by the school across the street from his church, saying we have all these teenage pregnancies, could you help us? He did not know how to help. He said, ''I cannot. I do not know what to do.'' Then he was contacted by the State Welfare Department. Finally, somebody said, ''We have this AmeriCorps project. Why do we not make a grant and see if we can get a program to help teenage pregnant girls.'' They made an application. There is an AmeriCorps project there.

It brings tears to your eyes to go there. Mr. President, there is not a single person now on welfare who has been through this program. It is right across the street from the high school. The pastor, who came there to care for his flock, has now become devoted. His whole church is involved in taking care of these teenage girls who become pregnant. They are being educated. They are getting their high school diplomas. There are people who are working in the program, earning money so they can use the money to go to college. It is a wonderful program.

There are programs we can come up with to help teenage pregnant girls. But these programs require funding.

So I ask everyone to take a close look at our bill. It is a good bill. If this amendment is defeated tomorrow afternoon at 4 o'clock, I hope we will have an opportunity to vote on an amendment dealing with child care and the many other problems involved in

welfare reform, which are not properly addressed by the Dole bill.

The Democratic plan addresses the problem of teenage pregnancy by including grants to States for design and implementation of teen pregnancy prevention programs. I will not go into more detail right now, but it is extremely important.

Paternity establishment is in our bill. We cannot let these men escape their responsibility, as they very often do. Child support enforcement is in our legislation.

Also, I want to talk a little bit about the provision in our legislation dealing with food assistance reform—food stamps—major provisions. We have one strengthening compliance, reducing fraud and abuse. It is an effort to clamp down on the egregious abuses of the program. The Work First Program provides the following:

The Secretary of Agriculture may establish specific authorization periods so that stores have to reapply to continue to accept food stamp coupons and may establish time periods during which stores have their authorization revoked or, having had their application for authorization denied, will be ineligible. Stores may be required to provide written verification of eligibility. The Secretary shall be required to issue regulations allowing the suspension of a store from participation in the program after the store is initially found to have committed violations.

Now they commit violations and, in effect, thumb their noses at the authorities because nobody can stop them from taking food stamps. Our bill changes this.

Stores that are disqualified from the WIC Program shall be disqualified from participation in the Food-Stamp program for the same period of time. Retail stores are disqualified permanently from the Food-Stamp Program for submitting false applications. There are other things that are important to strengthen this provision: enhancing electronic benefit transfer, strengthening requirements, and penalties. There are a number of things that really make this legislation more important.

I want to close by talking about a couple of things, in effect, to set the record straight. People who oppose this amendment charge that the Work First plan is weak on work. This claim comes from the same people who only a short time ago approved and reported a plan out of committee with no participation requirements.

So I say in response to that charge that their plan was not even about workers; it was about shoveling people from one program to another with no emphasis on work, with no emphasis, no work requirement at all, and now they have dropped their participation requirements and instead have adopted our work standards, the standards in this amendment pending before this body. So try to explain to me how the Democrat plan is weak on work when the underlying Dole amendment picks up our plan.

There is also a charge that the Democratic substitute is weak on State innovation. The Democrat Work First plan provides States unprecedented flexibility. The States set benefit levels. States set allowable asset limits. States set income. Disregard policies. States design their own work programs. In fact, there is a lot of similarity here between the Democratic and Republican plans. So why do they charge Work First as being weak on State innovation? It simply is not true.

Another charge: The Democrat plan is weak on savings.

Mr. President, the Democratic Work First plan saves over $20 billion. It is not weak on savings. The Breaux-Mikulski plan saves as much as the Republican plan, or as close. But it also does not include a $23 billion unfunded mandate to the States; that the States are going to rue the day that this underlying legislation passes. They will rue the day. As the Conference of Mayors said, this will be the ''mother of all unfunded mandates.'' The Democratic plan will result in deficit reduction without unfunded mandates to the States.

Let me close by saying, yes, we should change the present way welfare is handled. But we should not throw the baby out with the bathwater. We have to do a better job of being compassionate but also have a bit of wisdom in what we are doing with so-called welfare reform.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER (Mr. DEWINE). The Senator from New York.

Mr. MOYNIHAN. Mr. President, may I first thank the Senator from Nevada for a careful and a thoughtful and, to this Senator, a wholly persuasive argument.

VISIT TO THE SENATE BY SENATOR EDUARDO MATARAZZO SUPLICY OF BRAZIL

Mr. MOYNIHAN. Mr. President, by a happy circumstance, we have a visitor on the floor today, Senator Eduardo Suplicy of the Brazilian Senate, who is the author of legislation in that Senate which will establish a guaranteed national income in Brazil and is now in debate in that assembly. It is a matter that has been discussed on this floor today. So it is very serendipitous indeed.

RECESS

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Senate might stand in recess for 1 minute in order to welcome our colleague from Brazil, Senator Eduardo Suplicy.

[Applause]

There being no objection, the Senate, at 6:12 p.m., recessed until 6:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. DEWINE].

RECESS

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Senate stand in recess for a period of 20 minutes.

There being no objection, the Senate, at 6:15 p.m., recessed until 6:33 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. DEWINE].

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. GRASSLEY. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRASSLEY. Mr. President, a recent paper by the Progressive Policy Institute leveled three criticisms at the Republican welfare reform plan. It is to generate short-term budget savings, the first charge leveled; to satisfy GOP Governors' demands for flexibility; and, lastly, to avoid making tough decisions.

Now, obviously, that last statement is most ludicrous that the Progressive Policy Institute leveled against us because we have seen the Federal Government fail on welfare reform. You know, there was a massive effort made in 1988 at the Federal level to move people from welfare to work, to save the taxpayers money. We have seen 3.1 million more people on welfare now than before we passed our so-called welfare reform plan in 1988.

In the meantime, we have seen States like Missouri, my State of Iowa, the States of Wisconsin, Michigan, Massachusetts, New Jersey—and I suppose there are a lot of others that ought to be named—reform welfare in a very ambitious way and in an ambitious way that we have not had the guts or the will to do here in Washington, DC, at the congressional level. And we have seen through State action people move from welfare to work and saving the taxpayers money. In my own State of Iowa we have 2,000 less people on welfare than 3 years ago when we passed the welfare reform plan. We have seen our monthly checks go from an average of $360 down to $340. And we have seen the highest percentage of any State in the Nation of people who are on welfare moving to work, at 35 percent.

So can you believe it, Mr. President, that the Progressive Policy Institute would level a charge that we are trying to avoid making tough decisions when we have failed at tough decisions or we

have not made the tough decisions that should have been made and we have seen States make those tough decisions and be very successful in the process?

Also, that second criticism that is leveled, to satisfy the GOP Governors' demands for flexibility, well, the history of welfare reform proves that when we have given States waivers so that they can do certain welfare reform things that we could not do here, we have seen that flexibility move people from welfare to work and to save the taxpayers money.

So, obviously, it is ludicrous that we would have these sorts of charges leveled against us. But those three criticisms do reveal very key differences between Republican plans for welfare reform and Democratic plans for welfare reform.

One of the things that sets the Republican effort apart from the Democrats is our unwillingness to apologize for our desire to balance the budget by the year 2002. We want to balance the budget because it is the right thing to do. By not having a balanced budget, we are living our lives at the expense of our children and grandchildren. Every child born today already owes $18,000 to the Federal Government, and will pay 80 percent of his or her lifetime income in taxes if we do not balance the budget and do it as soon as we said we were going to do it as well.

Of course, not balancing the budget and passing on the costs to our children and grandchildren—and if one of those were born this very minute, and there are some at this very minute being born, they have $18,000 a year debt before they ever get out of the hospital.

It is immoral, it is irresponsible, and it cannot continue. Republicans acknowledge that and we were elected to do something about it, and so part of the process of balancing the budget is to make sure that there are no sacred cows, to make sure that every program in the budget, every geographical section of the country contributes toward balancing that budget.

So one of those programs that must be affected is the welfare program of the Federal Government, a program that we thought we reformed in 1988, a program that has produced 3.1 million more people on welfare, and that is after increases in welfare had leveled off dramatically during the 1980's.

Some people in this body would say that we have had the dramatic increase in welfare numbers, the 3.1 million I referred to, because we had a recession in 1991 and 1992. But not so, because if you go back to the recessions of 1975 and 1976, which were much deeper than the recession of 1991 and 1992, you will not find dramatic increases in welfare. In fact, you will find a decline in the number of people going on welfare.

But if you study very deeply the reason why we have 3.1 million more people on welfare than we did when we passed the 1988 Welfare Reform Act, it is directly attributable to some of the changes that were made there.

Welfare must be affected then. Welfare reform must come as part of an effort to balance the budget, even though welfare reform is a worthy goal in and of itself, even if we were not trying to balance the budget.

Why is it worthy in and of itself? Because we have had 40 or 50 years of Federal AFDC programs that have encouraged dependency, discouraged independence, ruined the family, besides costing the taxpayers a lot of dollars.

Are we saying that people who have problems that need help to get over a hump in their lives should be disregarded by Government? Not whatsoever. But we are saying that the program of helping people over a bump or a hump in their life, a period where maybe they were destitute and needed some short-term help, we are saying that should not become a way of life, and a program that provides that short-term help should not lead to greater Government dependency and lack of personal responsibility.

So, in the effort to balance the budget, as we acknowledge that, we do not see reducing the budget as the reason for welfare reform, but we see that as a result. If we change welfare from a trap to a trampoline, we will spend less on the program in the long run. If it is a system that springs people to independence and removes generational effects of the current program, it will cost less. That is a result, that is not a reason for welfare reform.

Another difference, after saying that a major difference between the Republican plan and the Democratic plan is that we believe in balancing the budget, but that is a result, that is not a reason for welfare reform, then another difference between our plan and that of our opposition is that we Republicans believe State leaders are more than capable of making good decisions on how to help the needy. We believe that Governors and State legislators and other State leaders, people closer to the grassroots, can create more innovative systems that actually work better to meet the needs of those who need some short-term help over a hump, over a bump in their life. We do not believe that States should have to come, hat in hand on bended knee, to some Federal bureaucrat for permission to try some new idea. That is a very key difference between Republicans and Democrats.

Thank God there have been some waivers given, and maybe that is one good aspect of the 1988 legislation, it did give States some leeway. But can you believe it? My State of Iowa adopted a program, and it was 8 months before the Federal bureaucrats got done playing around with it so we got the approval to move ahead with a program that has 2,000 less people on welfare, reduced the monthly checks from $360 to $340 and has raised from 18 percent to 35 percent the percentage of people on welfare moving to jobs.

Republicans think that States should have the flexibility to create systems that work for each State's population. We do not believe, as Republicans, that you can pour one mold in Washington, DC and out of that mold have a program that attempts with success and with good use of the taxpayers' dollars to handle the welfare problems of New York City the same way that we would in Waterloo, IA or, in the case of the Presiding Officer, Cleveland, OH.

We think that leaders at the local and State level are going to get us more for our taxpayers' dollars, spend less of those dollars and probably move more people to work and have less dependency than what we will if we try to solve this with one uniform program that treats the welfare problems in New York City exactly the same way they are treated in Waterloo, IA.

We Republicans acknowledge that the old one-size-fits-all approach of Washington, DC has been a disaster. It has not worked. It will not work, and Republicans are simply living with reality to want to change it, change it based upon the successes of States who have had more guts to experiment, to try dynamic new approaches to moving people from welfare to work than what we were willing to do at the Federal level.

There is one more thing that I want to point out of this particular criticism, Mr. President. I believe Democrats are failing to realize that the American people have elected 30 Republican Governors. They, obviously, are saying that the Democrats have had their chance at working out these problems and nothing happened. Now Republicans are being given the opportunity, and we are taking it and we are making the most of it.

The President ran on a platform promising to end welfare as we know it. Well, he failed. With a Democratic President in 1993, 1994, with a Democratic President for the first time in 12 years, a President who, in his opening speech to the Congress, reiterated what he said in the 1992 election, that we are going to end welfare as we know it, we never had a proposal. So that administration has failed. That Congress has failed. The people chose the Republicans for a new Congress, and so we are giving the people what we said we would in the last election and what they said they wanted.

Finally, Republicans are making tough decisions. We are admitting that we at the Federal level do not have a lock on ingenuity, or a lock on wisdom, and obviously we do not have a lock on compassion. We are acknowledging that there is creativity, that there is wisdom, and there is concern at the State level. We are humbly accepting that maybe we at the Federal level do not have all of the answers. There is an old saying, Mr. President, which is that insanity is doing the same old things and expecting different results.

Well, that is what the Democrats are doing, I believe, with their welfare reform program. Republicans recognize that by giving up some of our power to the States and the people, we will have

better results both in terms of meeting the needs of low-income families and in terms of our efforts in balancing the budget. The criticisms of the Progressive Policy Institute are, of course, out there in the public with the intention of shaping us into changing our perspective. On the contrary, I think they simply let us know, as the majority party in this new Congress, that we are headed in the right direction by getting the Federal Government basically out of the welfare business, turning it over to the States, for the track record of the States in recent years has been a tremendous success compared to the failure of the last reform out of this Congress which, instead of producing savings, is costing much more. Instead of moving people from welfare to work, we have 3.1 million more people on welfare, a greater dependency on the Government, less personal responsibility, and obviously a great cost to the taxpayers.

That is why I hope this body will ratify the work of the Finance Committee on the welfare reform proposal that came out of that committee. It came out of the committee with some bipartisan support—all of the Republicans and a few of the Democrats—because I think that there is going to be a bipartisan effort on final passage, if we can get there. I believe, quite frankly, that whatever passes this body is going to be signed by the President. I do not think, even if he does not get the welfare reform that he wants—with the public cry for welfare reform and for moving people from welfare to work and saving the taxpayers dollars, and an understanding of that at the grassroots—that this President would dare veto anything that we send.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Ms. SNOWE). Without objection, it is so ordered.

Mr. DASCHLE. Madam President, I know that the day has almost ended. Prior to the time that it does, I want to have just a few minutes to address one more time the Work First legislation, the pending piece of legislation, and my reasons for believing it ought to be adopted by our colleagues tomorrow.

Before I describe again those reasons and our goals in drafting the legislation, let me reiterate my gratitude to the many Senators who have had much to do with the tremendous effort put forth by our caucus in proposing this legislation. Thirty Members of the Senate have cosponsored this bill, and that, in large measure, is due to the leadership of Senator MIKULSKI, Senator BREAUX, and the remarkable efforts of a number of our colleagues who have had special interests in various pieces of the bill, and were instrumental in bringing us to the point of introducing the bill prior to the August recess.

Let me also express my gratitude to the ranking member of the Finance Committee, Senator MOYNIHAN, for his unparalleled leadership in this area, for all of the work he has done on this issue, for the many years he has provided us guidance, and for the terrific legislative accomplishments we have been addressing as we have debated this bill.

The Family Support Act is really the foundation of our welfare reform system. And, as many have indicated throughout the day, were it not for that, we would not have made the progress that has already been well documented already in this debate.

Madam President, there are four fundamental goals, as I see it, as we look to what we hope to achieve by the enactment of this legislation.

First, we want real welfare reform. Second, we want to recognize that providing people with skills, providing people with new opportunities, and providing people with the wherewithal to get off welfare is really the primary objective of what we are doing. Work is a goal that I hope would unite all Senators, Republican and Democrat, as we attempt to accomplish our goals in this area.

Third, and perhaps equally as important in many respects, we want to protect children. Of the 14 million AFDC recipients in the 5 million families who receive assistance through AFDC, 9 million are young children dependent upon the services and the resources that we provide through the infrastructure that exists today. Protecting children, ensuring that they have the opportunities to become productive adults, and ensuring that they can acquire the skills necessary to break the cycle of dependency if their parents cannot—protecting children ought to be a goal for everybody here, and certainly that is the goal of the Work First plan.

Finally, we recognize that you simply cannot have meaningful welfare reform if you do not provide the funding. It is one thing to set goals. It is one thing to lay out a new infrastructure. It is one thing to assert objectives and to expect the States in some way to respond to all of those objectives and requirements within any new piece of legislation; but if they are not funded properly, we cannot expect any of those goals to be realized. Regardless of how elaborate and how pleased we may be with whatever infrastructure we create, we cannot expect those goals to be meaningfully realized without adequate funding.

We want to ensure that, whatever it is we do, we understand up front how we are going to pay for it. Those are the goals.

We want real reform. We want to emphasize work. We want to protect children. We want to ensure that, as we do those three things, we provide the necessary resources to do so.

Madam President, I want to talk briefly tonight about each of those four goals and what it is we believe is so important and essential as we consider the strategies to achieve those goals. There are four specific strategies we have laid out in the Work First plan that we hope will convince any skeptic we are serious in our strong desire to build upon the things that have worked well, and to replace those things that have not worked as well as we would have hoped.

Part of this effort involves changing the culture of welfare. We need to have people in those welfare offices who are there to provide more than just financial resources, who can be there to provide the kind of opportunities that people want as they walk into a welfare office—people with an expectation that they want more than just money, with an expectation that they want to acquire skills, with an expectation that they want to break the cycle of dependency, with an expectation that they truly can change their lives.

To do that we have to make welfare offices employment offices, recognizing that it is through employment and through opportunities to use acquired skills that people can acquire a dignity and a confidence about their lives that they do not have today. If we are going to do that, indeed, we have to retrain staff and refocus the whole concept of what the welfare office is about. We need to refocus this concept on work, on providing the training and opportunities necessary to make these services meaningful for the people who walk through those doors.

We want to encourage States to consolidate and streamline the welfare infrastructure to ensure that, through a one-stop mechanism, we can do all that is possible with a visit to that particular office so that we do not require people to go from one office to the next to the next to the next in search of help.

We also need to restore some common sense to this process. Common sense would say that yes, a father ought to be part of this process. Yes, we want to welcome the man back into the family. Yes, we recognize that two parents are better than one. Yes, we recognize the current system, in some respects, is penalizing families for staying together. We want to restore common sense to the system.

We want to do all of this, not by boxing up the current system and shipping it to the States, not by simply saying to the States, ''You do it with fewer resources, with less real ability for Federal-State partnership. You do it.'' That is not the solution. That simply is shifting the problem to somebody else.

We really hope we can avoid doing that with whatever course we choose to take during this debate. However we finally achieve our goal of changing the welfare culture, it is certainly our hope

that we simply do not expect the States to do it by themselves.

To accomplish real reform, we have to start by changing the culture of welfare. We also want to redefine it—not just change the culture, we want to redefine it. We want to give it a new meaning, a new understanding, a new definition from that which has existed in the past.

That is why we eliminate the program commonly referred as AFDC. We replace it with what we call temporary employment assistance. That is more than just a name change. Temporary employment assistance is a conditional entitlement. It says to welfare recipients that there is no more unconditional assistance. We will provide assistance subject to your willingness to take responsibility. If you are willing to take responsibility, we are willing to provide you with the tools to enable you to achieve change in your life, to achieve new opportunities for yourself and for your family.

All recipients would be required to sign a parent empowerment contract, which puts into writing this reciprocity in a way that everyone understands, so there is no misinterpretation. It is in black and white. ''Yes, I will go find work. Yes, I will acquire the skills. Yes, you will help me do so. You will provide me with opportunities that I do not have today.'' It is all going to be written out so there is no misunderstanding.

We require all able-bodied recipients to do as much as possible to achieve their goals in work. Even those who are not able-bodied would be required to take some responsibilities, even if they are not working. But there would be an appreciation of the need to take responsibility.

So we do redefine the system. We try to break it out from past practice and clearly define what it is we are trying to do.

Part of what we are trying to do is limit the length of assistance. We say that 5 years ought to be enough. Five years is applicable in just about all cases, but there are some very clear cases where that is inappropriate or not prudent.

Certainly, children who live with someone other than their parent ought to be exempt. Certainly, those who are disabled, or caring for the disabled, need to be exempt. We both agree that mothers with children under the age of 1 ought to be exempt. Women in the third trimester of pregnancy, I believe of all people, ought to be exempt. Those living in high unemployment areas, that is above 8 percent—and there was a good colloquy this afternoon about what that means—should not be thrown into the street. You cannot expect someone to go out there and find a job when there are simply no jobs available.

So we base all of those exemptions, Madam President, on set criteria, and that really is a fundamental difference between our bill and the bill introduced by our Republican colleagues. What the Republicans do is simply exempt a flat 15 percent. It does not matter if any of these categories would take the population in any given area beyond 15 percent. If you are a woman in the third trimester of pregnancy and we have hit the 15 percent threshold, you are out of luck. If you are a child living with someone other than your parent and you need help and you are in an area where 15 percent has already been realized, you are out of luck. I really do not believe my colleagues on the other side want to do that, but that is what the bill says.

So, Madam President, we understand the need to set a lifetime limit in most cases. But we also recognize the necessity of addressing the real needs and concerns and problems of individuals, the practical problems associated with real lives of people who do not fit any neat little box, any neat little description.

We also recognize that you cannot dictate all this from Washington. It does not work. And, as we have seen already with the Family Support Act, providing opportunities for States to become workshops, become prototypes, become environments within which new ideas can be explored, can be very valuable.

Giving States flexibility is absolutely essential, so we allow States to set benefit levels and eligibility and asset rules and income-disregard policies. We recognize we are not going to require a one size fits all, that South Dakota is different from New York and Maine. So we want, as much as possible, to give States latitude, to give States flexibility, to give States the opportunity to experiment. And the Work First plan ensures that States are given that flexibility.

So, Madam President, that is our first goal, to engineer real reform by creating a new infrastructure that allows us to provide assistance in a way that we have not done before. So we began with that.

Then, as I said, our second goal is to give as many people as possible the opportunity to work. We prescribe five strategies to do that by attempting, in part, to reflect the values that many of us had the good fortune to learn early on. We call it Work First because that is really what we want to do. That is what we were all, hopefully, brought up to think—that in order to live our lives fully as American citizens, in order to achieve all that we want to do, we have to take responsibility, and part of taking responsibility means acquiring skills to work in whatever endeavor we may choose. That is part of what it is to become a productive citizen in this country. Whatever luxuries we may enjoy, whatever opportunities we may have, whatever benefits we hope to acquire, in part is dependent upon our ability and our desire to work. Those are not just South Dakota values, as ingrained as they are in most people in my State, but they are values that we find in every State of this country.

So we require recipients to work. The goal is not simply to create jobs that do not exist today. What we want, as much as we can achieve it, is to ensure that we create those opportunities in nonsubsidized, private sector employment. We want people to be employed for the right reasons—not simply to occupy their day, not simply to pay off a Government debt, but truly to become involved in an activity, in a job function for which there is a reward other than the money they receive. So finding private sector employment is our first objective.

So we require an intensive job search for the first 2 months. If no job has been achieved at the end of 6 months, we go to the second option: we require community service. We work with them to develop the kind of job skills and the discipline through community service that may ultimately give them the chance to apply those skills in private sector opportunities later on.

There is a difference, as others have alluded to today, between our bill and the Republican bill in that regard. Our bill requires that this effort take place in 6 months. The Republican plan has no work requirement for 24 months.

But again, Madam President, as I said just a moment ago with regard to our goal of real reform, when it comes to work we also recognize the need to give States flexibility—the flexibility of putting people to work through placement services or vouchers, by creating micro-enterprise or self-employment concepts, by using work supplementation, by implementing a program like the GAIN program in Riverside, CA, the JOBS-Plus Program in Oregon, the Family Investment Program which has worked so well in Iowa—all of those options and many more would be available to any State that would so choose. We do not want to limit them. In fact, we want to expand the short list that I have already provided, giving States the flexibility to put people to work in whatever way they find to be the most appropriate.

I could imagine in South Dakota there would be a lot of rural-related work, a lot of agriculture-related work, perhaps in some cases work having to do with forestry or tourism. But clearly every State would have definitions, different expectations, and certainly different strategies.

We give States bonuses for putting people to work, bonuses for exceeding the work threshold, and bonuses based on job retention, not just placement. It is not enough just to acquire a job. We want to ensure that those people have the opportunity to stay in that job, to go beyond just the first month or 2 months or 3 months. We want to give people careers—not just jobs—careers that give them satisfaction and reward beyond just a check.

Finally, and perhaps this is the most important—certainly our caucus feels that it is the most important— if we

are going to create incentives for work, we have to abolish the disincentives that exist today. And there are two profound disincentives. The one that troubles me the most is to tell a young woman, we want you to work, but you have to leave your children somewhere to do so. We are not going to help you pay for it. We are not going to really make much of an effort to help you find adequate child care. We want you to work, and you have to take care of your children regardless of cost. We do not care if you only net $1 an hour. We want you to work. We cannot accept that.

If we want real reform, then we owe it to those families to do our level best to help them find a way to take care of their children. I do not want to see 10 million children on the streets 10 years from now and everybody asking the question, as the distinguished ranking member said so eloquently in our caucus, ''How did it happen?'' I do not want to see more broken homes. I do not think any one of us ought to ask the question, How is it so many people today do not have the appropriate upbringing, and we are filling our prisons with people who do not know better, when there is no one at home to teach them right from wrong?

It is no mystery to me why crime is going up, when two people in the same household have to work night and day to make ends meet, and oftentimes, because they cannot afford child care, rationalize that maybe it is OK to leave their children at home unattended day after day, night after night. That is unacceptable.

Today 60 percent of AFDC families are mothers with children under six—over half. And we are going to ask them to go out and get a job and somehow miraculously have an angel appear somewhere to take care of their kids while they do so. We cannot do that.

Child care is critical. It enables people to work. It is an investment in our kids. But the Republican plan has no money for children. There is none in there right now. So I do not know how they expect to cope with that problem, if, indeed, they want to solve the work problem.

As I said, it is great to lay out all these goals, and it is great to set up a new infrastructure that looks wonderful on a chart. But how great is it when you get down to the real issue, when you are going to tell someone they better find a job in a 6-month period of time, but there is no money for your children.

Health and Human Services said that we need an additional $10.7 billion to do it right over a 7-year period of time—$10.7 billion if we are going to do it.

The second issue is health care. I do not blame anybody for not taking a job at a minimum wage in a McDonald's restaurant if all they get is $4.35 an hour and lose the health care their children have access to through Medicaid today. I do not blame them for doing that. I must tell you that if I were in that situation, I would do exactly the same thing. How can we say, ''We do not care if your kids get sick; you go out and flip hamburgers, and somehow your kid will get well without health insurance.''

Madam President, we are better than that. Those kids deserve better than that. And providing them with transitional Medicaid coverage is just common sense.

So that is how we handle work. Five strategies, five very specific ideas on how we get people out the door, confident that their children are cared for, confident that they have some real opportunities to change their lives.

The third goal is protecting children, and so much of work and protecting children is interrelated. But ensuring that child care and health care and maintaining the safety net we have created for children is essential. If you are going to protect children, child care is a higher goal than simply the money we save, as important as that is, and I do not want to minimize it.

Health and Human Services estimates the Republican plan has a shortfall of over $16 billion in protecting children, $10 billion in child care costs alone. That is the shortfall.

Now, maybe somebody someday can give us a projection on what that savings will ultimately generate in additional costs. How much more will we pay later on for what we have saved today?

Madam President, we have to protect children, so we put an exemption to the time limit for children in our plan. There ought not be any time limit for children. We want to give them all the time they need to grow into productive citizens. We want to provide them with every opportunity for rent, for clothing, for whatever other needs they have because it is not their fault they are in the position of needing assistance. It is not their fault that their parents do not have a job. It is not their fault that they were born into families that may or may not have any real chance of success. But I can tell you this: If we do not care for them, their chance of success is gone.

We recognize as well that teenage pregnancy is something we have to address, so we ask that teen mothers be required to live at home or in some supervised group home. We require that teen parents stay in school so they have the skills they need to succeed in life.

I have had the opportunity on occasion to talk to teen mothers who had no home and who were out there all by themselves, despondent, desperate, rejected. The chance for them is even less than all those who may have had some other opportunity.

This is one area in which there ought not be a lot of State flexibility, in my opinion. I think it is critical that we address the teenage pregnancy problem, given our limited understanding of what is occurring there. No one has all the answers. But we recognize that we have to provide a safety net to the extent that it can be provided. We also recognize that we have a right to expect some responsibility. And it is that balance between a safety net and responsibility that always, in my view, has to be considered as we make our decisions with regard to policy options.

We also have tough child support enforcement provisions. We base our provisions on those proposed by the distinguished Senator from Maine, the Presiding Officer, to improve interstate and intrastate collection.

We require that noncustodian parents take responsibility, pay up, enter into a repayment plan or choose between community service and jail. I am told that the default rate on used cars is 3 percent. The default rate on child support is 50 percent in this country.

We can do better than that, Madam President. And it is going to take tougher enforcement requirements, a realization that we can do a lot more than we have done so far in bringing people to the responsibility that it is going to take to make families families again, to give children the chance to be protected. That ought not just be a Federal or State responsibility; it must be a family and a parental responsibility. And the provisions of the Work First Act allow that to occur.

Finally, as I said, Madam President, our fourth goal is to ensure that we do not have the unfunded mandates, that we all lament here from time to time. And I am deeply concerned—of all the concerns I have, other than child care and the protection for children in the Republican bill, the greatest second concern most of us have with the bill as it is now written is this requirement for States to do so many new things, but the absolute absence of resources to do so.

We are not going to address the root causes of our problems if we simply rhetorically address them in new legislation without providing the resources. And there has to be an understanding of partnership. The Federal Government and the States can work together, local governments can work with the Federal Government, but there has to be a sharing of resources and an acquisition of resources in the first place to make it happen.

The Republican bill increases requirements on the States dramatically, all kinds of new requirements that the States are going to be expected to do—a huge unfunded mandate. As I said, Health and Human Services says over the next 7 years that unfunded mandates will exceed $16 billion. So States are going to be left with one of two options: ignore them or cut benefits and increase taxes to pay for them.

The costs are being shifted to the States and ultimately they will be shifted to localities and to the taxpayers, and in a mishmash of ways to acquire the resources that I think would be very unfortunate. We need to provide a guaranteed funding stream to

make this happen correctly. We do not want the Federal Government to be the biggest deadbeat dad of all. We do not want this bill to be the mother of all unfunded mandates. And yet I fear, Madam President, that is exactly what we are going to do unless we address the concerns that many of us have raised in this debate already. So that is really what we accomplish with this bill: No. 1, real reform; No. 2, an emphasis on work; No. 3, a desire and a mechanism to ensure that we protect children; and No. 4, the assurance that we are not going to create something that nobody wants, a huge new unfunded mandate.

Madam President, I sincerely hope that tomorrow when the vote is taken, this can be a bipartisan vote, that a number of Republicans who care as deeply as any of us do about all that we have addressed tonight will join with us in passing a bill we believe can accomplish all that we want in changing welfare reform and changing the culture of welfare, in creating jobs, in protecting children. We can do that. We can do it tomorrow afternoon. We can do it by voting for the Work First bill.

I yield the floor.

Mr. MOYNIHAN. Bravo.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

MORNING BUSINESS

Mr. GRASSLEY. I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak up to 5 minutes each.

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

REPORT OF THE ACTIVITIES OF THE U.S. GOVERNMENT IN THE UNITED NATIONS DURING CALENDAR YEAR 1994—MESSAGE FROM THE PRESIDENT—PM 77

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations.

To the Congress of the United States:

I am pleased to transmit herewith a report of the activities of the United States Government in the United Nations and its affiliated agencies during the calendar year 1994. The report is required by the United Nations Participation Act (Public Law 264, 79th Congress; 22 U.S.C. 287b).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 6, 1995.*

REPORT ON FEDERAL ADVISORY COMMITTEES FOR FISCAL YEAR 1994—MESSAGE FROM THE PRESIDENT—PM 78

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Governmental Affairs.

To the Congress of the United States:

As provided by the Federal Advisory Committee Act, as amended (Public Law 92–463; 5 U.S.C. App. 2, 6(c)), I am submitting my second Annual Report on Federal Advisory Committees covering fiscal year 1994.

This report highlights continuing efforts by my Administration to reduce and manage Federal advisory committees. Since the issuance of Executive Order No. 12838, as one of my first acts as President, we have reduced the overall number of discretionary advisory committees by 335 to achieve a net total of 466 chartered groups by the end of fiscal year 1994. This reflects a net reduction of 42 percent over the 801 discretionary committees in existence at the beginning of my Administration—substantially exceeding the one-third target required by the Executive order.

In addition, agencies have taken steps to enhance their management and oversight of advisory committees to ensure these committees get down to the public's business, complete it, and then go out of business. I am also pleased to report that the total aggregate cost of supporting advisory committees, including the 429 specifically mandated by the Congress, has been reduced by $10.5 million or by over 7 percent.

On October 5, 1994, my Administration instituted a permanent process for conducting an annual comprehensive review of all advisory committees through Office of Management and Budget (OMB) Circular A–135, ''Management of Federal Advisory Committees.'' Under this planning process, agencies are required to review all advisory committees, terminate those no longer necessary, and plan for any future committee needs.

On July 21, 1994, my Administration forwarded for your consideration a proposal to eliminate 31 statutory advisory committees that were no longer necessary. The proposal, introduced by then Chairman Glenn of the Senate Committee on Governmental Affairs as S. 2463, outlined an additional $2.4 million in annual savings possible through the termination of these statutory committees. I urge the Congress to pursue this legislation—adding to it if possible—and to also follow our example by instituting a review process for statutory advisory committees to ensure they are performing a necessary mission and have not outlived their usefulness.

My Administration also supports changes to the Federal Advisory Committee Act to facilitate communications between Federal, State, local, and tribal governments. These changes are needed to support this Administration's efforts to expand the role of these stakeholders in governmental policy deliberations. We believe these actions will help promote better communications and consensus building in a less adversarial environment.

I am also directing the Administrator of General Services to undertake a review of possible actions to more thoroughly involve the Nation's citizens in the development of Federal decisions affecting their lives. This review should focus on the value of citizen involvement as an essential element of our efforts to reinvent Government, as a strategic resource that must be maximized, and as an integral part of our democratic heritage. This effort may result in a legislative proposal to promote citizen participation at all levels of government consistent with the great challenges confronting us.

We continue to stand ready to work with the Congress to assure the appropriate use of advisory committees and to achieve the purposes for which this law was enacted.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 6, 1995.*

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. COATS:

S. 1201. To provide for the awarding of grants for demonstration projects for kinship care programs, and for other purposes; to the Committee on Labor and Human Resources.

S. 1202. A bill to provide for a role models academy demonstration program; to the Committee on Labor and Human Resources.

S. 1203. A bill to provide for character development; to the Committee on Labor and Human Resources.

S. 1204. A bill to amend the United States Housing Act of 1937 to increase public housing opportunities for intact families; to the Committee on Banking, Housing, and Urban Affairs.

S. 1205. A bill to provide for the establishment of a mentor school program, and for other purposes; to the Committee on Labor and Human Resources.

S. 1206. A bill to amend the internal Revenue Code of 1986 to allow a refundable tax credit for adoption expenses and to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRAs for certain adoption expenses, and to amend title 5, United States Code, to exclude from gross income employee and military adoption assistance benefits and withdrawals for IRAs for certain adoption expenses, and for other purposes; to the Committee on Finance.

S. 1207. A bill to amend part B of title IV of the Social Security Act to provide for a set-aside of funds for States that have enacted certain divorce laws, to amend the Legal Services Corporation Act to prohibit the use of funds made available under the Act to provide legal assistance in certain proceedings relating to divorces and legal separations, and for other purposes; to the Committee on Finance.

S. 1208. A bill to amend the Internal Revenue Code of 1986 to allow an additional earned income tax credit for married individuals and to prevent fraud and abuse involving the earned income tax credit, and for other purposes; to the Committee on Finance.

S. 1209. A bill to amend title V of the Social Security Act to promote responsible parenthood and integrated delivery of family planning services by increasing funding for and block granting the family planning program and the adolescent family life program; to the Committee on Finance.

S. 1210. A bill to provide for educational choice and equity; to the Committee on Labor and Human Resources.

S. 1211. A bill to provide incentive grants to States to improve methods of ordering, collecting, and enforcing restitution to victims of crime, and for other purposes; to the Committee on the Judiciary.

By Mr. COATS (for himself and Ms. MOSELEY-BRAUN):

S. 1212. A bill to provide for the establishment of demonstration projects designed to determine the social, civic, psychological, and economic effects of providing to individuals and families with limited means an opportunity to accumulate assets, and to determine the extent to which an asset-based welfare policy may be used to enable individuals and families with low income to achieve economic self-sufficiency; to the Committee on Finance.

By Mr. COATS:

S. 1213. A bill to provide for the disposition of unoccupied and substandard multifamily housing projects owned by the Secretary of Housing and Urban Development; to the Committee on Banking, Housing, and Urban Affairs.

S. 1214. A bill to direct the Secretary of Health and Human Services to establish a program to provide pregnant women with certificates to cover expenses incurred in receiving services at maternity homes and to establish a demonstration program to provide maternity care services to certain unwed, pregnant teenagers, and for other purposes; to the Committee on Labor and Human Resources.

S. 1215. A bill to evaluate the effectiveness of certain community efforts in coordination with local police departments in preventing and removing violent crime and drug trafficking from the community, in increasing economic development in the community, and in preventing or ending retaliation by perpetrators of crime against community residents, and for other purposes; to the Committee on the Judiciary.

S. 1216. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit for individuals who provide care in their home for certain individuals in need, and for other purposes; to the Committee on Finance.

S. 1217. A bill to encourage the provision of medical services in medically underserved communities by extending Federal liability coverage to medical volunteers, and for other purposes; to the Committee on Labor and Human Resources.

S. 1218. A bill to provide seed money to States and communities to match, on a volunteer basis, nonviolent criminal offenders and welfare families with churches that volunteer to offer assistance, and for other purposes; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COATS:

S. 1201. A bill to provide for the awarding of grants for demonstration projects for kinship care programs, and for other purposes; to the Committee on Labor and Human Resources.

S. 1202. A bill to provide for a role model academy demonstration program; to the Committee on Labor and Human Resources.

S. 1203. A bill to provide for character development; to the Committee on Labor and Human Resources.

S. 1204. A bill to amend the United States Housing Act of 1937 to increase public housing opportunities for intact families; to the Committee on Banking, Housing, and Urban Affairs.

S. 1205. A bill to provide for the establishment of a mentor school program, and for other purposes; to the Committee on Labor and Human Resources.

S. 1206. A bill to amend the Internal Revenue Code of 1986 to allow a refundable tax credit for adoption expenses and to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRA's for certain adoption expenses, and to amend title 5, United States Code, to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRAs for certain adoption expenses, and for other purposes; to the Committee on Finance.

S. 1207. A bill to amend part B of title IV of the Social Security Act to provide for a set-aside of funds for States that have enacted certain divorce laws, to amend the Legal Services Corporation Act to prohibit the use of funds made available under the Act to provide legal assistance in certain proceedings relating to divorces and legal separations, and for other purposes; to the Committee on Finance.

S. 1208. A bill to amend the Internal Revenue Code of 1986 to allow an additional earned income tax credit for married individuals and to prevent fraud and abuse involving the earned income tax credit, and for other purposes; to the Committee on Finance.

S. 1209. A bill to amend title V of the Social Security Act to promote responsible parenthood and integrated delivery of family planning services by increasing funding for and block granting the family planning program and the adolescent family life program; to the Committee on Finance.

S. 1210. A bill to provide for educational choice and equity; to the Committee on Labor and Human Resources.

S. 1211. A bill to provide incentive grants to States to improve methods of ordering, collecting, and enforcing restitution to victims of crime, and for other purposes; to the Committee on the Judiciary.

By Mr. COATS (for himself and Ms. MOSELEY-BRAUN):

S. 1212. A bill to provide for the establishment of demonstration projects designed to determine the social, civic, psychological, and economic effects of providing to individuals and families with limited means an opportunity to accumulate assets, and to determine the extent to which an asset-based welfare policy may be used to enable individuals and families with low income to achieve economic self-sufficiency; to the Committee on Finance.

By Mr. COATS:

S. 1213. A bill to provide for the disposition of unoccupied and substandard multifamily housing projects owned by the Secretary of Housing and Urban Development; to the Committee on Banking, Housing, and Urban Affairs.

S. 1214. A bill to direct the Secretary of Health and Human Services to establish a program to provide pregnant women with certificates to cover expenses incurred in receiving services at maternity homes and to establish a demonstration program to provide maternity care services to certain unwed, pregnant teenagers, and for other purposes; to the Committee on Labor and Human Resources.

S. 1215. A bill to evaluate the effectiveness of certain community efforts in coordination with local police departments in preventing and removing violent crime and drug trafficking from the community, in increasing economic development in the community, and in preventing or ending retaliation by perpetrators of crime against community residents, and for other purposes; to the Committee on the Judiciary.

S. 1216. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit for individuals who provide care in their home for certain individuals in need, and for other purposes; to the Committee on Finance.

S. 1217. A bill to encourage the provision of medical services in medically underserved communities by extending Federal liability coverage to medical volunteers, and for other purposes; to the Committee on Labor and Human Resources.

S. 1218. A bill to provide seed money to States and communities to match, on a volunteer basis, nonviolent criminal offenders and welfare families with churches that volunteer to offer assistance, and for other purposes; to the Committee on Labor and Human Resources.

CIVIL SOCIETY LEGISLATION

Mr. COATS. Mr. President, I come to the Senate floor today to introduce a broad package of legislation motivated by a single conviction. That conviction is that we will never have a strong society if our civil society is weak. The order of our streets, the character of our children, and the renewal of our cities all depend directly on the health of families and neighborhoods, on the strength of grassroots community organizations, and on the vitality of private and religious institutions that care for those in need because it is these institutions that transmit values between generations, that encourage cooperation between citizens, and make our communities seem smaller, more friendly, and more manageable.

In nearly every community, rich and poor, they once created an atmosphere in which most problems—from a teenage girl in trouble to the rowdy neighborhood kids—could be confronted before their repetition threatened the very existence of the community itself. It is an increasingly clear fact of social

science, and I think something evident to all of us in teaching of common sense, that when this network of civil society is strong, there is hope, hope in communities, hope in families, hope in America. And when it is weak, we find a destructive form of despair that pervades our land.

This fact is a challenge to the left which tends to concentrate on individuals and their rights, not communities and their standards. But it is also a challenge to the right which seems to overconcentrate on simply transferring funds from one bureaucracy to another and changing the incentives of the current welfare system.

Make no mistake. I support the goal of limiting government and of transferring resources and authority to levels of government closer to the people. But our deepest social problems, especially illegitimacy and violence, are not rooted in economic incentives or the level of government where spending takes place. I suggest they are rooted in the breakdown of value-shaping institutions. Government has always depended on these institutions. It does not create them. There is no legislative package that I or anyone could offer that would rebuild them. And there is no legislative package that could ever be written to replace them, although we have had an experiment here for the last 30 years or so with failed bureaucratic government approaches to these problems.

There is, however, I would suggest, an urgent need for Government to respect, recognize and, wherever possible, encourage this network of institutions that creates community. This, I am convinced, is the next challenge for this Congress and the next stage of the Republican revolution.

After the reach of government is limited, as it must be, the question is how do we nurture the caring safety net of civil society? How do we depend on it rather than undermine it or attempt to replace it? This concern should reorient our thinking and our efforts. Our central goal should be to respect and reinvigorate those traditional structures—families, schools, neighborhoods, voluntary associations—that provide training in citizenship and pass morality from generation to generation.

I hope this is a specific debate—that is what I want—not a general discussion. So I have made and will offer this morning a series of specific proposals. They are not, and I do not pretend them to be, a total solution to the problems that we face in society. But it is on these issues that I believe a constructive argument can begin.

I have 18 specific pieces of legislation. People can take these 18 bills as a blueprint or as a target. But my goal is to start a debate on items that I believe matter. I will not take the time this morning to describe each of these proposals, but in the next few days every Member of the Senate and the House will receive material summarizing them. However, I do want to take a few moments to describe the theory behind these proposals. Each one is designed to encourage in the margin where it is possible three levels of society.

First, eight of the bills are directed at strengthening the role of families and specifically fathers and, in their absence, providing mentoring programs. This is the most basic level of civil society and, I would suggest, the most vulnerable level of civil society today.

Second, six of the bills I am introducing are aimed at encouraging private, local, grassroots organizations that are renewing their own communities: community development corporations, neighborhood watches, maternity group homes, small businesses.

And, finally, four of the bills are designed to encourage private and faith-based charities in individual acts of compassion. They have an effectiveness denied to government because they have the resources of love and spiritual renewal that no government can or even should provide.

This legislative package is part of a larger report and larger effort, which I have titled the ''Project for American Renewal.''

I have undertaken this project with Dr. William Bennett. I intend to call a series of hearings on these themes. We intend together to speak out on the goals, the theory behind the goals, and the specific elements of the proposal.

We attempt to highlight the extraordinary success of some of these private and faith-based charities and the corresponding failure of Government bureaucracies to address some of our most fundamental, underlying social problems. Two hearings are already scheduled for the end of September.

We also intend to raise this debate with Presidential candidates and in the Republican platform. It is my conviction that the Republican revolution will fail unless we have a message of hope that our worst social problems are not permanent features of American life, that these challenges are and can be confronted not by failed Government efforts but by private community faith-based institutions that nurture lives and bring renewed hope.

I want to assure my Republican colleagues I believe in devolution, limiting government, giving authority and resources to State governments, but there is a bolder form of devolution that I think should take place beyond government. We should not only transfer resources and authority to States but beyond government entirely to those private institutions that humanize our lives and reclaim our communities.

This I believe is the next step for Republicans. It is also a theme that I think will challenge the creativity of both parties and may likely cross party lines. We should adopt this approach because the alternative, centralized bureaucratic control, has failed. But I think there is another reason we should adopt this approach. We should adopt it because it is profoundly hopeful. These institutions do not just feed the body but they touch the soul. They have the power to transform individuals and renew our society. There is simply no alternative that holds such promise.

Mr. President, I send to the desk the text of these 18 bills and ask that they be printed in the RECORD, and I hope that my colleagues will look at them carefully.

Mr. President, I yield the floor.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I congratulate the Senator from Indiana. He and I are on exactly the same wavelength on this. When we were debating the welfare bill initially a few weeks ago before the recess, I cited from a little pamphlet called ''To Empower People—The Role of Mediating Structures in Public Policy.'' It is 20 years old and it is by Peter Berger and Richard John Neuhaus, two quasi-philosophers. One has some background in religion. I will quote just the first page:

> Two seemingly contradictory tendencies are evident in current thinking about public policy in America.

Bear in mind, this is 20 years ago.

> First, there is a continuing desire for services provided by the modern welfare state . . . The second tendency is one of strong animus against Government bureaucracy and bigness as such.

And then here I might even disagree with this sentence.

> We suggest that the modern welfare state is here to stay, indeed that it ought to expand the benefits it provides—but that alternative mechanisms are possible to provide welfare state services.

And then they just leapfrog even State and local governments and they identify for us neighborhood, family, church, and voluntary associations. And that is why we have put in our bill to the extent we can make it constitutional that there is no prohibition about giving money to the Goodwill or Catholic Charities or a Jewish home for the aged if they are administering social services that we deem relevant.

And just because there happens to be a menorah in the hallway or a cross on the wall should not make them ineligible to deliver the kinds of services that they deliver better than any government we have ever seen. I am sure the Senator, as I have, has been to shelter workshops and has seen the Salvation Army or Goodwill and what they do with a minuscule amount of money and lots of volunteers and community spirit that cannot be bought. If you try to buy it, you lose the spirit. And so I am delighted with what the Senator had to say today. And we are on exactly the same wavelength. I hope we are successful.

Mr. COATS. I thank the Senator from Oregon for his remarks, and I look forward to the analysis of the legislative items I put forward. Again, I

want to say there is no legislation that necessarily can adequately address this underlying problem, but there are certainly things that I think we can do to encourage and to nurture, to provide respect and, hopefully, some measure of support to these institutions which, as the Senator from Oregon has said, just do remarkable jobs because they go beyond providing mere material needs and meeting those needs, which is important, but they also can transform lives.

It is something that government cannot do to the extent that we can constitutionally. And we had the same concerns as we drafted this legislation. Can we constitutionally encourage these mediating institutions? I think our society will find that source of hope that so often is absent from our discussions.

I thank the Senator from Oregon.

Mr. PACKWOOD. It is interesting. Maybe the only constant in history is change. In the early common law, 13th, 14th, 15th century, juries were picked on the basis that they knew the defendant, not that they did not know the defendant or did not know the facts. These were neighborhood institutions. And who better to judge somebody than a group that knew somebody.

We moved totally away from that. Now we sequester the Simpson jury for months and months and months so they do not know anybody, hopefully. But that was an attempt by the law 500 years ago to say, ''We think neighbors are better judges of people than anybody else.'' We moved away from it, maybe wisely, maybe not. But the concept is not new that neighborhood knows better than anybody else.

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

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1201

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 ''Kinship Care Act of 1995''.

SEC. 2. KINSHIP CARE DEMONSTRATION.

(a) GRANTS.—The Secretary of Health and Human Services (hereafter referred to in this Act as the ''Secretary'') shall award grants to States for demonstration projects to assist such States in developing or implementing procedures to use adult relatives as the preferred placement for children removed from their parents, so long as—

(1) such relatives are determined to be capable of providing a safe, nurturing environment for the child; or

(2) such relatives comply with all relevant Federal and State child protection standards.

(b) REQUIREMENTS.—To be eligible to receive a grant under subsection (a), a State shall—

(1) agree to, at a minimum, provide a needs-based payment and supportive services, as appropriate, with respect to children in a kinship care arrangement;

(2) agree to give preference to adult relatives who meet applicable adoption standards in making adoption placements;

(3) establish such procedures as may be necessary to ensure the safety of children who are placed with adult relatives; and

(4) establish such procedures as may be necessary to ensure that reasonable efforts will be made prior to the placement of a child in foster care to give notice to an adult relative (including a maternal or paternal grandparent, sibling, aunt, or uncle who might be available to care for the child).

(c) EVALUATION.—The Secretary shall, directly or through contracts with public or private entities, provide for the conduct of evaluations of demonstration projects carried out under subsection (a) and for the dissemination of information developed as a result of such projects.

SEC. 3. PROCEDURES TO PLACE CHILDREN WITH RELATIVES.

A State that receives a grant under this Act shall develop procedures to ensure that reasonable efforts will be made prior to the placement of a child in foster care, to provide notice to a relative (including a maternal or fraternal grandparent, adult sibling, aunt, or uncle) who might be available to care for the child.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act $30,000,000 for each of the fiscal years 1996, 1997, and 1998.

S. 1202

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

SECTION 1. SHORT TITLE; PURPOSE; DEFINITIONS.

(a) SHORT TITLE.—This Act may be cited as the ''Role Models Academy Demonstration Act''.

(b) PURPOSE.—The purpose of this Act is to establish a Role Models Academy that—

(1) serves as a model, residential, military style magnet school for at-risk youth from around the Nation who cease to attend secondary school before graduation from secondary school; and

(2) will foster a student's growth and development by providing a residential, controlled environment conducive for developing leadership skills, self-discipline, citizenship, and academic and vocational excellence in a structured living and learning environment.

(c) DEFINITIONS.—For the purpose of this Act—

(1) the term ''Academy'' means the academy established under section 3;

(2) the term ''former member of the Armed Forces'' means any individual who was discharged or released from service in the Armed Forces under honorable conditions;

(3) the term ''local educational agency'' has the meaning given that term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801);

(4) the term ''secondary school'' has the meaning given that term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801); and

(5) the term ''Secretary'' means the Secretary of Education.

SEC. 2. OBJECTIVES.

The objectives of this Act are as follows:

(1) To provide a comprehensive, coherent, integrated, high quality, cost-effective, residential, education and vocational training academy for the Nation's at-risk youth, designed to meet the entrance demands of colleges and universities and the needs of employers.

(2) To establish a comprehensive, national partnership investment model among the Federal Government, States, corporate America, and colleges and universities.

(3) To provide for community partnerships among local community leaders, businesses, and churches to provide mentoring to Academy students.

(4) To provide for a community partnership between the Academy and the local school system under which model Academy students will serve as mentors to at-risk youth who are attending school to provide such in-school at-risk youth with valuable instruction and insights regarding—

(A) the prevention of drug use and crime;

(B) self-restraint; and

(C) conflict resolution skills.

(5) To provide Academy students with—

(A) the tools to become productive citizens;

(B) learning skills;

(C) traditional, moral, ethical, and family values;

(D) work ethics;

(E) motivation;

(F) self-confidence; and

(G) pride.

(6) To provide employment opportunities at the Academy for former members of the Armed Forces and participants in the program assisted under section 1151 of title 10, United States Code (Troops to Teachers Program).

(7) To make the Academy available, upon demonstration of success, for expansion or duplication throughout every State, through block grant funding or other means.

SEC. 3. ACADEMY ESTABLISHED.

The Secretary shall carry out a demonstration program under which the Secretary establishes a four-year, residential, military style academy—

(1) that shall offer at-risk youth secondary school coursework and vocational training, and that may offer precollegiate coursework;

(2) that focuses on the education and vocational training of youth at risk of delinquency or dropping out of secondary school;

(3) whose teachers are primarily composed of former members of the Armed Forces or participants in the program assisted under section 1151 of title 10, United States Code (Troops to Teachers Program), if such former members or participants are qualified and trained to teach at the Academy;

(4) that operates a mentoring program that—

(A) utilizes mentors from all sectors of society to serve as role models for Academy students;

(B) provides, to the greatest extent possible, one-to-one mentoring relationships between mentors and Academy students; and

(C) involves mentors providing academic tutoring, advice, career counseling, and role models;

(5) that may contain a Junior Reserve Officers' Training Corps unit established in accordance with section 2031 of title 10, United States Code;

(6) that is housed on the site of any military installation closed pursuant to a base closure law; and

(7) if the Secretary determines that the Academy is effective, that serves as a model for similar military style academies throughout the United States.

SEC. 4. AUTHORIZATION.

There are authorized to be appropriated $30,000,000 for fiscal year 1996 and such sums as may be necessary for each of the fiscal years 1997, 1998, 1999, and 2000 to carry out this Act.

S. 1203

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

SECTION 1. SHORT TITLE AND PURPOSES.

(a) SHORT TITLE.—This Act may be cited as the ''Character Development Act''.

(b) PURPOSES.—The purposes of this Act are—

(1) to reduce the school dropout rate for at-risk youth;

(2) to improve the academic performance of at-risk youth; and

(3) to reduce juvenile delinquency and gang participation.

SEC. 2. DEFINITIONS.

For the purposes of this Act—

(1) the term ''at-risk youth'' means a youth at risk of—

(A) educational failure;

(B) dropping out of school; or

(C) involvement in delinquent activities;

(2) the term ''eligible local educational agency'' means a local educational agency that has entered into a partnership, with a community-based organization that provides one-to-one mentoring services, to carry out the authorized activities described in section 5 in accordance with this Act;

(3) the terms ''elementary school'', ''local educational agency'', and ''secondary school'', have the meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801);

(4) the term ''mentor'' means a person who works with an at-risk youth on a one-to-one basis, to establish a supportive relationship with the youth and to provide the youth with academic assistance and exposure to new experiences that enhance the youth's ability to become a better student and a responsible citizen; and

(5) the term ''Secretary'' means the Secretary of Education.

SEC. 3. MENTORING PROGRAMS.

(a) GRANT AUTHORITY.—The Secretary is authorized to award grants to eligible local educational agencies to enable such agencies to establish mentoring programs that—

(1) are designed to link—

(A) individual at-risk youth; with

(B) responsible, individual adults who serve as mentors; and

(2) are intended to—

(A) increase at-risk youth participation in, and enhance the ability of such youth to benefit from, elementary and secondary education;

(B) discourage at-risk youth from—

(i) using illegal drugs;

(ii) violence;

(iii) using dangerous weapons;

(iv) criminal activity not described in clauses (i), (ii), and (iii); and

(v) involvement in gangs;

(C) promote personal and social responsibility among at-risk youth;

(D) encourage at-risk youth participation in community service and community activities; or

(E) provide general guidance to at-risk youth.

(b) AMOUNT AND DURATION.—Each grant under this section shall be awarded in an amount not to exceed a total of $200,000 over a period of not more than three years.

(c) PRIORITY.—The Secretary shall give priority to awarding a grant under this section to an application submitted under section 7 that—

(1) describes a mentoring program in which 60 percent or more of the at-risk youth to be served are eligible for assistance under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.);

(2) describes a mentoring program that serves at-risk youth who are—

(A) at risk of dropping out of school; or

(B) involved in delinquent activities; and

(3) demonstrates the ability of the eligible local educational agency to continue the mentoring program after the termination of the Federal funds provided under this section.

(d) OTHER CONSIDERATIONS.—In awarding grants under this section, the Secretary shall give consideration to—

(1) providing an equitable geographic distribution of such grants, including awarding such grants for mentoring programs in both rural and urban areas;

(2) the quality of the mentoring program described in the application submitted under section 7, including—

(A) the resources, if any, that will be dedicated to providing participating at-risk youth with opportunities for job training or postsecondary education; and

(B) the degree to which parents, teachers, community-based organizations, and the local community participate in the design and implementation of the mentoring program; and

(3) the capability of the eligible local educational agency to effectively implement the mentoring program.

SEC. 4. IMPLEMENTATION AND EVALUATION GRANTS.

The Secretary is authorized to award grants to national organizations or agencies serving youth to enable such organizations or agencies—

(1) to conduct a multisite demonstration project, involving 5 to 10 project sites, that—

(A) provides an opportunity to compare various one-to-one mentoring models for the purpose of evaluating the effectiveness and efficiency of such models;

(B) allows for innovative programs designed under the oversight of a national organization or agency serving youth, which programs may include—

(i) technical assistance;

(ii) training; and

(iii) research and evaluation; and

(C) disseminates the results of such demonstration project to allow for the determination of the best practices for various mentoring programs;

(2) to develop and evaluate screening standards for school-linked mentoring programs; and

(3) to develop and evaluate volunteer recruitment activities for school-linked mentoring programs.

SEC. 5. AUTHORIZED ACTIVITIES.

(a) PERMITTED USES.—Grant funds awarded under this Act (other than grant funds awarded under section 4) shall be used for—

(1) hiring of mentoring coordinators and support staff;

(2) recruitment, screening and training of adult mentors;

(3) reimbursement of mentors for reasonable incidental expenditures, such as transportation, that are directly associated with mentoring, except that such expenditures shall not exceed $500 per mentor per calendar year; or

(4) such other purposes as the Secretary determines may be reasonable.

(b) PROHIBITED USES.—Grant funds awarded under this Act shall not be used—

(1) to directly compensate a mentor, except as provided under subsection (a)(3);

(2) to obtain educational or other materials or equipment that would otherwise be used in the ordinary course of the grant recipient's operations;

(3) to support litigation; or

(4) for any other purposes that the Secretary determines are prohibited.

SEC. 6. REGULATIONS AND GUIDELINES.

(a) REGULATIONS.—The Secretary, after consultation with the Secretary of Health and Human Services, the Attorney General, and the Secretary of Labor, shall provide for the promulgation of regulations to implement this Act.

(b) GUIDELINES.—The Secretary shall develop and distribute to eligible local educational agencies receiving a grant under section 3 specific model guidelines for the screening of mentors.

SEC. 7. APPLICATIONS.

(a) IN GENERAL.—Each entity desiring a grant under this Act shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

(b) MENTORING PROGRAMS.—Each application submitted under subsection (a) for a grant under section 3 shall contain—

(1) information on the at-risk youth expected to be served;

(2) a provision describing the mechanism for matching at-risk youth with mentors based on the needs of the at-risk youth;

(3) an assurance that no mentor will be assigned to more than one at-risk youth, so as to ensure a one-to-one mentoring relationship;

(4) an assurance that a mentoring program operated in a secondary school will provide at-risk youth with a variety of experiences and support, including—

(A) an opportunity to spend time in a work environment and, when possible, participate in the work environment;

(B) an opportunity to witness the job skills that will be required for the at-risk youth to obtain employment upon graduation;

(C) assistance with homework assignments; and

(D) exposure to experiences that the at-risk youth might not otherwise encounter;

(5) an assurance that the mentoring program operated in elementary schools will provide at-risk youth with—

(A) academic assistance;

(B) exposure to new experiences and activities that at-risk youth might not encounter on their own; and

(C) emotional support;

(6) an assurance that the mentoring program will be monitored to ensure that each at-risk youth participating in the mentoring program benefits from a mentor relationship, including providing a new mentor assignment if the original mentoring relationship is not beneficial to the at-risk youth;

(7) the methods by which mentors and at-risk youth will be recruited to the mentoring program;

(8) the method by which prospective mentors will be screened; and

(9) the training that will be provided to mentors.

SEC. 8. EVALUATION.

(a) EVALUATION.—The Comptroller General of the United States shall enter into a contract, with an evaluating organization that has demonstrated experience in conducting evaluations, for the conduct of an ongoing rigorous evaluation of the programs and activities assisted under this Act.

(b) EVALUATION CRITERIA.—The Comptroller General of the United States, in consultation with the Secretary, shall establish minimum criteria for evaluating the programs and activities assisted under this Act. Such criteria shall provide for a description of the implementation of each program or activity assisted under this Act and such program or activity's effect on all participants, schools, communities, and youth served by such program or activity.

SEC. 9. REPORTS.

(a) REPORT BY GRANT RECIPIENTS.—Each entity receiving a grant under this Act shall submit to the evaluating organization entering into the contract under section 8(a)(1) an annual report regarding any program or activity assisted under this Act. Each such report shall be submitted at such a time, in such a manner, and accompanied by such information, as such evaluating organization may require.

(b) REPORTS BY COMPTROLLER GENERAL.—The Comptroller General shall submit to

Congress not later than September 30, 1999, a report regarding the success and effectiveness of grants awarded under this Act in reducing the school dropout rate, improving academic performance of at-risk youth, and reducing juvenile delinquency and gang participation.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) MENTORING PROGRAMS.—There is authorized to be appropriated $35,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out section 3.

(b) IMPLEMENTATION AND EVALUATION GRANTS.—There is authorized to be appropriated $5,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out section 4.

S. 1204

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 ''Family Housing Act of 1995''.

SEC. 2. PUBLIC HOUSING FOR INTACT FAMILIES.

Section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)) is amended—

(1) in clause (iii), by striking ''and'' at the end;

(2) in clause (iv), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following new clause:

''(v) for not less than 15 percent of the units that are made available for occupancy in a given fiscal year, give preference to any family that includes 2 individuals who are legally married to each other;''.

S. 1205

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

SECTION 1. SHORT TITLE; FINDINGS; AND PURPOSES.

(a) SHORT TITLE.—This Act may be cited as the ''Mentor Schools Act''.

(b) FINDINGS.—The Congress finds that—

(1) while low-income students have made significant gains with respect to educational achievement and attainment, considerable gaps still persist for these students in comparison to those from more affluent socioeconomic backgrounds;

(2) our Nation has a compelling interest in assuring that all children receive a high quality education;

(3) new methods and experiments to revitalize the educational achievement of, and opportunities for, low-income individuals must be a part of any comprehensive solution to the problems in our Nation's educational system;

(4) successful educational alternatives should be widely implemented to better the education of low-income individuals;

(5) preliminary research shows that same gender schools produce promising academic and behavioral improvements in both sexes for low-income, educationally disadvantaged students;

(6) extensive data on same gender schools are needed to determine whether same gender schools are closely tailored to achieving the compelling government interest in assuring that all children are educated to the best of their ability;

(7) in recent years efforts to experiment with same gender schools have been inhibited by lawsuits and threats of lawsuits by private groups as well as governmental entities; and

(8) same gender schools are a legal educational alternative to coeducational schools and are not prohibited under the regulations under title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), as such regulations were in effect on the day preceding the date of enactment of this Act, so long as—

(A) comparable courses, services and facilities are available to students of each sex; and

(B) the same policies and criteria for admission to such schools are used for both sexes.

(c) PURPOSES.—It is the purpose of this Act—

(1) to award grants to local educational agencies for the establishment of same gender schools for low-income students;

(2) to determine whether same gender schools make a difference in the educational achievement and opportunities of low-income, educationally disadvantaged individuals;

(3) to improve academic achievement and persistence in school; and

(4) to involve parents in the educational options and choices of their children.

SEC. 2. DEFINITIONS.

As used in this Act—

(1) the term ''evaluating agency'' means any academic institution, consortium of professionals, or private or nonprofit organization, with demonstrated experience in conducting evaluations, that is not an agency or instrumentality of the Federal Government;

(2) the term ''mentor school'' means a public elementary school or secondary school, or consortium of such schools, that—

(A)(i) in the case of a public elementary school or secondary school, receives funds under this Act; or

(ii) in the case of a consortium of such schools, all of which receive funds under this Act;

(B) develops a plan for, and provides access to—

(i) a school for boys;

(ii) a school for girls; and

(iii) a coeducational school;

(C) gives parents the option of choosing to send their child to each school described in subparagraph (B);

(D) admits students on the basis of a lottery, if more students apply for admission to a school described in clause (i) or (ii) of subparagraph (B) that can be accommodated;

(E) operates, as part of the educational program of a school described in clause (i) or (ii) of subparagraph (B), a one-to-one mentoring program that—

(i) involves members from the community served by such school as volunteer mentors;

(ii) pairs an adult member of such community with a student of the same gender as such member; and

(iii) involves the collaboration of one or more community groups with experience in mentoring or other relationship development activities; and

(F) operates in pursuit of improving achievement among all children based on a specific set of educational objectives determined by the local educational agency applying for a grant under this part, in conjunction with the mentor school advisory board established under section 3(d), and agreed to by the Secretary;

(3) the term ''mentor school advisory board'' means an advisory board established in accordance with section 3(d); and

(4) the term ''Secretary'' means the Secretary of Education.

SEC. 3. PROGRAM AUTHORIZED.

(a) AUTHORITY.—

(1) IN GENERAL.—From amounts made available under section 7, the Secretary is authorized to award grants to not more than 100 local educational agencies for the planning and operation of one or more mentor schools.

(2) ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—The Secretary shall only award a grant under paragraph (1) to a local educational agency that—

(A) receives funds under section 1124A of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6334); and

(B) is among the 20 percent of local educational agencies receiving funds under section 1124A (20 U.S.C. 6334) of such Act in the State that have the highest number of children described in section 1124(c) (20 U.S.C. 6333(c)) of such Act.

(b) GRANT PERIODS.—Each grant under subsection (a) may be awarded for a period of not more than 5 years, of which a local educational agency may use not more than 1 year for planning and program development for a mentor school.

(c) LIMITATION.—The Secretary shall not award more than 1 grant under this Act to support a particular mentor school.

(d) MENTOR SCHOOL ADVISORY BOARD.—Each local educational agency receiving a grant under this Act shall establish a mentor school advisory board. Such advisory board shall be composed of school administrators, parents, teachers, local government officials and volunteers involved with a mentor school. Such advisory board shall assist the local educational agency in developing the application for assistance under section 4 and serve as an advisory board in the functioning of the mentor school.

(e) ALTERNATIVE TEACHING CERTIFICATES.—Each local educational agency operating a mentor school under this Act is encouraged to employ teachers with alternative teaching certificates, including participants in the program assisted under section 1151 of title 10, United States Code (Troops to Teachers Program).

SEC. 4. APPLICATIONS.

(a) APPLICATIONS REQUIRED.—Each local educational agency desiring a grant under this Act shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

(b) APPLICATION CONTENTS.—Each application described in subsection (a) shall include—

(1) a description of the educational program to be implemented by the proposed mentor school, including—

(A) the grade levels or ages of children to be served; and

(B) the curriculum and instructional practices to be used;

(2) a description of the objectives of the local educational agency for the mentor school and a description of how such agency intends to monitor and study the progress of children participating in the mentor school;

(3) a description of how the local educational agency intends to include in the mentor school administrators, teaching personnel, and role models from the private sector;

(4) a description of how school administrators, parents, teachers, local government and volunteers will be involved in the design and implementation of the mentor school;

(5) a description of the one-to-one mentoring program required by section 2(2)(E);

(6) a description of how the local educational agency or the State, as appropriate, will provide for continued operation of the mentor school once the Federal grant has expired, if such agency determines that such school is successful;

(7) a description of how the grant funds will be used;

(8) a description of how students in attendance at the mentor school, or in the community served by such school, will be—

(A) informed about such school; and

(B) informed about the fact that admission to a school described in section 2(2)(B) is completely voluntary;

(9) a description of how grant funds provided under this Act will be used in conjunction with funds provided to the local educational agency under any other program administered by the Secretary;

(10) an assurance that the local educational agency will annually provide the Secretary such information as the Secretary may require to determine if the mentor school is making satisfactory progress toward achieving the objectives described in paragraph (2);

(11) an assurance that the local educational agency will cooperate with the Secretary in evaluating the program authorized by this Act;

(12) an assurance that resources provided under this Act shall be used equally for schools for boys and for schools for girls;

(13) an assurance that the activities assisted under this Act will not have an adverse affect, on either sex, that is caused by—

(A) the quality of facilities for boys and for girls;

(B) the nature of the curriculum for boys and for girls;

(C) program activities for boys and for girls; and

(D) instruction for boys and for girls; and

(14) such other information and assurances as the Secretary may require.

SEC. 5. SELECTION OF GRANTEES.

The Secretary shall award grants under this Act on the basis of the quality of the applications submitted under section 4, taking into consideration such factors as—

(1) the quality of the proposed curriculum and instructional practices for the mentor school;

(2) the organizational structure and management of the mentor school;

(3) the quality of the plan for assessing the progress made by students served by a mentor school over the period of the grant;

(4) the extent of community support for the application;

(5) the likelihood that the mentor school will meet the objectives of such school and improve educational results for students; and

(6) the assurances submitted pursuant to section 4(b)(13).

SEC. 6. EVALUATION.

(a) IN GENERAL.—From the amount appropriated under section 7 for each fiscal year, the Secretary shall make available to the Comptroller General 1 percent of such amount to enable the Comptroller General to enter into a contract with an evaluating agency for the evaluation of the mentor schools program under this Act. Such evaluation shall measure the academic competence and social development of students attending mentor schools, including school attendance levels, student achievement levels, drop out rates, college admissions, incidences of teenage pregnancy, and incidences of incarceration.

(b) REPORT.—The evaluating agency entering into the contract described in subsection (a) shall submit a report to the Congress not later than September 30, 2002, regarding the results of the evaluation conducted in accordance with such subsection.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated $300,000,000 for fiscal year 1996 and such sums as may be necessary for each of the fiscal years 1997, 1998, 1999, and 2000 to carry out this Act.

(b) AVAILABILITY.—Funds appropriated under subsection (a) shall remain available until expended.

S. 1206

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 ''Adoption Assistance Act''.

TITLE I—GENERAL ADOPTION ASSISTANCE

SEC. 101. REFUNDABLE CREDIT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

''SEC. 35. ADOPTION EXPENSES.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

''(b) LIMITATIONS.—

''(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed $5,000.

''(2) INCOME LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

''(A) the amount (if any) by which the taxpayer's adjusted gross income (determined without regard to sections 911, 931, and 933) exceeds $60,000, bears to

''(B) $40,000.

''(3) DENIAL OF DOUBLE BENEFIT.—

''(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

''(B) GRANTS.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program.

''(c) QUALIFIED ADOPTION EXPENSES.—

''(1) IN GENERAL.—For purposes of this section, the term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses—

''(A) which are directly related to, and the principal purpose of which is for, the legal and final adoption of a child by the taxpayer, and

''(B) which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement.

''(2) EXPENSES FOR ADOPTION OF SPOUSE'S CHILD NOT ELIGIBLE.—The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

''(d) MARRIED COUPLES MUST FILE JOINT RETURNS, ETC.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section.''

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period '', or from section 35 of such Code''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following:

''Sec. 35. Adoption expenses.

''Sec. 36. Overpayments of tax.''

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

TITLE II—ADOPTION ASSISTANCE FOR FEDERAL EMPLOYEES

SEC. 201. REIMBURSEMENT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart G of part III of title 5, United States Code, is amended by adding at the end the following:

''CHAPTER 90—MISCELLANEOUS EMPLOYEE BENEFITS

''9001. Adoption benefits.

''§ 9001. Adoption benefits

''(a) For the purpose of this section—

''(1) the term 'agency' means—

''(A) an Executive agency;

''(B) an agency in the judicial branch; and

''(C) an agency in the legislative branch (other than any included under subparagraph (A));

''(2) the term 'employee' does not include any individual who, pursuant to the exercise of any authority under section 8913(b), is excluded from participating in the health insurance program under chapter 89; and

''(3) the term 'adoption expenses', as used with respect to a child, means any reasonable and necessary expenses directly relating to the adoption of such child, including—

''(A) fees charged by an adoption agency;

''(B) placement fees;

''(C) legal fees;

''(D) counseling fees;

''(E) medical expenses, including those relating to obstetrical care for the biological mother, medical care for the child, and physical examinations for the adopting parent or parents;

''(F) foster-care charges; and

''(G) transportation expenses.

''(b) The head of each agency shall by regulation establish a program under which any employee of such agency who adopts a child shall be reimbursed for any adoption expenses incurred by such employee in the adoption of such child.

''(c) Under the regulations, reimbursement may be provided only—

''(1) after the adoption becomes final, as determined under the laws of the jurisdiction governing the adoption;

''(2) if, at the time the adoption becomes final, the child is under 18 years of age and unmarried; and

''(3) if appropriate written application is filed within such time, complete with such information, and otherwise in accordance with such procedures as may be required.

''(d)(1) Reimbursement for an employee under this section with respect to any particular child—

''(A) shall be payable only if, or to the extent that, similar benefits paid (or payable) under one or more programs established under State law or another Federal statute have not met (or would not meet) the full amount of the adoption expenses incurred; and

''(B) may not exceed $2,000.

''(2)(A) In any case in which both adopting parents are employees eligible for reimbursement under this section, each parent shall be eligible for an amount determined in accordance with paragraph (1), except as provided in subparagraph (B).

''(B) No amount shall be payable under this section if, or to the extent that, payment of such amount would cause the sum of the total amount payable to the adoptive parents under this section, and the total amount paid (or payable) to them under any program or programs referred to in paragraph (1)(A), to exceed the lesser of—

''(i) the total adoption expenses incurred; or

''(ii) $4,000.

''(3) The guidelines issued under subsection (g) shall include provisions relating to interagency cooperation and other appropriate measures to carry out this subsection.

''(e) Any amount payable under this section shall be paid from the appropriation or fund used to pay the employee involved.

''(f) An application for reimbursement under this section may not be denied based on the marital status of the individual applying.

''(g)(1) The Office of Personnel Management may issue any general guidelines which the Office considers necessary to promote the uniform administration of this section.

''(2) The regulations prescribed by the head of each Executive agency under this section shall be consistent with any guidelines issued under paragraph (1).

''(3) Upon the request of any agency, the Office may provide consulting, technical, and any other similar assistance necessary to carry out this section.''.

(b) CONFORMING AMENDMENTS.—(1) The heading of subpart G of part III of title 5, United States Code, is amended to read as follows:

''SUBPART G—ANNUITIES, INSURANCE, AND MISCELLANEOUS BENEFITS''.

(2) The analysis for part III of title 5, United States Code, is amended—

(A) by striking the item relating to subpart G and inserting in lieu thereof the following:

''SUBPART G—ANNUITIES, INSURANCE, AND MISCELLANEOUS BENEFITS''; and

(B) by adding after the item relating to chapter 89 the following:

''90. Miscellaneous Employee Benefits 9001''.

SEC. 202. APPLICABILITY TO POSTAL EMPLOYEES.

Section 1005 of title 39, United States Code, is amended by adding at the end the following:

''(g) Section 9001 of title 5 shall apply to the Postal Service. Regulations prescribed by the Postal Service to carry out this subsection shall be consistent with any guidelines issued under subsection (g)(1) of such section.''.

SEC. 203. EFFECTIVE DATE.

This title shall take effect on October 1, 1995, and shall apply with respect to any adoption which becomes final (determined in the manner described in section 9001(c)(1) of title 5, United States Code, as added by this title) on or after that date.

TITLE III—EXCLUSION OF ADOPTION ASSISTANCE

SEC. 301. EXCLUSION OF ADOPTION ASSISTANCE.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

''SEC. 137. ADOPTION ASSISTANCE.

''(a) IN GENERAL.—Gross income of an employee does not include employee adoption assistance benefits, or military adoption assistance benefits, received by the employee with respect to the employee's adoption of a child.

''(b) DEFINITIONS.—For purposes of this section—

''(1) EMPLOYEE ADOPTION ASSISTANCE BENEFITS.—The term 'employee adoption assistance benefits' means payment by an employer of qualified adoption expenses with respect to an employee's adoption of a child, or reimbursement by the employer of such qualified adoption expenses paid or incurred by the employee in the taxable year.

''(2) EMPLOYER AND EMPLOYEE.—The terms 'employer' and 'employee' have the respective meanings given such terms by section 127(c).

''(3) MILITARY ADOPTION ASSISTANCE BENEFITS.—The term 'military adoption assistance benefits' means benefits provided under section 1052 of title 10, United States Code, or section 514 of title 14, United States Code.

''(4) QUALIFIED ADOPTION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses—

''(i) which are directly related to, and the principal purpose of which is for, the legal adoption of an eligible child by the taxpayer, and

''(ii) which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement.

''(B) ELIGIBLE CHILD.—The term 'eligible child' means any individual—

''(i) who has not attained age 18 as of the time of the adoption, or

''(ii) who is physically or mentally incapable of caring for himself.

''(c) COORDINATION WITH OTHER PROVISIONS.—The Secretary shall issue regulations to coordinate the application of this section with the application of any other provision of this title which allows a credit or deduction with respect to qualified adoption expenses.''

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 137 and inserting the following new items:

''Sec. 137. Adoption assistance.

''Sec. 138. Cross references to other Acts.''

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

S. 1207

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 ''Family Reconciliation Act''.

SEC. 2. SET-ASIDE FOR STATES WITH APPROVED FAMILY RECONCILIATION PLANS.

(a) IN GENERAL.—

(1) SET-ASIDE.—Section 430(d) of the Social Security Act (42 U.S.C. 629(d)) is amended by adding at the end the following new paragraph:

''(4) FAMILY RECONCILIATION.—The Secretary shall reserve 10 percent of the amounts described in subsection (b) for each fiscal year, for allotment to States with family reconciliation plans approved under section 432(c)(3) to develop and conduct counseling programs described in section 432(c)(2)(B).''.

(2) ASSISTANCE IN DEVELOPING FAMILY RECONCILIATION COUNSELING PROGRAMS.—Section 430(d)(1) of such Act (42 U.S.C. 629(d)(1)) is amended—

(A) in subparagraph (A), by striking ''and'' at the end;

(B) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

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

''(C) in assisting States in developing and operating counseling programs described in section 432(c)(2)(B).''.

(3) FAMILY RECONCILIATION PLANS.—Section 432 of such Act (42 U.S.C. 629(b)) is amended by adding at the end the following new subsection:

''(c) FAMILY RECONCILIATION PLANS.—

''(1) PLAN REQUIREMENTS.—A State family reconciliation plan meets the requirements of this paragraph if the plan demonstrates that the State has in effect the laws referred to in paragraph (2).

''(2) SATISFACTION OF PLAN REQUIREMENTS.—In order to satisfy paragraph (1), a State must have in effect laws requiring that, prior to a final dissolution of marriage of a couple who have one or more children under 12 years of age, the couple shall be required to—

''(A) undergo a minimum 60-day waiting period beginning on the date dissolution documents are filed; and

''(B) participate in counseling programs offered by a public or private counseling service that includes discussion of the psychological and economic impact of the divorce on the couple, the children of the couple, and society.''.

''(3) APPROVAL OF PLANS.—The Secretary shall approve a plan that meets the requirements of paragraph (1).''.

(4) ALLOTMENT.—Section 433 of such Act (42 U.S.C. 633) is amended by adding at the end the following new subsection:

''(d) ALLOTMENTS TO STATES WITH APPROVED FAMILY RECONCILIATION PLANS.—

''(1) IN GENERAL.—From the amount reserved pursuant to section 430(d)(4) for any fiscal year, the Secretary shall allot to each State (other than an Indian tribe) with a family reconciliation plan approved under section 432(c)(3), an amount that bears the same ratio to the amount reserved under such section as the average annual number of final dissolutions of marriage described in paragraph (2) in the State for the 3 fiscal years referred to in subsection (c)(2)(B) bears to the average annual number of such final dissolutions of marriage in such 3-year period in all States with family reconciliation plans approved under section 432(c)(3).

''(2) FINAL DISSOLUTIONS OF MARRIAGE DESCRIBED.—For purposes of paragraph (1), a final dissolution of marriage described in this paragraph is a final dissolution of marriage of a couple who have one or more children under 12 years of age.''.

(5) ENTITLEMENT.—

(A) IN GENERAL.—Section 434(a) of such Act (42 U.S.C. 629d(a)) is amended by adding at the end the following new paragraph:

''(3) FAMILY RECONCILIATION AMOUNT.—Each State with a family reconciliation plan approved under section 432(c)(3) shall be entitled to an amount equal to the allotment of the State under section 433(d) for the fiscal year.

(B) CONFORMING AMENDMENT.—Section 434(a) of such Act (42 U.S.C. 629d(a)) is amended by striking ''paragraph (2)'' and inserting ''paragraphs (2) and (3)''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1995.

SEC. 3. USE OF FUNDS UNDER LEGAL SERVICES CORPORATION ACT.

Section 1007(b) of the Legal Services Corporation Act (42 U.S.C. 2996f(b)) is amended—

(1) in paragraph (9), by striking ''; or'' and inserting a semicolon;

(2) in paragraph (10), by striking the period and inserting ''; or''; and

(3) by adding at the end the following:

''(11) to provide legal assistance to an eligible client with respect to a proceeding or litigation in which the client seeks to obtain a dissolution of a marriage or a legal separation from a spouse, except that nothing in this paragraph shall prohibit a recipient from providing legal assistance to the client with respect to the proceeding or litigation if a court of appropriate jurisdiction has determined that the spouse has physically or mentally abused the client.''.

S. 1208

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1986.

(a) SHORT TITLE.—This Act may be cited as the ''Family Fairness Act''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. ADDITIONAL EARNED INCOME CREDIT FOR MARRIED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (1) of section 32(a) (relating to earned income credit) is amended to read as follows:

''(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of—

''(A) in the case of an eligible individual, an amount equal to the credit percentage of so much of the taxpayer's earned income for the taxable year as does not exceed the earned income amount, and

''(B) in the case of an eligible married individual, the applicable percentage of $1,000.''.

(b) APPLICABLE PERCENTAGE.—Section 32(b) (relating to percentages and amounts) is amended by adding at the end the following new paragraph:

''(3) APPLICABLE PERCENTAGE.—The applicable percentage for any taxable year is equal to 100 percent reduced (but not below 0 percent) by 10 percentage points for each $1,000 (or fraction thereof) by which the taxpayer's earned income for such taxable year exceeds $16,000.''.

(c) ELIGIBLE MARRIED INDIVIDUALS.—Section 32(c) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

''(4) ELIGIBLE MARRIED INDIVIDUALS.—The term 'eligible married individual' means an eligible individual—

''(A) who is married (as defined in section 7703) and who has lived together with the individual's spouse at all times during such marriage during the taxable year, and

''(B) has earned income for the taxable year of at least $8,500.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 32(a)(2) is amended by striking ''paragraph (1)'' and inserting ''paragraph (1)(A)''.

(2) Section 32(j) is amended to read as follows:

''(j) INFLATION ADJUSTMENTS.—

''(1) IN GENERAL.—In the case of any taxable year beginning after the applicable calendar year, each dollar amount referred to in paragraph (2)(B) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3), for the calendar year in which the taxable year begins, by substituting for 'calendar year 1992' in subparagraph (B) thereof—

''(i) 'calendar year 1993' in the case of the dollar amounts referred to in paragraph (2)(B)(i), and

''(ii) 'calendar year 1995' in the case of the dollar amounts referred to in paragraph (2)(B)(ii).

''(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

''(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

''(i) 1994 in the case of the dollar amounts referred to in paragraph (2)(B)(i), and

''(ii) 1996 in the case of the dollar amounts referred to in paragraph (2)(B)(ii).

''(B) DOLLAR AMOUNTS.—The dollar amounts referred to in this subparagraph are—

''(i) each dollar amount contained in subsection (b)(2)(A), and

''(ii) the $16,000 amount contained in subsection (b)(3) and the dollar amount contained in subsection (c)(4)(B).

''(3) ROUNDING.—If any dollar amount after being increased under paragraph (1) is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10 (or, if such dollar amount is a multiple of $5, such dollar amount shall be increased to the next higher multiple of $10).''.

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

SEC. 3. EARNED INCOME CREDIT DENIED TO INDIVIDUALS NOT AUTHORIZED TO BE EMPLOYED IN THE UNITED STATES.

(a) IN GENERAL.—Section 32(c)(1) (relating to individuals eligible to claim the earned income tax credit) is amended by adding at the end the following new subparagraph:

''(F) IDENTIFICATION NUMBER REQUIREMENT.—The term 'eligible individual' does not include any individual who does not include on the return of tax for the taxable year—

''(i) such individual's taxpayer identification number, and

''(ii) if the individual is married (within the meaning of section 7703), the taxpayer identification number of such individual's spouse.''.

(b) SPECIAL IDENTIFICATION NUMBER.—Section 32 is amended by adding at the end the following new subsection:

''(l) IDENTIFICATION NUMBERS.—Solely for purposes of paragraphs (1)(F) and (3)(D) of subsection (c), a taxpayer identification number means a social security number issued to an individual by the Social Security Administration (other than a social security number issued pursuant to clause (II) (or that portion of clause (III) that relates to clause (II)) of section 205(c)(2)(B)(i) of the Social Security Act).''.

(c) EXTENSION OF PROCEDURES APPLICABLE TO MATHEMATICAL OR CLERICAL ERRORS.—Section 6213(g)(2) (relating to the definition of mathematical or clerical errors) is amended by striking ''and' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting '', and'', and by inserting after subparagraph (E) the following new subparagraph:

''(F) an omission of a correct taxpayer identification number required under section 23 (relating to credit for families with younger children) or section 32 (relating to the earned income tax credit) to be included on a return.''.

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

SEC. 4. REPEAL OF EARNED INCOME CREDIT FOR INDIVIDUALS WITHOUT CHILDREN.

(a) IN GENERAL.—Subparagraph (A) of section 32(c)(1) (defining eligible individual) is amended to read as follows:

''(A) IN GENERAL.—The term 'eligible individual' means any individual who has a qualifying child for the taxable year.''.

(b) CONFORMING AMENDMENTS.—Each of the tables contained in paragraphs (1) and (2) of section 32(b) are amended by striking the items relating to no qualifying children.

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

SEC. 6. RULES RELATING TO DENIAL OF EARNED INCOME CREDIT ON BASIS OF DISQUALIFIED INCOME.

(a) DEFINITION OF DISQUALIFIED INCOME.—Paragraph (2) of section 32(i) (defining disqualified income) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'' and by adding at the end the following new subparagraphs:

''(D) capital gain net income,

''(E) the excess (if any) of—

''(i) the aggregate income from all passive activities for the taxable year (determined without regard to any amount described in a preceding subparagraph), over

''(ii) the aggregate losses from all passive activities for the taxable year (as so determined), and

''(F) amounts includible in gross income under section 652 or 662 for the taxable year to the extent not taken into account under any preceding subparagraph.

For purposes of subparagraph (E), the term 'passive activity' has the meaning given such term by section 469.''.

(b) DECREASE IN AMOUNT OF DISQUALIFIED INCOME ALLOWED.—Paragraph (1) of section 32(i) (relating to denial of credit) is amended by striking ''$2,350'' and inserting ''$1,000''.

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

SEC. 7. MODIFICATION OF ADJUSTED GROSS INCOME DEFINITION FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 32(a)(2) (relating to limitation) is amended by striking ''adjusted gross income'' and inserting ''modified adjusted gross income''.

(b) MODIFIED ADJUSTED GROSS INCOME DEFINED.—Section 32(c) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

''(5) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income, increased by the sum of—

''(A) social security benefits (as defined in section 86(d)) received to the extent not includible in gross income,

''(B) amounts received by (or on behalf of) a spouse pursuant to a divorce or separation instrument (as defined in section 71(b)(2)) which, under the terms of the instrument, are fixed as payable for the support of the children of the payor spouse (as determined under section 71(c)),

''(C) interest received or accrued during the taxable year which is exempt from tax imposed by this chapter, and

''(D) any amount received by a participant or beneficiary under a qualified retirement plan (as defined in section 4974(c)) to the extent not includible in gross income.

Subparagraph (D) shall not apply to any amount received if the recipient transfers such amount in a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), or 408(d)(3).''

(c) STUDY.—The Secretary of the Treasury shall conduct a study of the Federal tax treatment of child support payments to determine whether or not changes in such treatment are necessary. The Secretary shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives the results of the study, including recommendations (if any) which the Secretary determines appropriate to encourage payment of child support liabilities by parents and to make both parents more responsible for a child's economic well-being.

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

SEC. 8. EARNED INCOME CREDIT NOT ALLOWED UNTIL RECEIPT OF EMPLOYER'S WITHHOLDING STATEMENT.

(a) IN GENERAL.—Section 6401(b) (relating to excessive credits treated as overpayments) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE FOR EARNED INCOME CREDIT.—For purposes of paragraph (1), the earned income credit allowed under section 32 shall not be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1 unless the Secretary is able to verify the amount of such credit by comparing it with—

''(A) information returns filed with the Secretary under section 6051(d) by employees of the individual claiming the credit,

''(B) self-employment tax returns filed with the Secretary under section 6017, or

''(C) both.

The preceding sentence shall apply to any advanced payment of the earned income credit under section 3507.''

(b) EFFECTIVE DATE; STUDY.—

(1) IN GENERAL.—The amendment made by this section shall apply to taxable years beginning after December 31, 1996.

(2) STUDY.—The Secretary of the Treasury shall conduct a study to determine the delays (if any) which would result in the processing of Federal income tax returns by reason of the amendment made by this section. Not later than 1 year after the date of the enactment of this Act, the Secretary shall report the results of the study to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, including recommendations (if any) on ways to shorten any delay.

SEC. 9. PREVENTION OF FRAUD IN ELECTRONIC RETURNS.

(a) IN GENERAL.—The Secretary of the Treasury shall provide that any person applying to be an electronic return originator on or after the date of the enactment of this Act shall not be approved unless the applicant provides fingerprints and credit information to the satisfaction of the Secretary.

(b) PAST APPLICANTS.—The Secretary of the Treasury shall apply the requirements described in subsection (a) to electronic return originators whose applications were approved before the date of the enactment of this Act without fingerprints and credit check information being provided.

S. 1209

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

SECTION 1. SHORT TITLE; AMENDMENTS TO SOCIAL SECURITY ACT.

(a) SHORT TITLE.—This Act may be cited as the ''Responsible Parenthood Act of 1995''.

(b) AMENDMENTS TO THE SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this Act an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

SEC. 2. INTEGRATION OF FAMILY PLANNING AND MATERNAL AND CHILD HEALTH SERVICES.

(a) INCREASE IN FUNDING.—Section 501(a) (42 U.S.C. 701(a)) is amended in the matter preceding paragraph (1) by striking ''$686,000,000'' and inserting ''$886,000,000''.

(b) RESERVATION OF CERTAIN AMOUNTS.—Section 502 (42 U.S.C. 702) is amended by striking ''$600,000,000'' each place it appears and inserting ''$800,000,000''.

SEC. 3. ABSTINENCE SERVICES.

(a) PROVISION AND PROMOTION OF ABSTINENCE SERVICES.—Section 501(a)(1) (42 U.S.C. 701(a)(1)) is amended—

(1) in subparagraph (C), by striking ''and'' at the end;

(2) in subparagraph (D), by inserting ''and'' at the end; and

(3) by adding the following new subparagraph:

''(E) to provide and to promote family-centered, community-based services and information regarding the delay or discontinuation of premarital sexual activity, particularly among adolescents, and to provide adoption-related services and promote adoption as an acceptable alternative for pregnant unmarried individuals.''.

(b) MINIMUM AMOUNT FOR ABSTINENCE SERVICES.—Section 504 (42 U.S.C. 704) is amended by adding the following new subsection:

''(e) Of the amounts paid to a State under section 503 from an allotment for a fiscal year under section 502(c), not less than 100 percent of such amounts (including the fair market value of any supplies or equipment) as were used under this title in the preceding fiscal year to provide family planning services shall be used to provide services described in section 501(a)(1)(E).''.

(c) NEEDS ASSESSMENT FOR ABSTINENCE SERVICES.—Section 505(a)(1) (42 U.S.C. 705(a)(1)) is amended—

(1) in subparagraph (B), by striking ''and'' at the end;

(2) in subparagraph (C), by adding ''and'' at the end; and

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

''(D) services and information regarding the delay or discontinuation of premarital sexual activity, particularly among adolescents, and regarding adoption.''.

SEC. 4. USE OF FUNDS.

(a) PROHIBITION OF USE FOR FAMILY PLANNING SERVICES IN SCHOOLS.—Section 504(b) (42 U.S.C. 704(b)) is amended—

(1) in paragraph (5), by striking ''or'' at the end;

(2) in paragraph (6)(B), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following new paragraphs:

''(7) to provide or promote family planning services in any elementary or secondary educational institution; or

''(8) to provide or promote any drug or device except for a use that has been approved by the Food and Drug Administration.''.

(b) NO FUNDING OF PROGRAMS OR PROJECTS THAT PROVIDE ABORTION SERVICES.—Section 504 (42 U.S.C. 704), as amended by section 3(b), is amended by adding at the end the following new subsections:

''(f)(1) Payments under this title may be made only to programs or projects that—

''(A) do not provide abortions or abortion counseling or referral;

''(B) do not subcontract with or make any payment to any person who provides abortions or abortion counseling or referral (except that any such program or project may provide referral for abortion counseling to a pregnant adolescent if such adolescent and the parents or guardians of such adolescent request such referral); or

''(C) do not advocate, promote, or encourage abortion.

''(2) The Secretary shall ascertain whether programs or projects comply with paragraph (1) and take appropriate action if programs or projects do not comply with such paragraph, including withholding of funds.

''(g) A State shall ensure, to the maximum extent possible, family participation in the receipt of services provided under section 501(a)(1) and shall ensure that an entity that receives funds under this title shall comply with any State law that requires—

''(1) involvement of a family member prior to the provision of services related to family planning or abortion; and

''(2) reporting of civil or criminal offenses involving child abuse or statutory rape.

''(h) The acceptance by any individual of family planning services or family planning or population growth information (including educational materials) provided through financial assistance under this title shall be voluntary and shall not be a prerequisite to eligibility for or receipt of any other service or assistance from, or to participation in, any other program of the entity or individual that provided such service or information.''.

SEC. 5. APPLICATION FOR BLOCK GRANT FUNDS.

Section 505(a)(5) (42 U.S.C. 705(a)(5)) is amended—

(1) by redesignating subparagraph (F) as subparagraph (I); and

(2) by inserting after subparagraph (F) the following subparagraphs:

''(G) the State will provide a description of how the applicant will, as appropriate to the provision of family planning services or services provided under section 501(e)(1)(A)—

''(i) involve families of adolescents in a manner that will maximize the role of the family in the solution of problems relating to the parenthood or pregnancy of the adolescent; and

''(ii) involve religious and charitable organizations, voluntary associations, and other groups in the private sector as well as services provided by publicly sponsored initiatives;

''(H)(i) the State will provide assurances that—

''(I) except as provided in clause (ii), and subject to subclause (II), the applicant will notify the parents or guardians of any unemancipated minor requesting services from the applicant and will obtain the permission of such parents or guardians with respect to the provision of such services; and

''(II) in the case of a pregnant unemancipated minor requesting services from a recipient of funds under this title, the recipient will notify the parents or guardians of such minor under subclause (I) within a reasonable period of time; and

''(ii) the State will provide assurances that the applicant will not notify or request the permission of the parent or guardian of any unemancipated minor without the consent of the minor—

''(I) who solely is requesting from the applicant pregnancy testing or testing or treatment for venereal disease;

''(II) who is the victim of incest involving a parent; or

''(III) if an adult sibling of the minor or an adult aunt, uncle, or grandparent who is related to the minor by blood certifies to the recipient that notification of the parent or guardian of such minor would result in physical injury to such minor.''.

SEC. 6. REPORTS AND AUDITS.

(a) REPORT BY STATE.—Section 506(a)(2) (42 U.S.C. 706(a)(2)) is amended by adding after subparagraph (E) the following new subparagraph:

''(F) Information (as prescribed by the Secretary) on the State's activities in connection with the services described in section 501(a)(1)(E).''.

(b) REPORT BY SECRETARY.—Section 506(a)(3) (42 U.S.C. 706(a)(3)) is amended—

(1) in subparagraph (D), by striking ''and'' at the end;

(2) in subparagraph (E), by striking the period at the end and inserting ''; and''; and

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

''(F) information on the State's activities in connection with the services described in section 501(a)(1)(E).''.

SEC. 7. EVALUATION.

Title V (42 U.S.C. 701 et seq.) is amended by adding at the end the following new section:

''EVALUATION

''SEC. 510. (a) Of amounts allotted to a State under section 502(c) in a fiscal year that the State estimates will be expended on family planning services and the services described in section 501(a)(1)(E) for such year the State shall reserve—

''(1) not less than 2 percent and not more than 4 percent of such amounts for an annual evaluation of activities carried out under this title and the effectiveness of such activities in reducing sexual activity, pregnancies, and births among unmarried individuals, particularly adolescents; and

''(2) not less than 2 percent and not more than 4 percent of such amounts for an annual longitudinal study by an independent research organization of the activities carried out under this title and the effectiveness of such activities in reducing sexual activity, pregnancies, and births among unmarried individuals, particularly adolescents.

''(b)(1) Each State shall submit the evaluations and studies conducted under this section to the Secretary.

''(2) The Secretary shall submit a summary of each evaluation and study submitted under paragraph (1) to the appropriate committees of the Congress.''.

SEC. 8. DEFINITION OF FAMILY.

Section 501(b) (42 U.S.C. 701(b)) is amended by adding at the end the following new paragraph:

''(5) The term 'family' means a child under the age of 19, the biological or adoptive parents of the child, the legal guardian of the child, or a responsible relative or caretaker with whom the child regularly resides, the siblings of the child, and other individuals living in the child's home.''.

SEC. 9. REPEAL OF CERTAIN PROGRAMS.

(a) REPEAL OF POPULATION RESEARCH AND VOLUNTARY FAMILY PLANNING PROGRAMS.—Title X of the Public Health Service Act (42 U.S.C. 300 et seq.) is repealed.

(b) REPEAL OF ADOLESCENT FAMILY LIFE DEMONSTRATION PROJECTS.—Title XX of the Public Health Service Act (42 U.S.C. 300z et seq.) is repealed.

SEC. 10. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 1995.

S. 1210

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 ''Educational Choice and Equity Act of 1995''.

SEC. 2. PURPOSE.

The purpose of this Act is to determine the effects on students and schools of providing financial assistance to low-income parents to enable such parents to select the public or private schools their children will attend.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) the term ''choice school'' means any public or private school, including a private sectarian school or a public charter school, that is involved in a demonstration project assisted under this Act;

(2) the term ''eligible child'' means a child in grades 1 through 12 who is eligible for free or reduced price lunches under the National School Lunch Act (42 U.S.C. 1751 et seq.);

(3) the term ''eligible entity'' means a public agency, institution, or organization, such as a State, a State or local educational agency, a consortium of public agencies, or a consortium of public and private nonprofit organizations, that can demonstrate, to the satisfaction of the Secretary, its ability to—

(A) receive, disburse, and account for Federal funds; and

(B) carry out the activities described in its application under this Act;

(4) the term ''evaluating agency'' means any academic institution, consortium of professionals, or private or nonprofit organization, with demonstrated experience in conducting evaluations, that is not an agency or instrumentality of the Federal Government;

(5) the term ''local educational agency'' has the meaning given that term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801);

(6) the term ''parent'' includes a legal guardian or other individual acting in loco parentis;

(7) the term ''school'' means a school that provides elementary education or secondary education (through grade 12), as determined under State law; and

(8) the term ''Secretary'' means the Secretary of Education.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $600,000,000 for fiscal year 1996 and such sums as may be necessary for each of the fiscal years 1997, 1998, 1999, and 2000 to carry out this Act.

SEC. 5. PROGRAM AUTHORIZED.

(a) RESERVATION.—From the amount appropriated pursuant to the authority of section 4 in any fiscal year, the Secretary shall reserve and make available to the Comptroller General of the United States 2 percent for evaluation of the demonstration projects assisted under this Act in accordance with section 11.

(b) GRANTS.—

(1) IN GENERAL.—From the amount appropriated pursuant to the authority of section 4 and not reserved under subsection (a) for any fiscal year, the Secretary shall award grants to eligible entities to enable such entities to carry out at least 100 demonstration projects under which low-income parents receive education certificates for the costs of enrolling their eligible children in a choice school.

(2) AMOUNT.—The Secretary shall award grants under paragraph (1) for fiscal year 1996 in amounts of $5,000,000 or less.

(3) CONTINUING ELIGIBILITY.—The Secretary shall continue a demonstration project under this Act by awarding a grant under paragraph (1) to an eligible entity that received such a grant for a fiscal year preceding the fiscal year for which the determination is made, if the Secretary determines that such eligible entity was in compliance with this Act for such preceding fiscal year.

(c) USE OF GRANTS.—Grants awarded under subsection (b) shall be used to pay the costs of—

(1) providing education certificates to low-income parents to enable such parents to pay the tuition, the fees, the allowable costs of transportation, if any, and the costs of complying with section 9(a)(1), if any, for their eligible children to attend a choice school; and

(2) administration of the demonstration project, which shall not exceed 15 percent of the amount received under the grant for the first fiscal year for which the eligible entity provides education certificates under this Act or 10 percent of such amount for any subsequent year, including—

(A) seeking the involvement of choice schools in the demonstration project;

(B) providing information about the demonstration project, and the schools involved in the demonstration project, to parents of eligible children;

(C) making determinations of eligibility for participation in the demonstration project for eligible children;

(D) selecting students to participate in the demonstration project;

(E) determining the amount of, and issuing, education certificates;

(F) compiling and maintaining such financial and programmatic records as the Secretary may prescribe; and

(G) collecting such information about the effects of the demonstration project as the evaluating agency may need to conduct the evaluation described in section 11.

(d) SPECIAL RULE.—Each school participating in a demonstration project under this Act shall comply with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) which prohibits discrimination on the basis of race, color, or national origin.

SEC. 6. AUTHORIZED PROJECTS; PRIORITY.

(a) AUTHORIZED PROJECTS.—The Secretary may award a grant under this Act only for a demonstration project that—

(1) involves at least one local educational agency that—

(A) receives funds under section 1124A of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6334); and

(B) is among the 20 percent of local educational agencies receiving funds under section 1124A of such Act (20 U.S.C. 6334) in the State that have the highest number of children described in section 1124(c) of such Act (20 U.S.C. 6333(c)); and

(2) includes the involvement of a sufficient number of public and private choice schools, in the judgment of the Secretary, to allow for a valid demonstration project.

(b) PRIORITY.—In awarding grants under this Act, the Secretary shall give priority to demonstration projects—

(1) in which choice schools offer an enrollment opportunity to the broadest range of eligible children;

(2) that involve diverse types of choice schools; and

(3) that will contribute to the geographic diversity of demonstration projects assisted under this Act, including awarding grants for demonstration projects in States that are primarily rural and awarding grants for demonstration projects in States that are primarily urban.

SEC. 7. APPLICATIONS.

(a) IN GENERAL.—Any eligible entity that wishes to receive a grant under this Act shall submit an application to the Secretary at such time and in such manner as the Secretary may prescribe.

(b) CONTENTS.—Each application described in subsection (a) shall contain—

(1) information demonstrating the eligibility of the eligible entity for participation in the demonstration project;

(2) with respect to choice schools—

(A) a description of the standards used by the eligible entity to determine which public and private schools are within a reasonable commuting distance of eligible children and present a reasonable commuting cost for such eligible children;

(B) a description of the types of potential choice schools that will be involved in the demonstration project;

(C)(i) a description of the procedures used to encourage public and private schools to be involved in the demonstration project; and

(ii) a description of how the eligible entity will annually determine the number of spaces available for eligible children in each choice school;

(D) an assurance that each choice school will not impose higher standards for admission or participation in its programs and activities for eligible children provided education certificates under this Act than the choice school does for other children;

(E) an assurance that each choice school operated, for at least 1 year prior to accepting education certificates under this Act, an educational program similar to the educational program for which such choice school will accept such education certificates;

(F) an assurance that the eligible entity will terminate the involvement of any choice school that fails to comply with the conditions of its involvement in the demonstration project; and

(G) a description of the extent to which choice schools will accept education certificates under this Act as full or partial payment for tuition and fees;

(3) with respect to the participation in the demonstration project of eligible children—

(A) a description of the procedures to be used to make a determination of the eligibility of an eligible child for participation in the demonstration project, which shall include—

(i) the procedures used to determine eligibility for free or reduced price lunches under the National School Lunch Act (42 U.S.C. 1751 et seq.); or

(ii) any other procedure, subject to the Secretary's approval, that accurately establishes the eligibility of an eligible child for such participation;

(B) a description of the procedures to be used to ensure that, in selecting eligible children to participate in the demonstration project, the eligible entity will—

(i) apply the same criteria to both public and private school eligible children; and

(ii) give priority to eligible children from the lowest income families;

(C) a description of the procedures to be used to ensure maximum choice of schools for participating eligible children, including procedures to be used when—

(i) the number of parents provided education certificates under this Act who desire to enroll their eligible children in a particular choice school exceeds the number of eligible children that the choice school will accept; and

(ii) grant funds and funds from local sources are insufficient to support the total cost of choices made by parents with education certificates under this Act; and

(D) a description of the procedures to be used to ensure compliance with section 9(a)(1), which may include—

(i) the direct provision of services by a local educational agency; and

(ii) arrangements made by a local educational agency with other service providers;

(4) with respect to the operation of the demonstration project—

(A) a description of the geographic area to be served;

(B) a timetable for carrying out the demonstration project;

(C) a description of the procedures to be used for the issuance and redemption of education certificates under this Act;

(D) a description of the procedures by which a choice school will make a pro rata refund of the education certificate under this Act for any participating eligible child who withdraws from the school for any reason, before completing 75 percent of the school attendance period for which the education certificate was issued;

(E) a description of the procedures to be used to provide the parental notification described in section 10;

(F) an assurance that the eligible entity will place all funds received under this Act into a separate account, and that no other funds will be placed in such account;

(G) an assurance that the eligible entity will provide the Secretary periodic reports on the status of such funds;

(H) an assurance that the eligible entity will cooperate with the Comptroller General of the United States and the evaluating agency in carrying out the evaluations described in section 11; and

(I) an assurance that the eligible entity will—

(i) maintain such records as the Secretary may require; and

(ii) comply with reasonable requests from the Secretary for information; and

(5) such other assurances and information as the Secretary may require.

SEC. 8. EDUCATION CERTIFICATES.

(a) EDUCATION CERTIFICATES.—

(1) AMOUNT.—The amount of an eligible child's education certificate under this Act shall be determined by the eligible entity, but shall be an amount that provides to the recipient of the education certificate the maximum degree of choice in selecting the choice school the eligible child will attend.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—Subject to such regulations as the Secretary shall prescribe, in determining the amount of an education certificate under this Act an eligible entity shall consider—

(i) the additional reasonable costs of transportation directly attributable to the eligible child's participation in the demonstration project; and

(ii) the cost of complying with section 9(a)(1).

(B) SCHOOLS CHARGING TUITION.—If an eligible child participating in a demonstration project under this Act was attending a public or private school that charged tuition for the year preceding the first year of such participation, then in determining the amount of an education certificate for such eligible child under this Act the eligible entity shall consider—

(i) the tuition charged by such school for such eligible child in such preceding year; and

(ii) the amount of the education certificates under this Act that are provided to other eligible children.

(3) SPECIAL RULE.—An eligible entity may provide an education certificate under this Act to the parent of an eligible child who chooses to attend a school that does not charge tuition or fees, to pay the additional reasonable costs of transportation directly attributable to the eligible child's participation in the demonstration project or the cost of complying with section 9(a)(1).

(b) ADJUSTMENT.—The amount of the education certificate for a fiscal year may be adjusted in the second and third years of an eligible child's participation in a demonstration project under this Act to reflect any increase or decrease in the tuition, fees, or transportation costs directly attributable to that eligible child's continued attendance at a choice school, but shall not be increased for this purpose by more than 10 percent of the amount of the education certificate for the fiscal year preceding the fiscal year for which the determination is made. The amount of the education certificate may also be adjusted in any fiscal year to comply with section 9(a)(1).

(c) MAXIMUM AMOUNT.—Notwithstanding any other provision of this section, the amount of an eligible child's education certificate shall not exceed the per pupil expenditure for elementary or secondary education, as appropriate, by the local educational agency in which the public school to which the eligible child would normally be assigned is located for the fiscal year preceding the fiscal year for which the determination is made.

(d) INCOME.—An education certificate under this Act, and funds provided under the education certificate, shall not be treated as income of the parents for purposes of Federal tax laws or for determining eligibility for any other Federal program.

SEC. 9. EFFECT ON OTHER PROGRAMS; USE OF SCHOOL LUNCH DATA; CONSTRUCTION PROVISIONS.

(a) EFFECT ON OTHER PROGRAMS.—

(1) IN GENERAL.—An eligible child participating in a demonstration project under this Act, who, in the absence of such a demonstration project, would have received services under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) shall be provided such services.

(2) PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Nothing in this Act shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

(3) COUNTING OF ELIGIBLE CHILDREN.—Notwithstanding any other provision of law, any local educational agency participating in a demonstration project under this Act may count eligible children who, in the absence of such a demonstration project, would attend the schools of such agency, for purposes of receiving funds under any program administered by the Secretary.

(b) USE OF SCHOOL LUNCH DATA.—Notwithstanding section 9 of the National School Lunch Act (42 U.S.C. 1751 et seq.), an eligible entity receiving a grant under this Act may use information collected for the purpose of determining eligibility for free or reduced price lunches to determine an eligible child's eligibility to participate in a demonstration project under this Act and, if needed, to rank families by income, in accordance with section 7(b)(3)(B)(ii). All such information shall otherwise remain confidential, and information pertaining to income may be disclosed only to persons who need that information for the purposes of a demonstration project under this Act.

(c) CONSTRUCTION PROVISIONS.—

(1) OTHER INSTITUTIONS.—Nothing in this Act shall be construed to supersede or modify any provision of a State constitution or State law that prohibits the expenditure of public funds in or by religious or other private institutions, except that no provision of a State constitution or State law shall be construed or applied to prohibit—

(A) any eligible entity receiving funds under this Act from using such funds to pay the administrative costs of a demonstration project under this Act; or

(B) the expenditure in or by religious or other private institutions of any Federal funds provided under this Act.

(2) DESEGREGATION PLANS.—Nothing in this Act shall be construed to interfere with any desegregation plans that involve school attendance areas affected by this Act.

(3) PROHIBITION OF FEDERAL DIRECTOR, SUPERVISION OR CONTROL.—Nothing in this Act shall be construed to authorize the Secretary or any employee, officer, or agency of the Department of Education to exercise any direction, supervision, or control over the curriculum, program of instruction, or personnel decisions of any educational institution or school participating in a demonstration project assisted under this Act.

SEC. 10. PARENTAL NOTIFICATION.

Each eligible entity receiving a grant under this Act shall provide timely notice of the demonstration project to parents of eligible children residing in the area to be served by the demonstration project. At a minimum, such notice shall—

(1) describe the demonstration project;

(2) describe the eligibility requirements for participation in the demonstration project;

(3) describe the information needed to make a determination of eligibility for participation in the demonstration project for an eligible child;

(4) describe the selection procedures to be used if the number of eligible children seeking to participate in the demonstration project exceeds the number that can be accommodated in the demonstration project;

(5) provide information about each choice school participating in the demonstration project, including information about any admission requirements or criteria for each choice school participating in the demonstration project; and

(6) include the schedule for parents to apply for their eligible children to participate in the demonstration project.

SEC. 11. EVALUATION.

(a) ANNUAL EVALUATION.—

(1) CONTRACT.—The Comptroller General of the United States shall enter into a contract, with an evaluating agency that has demonstrated experience in conducting evaluations, for the conduct of an ongoing rigorous evaluation of the demonstration projects under this Act.

(2) ANNUAL EVALUATION REQUIREMENT.—The contract described in paragraph (1) shall require the evaluating agency entering into such contract to annually evaluate each demonstration project under this Act in accordance with the evaluation criteria described in subsection (b).

(3) TRANSMISSION.—The contract described in paragraph (1) shall require the evaluating agency entering into such contract to transmit to the Comptroller General of the United States—

(A) the findings of each annual evaluation under paragraph (1); and

(B) a copy of each report received pursuant to section 12(a) for the applicable year.

(b) EVALUATION CRITERIA.—The Comptroller General of the United States, in consultation with the Secretary, shall establish minimum criteria for evaluating the demonstration projects under this Act. Such criteria shall provide for—

(1) a description of the implementation of each demonstration project under this Act and the demonstration project's effects on all participants, schools, and communities in the demonstration project area, with particular attention given to the effect of parent participation in the life of the school and the level of parental satisfaction with the demonstration project; and

(2) a comparison of the educational achievement of all students in the demonstration project area, including a comparison of—

(A) students receiving education certificates under this Act; and

(B) students not receiving education certificates under this Act.

SEC. 12. REPORTS.

(a) REPORT BY GRANT RECIPIENT.—Each eligible entity receiving a grant under this Act shall submit to the evaluating agency entering into the contract under section 11(a)(1) an annual report regarding the demonstration project under this Act. Each such report shall be submitted at such time, in such manner, and accompanied by such information, as such evaluating agency may require.

(b) REPORTS BY COMPTROLLER GENERAL.—

(1) ANNUAL REPORTS.—The Comptroller General of the United States shall report annually to the Congress on the findings of the annual evaluation under section 11(a)(2) of each demonstration project under this Act. Each such report shall contain a copy of—

(A) the annual evaluation under section 11(a)(2) of each demonstration project under this Act; and

(B) each report received under subsection (a) for the applicable year.

(2) FINAL REPORT.—The Comptroller General shall submit a final report to the Congress within 9 months after the conclusion of the demonstration projects under this Act that summarizes the findings of the annual evaluations conducted pursuant to section 11(a)(2).

S. 1211

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 ''Restitution Responsibility Act''.

SEC. 2. GRANT PROGRAM.

(a) IN GENERAL.—The Attorney General is authorized to provide grants to States to enable the States to—

(1) collect data on victim restitution over a specified period of time as determined by the Attorney General;

(2) create or expand automated data systems to track restitution payments;

(3) make improvements in the manner in which restitution is ordered and collected; and

(4) enhance and expand methods of enforcement of restitution orders.

(b) ELIGIBILITY.—To be eligible to receive a grant under this Act, a State shall—

(1) submit an application to the Attorney General, in such form as the Attorney General shall require, that meets the requirements of subsection (c); and

(2) certify that the State has a victim advocacy program that—

(A) provides assistance to victims of crime throughout the judicial process; and

(B) provides courts with a victim impact statement prior to sentencing.

(c) APPLICATION.—An application meets the requirements of this subsection if it includes—

(1) a description of the State's victim advocacy program;

(2) a description of the method by which the State compiles or will compile data on restitution, including information on—

(A) restitution amounts ordered and collected;

(B) collection rates for incarcerated offenders and offenders who are on probation;

(C) collection rates for offenders committing felonies and for those committing misdemeanors; and

(D) rates of partial and full payment rates of collection;

(3) documentation of a State's current problems in ordering, collecting, and enforcing restitution;

(4) a description of State laws and practices related to restitution;

(5) a description of administrative and legislative options to improve ordering, collecting, and enforcing restitution;

(6) a description of the State's proposal to create or expand an automated data processing system to track restitution payments;

(7) a description of the State's plan to improve the ordering of restitution, including—

(A) provisions to ensure that courts order restitution whenever a victim suffers economic loss as a result of unlawful conduct by a defendant;

(B) provisions to ensure that restitution is ordered in the full amount of the victim's loss, as determined by the court;

(C) the prioritization of restitution in the ordering and disbursing of fees; and

(D) such other provisions consistent with the purposes of this Act;

(8) a description of how the State will improve collection of restitution payments, including—

(A) the establishment of a central accounting, billing, and collection system that tracks the offender's obligations and status in meeting those obligations;

(B) a process by which information about an offender's restitution payments is made available to probation officials;

(C) adopting methods to ensure payments such as automatic docketing, billing, wage withholding, privatization of collection, withholding State grant privileges, or seizure of state income tax refunds; and

(D) other provisions consistent with the purposes of this Act;

(9) a description of how the State will enforce restitution payments, including—

(A) assigning an agency responsible for the enforcement of a restitution order;

(B) adopting policies to increase the intensity of sanctions if an offender defaults on payments, including—

(i) revoking a term of probation or parole;

(ii) modifying the terms or conditions of probation or parole;

(iii) holding a defendant in contempt of court;

(iv) entering a restraining order or injunction; or

(v) ordering the sale of property of the defendant;

(C) adopting procedures to ensure restitution orders are entered as civil judgments upon entry to allow a victim to execute judgment if restitution payments are delinquent;

(D) such other provisions consistent with the purposes of this Act; and

(10) the establishment of a community restitution fund administered by a State agency into which restitution payments are made by an offender (in addition to victim restitution payments) and can be used to pay indigent offenders for performing public service work.

(d) WAIVER.—The Attorney General may waive the requirements under subsection (c) for a State that demonstrates sufficient cause for lack of compliance.

(e) GRANT PERIOD.—A grant under this Act shall be awarded for a period of not more than 5 years.

SEC. 3. REPORT.

Each State receiving a grant under this Act shall submit an annual report to the Attorney General that includes an evaluation of the progress of the projects funded through the grant, an accounting of expenditures, and such other provisions as may be required by the Attorney General. The Attorney General shall issue an annual report to Congress that includes the information submitted by States under this section.

SEC. 4. EVALUATION.

(a) FINAL EVALUATION.—Within a month after the award of the first grant made under this Act, the Attorney General shall contract with an independent organization to do a final evaluation of the projects funded by this Act at the end of 5 years.

(b) INTERIM EVALUATION.—The Attorney General shall conduct an interim evaluation of the projects funded by this Act 3 years after the first grant made under this Act.

(c) CONTENT OF REPORTS.—The reports required by subsections (a) and (b) shall include the following information:

(1) An evaluation of data collection efforts.

(2) An assessment of whether ordering of restitution increased and whether prioritizing restitution in fees collected improved restitution payments.

(3) An analysis of whether the project was successful in improving significantly restitution collection rates.

(4) An evaluation of most effective methods in improving restitution collection and in enforcing restitution payments.

(5) An analysis of how effective automated data systems were in increasing restitution collection.

(6) An analysis of States' use of the community restitution fund and its effectiveness

in ensuring indigent offenders pay restitution.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $10,000,000 in each of fiscal years 1997, 1998, 1999, 2000, and 2001 to carry out this Act.

S. 1212

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 ''Assets for Independence Act''.

SEC. 2. FINDINGS.

The Congress finds that—

(1) traditional welfare programs in the United States have provided millions of low-income persons with critically needed food, health, and cash benefits, and such programs should be improved and continued;

(2) while such programs have sustained millions of low-income persons, too rarely have such programs been successful in promoting and supporting the transition to economic self-sufficiency;

(3) millions of Americans continue to live in poverty and continue to receive public assistance;

(4) in addition to the social costs of poverty, the economic costs to the Federal Government to provide basic necessities to the poor exceeds $120,000,000,000 each year;

(5) poverty is a loss of human resources and an assault on human dignity;

(6) poverty rates remain high and welfare dependency continues, in part, because welfare theory has taken for granted that a certain level of income or consumption is necessary for one's economic well-being when, in fact, very few people manage to spend or consume their way out of poverty;

(7) economic well-being does not come solely from income, spending, and consumption, but also requires savings, investment, and accumulation of assets, since assets can improve economic stability, connect people with a viable and hopeful future, stimulate development of human and other capital, enable people to focus and specialize, yield personal, social, and political dividends, and enhance the welfare of offspring;

(8) income-based welfare policy should be complemented with asset-based welfare policy, because while income-based policies ensure that present consumption needs (including food, child care, rent, clothing, and health care) are met, asset-based policies provide the means to achieve economic self-sufficiency and, accordingly, to leave public assistance;

(9) there is reason to believe that the financial returns, including increased income, tax revenue, and decreased welfare cash assistance, of individual development accounts will far exceed the cost of the investment;

(10) the Federal Government spends more than $160,000,000,000 each year to provide middle- and upper-income persons with incentives to accumulate savings and assets (including tax subsidies for home equity accumulation and retirement pension accounts), but such benefits are beyond the reach of most low-income persons;

(11) under current welfare policies, poor families must deplete most of their assets before qualifying for public assistance;

(12) the Federal Government should develop policies that promote higher rates of personal savings and net private domestic investment, both of which fall behind the levels attained in other highly developed industrial nations; and

(13) the Federal Government should undertake an asset-based welfare policy demonstration project to determine the social, civic, psychological, and economic effects of asset accumulation opportunities for low-income persons, families, and communities, and to determine if such a policy could provide a new foundation for antipoverty policies and programs in the United States.

SEC. 3. INDIVIDUAL DEVELOPMENT ACCOUNT DEMONSTRATION PROJECTS.

(a) PURPOSE.—The purpose of this section is to provide for the establishment of demonstration projects designed to determine—

(1) the social, civic, psychological, and economic effects of providing to individuals and families with limited means an incentive to accumulate assets;

(2) the extent to which an asset-based welfare policy that promotes saving for education, homeownership, and microenterprise may be used to enable individuals and families with low income to achieve economic self-sufficiency; and

(3) the extent to which an asset-based welfare policy improves the community in which participating individuals and families live.

(b) APPLICATIONS.—

(1) SUBMISSION.—

(A) IN GENERAL.—Not later than 12 months after the date of the enactment of this Act, a qualified entity may submit to the Secretary an application to conduct a demonstration project under this section.

(B) QUALIFIED ENTITY.—For purposes of this Act, the term ''qualified entity'' means either—

(i) a not-for-profit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

(ii) a State or local government agency submitting an application under such subparagraph jointly with an organization described in clause (i).

(2) CRITERIA.—In considering whether to approve any application to conduct a demonstration project under this section, the Secretary shall assess the following:

(A) SUFFICIENCY OF PROJECT.—The degree to which the project described in the application appears likely to aid project participants in achieving economic self-sufficiency through activities requiring qualified expenses (as defined in section 529(c)(1) of the Internal Revenue Code of 1986, as added by section 4 of this Act). In making such assessment, the Secretary shall consider the overall quality of project activities in making any particular kind or combination of qualified expenses (as so defined) to be an essential feature of any project.

(B) ADMINISTRATIVE ABILITY.—The ability of the applicant to responsibly administer the project.

(C) ABILITY TO ASSIST PARTICIPANTS.—The ability of the applicant to assist project participants to achieve economic self-sufficiency through the development of assets.

(D) COMMITMENT OF NON-FEDERAL FUNDS.—The aggregate amount of direct funds from non-Federal public sector and private sources that are formally committed to the project.

(E) ADEQUACY OF PLAN FOR PROVIDING INFORMATION FOR EVALUATION.—The adequacy of the plan for providing information relevant to an evaluation of the project.

(F) OTHER FACTORS.—Such other factors as the Secretary may specify.

(3) PREFERENCES.—In considering an application to conduct a demonstration project under this section, the Secretary shall give preference to any application that—

(A) demonstrates the willingness and ability to select individuals described in subsection (e) who are predominantly from households in which a child (or children) is living with the child's biological or adoptive mother or father, legal guardian, or a responsible adult relative with whom the child regularly resides;

(B) provides a commitment of non-Federal funds with a proportionately greater amount of funds committed by private sector sources; and

(C) targets such individuals residing within 1 or more relatively well-defined communities or neighborhoods that experience low rates of income or employment.

(4) APPROVAL.—Not later than 15 months after the date of the enactment of this Act, the Secretary shall, on a competitive basis, approve such applications to conduct demonstration projects under this section as the Secretary deems appropriate, taking into account the assessments required by paragraphs (2) and (3). The Secretary is encouraged to ensure that the applications that are approved involve a wide range of communities (both rural and urban) and diverse populations.

(c) DEMONSTRATION AUTHORITY; ANNUAL GRANTS.—

(1) DEMONSTRATION AUTHORITY.—If the Secretary approves an application to conduct a demonstration project under this section, the Secretary shall, not later than 16 months after the date of the enactment of this Act, authorize the applicant to conduct the project for 4 project years in accordance with the approved application and this section.

(2) GRANT AUTHORITY.—For each project year of a demonstration project conducted under this section, the Secretary shall make a grant to the qualified entity authorized to conduct the project on the first day of the project year in an amount not to exceed the greater of—

(A) the aggregate amount of funds committed by non-Federal sources; or

(B) $1,000,000.

(3) LIMITATION ON GRANT AMOUNTS PER PROJECT.—The amount of each grant for a project approved under this section shall not exceed $10,000,000.

(d) RESERVE FUND.—

(1) ESTABLISHMENT.—Each qualified entity grantee under this section shall establish a Reserve Fund which shall be maintained in accordance with this subsection.

(2) AMOUNTS IN RESERVE FUND.—

(A) IN GENERAL.—As soon after receipt as is practicable, a qualified entity grantee shall deposit in the Reserve Fund established under paragraph (1)—

(i) all funds provided to the qualified entity grantee by any public or private source in connection with the demonstration project; and

(ii) the proceeds from any investment made under paragraph (3)(B).

(B) INDIVIDUAL DEVELOPMENT ACCOUNT PENALTIES.—

(i) PENALTY AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR PAYMENT TO THE RESERVE FUND.—With respect to the Reserve Fund established by a qualified entity grantee that provides financial assistance under subsection (g) to any individual who pays, or from whose individual development account is paid, a penalty amount, there is hereby appropriated to the Reserve Fund, without fiscal year limitation, an amount equal to such penalty amount.

(ii) PAYMENT TO RESERVE FUND OF PENALTY AMOUNTS APPROPRIATED THEREFORE.—The Secretary shall make quarterly estimated payments to the Reserve Fund of any penalty amount appropriated pursuant to clause (i).

(C) UNIFORM ACCOUNTING REGULATIONS.—The Secretary shall prescribe regulations with respect to accounting for amounts in Reserve Funds.

(3) USE OF RESERVE FUND.—

(A) IN GENERAL.—A qualified entity grantee shall use the amounts in the Reserve Fund established under paragraph (1) to—

(i) assist participants in the demonstration project in obtaining the skills and information necessary to achieve economic self-sufficiency through activities requiring qualified expenses (as so defined);

(ii) provide financial assistance in accordance with subsection (g) to individuals selected by the qualified entity grantee to participate in the project;

(iii) administer the project; and

(iv) provide the research organization evaluating the project under subsection (k) with such information with respect to the project as may be required for the evaluation.

(B) AUTHORITY TO INVEST FUNDS.—

(i) GUIDELINES.—The Secretary shall establish guidelines for investing amounts in Reserve Funds in a manner that provides high liquidity and low risk.

(ii) INVESTMENT.—A qualified entity grantee shall invest the amounts in its Reserve Fund that are not immediately needed to carry out the provisions of subparagraph (A), in accordance with guidelines established under clause (i).

(C) LIMITATION ON USES.—Not more than 7.5 percent of the amounts provided to a qualified entity grantee under subsection (c)(2) shall be used by the qualified entity grantee for the purposes described in clauses (i), (iii), and (iv) of paragraph (3)(A), except that if 2 or more qualified entities are jointly administering a project, no qualified entity grantee shall use more than its proportional share for such purposes.

(4) UNUSED FEDERAL GRANT FUNDS TRANSFERRED TO THE SECRETARY WHEN PROJECT TERMINATES.—Notwithstanding paragraph (3), upon the termination of any demonstration project authorized under this section, the qualified entity grantee conducting the project shall transfer to the Secretary an amount equal to—

(A) the amounts in its Reserve Fund at time of the termination; multiplied by

(B) a percentage equal to—

(i) the aggregate amount of grants made to the qualified entity grantee under subsection (c)(2); divided by

(ii) the aggregate amount of all moneys provided to the qualified entity grantee by all sources to conduct the project.

(e) ELIGIBILITY FOR ASSISTANCE.—

(1) IN GENERAL.—Any individual who is a member of a household that meets the following requirements shall be eligible for assistance under a demonstration project conducted under this section:

(A) INCOME TEST.—The adjusted gross income of the household did not exceed the income limits established under section 32(b)(2) of the Internal Revenue Code of 1986.

(B) NET WORTH TEST.—

(i) IN GENERAL.—The net worth of the household, as of the close of the calendar year preceding the determination of eligibility, does not exceed $20,000.

(ii) DETERMINATION OF NET WORTH.—For purposes of clause (i), the net worth of a household is the amount equal to—

(I) the aggregate market value of all assets that are owned in whole or in part by any member of the household, minus

(II) the obligations or debts of any member of the household.

(2) INDIVIDUALS UNABLE TO COMPLETE THE PROJECT.—The Secretary shall establish such regulations as are necessary, including prohibiting eligibility for further assistance under a demonstration project conducted under this section, to ensure compliance with this section if an individual participating in the demonstration project moves from the community in which the project is conducted or is otherwise unable to continue participating in the project.

(f) SELECTION OF INDIVIDUALS TO RECEIVE ASSISTANCE.—From among the individuals eligible for assistance under a demonstration project conducted under this section, each qualified entity grantee shall select the individuals—

(1) whom the qualified entity grantee deems to be best suited to receive such assistance; and

(2) to whom the qualified entity grantee will provide financial assistance in accordance with subsection (g).

(g) PROVISION OF FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—Not less than once a month during each project year, each qualified entity grantee under this section shall deposit in the individual development account of each individual participating in the project an amount—

(A) from the grant made under subsection (c)(2), equal to the amount of earned income (as defined in section 911(d)(2) of the Internal Revenue Code of 1986) deposited during the month by the individual in the individual's development account, and

(B) from the non-Federal funds described in subsection (b)(2)(D), equal to the amount described in subparagraph (A).

(2) LIMITATION ON FINANCIAL ASSISTANCE TO INDIVIDUAL.—Not more than $2,000 from a grant made under subsection (c)(2) shall be provided to any 1 individual.

(3) LIMITATION ON FINANCIAL ASSISTANCE TO HOUSEHOLD.—Not more than $4,000 from a grant made under subsection (c)(2) shall be provided to any 1 household.

(4) WITHDRAWAL OF FUNDS.—The Secretary shall establish such regulations as may be necessary to ensure that funds held in an individual development account are not withdrawn except for 1 or more of the qualified expenses specified in section 529(c)(1) of the Internal Revenue Code of 1986 (as added by section 4 of this Act). Such regulations shall include a requirement that a responsible official of the qualified entity grantee conducting a project approve such withdrawal in writing.

(h) LOCAL CONTROL OVER DEMONSTRATION PROJECTS.—Each qualified entity grantee under this section shall, subject to the provisions of subsection (j), have sole authority over the administration of the project. The Secretary may prescribe only such regulations with respect to demonstration projects under this section as are necessary to ensure compliance with the approved applications and this section.

(i) SEMIANNUAL PROGRESS REPORTS.—

(1) IN GENERAL.—Each qualified entity grantee under this section shall prepare semiannual reports on the progress of the project. Each report shall specify for the semiannual period covered by the report the following information:

(A) The number of individuals making a deposit into an individual development account.

(B) Information on the amounts in the Reserve Fund established with respect to the project.

(C) The amounts deposited in the individual development accounts.

(D) The amounts withdrawn from the individual development accounts and the purposes for which such amounts were withdrawn.

(E) The balances remaining in the individual development accounts.

(F) Such other information as the Secretary may require to evaluate the project.

(2) SUBMISSION OF REPORTS.—The qualified entity grantee shall submit each report required to be prepared under paragraph (1) to—

(A) the Secretary; and

(B) the Treasurer (or equivalent official) of the State in which the project is conducted, if the State or local government committed funds to the demonstration project.

(3) TIMING.—The first report required by paragraph (1) shall be submitted at the end of the 7-month period beginning on the date the Secretary authorized the qualified entity grantee to conduct the demonstration project, and subsequent reports shall be submitted every 6 months thereafter, until the conclusion of the project.

(j) SANCTIONS.—

(1) AUTHORITY TO TERMINATE DEMONSTRATION PROJECT.—If the Secretary determines that a qualified entity grantee under this section is not operating the project in accordance with the grantee's application or this section (and has not implemented any corrective recommendations directed by the Secretary), the Secretary shall terminate such grantee's authority to conduct the project.

(2) ACTIONS REQUIRED UPON TERMINATION.—If the Secretary terminates the authority to conduct a demonstration project, the Secretary—

(A) shall suspend the project;

(B) shall take control of the Reserve Fund established pursuant to subsection (d);

(C) shall make every effort to identify another qualified entity willing and able to conduct the project in accordance with the approved application (or, as modified, if necessary to incorporate the recommendations) and this section;

(D) shall, if the Secretary identifies such an entity—

(i) authorize the entity to conduct the project in accordance with the approved application (or, as modified, if necessary, to incorporate the recommendations) and this section;

(ii) transfer to the entity control over the Reserve Fund established pursuant to subsection (d); and

(iii) consider, for purposes of this section—

(I) such other entity to be the qualified entity originally authorized to conduct the project; and

(II) the date of such authorization to be the date of the original authorization; and

(E) if, by the end of the 1-year period beginning on the date of the termination, the Secretary has not found such a qualified entity, shall—

(i) terminate the project; and

(ii) from the amount remaining in the Reserve Fund established as part of the project, remit to each source that provided funds under subsection (b)(2)(D) to the entity originally authorized to conduct the project, an amount that bears the same ratio to the amount so remaining as the amount provided by the source under subsection (b)(2)(D) bears to the amount provided by all such sources under subsection (b)(2)(D).

(k) EVALUATIONS.—

(1) IN GENERAL.—Not later than 16 months after the date of the enactment of this Act, the Secretary shall enter into a contract with an independent research organization to evaluate, individually and as a group, all qualified entities and sources participating in the demonstration projects conducted under this section.

(2) FACTORS TO EVALUATE.—In evaluating any demonstration project conducted under this section, the research organization shall address the following factors:

(A) The savings account characteristics (such as threshold amounts and match rates) required to stimulate participation in the demonstration project, and how such characteristics vary among different populations or communities.

(B) What service configurations of the qualified entity grantee (such as peer support, structured planning exercises, mentoring, and case management) increase the rate and consistency of participation in the demonstration project and how such configurations vary among different populations or communities.

(C) The economic, civic, psychological, and social effects of asset accumulation, and how such effects vary among different populations or communities.

(D) The effects of individual development accounts on savings rates, homeownership, level of education attained, and self-employment, and how such effects vary among different populations or communities.

(E) The potential financial returns to the Federal Government and to other public sector and private sector investors in individual development accounts over a 5-year and 10-year period of time.

(F) The lessons to be learned from the demonstration projects conducted under this section and if a permanent program of individual development accounts should be established.

(G) Such other factors as may be prescribed by the Secretary.

(3) METHODOLOGICAL REQUIREMENTS.—In evaluating any demonstration project conducted under this section, the research organization shall—

(A) to the extent possible, use control groups to compare participants with nonparticipants;

(B) before, during, and after the project, obtain such quantitative data as are necessary to evaluate the project thoroughly; and

(C) develop a qualitative assessment, derived from sources such as in-depth interviews, of how asset accumulation affects individuals and families.

(4) REPORTS BY THE SECRETARY.—

(A) INTERIM REPORTS.—Not less than once during the 12-month period beginning on the date of the enactment of this Act, and during each 12-month period thereafter until all demonstration projects conducted under this section are completed, the Secretary shall submit to the Congress an interim report setting forth the results of the evaluations conducted pursuant to this subsection.

(B) FINAL REPORTS.—Not later than 12 months after the conclusion of all demonstration projects conducted under this section, the Secretary shall submit to the Congress a final report setting forth the results and findings of evaluations conducted pursuant to this subsection.

(5) EVALUATION EXPENSES.—The Secretary shall expend such sums as may be necessary to carry out the purposes of this subsection.

(l) DEFINITIONS.—As used in this section:

(1) APPLICABLE PERIOD.—The term ''applicable period'' means, with respect to amounts to be paid from a grant made for a project year, the calendar year immediately preceding the calendar year in which the grant is made.

(2) HOUSEHOLD.—The term ''household'' means all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals.

(3) INDIVIDUAL DEVELOPMENT ACCOUNT.—The term ''individual development account'' has the same meaning given such term in section 529 of the Internal Revenue Code of 1986, as added by section 4 of this Act.

(4) PENALTY AMOUNT.—The term ''penalty amount'' means any of the following:

(A) FINANCIAL ASSISTANCE FORFEITED.—Any amount paid into the general fund of the Treasury of the United States under section 529(e) of the Internal Revenue Code of 1986 (as so added).

(B) 10 PERCENT ADDITION TO TAX.—Any additional tax imposed by section 529(f) of the Internal Revenue Code of 1986 (as so added).

(C) OTHER EXCISE OR PENALTY TAXES.—Any tax imposed with respect to an individual development account by section 4973, 4975, or 6693 of the Internal Revenue Code of 1986.

(5) PROJECT YEAR.—The term ''project year'' means, with respect to a demonstration project, any of the 4 consecutive 12-month periods beginning on the date the project is originally authorized to be conducted.

(6) QUALIFIED SAVINGS OF THE INDIVIDUAL FOR THE PERIOD.—The term ''qualified savings of the individual for the period'' means the aggregate of the amounts contributed by the individual to the individual development account of the individual during the period.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(m) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, the following amounts are authorized to be appropriated:

(1) $20,000,000 for fiscal year 1996.

(2) $30,000,000 for fiscal year 1997.

(3) $30,000,000 for fiscal year 1998.

(4) $20,000,000 for fiscal year 1999.

SEC. 4. INDIVIDUAL DEVELOPMENT ACCOUNTS.

(a) IN GENERAL.—Subchapter F of chapter 1 of the Internal Revenue Code of 1986 (relating to exempt organizations) is amended by adding at the end the following new part:

''PART VIII—INDIVIDUAL DEVELOPMENT ACCOUNTS

''Sec. 529. Individual development accounts.

''SEC. 529. INDIVIDUAL DEVELOPMENT ACCOUNTS.

''(a) ESTABLISHMENT OF ACCOUNTS.—

''(1) IN GENERAL.—An individual development account may be established by or on behalf of an eligible individual for the purpose of accumulating funds to pay the qualified expenses of such individual.

''(2) ELIGIBLE INDIVIDUAL.—

''(A) IN GENERAL.—The term 'eligible individual' means an individual for whom assistance is (or at any prior time was) provided by a qualified entity grantee under section 3(g) of the Assets for Independence Act.

''(B) QUALIFIED ENTITY.—The term 'qualified entity' has the meaning given such term by section 3(b)(1)(B) of such Act.

''(b) LIMITATIONS.—

''(1) ACCOUNT TO BENEFIT 1 INDIVIDUAL.—An individual development account may not be established for the benefit of more than 1 individual.

''(2) MULTIPLE ACCOUNTS.—If, at any time during a calendar year, 2 or more individual development accounts are maintained for the benefit of an eligible individual, such individual shall be treated as an eligible individual for the calendar year only with respect to the 1st of such accounts.

''(3) ANNUAL LIMIT.—Contributions to an individual development account for any taxable year shall not exceed $2,000. No contribution to the account under section 3(g) of the Assets for Independence Act shall be taken into account for purposes of this paragraph.

''(4) CONTRIBUTIONS TO BE FROM EARNED INCOME.—An eligible individual may only contribute to an account such amounts as are derived from earned income, as defined in section 911(d)(2).

''(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) QUALIFIED EXPENSES.—The term 'qualified expenses' means 1 or more of the following, as provided by the qualified entity providing assistance to the individual under section 3(g) of the Assets for Independence Act:

''(A) POSTSECONDARY EDUCATIONAL EXPENSES.—Postsecondary educational expenses paid from an individual development account directly to an eligible educational institution. For purposes of this subparagraph—

''(i) IN GENERAL.—The term 'post-secondary educational expenses' means—

''(I) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution, and

''(II) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution.

''(ii) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means the following:

''(I) INSTITUTION OF HIGHER EDUCATION.—An institution described in section 481(a)(1) or 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1) or 1141(a)), as such sections are in effect on the date of the enactment of this section.

''(II) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—An area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this section.

''(B) FIRST-HOME PURCHASE.—Qualified acquisition costs with respect to a qualified principal residence for a qualified first-time homebuyer, if paid from an individual development account directly to the persons to whom the amounts are due. For purposes of this subparagraph—

''(i) QUALIFIED ACQUISITION COSTS.—The term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. The term includes any usual or reasonable settlement, financing, or other closing costs.

''(ii) QUALIFIED PRINCIPAL RESIDENCE.—The term 'qualified principal residence' means a principal residence (within the meaning of section 1034), the qualified acquisition costs of which do not exceed 100 percent of the average area purchase price applicable to such residence (determined in accordance with paragraphs (2) and (3) of section 143(e)).

''(iii) QUALIFIED FIRST-TIME HOMEBUYER.—

''(I) IN GENERAL.—The term 'qualified first-time homebuyer' means a taxpayer (and, if married, the taxpayer's spouse) who has no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this subparagraph applies.

''(II) DATE OF ACQUISITION.—The term 'date of acquisition' means the date on which a binding contract to acquire, construct, or reconstruct the principal residence to which this subparagraph applies is entered into.

''(C) BUSINESS CAPITALIZATION.—Amounts paid from an individual development account directly to a business capitalization account which is established in a federally insured financial institution and is restricted to use solely for qualified business capitalization expenses. For purposes of this subparagraph—

''(i) QUALIFIED BUSINESS CAPITALIZATION EXPENSES.—The term 'qualified business capitalization expenses' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

''(ii) QUALIFIED EXPENDITURES.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

''(iii) QUALIFIED BUSINESS.—The term 'qualified business' means any business that does not contravene any law or public policy (as determined by the Secretary).

''(iv) QUALIFIED PLAN.—The term 'qualified plan' means a business plan which—

''(I) is approved by a financial institution, or by a nonprofit loan fund having demonstrated fiduciary integrity,

''(II) includes a description of services or goods to be sold, a marketing plan, and projected financial statements, and

''(III) may require the eligible individual to obtain the assistance of an experienced entrepreneurial advisor.

''(D) TRANSFERS TO IDAS OF FAMILY MEMBERS.—Amounts paid from an individual development account directly into another such account established for the benefit of an eligible individual who is—

''(i) the taxpayer's spouse, or

''(ii) any dependent of the taxpayer with respect to whom the taxpayer is allowed a deduction under section 151.

''(2) INDIVIDUAL DEVELOPMENT ACCOUNT.—The term 'individual development account' means a trust created or organized in the United States exclusively for the purpose of paying the qualified expenses of an eligible individual, but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted unless it is in cash or by check.

''(B) The trustee is a federally insured financial institution.

''(C) The assets of the account will be invested in accordance with the direction of the eligible individual after consultation with the qualified entity providing assistance to the individual under section 3(g) of the Assets for Independence Act.

''(D) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

''(E) Except as provided in subparagraph (F), any amount in the account which is attributable to assistance provided under section 3(g) of the Assets for Independence Act may be paid or distributed out of the account only for the purpose of paying the qualified expenses of the eligible individual.

''(F) Any balance in the account on the day after the date on which the individual for whose benefit the trust is established dies shall be distributed within 30 days of such date as directed by such individual to another individual development account established for the benefit of an eligible individual.

''(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—A taxpayer shall be deemed to have made a contribution on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof).

''(d) TAX TREATMENT OF DISTRIBUTIONS.—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, any amount paid or distributed out of an individual development account attributable to assistance provided under section 3(g) of the Assets for Independence Act (including earnings attributable to such assistance) shall be included in gross income of the payee or distributee for the taxable year in the manner provided in section 72.

''(2) DISTRIBUTION USED TO PAY QUALIFIED EXPENSES.—A payment or distribution out of an individual development account attributable to assistance provided under section 3(g) of the Assets for Independence Act shall not be included in gross income to the extent such payment or distribution is used exclusively to pay the qualified expenses incurred by the eligible individual for whose benefit the account is established.

''(3) ORDERING RULES.—Any distribution from an individual development account shall not be treated as made from the accumulated contributions made to the account by the eligible individual (including earnings attributable to such contributions) until all other amounts to the credit of the eligible individual have been distributed.

''(e) TAX TREATMENT OF ACCOUNTS.—

''(1) EXEMPTION FROM TAX.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an individual development account is exempt from taxation under this title unless such account has ceased to be an individual development account by reason of paragraph (2). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc. organizations).

''(B) CERTAIN EARNINGS TAXED AS GRANTOR TRUST.—An eligible individual shall be treated for purposes of this title as the owner of the individual development account established by or on behalf of such individual and shall be subject to tax thereon with respect to the earnings attributable to contributions made to the account by the eligible individual in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

''(2) LOSS OF EXEMPTION OF ACCOUNT WHERE INDIVIDUAL ENGAGES IN PROHIBITED TRANSACTION.—

''(A) IN GENERAL.—If an eligible individual or qualified entity engages in any transaction prohibited by section 4975 with respect to such individual's account, the account shall cease to be an individual development account as of the 1st day of the taxable year of such individual during which such transaction occurs.

''(B) ACCOUNT TREATED AS DISTRIBUTING ALL ITS ASSETS.—In any case in which any account ceases to be an individual development account by reason of subparagraph (A) as of the 1st day of any taxable year—

''(i) all assets in the account on such 1st day which are attributable to assistance provided under section 3(g) of the Assets for Independence Act shall be paid into the general fund of the Treasury of the United States, and

''(ii) the remaining assets shall be treated as distributed on such 1st day.

''(3) EFFECT OF PLEDGING ACCOUNT AS SECURITY.—If, during any taxable year, an eligible individual or qualified entity uses such individual's account or any portion thereof as security for a loan—

''(A) an amount equal to the part of the portion so used which is attributable to assistance provided under section 3(g) of the Assets for Independence Act shall be paid into the general fund of the Treasury of the United States, and

''(B) the remaining part of the portion so used shall be treated as distributed to the eligible individual.

''(4) EFFECT OF LIEN OR OTHER SEIZURE OF ACCOUNT.—If, during any taxable year, a lien is placed on an individual development account, or the account is otherwise seized pursuant to legal or administrative process—

''(A) an amount equal to the part of the portion so seized which is attributable to assistance provided under section 3(g) of the Assets for Independence Act shall be paid into the general fund of the Treasury of the United States, and

''(B) the remaining part of the portion so seized shall be treated as distributed to the eligible individual.

''(f) ADDITIONAL TAX ON CERTAIN AMOUNTS INCLUDED IN GROSS INCOME.—

''(1) DISTRIBUTION NOT USED FOR QUALIFIED EXPENSES.—In the case of any payment or distribution not used exclusively to pay qualified expenses incurred by the eligible individual for whose benefit the individual development account is established, the tax liability of each payee or distributee under this chapter for the taxable year in which the payment or distribution is received shall be increased by an amount equal to 10 percent of the amount of the payment or distribution.

''(2) DISABILITY OR DEATH CASES.—Paragraph (1) shall not apply if the payment or distribution is made after the individual for whose benefit the individual development account becomes disabled within the meaning of section 72(m)(7) or dies.

''(g) COMMUNITY PROPERTY LAWS.—This section shall be applied without regard to any community property laws.

''(h) CUSTODIAL ACCOUNTS.—For purposes of this section, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 408(n)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which such person will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an individual development account described in subsection (c)(2). For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

''(i) REPORTS.—The trustee of an individual development account shall—

''(1) prepare reports regarding the account with respect to contributions, distributions, and any other matter required by the Secretary under regulations, and

''(2) submit such reports, at the time and in the manner prescribed by the Secretary in regulations, to—

''(A) the eligible individual for whose benefit the account is maintained,

''(B) the qualified entity providing assistance to the individual under section 3(g) of the Assets for Independence Act, and

''(C) the Secretary.''

(b) DEDUCTION ALLOWED AGAINST GROSS INCOME.—Subsection (a) of section 62 (defining adjusted gross income) is amended by inserting after paragraph (15) the following new paragraph:

''(16) INDIVIDUAL DEVELOPMENT ACCOUNTS.—Except as provided in section 529, contributions to an individual development account established to provide assistance to the taxpayer under section 3(g) of the Assets for Independence Act.''

(c) CONTRIBUTION NOT SUBJECT TO GIFT TAX.—Section 2503 of such Code (relating to taxable gifts) is amended by adding at the end the following new subsection:

''(h) INDIVIDUAL DEVELOPMENT ACCOUNTS.—Any contribution made by an individual or qualified entity to an individual development account described in section 529(c)(2) shall not be treated as a transfer of property by gift for purposes of this chapter.''

(d) TAX ON PROHIBITED TRANSACTIONS.—Section 4975 of such Code (relating to prohibited transactions) is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

''(4) SPECIAL RULE FOR INDIVIDUAL DEVELOPMENT ACCOUNTS.—An eligible individual for whose benefit an individual development account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be an individual development account by reason of the application of section 529(e)(2)(A) to such account.'', and

(2) by inserting '', an individual development account described in section 529(c)(2),''

in subsection (e)(1) after ''described in section 408(a)''.

(e) FAILURE TO PROVIDE REPORTS ON INDIVIDUAL DEVELOPMENT ACCOUNTS.—Section 6693 of such Code (relating to failure to provide reports on individual retirement accounts or annuities) is amended—

(1) by inserting ''or on individual development accounts'' after ''annuities'' in the heading of such section, and

(2) by adding at the end of subsection (a) the following new sentence: ''The person required by section 529(i) to file a report regarding an individual development account at the time and in the manner required by such section shall pay a penalty of $50 for each failure, unless it is shown that such failure is due to reasonable cause.''

(f) SPECIAL RULE FOR DETERMINING AMOUNTS OF SUPPORT FOR DEPENDENT.—Subsection (b) of section 152 of such Code (relating to definition of dependent) is amended by adding at the end the following new paragraph:

''(6) A distribution from an individual development account described in section 529(c)(2) to the eligible individual for whose benefit such account has been established shall not be taken into account in determining support for purposes of this section to the extent such distribution is excluded from gross income of such individual under section 529(d)(2).''

(g) CLERICAL AMENDMENTS.—

(1) The table of parts for subchapter F of chapter 1 of such Code is amended by inserting at the end the following new item:

''Part VIII. Individual development accounts.''

(2) The table of sections for subchapter B of chapter 68 of such Code is amended by striking the item relating to section 6693 and inserting the following new item:

''Sec. 6693. Failure to provide reports on individual retirement accounts or annuities or on individual development accounts.''

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after the date of the enactment of this Act.

SEC. 5. FUNDS IN INDIVIDUAL DEVELOPMENT ACCOUNTS OF DEMONSTRATION PROJECT PARTICIPANTS DISREGARDED FOR PURPOSES OF ALL MEANS-TESTED FEDERAL PROGRAMS.

Notwithstanding any Federal law (other than the Internal Revenue Code of 1986) that requires consideration of 1 or more financial circumstances of an individual, for the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such law to be provided to or for the benefit of such individual, funds (including interest accruing) in an individual development account (as defined in section 529 of the Internal Revenue Code of 1986, as added by section 4 of this Act) shall be disregarded for such purpose with respect to any period during which such individual participates in a demonstration project conducted under section 3 of this Act (or would be participating in such a project but for the suspension of the project).

S. 1213

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 ''Urban Homestead Act of 1995''.

SEC. 2. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) COMMUNITY DEVELOPMENT CORPORATION.—The term ''community development corporation'' means a nonprofit organization whose primary purpose is to promote community development by providing housing opportunities to low-income families.

(2) COST RECOVERY BASIS.—The term ''cost recovery basis'' means, with respect to any sale of a project or residence by a unit of general local government to a community development corporation under section 3(c)(2), that the purchase price paid by the community development corporation is less than or equal to the costs incurred by the unit of general local government in connection with such project or residence during the period beginning on the date on which the unit of general local government acquires title to the multifamily housing project or residential property under subsection (a) and ending on the date on which the sale is consummated.

(3) LOW-INCOME FAMILIES.—The term ''low-income families'' has the same meaning as in section 3(b) of the United States Housing Act of 1937.

(4) MULTIFAMILY HOUSING PROJECT.—The term ''multifamily housing project'' has the same meaning as in section 203 of the Housing and Community Development Amendments of 1978.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(6) SEVERE PHYSICAL PROBLEMS.—A dwelling unit shall be considered to have ''severe physical problems'' if such unit—

(A) lacks hot or cold piped water, a flush toilet, or both a bathtub and a shower in the unit, for the exclusive use of that unit;

(B) on not less than 3 separate occasions, during the preceding winter months was uncomfortably cold for a period of more than 6 consecutive hours due to a malfunction of the heating system for the unit;

(C) has no functioning electrical service, exposed wiring, any room in which there is not a functioning electrical outlet, or has experienced not less than 3 blown fuses or tripped circuit breakers during the preceding 90-day period;

(D) is accessible through a public hallway in which there are no working light fixtures, loose or missing steps or railings, and no elevator; or

(E) has severe maintenance problems, including water leaks involving the roof, windows, doors, basement, or pipes or plumbing fixtures, holes or open cracks in walls or ceilings, severe paint peeling or broken plaster, and signs of rodent infestation.

(7) SINGLE FAMILY RESIDENCE.—The term ''single family residence'' means a 1- to 4-family dwelling that is held by the Secretary.

(8) SUBSTANDARD MULTIFAMILY HOUSING PROJECT.—A multifamily housing project is ''substandard'' if not less than 25 percent of the dwelling units of the project have severe physical problems.

(9) UNIT OF GENERAL LOCAL GOVERNMENT.—The term ''unit of general local government'' has the same meaning as in section 102(a) of the Housing and Community Development Act of 1974.

(10) UNOCCUPIED MULTIFAMILY HOUSING PROJECT.—The term ''unoccupied multifamily housing project'' means a multifamily housing project that the unit of general local government certifies in writing is not inhabited.

SEC. 3. DISPOSITION OF UNOCCUPIED AND SUBSTANDARD PUBLIC HOUSING.

(a) TRANSFER OF OWNERSHIP TO UNITS OF GENERAL LOCAL GOVERNMENT.—Notwithstanding section 203 of the Housing and Community Development Amendments of 1978 or any other provision of Federal law pertaining to the disposition of property, the Secretary shall transfer ownership of any unoccupied multifamily housing project, substandard multifamily housing project, or other residential property that is owned by the Secretary to the appropriate unit of general local government for the area in which the project or residence is located in accordance with subsection (b), if the unit of general local government enters into an agreement with the Secretary described in subsection (c).

(b) TIMING.—

(1) IN GENERAL.—Any transfer of ownership under subsection (a) shall be completed—

(A) with respect to any multifamily housing project owned by the Secretary that is determined to be unoccupied or substandard before the date of enactment of this Act, not later than 1 year after that date of enactment; and

(B) with respect to any multifamily housing project or other residential property acquired by the Secretary on or after the date of enactment of this Act, not later than 1 year after the date on which the project is determined to be unoccupied or substandard or the residence is acquired, as appropriate.

(2) SATISFACTION OF INDEBTEDNESS.—Prior to any transfer of ownership under paragraph (1), the Secretary shall satisfy any indebtedness incurred in connection with the project or residence at issue, either by—

(A) cancellation of the indebtedness; or

(B) reimbursing the unit of general local government to which the project or residence is transferred for the amount of the indebtedness.

(c) SALE TO COMMUNITY DEVELOPMENT CORPORATIONS.—An agreement is described in this subsection if it is an agreement that requires a unit of general local government to dispose of the multifamily housing project or other residential property in accordance with the following requirements:

(1) NOTIFICATION TO COMMUNITY DEVELOPMENT CORPORATIONS.—Not later than 30 days after the date on which the unit of general local government acquires title to the multifamily housing project or other residential property under subsection (a), the unit of general local government shall notify community development corporations located in the State in which the project or residence is located—

(A) of such acquisition of title; and

(B) that, during the 6-month period beginning on the date on which such notification is made, such community development corporations shall have the exclusive right under this subsection to make bona fide offers to purchase the project or residence on a cost recovery basis.

(2) RIGHT OF FIRST REFUSAL.—During the 6-month period described in paragraph (1)(B)—

(A) the unit of general local government may not sell or offer to sell the multifamily housing project or other residential property other than to a party notified under paragraph (1), unless each community development corporation notifies the unit of general local government that the corporation will not make an offer to purchase the project or residence; and

(B) the unit of general local government shall accept a bona fide offer to purchase the project or residence made during such period if the offer is acceptable to the unit of general local government, except that a unit of general local government may not sell a project or residence to a community development corporation during that 6-month period other than on a cost recovery basis.

(3) OTHER DISPOSITION.—During the 6-month period beginning on the expiration of the 6-month period described in paragraph (1)(B), the unit of general local government shall dispose of the multifamily housing

project or other residential property on a negotiated, competitive bid, or other basis, on such terms as the unit of general local government deems appropriate.

SEC. 4. EXEMPTION FROM PROPERTY DISPOSITION REQUIREMENTS.

No provision of the Multifamily Housing Property Disposition Reform Act of 1994, or any amendment made by that Act, shall apply to the disposition of property in accordance with this Act.

SEC. 5. TENANT LEASES.

This Act shall not affect the terms or the enforceability of any contract or lease entered into before the date of enactment of this Act.

SEC. 6. PROCEDURES.

Not later than 6 months after the date of enactment of this Act, the Secretary shall establish, by rule, regulation, or order, such procedures as may be necessary to carry out this Act.

S. 1214

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 ''Maternity Shelter Act of 1995''.

SEC. 2. FINDINGS.

Congress finds that—

(1) pregnancy among unmarried teenagers is one of the most difficult and far-reaching social problems faced by the United States;

(2) in 1988, the most recent year for which statistics are available, 816,000 unmarried teenagers became pregnant, and of such pregnancies, 44 percent ended in abortion, 12 percent in miscarriage or still birth, and 44 percent in birth;

(3) less than 10 percent of unwed teenage mothers place their children for adoption;

(4) only half as many unmarried teenagers begin prenatal care in the first trimester of pregnancy as do teenagers who become pregnant after marriage, with the result that unmarried teenagers are twice as likely to give birth to low-birth-weight babies than their married teenage counterparts and the rate of infant mortality is twice as high as mothers giving birth in their twenties; and

(5) Federal policy should assist and encourage States to provide pre- and postnatal maternity care services to pregnant teenagers in order to protect the future health and well-being of their newborn children.

TITLE I—MATERNAL HEALTH CERTIFICATES PROGRAM

SEC. 101. MATERNAL HEALTH CERTIFICATES FOR ELIGIBLE PREGNANT WOMEN.

(a) ESTABLISHMENT OF MATERNAL HEALTH CERTIFICATES FOR ELIGIBLE PREGNANT WOMEN.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall establish a program to provide maternal health certificates for eligible pregnant women to use to cover expenses incurred in receiving services at a maternity home.

(b) ELIGIBILITY OF INDIVIDUALS.—

(1) IN GENERAL.—A pregnant woman is eligible to receive a maternal health certificate under the program established under subsection (a) if the woman—

(A) has an annual individual income (determined without taking into account the income of any parent or guardian of the individual) not greater than 175 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to such individual; and

(B) provides the Secretary with such other information and assurances as the Secretary may require.

(2) INCOME OF ESTRANGED SPOUSE NOT INCLUDED.—In determining the income of an individual for purposes of paragraph (1)(A), there shall not be included the income of a spouse if the spouse has been living apart from the woman for not less than 6 months, or if the spouse is incarcerated.

(3) PARTICIPATION IN AFDC PROGRAM NOT REQUIRED.—An individual otherwise eligible to receive a maternal health certificate under the program established under subsection (a) shall not be found ineligible to receive such a certificate solely on the grounds that the individual does not receive or is not eligible to receive aid under the State plan for aid to families with dependent children under part A of title IV of the Social Security Act.

(c) LIMITATIONS ON AMOUNT OF EXPENSES INCURRED.—A certificate received under the program established under subsection (a) may be used to cover an amount of expenses incurred by an individual at a maternity home that does not exceed an amount equal to—

(1) $100; multiplied by

(2) the number of days during which such services are provided to the individual at such facility.

(d) DEFINITIONS.—For purposes of this section:

(1) MATERNITY HOME.—The term ''maternity home'' means a nonprofit facility licensed or otherwise approved by the State (including accreditation or other peer review systems that may be recognized by the State) in which the facility is located to serve as a residence for not fewer than 4 pregnant women during pregnancy and for a limited period after the date on which the child carried during the pregnancy is born, as the Secretary may determine, that provides such pregnant women with appropriate supportive services, which—

(A) shall include the following services—

(i) instruction and counseling regarding future health care for the woman and her child;

(ii) nutrition counseling;

(iii) counseling and education concerning all aspects of prenatal care, childbirth, and motherhood;

(iv) general family counseling, including child and family development counseling;

(v) adoption counseling;

(vi) employability training, job assistance, and counseling; and

(vii) medical care or referral for medical care for the woman and her child, including—

(I) prenatal, delivery, and post-delivery care;

(II) screening or referral for screening for illegal drug use and treatment; and

(III) screening or referral for screening and treatment of sexually transmitted diseases; and

(B) may include the following services—

(i) housing;

(ii) board and nutrition services;

(iii) basic transportation services to enable the woman to obtain services from the facility;

(iv) incidental dental care;

(v) referral for job training; and

(vi) such other services as are consistent with the purposes of this section.

(2) PREGNANT WOMAN.—The term ''pregnant woman'' means a woman determined to have one or more fetuses in utero.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for maternal health certificates under this section—

(1) $50,000,000 for fiscal year 1996;

(2) $75,000,000 for fiscal year 1997; and

(3) $100,000,000 for fiscal year 1998.

TITLE II—MATERNITY HOME DEMONSTRATIONS

SEC. 201. PURPOSES.

It is the purpose of this title to support demonstrations—

(1) to improve and expand the availability of, and access to, needed comprehensive maternity care services that enable pregnant adolescents to obtain proper care and to assist pregnant adolescents and adolescent parents to become productive independent contributors to family and community life; and

(2) to promote innovative, comprehensive, and integrated approaches to the delivery of such services.

SEC. 202. ESTABLISHMENT OF DEMONSTRATION PROGRAM.

(a) GRANTS.—

(1) IN GENERAL.—The Secretary of Health and Human Services (hereinafter referred to in this Act as the ''Secretary'') may make demonstration grants to any State that submits an application under this section (in such form and containing such information as the Secretary may require) to reimburse the State for amounts expended under an eligible grant program for maternity care services furnished to eligible beneficiaries.

(2) LIMITATIONS.—No grant made under paragraph (1)—

(A) shall exceed an amount equal to 50 percent of the total amount expended by the State under the demonstration program for maternity care services furnished to eligible beneficiaries; or

(B) shall be used for the performance, counseling, or referral for abortion.

(3) DEFINITIONS.—As used in this subsection:

(A) DEMONSTRATION PROGRAM.—The term ''demonstration program'' means any program conducted by a nonprofit private organization or agency that (as determined by the Secretary) is capable of furnishing in a single setting maternity care services which—

(i) shall include the following services—

(I) instruction and counseling regarding future health care for the woman and her child;

(II) nutrition counseling;

(III) counseling and education concerning all aspects of prenatal care, childbirth, and motherhood;

(IV) general family counseling, including child and family development counseling;

(V) adoption counseling;

(VI) employability training, job assistance, and counseling; and

(VII) medical care or referral for medical care for the woman and her child, including—

(aa) prenatal, delivery, and post-delivery care;

(bb) screening or referral for screening for illegal drug use and treatment; and

(cc) screening or referral for screening and treatment of sexually transmitted diseases; and

(ii) may include the following services—

(I) housing;

(II) board and nutrition services;

(III) basic transportation services to enable the woman to obtain services from the facility;

(IV) incidental dental care;

(V) referral for job training; and

(VI) such other services as are consistent with the purposes of this section.

(B) ELIGIBLE BENEFICIARY.—The term ''eligible beneficiary'' means any individual who—

(i) is under the age of 19;

(ii) has not completed high school; and

(iii)(I) is pregnant; or

(II) has given birth in the preceding 90 days.

(b) ADMINISTRATION.—The officer or employee of the Department of Health and Human Services designated by the Secretary to administer the grant program under this section shall report directly to the Assistant Secretary for Health with respect to the activities of such officer or employee in administering such program.

(c) AUTHORIZATION OF APPROPRIATIONS; AMOUNTS FOR ADMINISTRATION AND EVALUATION.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $50,000,000 for each of the fiscal years 1996, 1997, and 1998 for the purpose of carrying out the grant program under this section.

(2) ADMINISTRATION AND START UP.—Not more than 25 percent of the amounts appropriated pursuant to paragraph (1) may be used for the purpose of administering or starting up the grant program under this section.

(d) REGULATIONS.—The Secretary shall adopt such regulations as are necessary to carry out this section.

TITLE III—REHABILITATION GRANTS FOR MATERNITY HOUSING AND SERVICES FACILITIES

SEC. 301. ESTABLISHMENT OF GRANT PROGRAM.

The Secretary of Housing and Urban Development shall carry out a program to provide assistance under this title to eligible nonprofit entities for rehabilitation of existing structures for use as facilities to provide housing and services to pregnant women.

SEC. 302. AUTHORITY AND APPLICATIONS.

(a) AUTHORITY.—The Secretary may make grants under the program under this title to eligible nonprofit entities to rehabilitate existing structures for use as maternity housing and services facilities.

(b) APPLICATIONS.—The Secretary may make grants only to nonprofit entities that submit applications for grants under this title in the form and manner that the Secretary shall prescribe, which shall include assurances that grant amounts will be used to provide a maternity housing and services facility.

SEC. 303. GRANT LIMITATIONS.

(a) MAXIMUM GRANT AMOUNT.—A grant under this title may not be in an amount greater than $1,000,000. An eligible nonprofit entity may not receive more than 1 grant under this title in any fiscal year.

(b) MAXIMUM NUMBER OF GRANTS.—The Secretary may not make grants under this title to more than 100 eligible nonprofit entities in any fiscal year.

(c) USE OF GRANTS FOR REHABILITATION ACTIVITIES.—Any eligible nonprofit entity that receives a grant under this title shall use the grant amounts for the acquisition or rehabilitation (or both) of existing structures for use as a maternity housing and services facility, which may include planning and development costs, professional fees, and administrative costs related to such acquisition or rehabilitation.

(d) TIME LIMITATION.—Rehabilitation projects that receive assistance under this title shall be operated for not less than 10 years for the purposes described in this title.

(e) REPAYMENT.—

(1) REQUIREMENT.—The Secretary shall require a recipient of a grant under this title to repay 100 percent of the amount of such grant if the Secretary determines that the recipient has failed to use such grant to operate maternity housing during the 1-year period beginning on the date such housing is placed in service. If the Secretary determines that such recipient is operating maternity housing under such grant for periods in excess of such 1-year period, the Secretary shall reduce the percentage of the amount required to be repaid by 10 percentage points for each year such maternity housing is in operation in excess of such 1-year period,

(2) EXCEPTION.—A recipient of a grant under this title shall not be required to comply with the terms and conditions prescribed under this subsection if the recipient elects to sell or dispose of the property involved and such sale or disposition results in the use of the project for the direct benefit of very low income individuals or if all of the proceeds generated from such sale or disposition are used to provide maternity housing that meets the requirements of this title.

SEC. 304. REPORTS.

The Secretary shall require each eligible nonprofit entity that receives a grant under this title to submit to the Secretary a report, at such times and including such information as the Secretary shall determine, describing the activities carried out by the eligible nonprofit entity with the grant amounts.

SEC. 305. DEFINITIONS.

For purposes of this title:

(1) ELIGIBLE NONPROFIT ENTITIES.—The term ''eligible nonprofit entity'' means any organization that—

(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under subtitle A of such Code; and

(B) has submitted an application under section 702(b) for a grant under this title.

(2) MATERNITY HOUSING AND SERVICES FACILITY.—The term ''maternity housing and services facility'' means a facility licensed or otherwise approved by the State in which the facility is located to serve as a residence for not fewer than 4 pregnant women during pregnancy and for a limited period after the date on which the child carried during the pregnancy is born, as the Secretary may determine, that provides such pregnant women with appropriate supportive services, which

(A) shall include the following services—

(i) instruction and counseling regarding future health care for the woman and her child;

(ii) nutrition counseling;

(iii) counseling and education concerning all aspects of prenatal care, childbirth, and motherhood;

(iv) general family counseling, including child and family development counseling;

(v) adoption counseling;

(vi) employability training, job assistance, and counseling; and

(vii) medical care or referral for medical care for the woman and her child, including—

(I) prenatal, delivery, and post-delivery care;

(II) screening or referral for screening for illegal drug use and treatment; and

(III) screening or referral for screening and treatment of sexually transmitted diseases; and

(B) may include the following services—

(i) housing;

(ii) board and nutrition services;

(iii) basic transportation services to enable the woman to obtain services from the facility;

(iv) incidental dental care;

(v) referral for job training; and

(vi) such other services as are consistent with the purposes of this section.

(3) PREGNANT WOMAN.—The term ''pregnant woman'' means a woman determined to have one or more fetuses in utero.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

SEC. 306. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title $25,000,000 for fiscal year 1996, $40,000,000 for fiscal year 1997, and $60,000,000 for fiscal year 1998.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. EVALUATIONS AND REPORTS.

(a) EVALUATION.—The Secretary of Health and Human Services (with respect to titles I and II) and the Secretary of Housing and Urban Development (with respect to title III) shall conduct an evaluation of each program receiving a grant under this Act and may require each recipient of a grant under this Act to submit such information to the appropriate Secretary as such Secretary determines is necessary to conduct such evaluation.

(b) REPORT.—Each Secretary referred to in subsection (a) shall for each year of the grant program under this Act submit to the Congress a summary of each evaluation conducted under subsection (a) and of the information submitted to each such Secretary by recipients of grants under this Act.

(c) FUNDING.—Of the amounts appropriated pursuant to this Act—

(1) the Secretary of Health and Human Services shall reserve not less than 3 percent nor more than 10 percent of the amount appropriated under titles I and II; and

(2) the Secretary of Housing and Urban Development shall reserve not less than 3 percent nor more than 10 percent of the amount appropriated under title III;

for the purpose of carrying out the activities under subsections (a) and (b).

SEC. 402. PROHIBITION ON ABORTION.

Amounts may be made available under this Act only to programs or projects that—

(1) do not provide for the performance of abortions or provide abortion counseling or referral;

(2) do not subcontract with or make any payments to any person who provides for the performance of abortions or provides abortion counseling or referral; and

(3) do not advocate, promote, or encourage abortion;

except where the life of the mother would be endangered of the fetus were carried to term.

S. 1215

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 ''Neighborhood Security Act''.

SEC. 2. PURPOSES.

It is the purpose of this Act to provide for the establishment of demonstration projects designed to determine the effectiveness of—

(1) certain activities by community residents in coordination with the local police department in preventing and removing violent crime and drug trafficking from the community;

(2) such activities in increasing economic development in the community; and

(3) such activities in preventing or ending retaliation by perpetrators of crime against community residents engaged in these activities.

SEC. 3. DEMONSTRATION GRANT AUTHORITY.

(a) DEMONSTRATION AUTHORITY.—Not later than 16 months after the date of enactment of this Act, the Secretary shall award grants under this Act. Grants shall be awarded annually under this section and shall be for a period of 4 years.

(b) LIMITATION ON GRANT AMOUNTS.—The amount of each grant awarded under this Act shall not be less than $25,000 nor more than $100,000.

(c) REDUCTION IN AMOUNT.—Amounts provided under a grant awarded under this Act for a fiscal year shall be reduced in proportion to any reduction in the amounts appropriated under this Act for such fiscal year as compared to the amounts appropriated for the prior fiscal year.

(d) UNUSED PORTION OF GRANT FUNDS.—Any unused portion of a grant awarded under this section shall, upon the termination of such grant, be transferred to the Secretary for redistribution in the subsequent fiscal year or for repayment to the Department of the Treasury.

SEC. 4. APPLICATION.

(a) SUBMISSION.—To be eligible to receive a grant under section 3, a qualified entity shall, not later than 12 months after the date of enactment of this Act, submit to the Secretary an application to conduct a demonstration project under this Act.

(b) CONTENT.—An application submitted under subsection (a) shall be in such form and contain such information as the Secretary shall require, including—

(1) an agreement with the local police department to coordinate and assist in the prevention and removal of violent crime and drug trafficking from the target community;

(2) a plan detailing the nature and extent of coordination and assistance to be provided by the local police department, project participants, and the applicant; and

(3) a description of the strategy of the community for the physical and economic development of the community.

(c) CRITERIA.—In considering whether to approve an application submitted under this section, the Secretary shall consider—

(1) the degree to which the project described in the application will support existing community economic development activities by preventing and removing violent crime and drug trafficking from the community;

(2) the demonstrated record of project participants with respect to economic and community development activities;

(3) the ability of the applicant to responsibly administer the project;

(4) the ability of the applicant to assist and coordinate with project participants to achieve economic development and prevent and remove violent crime and drug trafficking in the community;

(5) the adequacy of the plan to assist and coordinate with the local police department in preventing and removing violent crime and drug trafficking in the community;

(6) the consistency of the application with the eligible activities and the uses for the grant under this Act;

(7) the aggregate amount of funds from non-Federal (public and private sector) sources that are formally committed to the project;

(8) the adequacy of the plan for providing information relevant to an evaluation of the project to the independent research organization; and

(9) such other factors as may be determined appropriate by the Secretary.

(d) PREFERENCES.—In considering an application submitted under this section, the Secretary shall give preference to an applicant that demonstrates a commitment to work with project participants and a local police department in a community with—

(1) an enterprise zone or enterprise community designation or an area established pursuant to any consolidated planning process for use of Federal housing and community development funds;

(2) significant rates of violent crime and drug trafficking, as determined by the Secretary; and

(3) at least one non-profit community development corporation or similar organization that is willing to and capable of increasing economic development.

(e) APPROVAL.—Not later than 15 months after the date of enactment of this Act, the Secretary shall, on competitive basis, approve or disapprove of the applications submitted under this section.

SEC. 5. ELIGIBLE ACTIVITIES.

(a) ACTIVITIES.—Amounts provided under a grant awarded under this Act shall be used for the following activities:

(1) Citizen patrols by car or by foot intended to prevent violent crime and eradicate open market or street sales of controlled substances.

(2) Block watch activities, including identification of property for purposes of retrieving stolen goods, camera surveillance to identify drug traffickers and their customers, protection of evidence to ensure evidence is not lost or destroyed prior to police arrival, and computer linkages among organizations and the police to identify hot spots and speed the dissemination of information.

(3) Property modification programs, including securing buildings and residences to prevent burglary, and structural changes, such as the construction of fences, to parks or buildings to prevent drug sales or other criminal activity in those areas.

(4) Squatter eviction programs aimed at notifying public authorities of trespassers in abandoned buildings used as crack houses or heroin shooting galleries and increasing efforts to remove such squatters.

(5) Expansion of community liaisons with the police, including expanding the community's role in community policing activities.

(6) Developing and expanding programs to prevent or end retaliation by perpetrators of crime against project participants.

(7) Other activities consistent with the purposes of this Act.

(b) ADDITIONAL ACTIVITIES.—Amounts provided under a grant awarded under this Act may be used for additional activities in support of the activities described in subsection (a), including—

(1) the purchase of equipment or supplies, including cameras, video cameras, walkie-talkies, and computers;

(2) the training of project participants; and

(3) the hiring of staff for grantees or project participant organizations to assist in coordinating activities among project participants and with the local police department.

SEC. 6. LOCAL CONTROL OVER PROJECTS.

Except as provided in regulations promulgated under the succeeding sentence, each organization authorized to conduct a demonstration project under this Act shall have exclusive authority over the administration of the project. The Secretary may prescribe such regulations with respect to such demonstration projects as are expressly authorized or as are necessary to ensure compliance with approved applications and this Act.

SEC. 7. MONITORING OF GRANTEES.

(a) IN GENERAL.—The Secretary shall monitor grantees to ensure that the projects conducted under the grants are being carried out in accordance with this Act. Each grantee, and each entity which has received funds from a grant made under this Act, shall make appropriate books, documents, papers, and records available to the Secretary for examination, copying, or mechanical reproduction on or off the premises of the entity upon a reasonable request therefore.

(b) WITHHOLDING, TERMINATION OR RECAPTURE.—The Secretary shall, after adequate notice and an opportunity for a hearing, withhold, terminate, or recapture any funds due, or provided to and unused by, an entity under a grant awarded under this Act if the Secretary determines that such entity has not used any such amounts in accordance with the requirements of this Act. The Secretary shall withhold, terminate, or recapture such funds until the Secretary determines that the reason for the withholding, termination, or recapture has been removed and there is reasonable assurance that it will not recur.

(c) COMPLAINTS.—The Secretary shall respond in an expeditious manner to complaints of a substantial or serious nature that an entity has failed to use funds provided under this Act in accordance with the requirements of this Act.

SEC. 8. REPORTS AND AUDITS.

(a) REPORTS.—Not later than 3 months after the termination of a grant under this Act, the grantee shall prepare and submit to the Secretary a report containing such information as may be required by the Secretary.

(b) AUDITS.—The Secretary shall annually audit the expenditures of each grantee under this Act from payments received under grants awarded under this Act. Such audits shall be conducted by an entity independent of any agency administering a program funded under this Act and, in so far as practical, in accordance with the Comptroller General's standards for auditing governmental organizations, programs, activities, and functions.

SEC. 9. EVALUATIONS.

(a) IN GENERAL.—Not later than 16 months after the date of enactment of this Act, the Secretary shall enter into a contract with an independent research organization under which such organization, in accordance with this section, conducts an evaluation of the demonstration projects, individually and as a group, conducted under this Act.

(b) RESEARCH QUESTIONS.—In evaluating a demonstration project conducted under this Act, the organization described in subsection (a) shall address the following:

(1) What activities and uses most effectively involve project participants in the activities and uses under this Act (with effectiveness measured, for example, by duration of participation, frequency of participation, and intensity of participation).

(2) What activities and uses are most effective in preventing or removing violent crime and drug trafficking from a target community.

(3) What activities and uses are most effective in supporting or promoting economic development in a target community.

(4) What activities and uses are most effective in increasing coordination and assistance between project participants and with the local police department.

(5) What activities and uses are most effective in preventing or ending retaliation by perpetrators of crime against project participants.

(c) FUNDING.—Of the funds appropriated under this Act, the Secretary shall set aside not less than 1 percent and not more than 3 percent for the evaluations required under this section.

(d) REPORT TO CONGRESS.—Not later than 6 months after the date on which the last grant under this Act terminates, the Secretary shall prepare and submit to the appropriate committees of the Congress a summary of each evaluation conducted under this section.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act, $10,000,000 for each of the fiscal years 1997, 1998, 1999, and 2000.

SEC. 11. DEFINITIONS.

As used in this Act:

(1) COMMUNITY.—The term ''community'' means a contiguous geographic area within a large urban district or encompassing a small urban or other nonurban area.

(2) DRUG TRAFFICKING.—The term ''drug trafficking'' means any offense that could be prosecuted under the Controlled Substances Act (21 U.S.C. 801, et seq.).

(3) ECONOMIC DEVELOPMENT.—The term ''economic development'' means revitalization and development activities, including

business, commercial, housing, and employment activities, that benefit a community and its residents.

(4) GRANTEE.—The term ''grantee'' means a qualified entity that receives a grant under this Act.

(5) PROJECT PARTICIPANT.—The term ''project participant'' means any individual or private-sector group in a community participating in any of the activities established under a demonstration grant under this Act.

(6) QUALIFIED ENTITY.—The term ''qualified entity'' means a non-profit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under the Internal Revenue Code of 1986.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(8) VIOLENT CRIME.—The term ''violent crime'' has the same meaning as the term ''crime of violence'' in title 18 of the United States Code.

S. 1216

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 ''Compassion Credit Act''.

SEC. 2. CREDIT FOR CHARITABLE CONTRIBUTIONS TO INDIVIDUALS PROVIDING HOME CARE TO CERTAIN INDIVIDUALS IN NEED.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 22 the following new section:

''SEC. 23. CREDIT FOR HOME CARE FOR NEEDY INDIVIDUALS.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for a taxable year an amount equal to $500 for each eligible individual.

''(b) ELIGIBLE INDIVIDUAL.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible individual' means an individual—

''(A) who is a member of a class of individuals described in paragraph (2), and

''(B) to whom the taxpayer provides qualified home care services which are required by the individual by reason of being a member of such a class.

''(2) NEEDY INDIVIDUALS.—The classes of individuals described in this paragraph are as follows:

''(A) Unmarried pregnant women.

''(B) Hospice care patients, including AIDS patients and cancer patients.

''(C) Homeless individuals.

''(D) Battered women and battered women with children.

''(3) QUALIFIED HOME CARE SERVICES.—The term 'qualified home care services' means those services which the taxpayer is certified as being qualified to provide to an eligible individual by an organization—

''(A) which is described in section 501(c)(3) and exempt from tax under section 501(a), and

''(B) the predominant activity of which is providing care to one or more classes of eligible individuals.''

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 22 the following new item:

''Sec. 23. Credit for home care for needy individuals.''

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

S. 1217

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 ''Medical Volunteer Act''.

SEC. 2. TORT CLAIM IMMUNITY.

(a) GENERAL RULE.—A health care professional who provides a health care service to a medically underserved person without receiving compensation for such health care service, shall be regarded, for purposes of any medical malpractice claim that may arise in connection with the provision of such service, as an employee of the Federal Government for purposes of the Federal tort claims provisions in title 28, United States Code.

(b) COMPENSATION.—For purposes of subsection (a), a health care professional shall be deemed to have provided a health care service without compensation only if, prior to furnishing a health care service, the health care professional—

(1) agrees to furnish the health care service without charge to any person, including any health insurance plan or program under which the recipient is covered; and

(2) provides the recipient of the health care service with adequate notice (as determined by the Secretary) of the limited liability of the health care professional with respect to the service.

SEC. 3. PREEMPTION.

The provisions of this Act shall preempt any State law to the extent that such law is inconsistent with such provisions. The provisions of this Act shall not preempt any State law that provides greater incentives or protections to a health care professional rendering a health care service.

SEC. 4. DEFINITIONS.

For purposes of this Act:

(1) HEALTH CARE PROFESSIONAL.—The term ''health care professional'' means a person who, at the time the person provides a health care service, is licensed or certified by the appropriate authorities for practice in a State to furnish health care services.

(2) HEALTH CARE SERVICE.—The term ''health care service'' means any medical assistance to the extent it is included in the plan submitted under title XIX of the Social Security Act for the State in which the service was provided.

(3) MEDICALLY UNDERSERVED PERSON.—The term ''medically underserved person'' means a person who resides in—

(A) a medically underserved area as defined for purposes of determining a medically underserved population under section 330 of the Public Health Service Act (42 U.S.C. 254c); or

(B) a health professional shortage area as defined in section 332 of such Act (42 U.S.C. 254e);

and who receives care in a health care facility substantially comparable to any of those designated in the Federally Supported Health Centers Assistance Act (42 U.S.C. 233 et seq.), as shall be determined in regulations promulgated by the Secretary.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of the Department of Health and Human Services.

S. 1218

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 ''Community Partnership Act''.

SEC. 2. GRANT PROGRAM.

(a) IN GENERAL.—The Attorney General and the Secretary of Health and Human Services shall jointly establish and carry out a competitive grant program to provide funding to States and communities to—

(1) establish an information network to enhance coordination of matches between—

(A) churches, synagogues and other communities of faith, and other community groups; and

(B)(i) families receiving aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) who voluntarily elect to participate; or

(ii) nonviolent criminal offenders who elect to participate, and are directed to such a program through the judicial system;

(2) hire staff to coordinate matches, recruit churches, enhance coordination between the public welfare system, judicial system, churches, synagogues and other communities of faith, and other community groups; and

(3) disseminate information, including training, to Government agencies and interested community groups about programs receiving funding under this Act.

(b) FUNDING.—

(1) IN GENERAL.—A grant under this section shall not exceed $1,000,000 in any fiscal year.

(2) SOURCES.—There are authorized to be appropriated not more than $50,000,000, of which—

(A) not more than $25,000,000 shall be available from the Violent Crime Reduction Trust Fund; and

(B) not more than $25,000,000 shall be available from funds appropriated to the Secretary of Health and Human Services for administrative expenses.

SEC. 3. INFORMATION CLEARINGHOUSES.

Of the amount made available under section 2(b), not more than a total of $1,000,000 shall be available to the Attorney General and Secretary of Health and Human Services for each to establish a national information clearinghouse at the Department of Justice and the Department of Health and Human Services, respectively, to provide information and networking to assist States in establishing and carrying out programs under section 2.

ADDITIONAL COSPONSORS

S. 391

At the request of Mr. CRAIG, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of S. 391, a bill to authorize and direct the Secretaries of the Interior and Agriculture to undertake activities to halt and reverse the decline in forest health on Federal lands, and for other purposes.

S. 771

At the request of Mr. PRYOR, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 771, a bill to provide that certain Federal property shall be made available to States for State use before being made available to other entities, and for other purposes.

S. 856

At the request of Mr. JEFFORDS, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 856, a bill to amend the

National Foundation on the Arts and the Humanities Act of 1965, the Museum Services Act, and the Arts and Artifacts Indemnity Act to improve and extend the Acts, and for other purposes.

S. 963

At the request of Mr. BAUCUS, the name of Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 963, a bill to amend the medicare program under title XVIII of the Social Security Act to improve rural services, and for other purposes.

S. 984

At the request of Mr. GRASSLEY, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 984, a bill to protect the fundamental right of a parent to direct the upbringing of a child, and for other purposes.

S. 1030

At the request of Mr. REID, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1030, a bill entitled the ''Federal Prohibition of Female Genital Mutilation Act of 1995.

S. 1083

At the request of Mr. THOMAS, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 1083, a bill to direct the President to withhold extension of the WTO Agreement to any country that is not complying with its obligations under the New York Convention, and for other purposes.

S. 1117

At the request of Mr. DASCHLE, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 1117, a bill to repeal AFDC and establish the Work First Plan, and for other purposes.

S. 1159

At the request of Mr. INOUYE, the names of the Senator from North Dakota [Mr. DORGAN] and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 1159, a bill to establish an American Indian Policy Information Center, and for other purposes.

At the request of Mr. INOUYE, the name of the Senator from North Dakota [Mr. CONRAD] was withdrawn as a cosponsor of S. 1159, supra.

AMENDMENT NO. 2452

At the request of Mr. PRYOR the names of the Senator from Georgia [Mr. NUNN] and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of amendment No. 2452 proposed to S. 1026, an original bill to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENTS SUBMITTED

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

WARNER (AND OTHERS) AMENDMENT NO. 2461

Mr. WARNER (for himself, Mr. EXON, Mr. THURMOND, Mr. KEMPTHORNE, Mr. CRAIG, Mr. COHEN, Ms. SNOWE, Mr. SMITH, Mr. GREGG, and Mr. ROBB) proposed an amendment to the bill (S. 1026) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; and follows:

On page 570, between lines 10 and 11, insert the following:

SEC. 3168. SENSE OF SENATE ON NEGOTIATIONS REGARDING SHIPMENTS OF SPENT NUCLEAR FUEL FROM NAVAL REACTORS.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary of Defense, the Secretary of Energy, and the Governor of the State of Idaho should continue good faith negotiations for the purpose of reaching an agreement on the issue of shipments of spent nuclear fuel from naval reactors.

(b) REPORT.—(1) Not later than September 15, 1995, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a written report on the status or outcome of the negotiations urged under subsection (a).

(2) The report shall include the following matters:

(A) If an agreement is reached, the terms of the agreement, including the dates on which shipments of spent nuclear fuel from naval reactors will resume.

(B) If an agreement is not reached—

(i) the Secretary's evaluation of the issues remaining to be resolved before an agreement can be reached;

(ii) the likelihood that an agreement will be reached before October 1, 1995; and

(iii) the steps that must be taken regarding the shipment of spent nuclear fuel from naval reactors to ensure that the navy can meet the national security requirements of the United States.

LEVIN AMENDMENT NO. 2462

Mr. NUNN (for Mr. LEVIN) proposed an amendment to the bill S. 1026, supra; as follows:

At the appropriate point in the bill, insert the following:

SEC. . ENCOURAGEMENT OF USE OF LEASING AUTHORITY.

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2316 the following new section:

''SEC. 2317. EQUIPMENT LEASING.

''The Secretary of Defense is authorized to use leasing in the acquisition of commercial vehicles when such leasing is practicable and efficient.''

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2317. Equipment Leasing.''

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense shall submit a report to the congressional defense committees setting forth changes in legislation that would be required to facilitate the use of leases by the Department of Defense in the acquisition of equipment.

(c) PILOT PROGRAM.—The Secretary of the Army may conduct a pilot program for leasing of commercial utility cargo vehicles as follows:

(1) Existing commercial utility cargo vehicles may be traded-in for credit against new replacement commercial utility cargo vehicle least costs;

(2) Quantities of commercial utility cargo vehicles to be traded in and their value to be credited shall be subject to negotiation between the parties;

(3) New commercial utility cargo vehicle lease agreements may be executed with or without options to purchase at the end of each lease period;

(4) New commercial utility cargo vehicle lease periods may not exceed five years;

(5) Such leasing pilot program shall consist of replacing no more than forty percent of the validated requirement for commercial utility cargo vehicles, but may include an option or options for the remaining validated requirement which may be executed subject to the requirements of subsection (c)(8);

(6) The Army shall enter into such pilot program only if the Secretary:

(A) awards such program in accordance with the provisions of section 2304 of title 10, United States Code.

(B) has notified the congressional defense committees of his plans to execute the pilot program;

(C) has provided a report detailing the expected savings in operating and support costs from retiring older commercial utility cargo vehicles compared to the expected costs of leasing newer commercial utility cargo vehicles; and

(D) has allowed 30 calendar days to elapse after such notification.

(8) One year after the date of execution of an initial leasing contract, the Secretary of the Army shall submit a report setting forth the status of the pilot program. Such report shall be based upon at least six months of operating experience. The Secretary may exercise an option or options for subsequent commercial utility cargo vehicles only after he has allowed 60 calendar days to elapse after submitting this report.

(9) EXPIRATION OF AUTHORITY.—No lease of commercial utility cargo vehicles may be entered into under the pilot program after September 30, 2000.

KYL AMENDMENT NO. 2463

Mr. WARNER (for Mr. KYL) proposed an amendment to the bill S. 1026, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION.

(a) LIMITATION.—Of the funds appropriated or otherwise made available for fiscal year 1996 under the heading ''FORMER SOVIET UNION THREAT REDUCTION'' for dismantlement and destruction of chemical weapons, not more than $52,000,000 may be obligated or expended for that purpose until the President certifies to Congress the following:

(1) That the United States and Russia have completed a joint laboratory study evaluating the proposal of Russia to neutralize its chemical weapons and the United States agrees with the proposal.

(2) That Russia is in the process of preparing, with the assistance of the United States (if necessary), a comprehensive plan to manage the dismantlement and destruction of the Russia chemical weapons stockpile.

(3) That the United States and Russia are committed to resolving outstanding issues under the 1989 Wyoming Memorandum of Understanding and the 1990 Bilateral Destruction Agreement.

(b) DEFINITIONS.—In this section:

(1) The term ''1989 Wyoming Memorandum of Understanding'' means the Memorandum of Understanding between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on September 23, 1989.

(2) The term ''1990 Bilateral Destruction Agreement'' means the Agreement between the United States of America and the Union of Soviet Socialist Republics on destruction and non-production of chemical weapons and on measures to facilitate the multilateral convention on banning chemical weapons signed on June 1, 1990.

THURMOND (AND NUNN) AMENDMENT NO. 2464

Mr. WARNER (for Mr. THURMOND, for himself and Mr. NUNN) proposed an amendment to the bill S. 1026, supra; as follows:

On page 403, between lines 16 and 17, insert the following:

TITLE XI—TECHNICAL AND CLERICAL AMENDMENTS

SEC. 1101. AMENDMENTS RELATED TO RESERVE OFFICER PERSONNEL MANAGEMENT ACT.

(a) PUBLIC LAW 103–337.—The Reserve Officer Personnel Management Act (title XVI of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337)) is amended as follows:

(1) Section 1624 (108 Stat. 2961) is amended—

(A) by striking out ''641'' and all that follows through ''(2)'' and inserting in lieu thereof ''620 is amended''; and

(B) by redesignating as subsection (d) the subsection added by the amendment made by that section.

(2) Section 1625 (108 Stat. 2962) is amended by striking out ''Section 689'' and inserting in lieu thereof ''Section 12320''.

(3) Section 1626(1) (108 Stat. 2962) is amended by striking out ''(W–5)'' in the second quoted matter therein and inserting in lieu thereof '', W–5,''.

(4) Section 1627 (108 Stat. 2962) is amended by striking out ''Section 1005(b)'' and inserting in lieu thereof ''Section 12645(b)''.

(5) Section 1631 (108 Stat. 2964) is amended—

(A) in subsection (a), by striking out ''Section 510'' and inserting in lieu thereof ''Section 12102''; and

(B) in subsection (b), by striking out ''Section 591'' and inserting in lieu thereof ''Section 12201''.

(6) Section 1632 (108 Stat. 2965) is amended by striking out ''Section 593(a)'' and inserting in lieu thereof ''Section 12203(a)''.

(7) Section 1635(a) (108 Stat. 2968) is amended by striking out ''section 1291'' and inserting in lieu thereof ''section 1691(b)''.

(8) Section 1671 (108 Stat. 3013) is amended—

(A) in subsection (b)(3), by striking out ''512, and 517'' and inserting in lieu thereof ''and 512''; and

(B) in subsection (c)(2), by striking out the comma after ''861'' in the first quoted matter therein.

(9) Section 1684(b) (108 Stat. 3024) is amended by striking out ''section 14110(d)'' and inserting in lieu thereof ''section 14111(c)''.

(b) SUBTITLE E OF TITLE 10.—Subtitle E of title 10, United States Code, is amended as follows:

(1) The tables of chapters preceding part I and at the beginning of part IV are amended by striking out ''Repayments'' in the item relating to chapter 1609 and inserting in lieu thereof ''Repayment Programs''.

(2)(A) The heading for section 10103 is amended to read as follows:

''§ 10103. Basic policy for order into Federal service''.

(B) The item relating to section 10103 in the table of sections at the beginning of chapter 1003 is amended to read as follows:

''10103. Basic policy for order into Federal service.''.

(3) The table of sections at the beginning of chapter 1005 is amended by striking out the third word in the item relating to section 10142.

(4) The table of sections at the beginning of chapter 1007 is amended—

(A) by striking out the third word in the item relating to section 10205; and

(B) by capitalizing the initial letter of the sixth word in the item relating to section 10211.

(5) The table of sections at the beginning of chapter 1011 is amended by inserting ''Sec.'' at the top of the column of section numbers.

(6) Section 10507 is amended—

(A) by striking out ''section 124402(b)'' and inserting in lieu thereof ''section 12402(b)''; and

(B) by striking out ''Air Forces'' and inserting in lieu thereof ''Air Force''.

(7)(A) Section 10508 is repealed.

(B) The table of sections at the beginning of chapter 1011 is amended by striking out the item relating to section 10508.

(8) Section 10542 is amended by striking out subsection (d).

(9) Section 12004(a) is amended by striking out ''active-status'' and inserting in lieu thereof ''active status''.

(10) Section 12012 is amended by inserting ''**the**'' in the section heading before the penultimate word.

(11)(A) The heading for section 12201 is amended to read as follows:

''§ 12201. Reserve officers: qualifications for appointment''.

(B) The item relating to section 12201 in the table of sections at the beginning of chapter 1205 is amended to read as follows:

''12201. Reserve officers: qualifications for appointment.''.

(12) The heading for section 12209 is amended to read as follows:

''§ 12209. Officer candidates: enlisted Reserves''.

(13) The heading for section 12210 is amended to read as follows:

''§ 12210. Attending Physician to the Congress: reserve grade while so serving''.

(14) Section 12213(a) is amended by striking out ''section 593'' and inserting in lieu thereof ''section 12203''.

(15) The table of sections at the beginning of chapter 1207 is amended by striking out ''promotions'' in the item relating to section 12243 and inserting in lieu thereof ''promotion''.

(16) The table of sections at the beginning of chapter 1209 is amended—

(A) in the item relating to section 12304, by striking out the colon and inserting in lieu thereof a semicolon; and

(B) in the item relating to section 12308, by striking out the second, third, and fourth words.

(17) Section 12307 is amended by striking out ''Ready Reserve'' in the second sentence and inserting in lieu thereof ''Retired Reserve''.

(18) The heading of section 12401 is amended by striking out the seventh word.

(19) Section 12407(b) is amended—

(A) by striking out ''of those jurisdictions'' and inserting in lieu thereof ''State''; and

(B) by striking out ''jurisdictions'' and inserting in lieu thereof ''States''

(20) Section 12731(f) is amended by striking out ''the date of the enactment of this subsection'' and inserting in lieu thereof ''October 5, 1994,''.

(21) Section 12731a(c)(3) is amended by inserting a comma after ''Defense Conversion''.

(22) Section 14003 is amended by inserting ''**lists**'' in the section heading immediately before the colon.

(23) The table of sections at the beginning of chapter 1403 is amended by striking out ''selection board'' in the item relating to section 14105 and inserting in lieu thereof ''promotion board''.

(24) The table of sections at the beginning of chapter 1405 is amended—

(A) in the item relating to section 14307, by striking out ''Numbers'' and inserting in lieu thereof ''Number'';

(B) in the item relating to section 14309, by striking out the colon and inserting in lieu thereof a semicolon; and

(C) in the item relating to section 14314, by capitalizing the initial letter of the antepenultimate word.

(25) Section 14315(a) is amended by striking out ''a Reserve officer'' and inserting in lieu thereof ''a reserve officer''.

(26) 14317(e) is amended—

(A) by inserting ''OFFICERS ORDERED TO ACTIVE DUTY IN TIME OF WAR OR NATIONAL EMERGENCY.—'' after ''(e)''; and

(B) by striking out ''section 10213 or 644'' and inserting in lieu thereof ''section 123 or 10213''.

(27) The table of sections at the beginning of chapter 1407 is amended—

(A) in the item relating to section 14506, by inserting ''reserve'' after ''Marine Corps and''; and

(B) in the item relating to section 14507, by inserting ''reserve'' after ''Removal from the''; and

(C) in the item relating to section 14509, by inserting ''in grades'' after ''reserve officers''.

(28) Section 14501(a) is amended by inserting ''OFFICERS BELOW THE GRADE OF COLONEL OR NAVY CAPTAIN.—'' after ''(a)''.

(29) The heading for section 14506 is amended by inserting a comma after ''**Air Force**''.

(30) Section 14508 is amended by striking out ''this'' after ''from an active status under'' in subsections (c) and (d).

(31) Section 14515 is amended by striking out ''inactive status'' and inserting in lieu thereof ''inactive-status''.

(32) Section 14903(b) is amended by striking out ''chapter'' and inserting in lieu thereof ''title''.

(33) The table of sections at the beginning of chapter 1606 is amended in the item relating to section 16133 by striking out ''limitations'' and inserting in lieu thereof ''limitation''.

(34) Section 16132(c) is amended by striking out ''section'' and inserting in lieu thereof ''sections''.

(35) Section 16135(b)(1)(A) is amended by striking out ''section 2131(a)'' and inserting in lieu thereof ''sections 16131(a)''.

(36) Section 18236(b)(1) is amended by striking out ''section 2233(e)'' and inserting in lieu thereof ''section 18233(e)''.

(37) Section 18237 is amended—

(A) in subsection (a), by striking out ''section 2233(a)(1)'' and inserting in lieu thereof ''section 18233(a)(1)''; and

(B) in subsection (b), by striking out ''section 2233(a)'' and inserting in lieu thereof ''section 18233(a)''.

(c) OTHER PROVISIONS OF TITLE 10.—Effective as of December 1, 1994 (except as otherwise expressly provided), and as if included as amendments made by the Reserve Officer Personnel Management Act (title XVI of Public Law 103–360) as originally enacted, title 10, United States Code, is amended as follows:

(1) Section 101(d)(6)(B)(i) is amended by striking out ''section 175'' and inserting in lieu thereof ''section 10301''.

(2) Section 114(b) is amended by striking out ''chapter 133'' and inserting in lieu thereof ''chapter 1803''.

(3) Section 115(d) is amended—

(A) in paragraph (1), by striking out ''section 673'' and inserting in lieu thereof ''section 12302'';

(B) in paragraph (2), by striking out ''section 673b'' and inserting in lieu thereof ''section 12304''; and

(C) in paragraph (3), by striking out ''section 3500 or 8500'' and inserting in lieu thereof ''section 12406''.

(4) Section 123(a) is amended—

(A) by striking out ''281, 592, 1002, 1005, 1006, 1007, 1374, 3217, 3218, 3219, 3220,'', ''5414, 5457, 5458,'', and ''8217, 8218, 8219,''; and

(B) by striking out ''and 8855'' and inserting in lieu thereof ''8855, 10214, 12003, 12004, 12005, 12007, 12202, 12213, 12642, 12645, 12646, 12647, 12771, 12772, and 12773''.

(5) Section 582(1) is amended by striking out ''section 672(d)'' in subparagraph (B) and ''section 673b'' in subparagraph (D) and inserting in lieu thereof ''section 12301(d)'' and ''section 12304'', respectively.

(6) Section 641(1)(B) is amended by striking out ''10501'' and inserting in lieu thereof ''10502, 10505, 10506(a), 10506(b), 10507''.

(7) The table of sections at the beginning of chapter 39 is amended by striking out the items relating to sections 687 and 690.

(8) Sections 1053(a)(1), 1064, and 1065(a) are amended by striking out ''chapter 67'' and inserting in lieu thereof ''chapter 1223''.

(9) Section 1063(a)(1) is amended by striking out ''section 1332(a)(2)'' and inserting in lieu thereof ''section 12732(a)(2)''.

(10) Section 1074b(b)(2) is amended by striking out ''section 673c'' and inserting in lieu thereof ''section 12305''.

(11) Section 1076(b)(2)(A) is amended by striking out ''before the effective date of the Reserve Officer Personnel Management Act'' and inserting in lieu thereof ''before December 1, 1994''.

(12) Section 1176(b) is amended by striking out ''section 1332'' in the matter preceding paragraph (1) and in paragraph (2) and inserting in lieu thereof ''section 12732''.

(13) Section 1208(b) is amended by striking out ''section 1333'' and inserting in lieu thereof ''section 12733''.

(14) Section 1209 is amended by striking out ''section 1332'', ''section 1335'', and ''chapter 71'' and inserting in lieu thereof ''section 12732'', ''section 12735'', and ''section 12739'', respectively.

(15) Section 1407 is amended—

(A) in subsection (c)(1) and (d)(1), by striking out ''section 1331'' and inserting in lieu thereof ''section 12731''; and

(B) in the heading for paragraph (1) of subsection (d), by striking out ''CHAPTER 67'' and inserting in lieu thereof ''CHAPTER 1223''.

(16) Section 1408(a)(5) is amended by striking out ''section 1331'' and inserting in lieu thereof ''section 12731''

(17) Section 1431(a)(1) is amended by striking out ''section 1376(a)'' and inserting in lieu thereof ''section 12774(a)''.

(18) Section 1463(a)(2) is amended by striking out ''chapter 67'' and inserting in lieu thereof ''chapter 1223''.

(19) Section 1482(f)(2) is amended by inserting ''section'' before ''12731 of this title''.

(20) The table of sections at the beginning of chapter 533 is amended by striking out the item relating to section 5454.

(21) Section 2006(b)(1) is amended by striking out ''chapter 106 of this title'' and inserting in lieu thereof ''chapter 1606 of this title''.

(22) Section 2121(c) is amended by striking out ''section 3353, 5600, or 8353'' and inserting in lieu thereof ''section 12207'', effective on the effective date specified in section 1691(b)(1) of Public Law 103–337.

(23) Section 2130a(b)(3) is amended by striking out ''section 591'' and inserting in lieu thereof ''section 12201''.

(24) The table of sections at the beginning of chapter 337 is amended by striking out the items relating to section 3351 and 3352.

(25) Sections 3850, 6389(c), 6391(c), and 8850 are amended by striking out ''section 1332'' and inserting in lieu thereof ''section 12732''.

(26) Section 5600 is repealed, effective on the effective date specified in section 1691(b)(1) of Public Law 103–337.

(27) Section 5892 is amended by striking out ''section 5457 or section 5458'' and inserting in lieu thereof ''section 12004 or section 12005''.

(28) Section 6410(a) is amended by striking out ''section 1005'' and inserting in lieu thereof ''section 12645''.

(29) The table of sections at the beginning of chapter 837 is amended by striking out the items relating to section 8351 and 8352.

(30) Section 8360(b) is amended by striking out ''section 1002'' and inserting in lieu thereof ''section 12642''.

(31) Section 8380 is amended by striking out ''section 524'' in subsections (a) and (b) and inserting in lieu thereof ''section 12011''.

(32) Sections 8819(a), 8846(a), and 8846(b) are amended by striking out ''section 1005 and 1006'' and inserting in lieu thereof ''sections 12645 and 12646''.

(33) Section 8819 is amended by striking out ''section 1005'' and ''section 1006'' and inserting in lieu thereof ''section 12645'' and ''section 12646'', respectively.

(d) CROSS REFERENCES IN OTHER DEFENSE LAWS.—

(1) Section 337(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2717) is amended by inserting before the period at the end the following: ''or who after November 30, 1994, transferred to the Retired Reserve under section 10154(2) of title 10, United States Code, without having completed the years of service required under section 12731(a)(2) of such title for eligibility for retired pay under chapter 1223 of such title''.

(2) Section 525 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (P.L. 102–190, 105 Stat. 1363) is amended by striking out ''section 690'' and inserting in lieu thereof ''section 12321''.

(3) Subtitle B of title XLIV of the National Defense Authorization Act for Fiscal Year 1993 (P.L. 102–484; 10 U.S.C. 12681 note) is amended—

(A) in section 4415, by striking out ''section 1331a'' and inserting in lieu thereof ''section 12731a'';

(B) in subsection 4416—

(i) in subsection (a), by striking out ''section 1331'' and inserting in lieu thereof ''section 12731'';

(ii) in subsection (b)—

(I) by inserting ''or section 12732'' in paragraph (1) after ''under that section''; and

(II) by inserting ''or 12731(a)'' in paragraph (2) after ''section 1331(a)'';

(iii) in subsection (e)(2), by striking out ''section 1332'' and inserting in lieu thereof ''section 12732''; and

(iv) in subsection (g), by striking out ''section 1331a'' and inserting in lieu thereof ''section 12731a''; and

(C) in section 4418—

(i) in subsection (a), by striking out ''section 1332'' and inserting in lieu thereof ''section 12732''; and

(ii) in subsection (b)(1)(A), by striking out ''section 1333'' and inserting in lieu thereof ''section 12733''.

(4) Title 37, United States Code, is amended—

(A) in section 302f(b), by striking out ''section 673c of title 10'' in paragraphs (2) and (3)(A) and inserting in lieu thereof ''section 12305 of title 10''; and

(B) in section 433(a), by striking out ''section 687 of title 10'' and inserting in lieu thereof ''section 12319 of title 10''.

(e) CROSS REFERENCES IN OTHER LAWS.—

(1) Title 14, United States Code, is amended—

(A) in section 705(f), by striking out ''600 of title 10'' and inserting in lieu thereof ''12209 of title 10''; and

(B) in section 741(c), by striking out ''section 1006 of title 10'' and inserting in lieu thereof ''section 12646 of title 10''.

(2) Title 38, United States Code, is amended—

(A) in section 3011(d)(3), by striking out ''section 672, 673, 673b, 674, or 675 of title 10'' and inserting in lieu thereof ''section 12301, 12302, 12304, 12306, or 12307 of title 10'';

(B) in sections 3012(b)(1)(B)(iii) and 3701(b)(5)(B), by striking out ''section 268(b) of title 10'' and inserting in lieu thereof ''section 10143(a) of title 10'';

(C) in section 3501(a)(3)(C), by striking out ''section 511(d) of title 10'' and inserting in lieu thereof ''section 12103(d) of title 10''; and

(D) in section 4211(4)(C), by striking out ''section 672(a), (d), or (g), 673, or 673b of title 10'' and inserting in lieu thereof ''section 12301(a), (d), or (g), 12302, or 12304 of title 10''.

(3) Section 702(a)(1) of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. App. 592(a)(1)) is amended—

(A) by striking out ''section 672 (a) or (g), 673, 673b, 674, 675, or 688 of title 10'' and inserting in lieu thereof ''section 688, 12301(a), 12301(g), 12302, 12304, 12306, or 12307 of title 10''; and

(B) by striking out ''section 672(d) of such title'' and inserting in lieu thereof ''section 12301(d) of such title''.

(4) Section 463A of the Higher Education Act of 1965 (20 U.S.C. 1087cc–1) is amended in subsection (a)(10) by striking out ''(10 U.S.C. 2172)'' and inserting in lieu thereof ''(10 U.S.C. 16302)''.

(5) Section 179 of the National and Community Service Act of 1990 (42 U.S.C. 12639) is amended in subsection (a)(2)(C) by striking out ''section 216(a) of title 5'' and inserting in lieu thereof ''section 10101 of title 10''.

(f) EFFECTIVE DATES.—

(1) Section 1636 of the Reserve Officer Personnel Management Act shall take effect on the date of the enactment of this Act.

(2) The amendments made by sections 1672(a), 1673(a) (with respect to chapters 541 and 549), 1673(b)(2), 1673(b)(4), 1674(a), and 1674(b)(7) shall take effect on the effective date specified in section 1691(b)(1) of the Reserve Officer Personnel Management Act (notwithstanding section 1691(a) of such Act).

(3) The amendments made by this section shall take effect as if included in the Reserve Officer Personnel Management Act as enacted on October 5, 1994.

SEC. 1102. AMENDMENTS RELATED TO FEDERAL ACQUISITION STREAMLINING ACT OF 1994.

(a) PUBLIC LAW 103–355.—Effective as of October 13, 1994, and as if included therein as

enacted, the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3243 et seq.) is amended as follows:

(1) Section 1202(a) (108 Stat. 3274) is amended by striking out the closing quotation marks and second period at the end of paragraph (2)(B) of the subsection inserted by the amendment made by that section.

(2) Section 1251(b) (108 Stat. 3284) is amended by striking out ''Office of Federal Procurement Policy Act'' and inserting in lieu thereof ''Federal Property and Administrative Services Act of 1949''.

(3) Section 2051(e) (108 Stat. 3304) is amended by striking out the closing quotation marks and second period at the end of subsection (f)(3) in the matter inserted by the amendment made by that section.

(4) Section 2101(a)(6)(B)(ii) (108 Stat. 3308) is amended by replacing ''regulation'' with ''regulations'' in the first quoted matter.

(5) The heading of section 2352(b) (108 Stat. 3322) is amended by striking out ''PROCEDURES TO SMALL BUSINESS GOVERNMENT CONTRACTORS.—'' and inserting in lieu thereof ''PROCEDURES.—''.

(6) Section 3022 (108 Stat. 3333) is amended by striking out ''each place'' and all that follows through the end of the section and inserting in lieu thereof ''in paragraph (1) and '', rent,'' after ''sell'' in paragraph (2).''.

(7) Section 5092(b) (108 Stat. 3362) is amended by inserting ''of paragraph (2)'' after ''second sentence''.

(8) Section 6005(a) (108 Stat. 3364) is amended by striking out the closing quotation marks and second period at the end of subsection (e)(2) of the matter inserted by the amendment made by that section.

(9) Section 10005(f)(4) (108 Stat. 3409) is amended in the second matter in quotation marks by striking out ''SEC. 5. This Act'' and inserting in lieu thereof ''SEC. 7. This title''.

(b) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Section 2220(b) is amended by striking out ''the date of the enactment of the Federal Acquisition Streamlining Act of 1994'' and inserting in lieu thereof ''October 13, 1994''.

(2)(A) The section 2247 added by section 7202(a)(1) of Public Law 103–355 (108 Stat. 3379) is redesignated as section 2249.

(B) The item relating to that section in the table of sections at the beginning of subchapter I of chapter 134 is revised to conform to the redesignation made by subparagraph (A).

(3) Section 2302(3)(K) is amended by adding a period at the end.

(4) Section 2304(h) is amended by striking out paragraph (1) and inserting in lieu thereof the following:

''(1) The Walsh-Healey Act (41 U.S.C. 35 et seq.).''.

(5)(A) The section 2304a added by section 848(a)(1) of Public Law 103–160 (107 Stat. 1724) is redesignated as section 2304e.

(B) The item relating to that section in the table of sections at the beginning of chapter 137 is revised to conform to the redesignation made by subparagraph (A).

(6) Section 2306a is amended—

(A) in subsection (d)(2)(A)(ii), by inserting ''to'' after ''The information referred'';

(B) in subsection (e)(4)(B)(ii), by striking out the second comma after ''parties''; and

(C) in subsection (i)(3), by inserting ''(41 U.S.C. 403(12))'' before the period at the end.

(7) Section 2323 is amended—

(A) in subsection (a)(1)(C), by inserting a closing parenthesis after ''1135d–5(3))'' and after ''1059c(b)(1))'';

(B) in subsection (a)(3), by inserting a closing parenthesis after ''421(c))'';

(C) in subsection (b), by inserting ''(1)'' after ''AMOUNT.—''; and

(D) in subsection (i)(3), by adding at the end a subparagraph (D) identical to the subparagraph (D) set forth in the amendment made by section 811(e) of Public Law 103–160 (107 Stat. 1702).

(8) Section 2324 is amended—

(A) in subsection (e)(2)(C)—

(i) by striking out ''awarding the contract'' at the end of the first sentence; and

(ii) by striking out ''title III'' and all that follows through ''Act)'' and inserting in lieu thereof ''the Buy American Act (41 U.S.C. 10b–1)''; and

(B) in subsection (h)(2), by inserting ''the head of the agency or'' after ''in the case of any contract if''.

(9) Section 2350b is amended—

(A) in subsection (c)(1)—

(i) by striking out ''specifically—'' and inserting in lieu thereof ''specifically prescribes—''; and

(ii) by striking out ''prescribe'' in each of subparagraphs (A), (B), (C), and (D); and

(B) in subsection (d)(1), by striking out ''subcontract to be'' and inserting in lieu thereof ''subcontract be''.

(10) Section 2356(a) is amended by striking out ''2354, or 2355'' and inserting ''or 2354''.

(11) Section 2372(i)(1) is amended by striking out ''section 2324(m)'' and inserting in lieu thereof ''section 2324(l)''.

(12) Section 2384(b) is amended—

(A) in paragraph (2)—

(i) by striking ''items, as'' and inserting in lieu thereof ''items (as''; and

(ii) by inserting a closing parenthesis after ''403(12))''; and

(B) in paragraph (3), by inserting a closing parenthesis after ''403(11))''.

(13) Section 2397(a)(1) is amended—

(A) by inserting ''as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11))'' after ''threshold''; and

(B) by striking out ''section 4(12) of the Office of Federal Procurement Policy Act'' and inserting in lieu thereof ''section 4(12) of such Act''.

(14) Section 2397b(f) is amended by inserting a period at the end of paragraph (2)(B)(iii).

(15) Section 2400(a)(5) is amended by striking out ''the preceding sentence'' and inserting in lieu thereof ''this paragraph''.

(16) Section 2405 is amended—

(A) in paragraphs (1) and (2) of subsection (a), by striking out ''the date of the enactment of the Federal Acquisition Streamlining Act of 1994'' and inserting in lieu thereof ''October 13, 1994''; and

(B) in subsection (c)(3)—

(i) by striking out ''the later of—'' and all that follows through ''(B)''; and

(ii) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and realigning those subparagraphs accordingly.

(17) Section 2410d(b) is amended by striking out paragraph (3).

(18) Section 2424(c) is amended—

(A) by inserting ''EXCEPTION FOR SOFT DRINKS.—'' after ''(c)''; and

(B) by striking out ''drink'' the first and third places it appears in the second sentence and inserting in lieu thereof ''beverage''.

(19) Section 2431 is amended—

(A) in subsection (b)—

(i) by striking out ''Any report'' in the first sentence and inserting in lieu thereof ''Any documents''; and

(ii) by striking out ''the report'' in paragraph (3) and inserting in lieu thereof ''the documents''; and

(B) in subsection (c), by striking ''reporting'' and inserting in lieu thereof ''documentation''.

(20) Section 2533(a) is amended by striking out ''title III of the Act'' and all that follows through ''such Act'' and inserting in lieu thereof ''the Buy American Act (41 U.S.C. 10a)) whether application of such Act''.

(21) Section 2662(b) is amended by striking out ''small purchase threshold'' and inserting in lieu thereof ''simplified acquisition threshold''.

(22) Section 2701(i)(1) is amended—

(A) by striking out ''Act of August 24, 1935 (40 U.S.C. 270a–270d), commonly referred to as the 'Miller Act','' and inserting in lieu thereof ''Miller Act (40 U.S.C. 270a et seq.)''; and

(B) by striking out ''such Act of August 24, 1935'' and inserting in lieu thereof ''the Miller Act''.

(c) SMALL BUSINESS ACT.—The Small Business Act (15 U.S.C. 632 et seq.) is amended as follows:

(1) Section 8(d) (15 U.S.C. 637(d)) is amended—

(A) in paragraph (1), by striking out the second comma after ''small business concerns'' the first place it appears; and

(B) in paragraph (6)(C), by striking out ''and small business concerns owned and controlled by the socially and economically disadvantaged individuals'' and inserting in lieu thereof '', small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women''.

(2) Section 8(f) (15 U.S.C. 637(f)) is amended by inserting ''and'' after the semicolon at the end of paragraph (5).

(3) Section 15(g)(2) (15 U.S.C. 644(g)(2)) is amended by striking out the second comma after the first appearance of ''small business concerns''.

(d) TITLE 31, UNITED STATES CODE.—Section 3551 of title 31, United States Code, is amended—

(1) by striking out ''subchapter—'' and inserting in lieu thereof ''subchapter:''; and

(2) in paragraph (2), by striking out ''or proposed contract'' and inserting in lieu thereof ''or a solicitation or other request for offers''.

(e) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—The Federal Property and Administrative Services Act of 1949 is amended as follows:

(1) The table of contents in section 1 (40 U.S.C. 471 prec.) is amended—

(A) by striking out the item relating to section 104;

(B) by striking out the item relating to section 201 and inserting in lieu thereof the following:

''Sec. 201. Procurements, warehousing, and related activities.'';

(C) by inserting after the item relating to section 315 the following new item:

''Sec. 316. Merit-based award of grants for research and development.'';

(D) by striking out the item relating to section 603 and inserting in lieu thereof the following:

''Sec. 603. Authorizations for appropriations and transfer authority.''; and

(E) by inserting after the item relating to section 605 the following new item:

''Sec. 606. Sex discrimination.''.

(2) Section 111(b)(3) (40 U.S.C. 759(b)(3)) is amended by striking out the second period at the end of the third sentence.

(3) Section 111(f)(9) (40 U.S.C. 759(f)(9)) is amended in subparagraph (B) by striking out ''or proposed contract'' and inserting in lieu thereof ''or a solicitation or other request for offers''.

(4) The heading for paragraph (1) of section 304A(c) is amended by changing each letter that is capitalized (other than the first letter of the first word) to lower case.

(5) The heading for section 314A (41 U.S.C. 41 U.S.C. 264a) is amended to read as follows:

"SEC. 314A. DEFINITIONS RELATING TO PROCUREMENT OF COMMERCIAL ITEMS.".

(6) The heading for section 316 (41 U.S.C. 266) is amended by inserting at the end a period.

(f) WALSH-HEALEY ACT.—

(1) The Walsh-Healey Act (41 U.S.C. 35 et seq.) is amended—

(A) by transferring the second section 11 (as added by section 7201(4) of Public Law 103–355) so as to appear after section 10; and

(B) by redesignating the three sections following such section 11 (as so transferred) as sections 12, 13, and 14.

(2) Such Act is further amended in section 10(c) by striking out the comma after "'locality'".

(g) ANTI-KICKBACK ACT OF 1986.—Section 7 of the Anti-Kickback Act of 1986 (41 U.S.C. 57) is amended by striking out the second period at the end of subsection (d).

(h) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended as follows:

(1) Section 6 (41 U.S.C. 405) is amended by transferring paragraph (12) of subsection (d) (as such paragraph was redesignated by section 5091(2) of the Federal Acquisition Streamlining Act of 1994 (P.L. 103–355; 108 Stat. 3361) to the end of that subsection.

(2) Section 18(b) (41 U.S.C. 416(b)) is amended by inserting "and" after the semicolon at the end of paragraph (5).

(3) Section 26(f)(3) (41 U.S.C. 422(f)(3) is amended in the first sentence by striking out "Not later than 180 days after the date of enactment of this section, the Administrator" and inserting in lieu thereof "The Administrator".

(i) OTHER LAWS.—

(1) The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended as follows:

(A) Section 126(c) (107 Stat. 1567) is amended by striking out "section 2401 of title 10, United States Code, or section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note)." and inserting in lieu thereof "section 2401 or 2401a of title 10, United States Code.".

(B) Section 127 (107 Stat. 1568) is amended—

(i) in subsection (a), by striking out "section 2401 of title 10, United States Code, or section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note)." and inserting in lieu thereof "section 2401 or 2401a of title 10, United States Code."; and

(ii) in subsection (e), by striking out "section 9081 of the Department of Defense Appropriations Act, 1990 (10 U.S.C. 2401 note)." and inserting in lieu thereof "section 2401a of title 10, United States Code.".

(2) The National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189) is amended by striking out section 824.

(3) The National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180) is amended by striking out section 825 (10 U.S.C. 2432 note).

(4) Section 3737(g) of the Revised Statutes (41 U.S.C. 15(g)) is amended by striking out "rights of obligations" and inserting in lieu thereof "rights or obligations".

(5) The section of the Revised Statutes (41 U.S.C. 22) amended by section 6004 of Public Law 103–355 (108 Stat. 3364) is amended by striking out "No member" and inserting in lieu thereof "SEC. 3741. No Member".

(6) Section 5152(a)(1) of the Drug-Free Workplace Act of 1988 (41 U.S.C. 701(a)(1)) is amended by striking out "as defined in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)" and inserting in lieu thereof "(as defined in section 4(12) of such Act (41 U.S.C. 403(12)))".

SEC. 1103. AMENDMENTS TO REFLECT NAME CHANGE OF COMMITTEE ON ARMED SERVICES OF THE HOUSE OF REPRESENTATIVES.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Sections 503(b)(5), 520a(d), 526(d)(1), 619a(h)(2), 806a(b), 838(b)(7), 946(c)(1)(A), 1098(b)(2), 2313(b)(4), 2361(c)(1), 2371(h), 2391(c), 2430(b), 2432(b)(3)(B), 2432(c)(2), 2432(h)(1), 2667(d)(3), 2672a(b), 2687(b)(1), 2891(a), 4342(g), 7307(b)(1)(A), and 9342(g) are amended by striking out "Committees on Armed Services of the Senate and House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(2) Sections 178(c)(1)(A), 942(e)(5), 2350f(c), 2864(b), 7426(e), 7431(a), 7431(b)(1), 7431(c), 7438(b), 12302(b), 18235(a), and 18236(a) are amended by striking out "Committees on Armed Services of the Senate and the House of Representatives" and inserting in lieu thereof "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives".

(3) Section 113(j)(1) is amended by striking out "Committees on Armed Services and Committees on Appropriations of the Senate and" and inserting in lieu thereof "Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the".

(4) Section 119(g) is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) the Committee on Armed Services and the Committee on Appropriations, and the Defense Subcommittee of the Committee on Appropriations, of the Senate; and

"(2) the Committee on National Security and the Committee on Appropriations, and the National Security Subcommittee of the Committee on Appropriations, of the House of Representatives.".

(5) Section 127(c) is amended by striking out "Committees on Armed Services and Appropriations of the Senate and" and inserting in lieu thereof "Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of".

(6) Section 135(e) is amended—

(A) by inserting "(1)" after "(e)";

(B) by striking out "the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives are each" and inserting in lieu thereof "each congressional committee specified in paragraph (2) is"; and

(C) by adding at the end the following:

"(2) The committees referred to in paragraph (1) are—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(7) Section 179(e) is amended by striking out "to the Committees on Armed Services and Appropriations of the Senate and" and inserting in lieu thereof "to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the".

(8) Sections 401(d) and 402(d) are amended by striking out "submit to the" and all that follows through "Foreign Affairs" and inserting in lieu thereof "submit to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations".

(9) Sections 1584(b), 2367(d)(2), and 2464(b)(3)(A) are amended by striking out "the Committees on Armed Services and the Committees on Appropriations of the Senate and" and inserting in lieu thereof "the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the".

(10) Sections 2306b(g), 2801(c)(4), and 18233a(a)(1) are amended by striking out "the Committees on Armed Services and on Appropriations of the Senate and" and inserting in lieu thereof "the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the".

(11) Section 1599(e)(2) is amended—

(A) in subparagraph (A), by striking out "The Committees on Armed Services and Appropriations" and inserting in lieu thereof "The Committee on National Security, the Committee on Appropriations,"; and

(B) in subparagraph (B), by striking out "The Committees on Armed Services and Appropriations" and inserting in lieu thereof "The Committee on Armed Services, the Committee on Appropriations,".

(12) Sections 1605(c), 4355(a)(3), 6968(a)(3), and 9355(a)(3) are amended by striking out "Armed Services" and inserting in lieu thereof "National Security".

(13) Section 1060(d) is amended by striking out "Committee on Armed Services and the Committee on Foreign Affairs" and inserting in lieu thereof "Committee on National Security and the Committee on International Relations".

(14) Section 2215 is amended—

(A) by inserting "(a) CERTIFICATION REQUIRED.—" at the beginning of the text of the section;

(B) by striking out "to the Committees" and all that follows through "House of Representatives" and inserting in lieu thereof "to the congressional committees specified in subsection (b)"; and

(C) by adding at the end the following:

"(b) CONGRESSIONAL COMMITTEES.—The committees referred to in subsection (a) are—

"(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(2) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(15) Section 2218 is amended—

(A) in subsection (j), by striking out "the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives" and inserting in lieu thereof "the congressional defense committees"; and

(B) by adding at the end of subsection (k) the following new paragraph:

"(4) The term 'congressional defense committees' means—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(16) Section 2342(b) is amended—

(A) in the matter preceding paragraph (1), by striking out "section—" and inserting in lieu thereof "section unless—";

(B) in paragraph (1), by striking out ''unless''; and

(C) in paragraph (2), by striking out ''notifies the'' and all that follows through ''House of Representatives'' and inserting in lieu thereof ''the Secretary submits to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives notice of the intended designation''.

(17) Section 2350a(f)(2) is amended by striking out ''submit to the Committees'' and all that follows through ''House of Representatives'' and inserting in lieu thereof ''submit to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives''.

(18) Section 2366 is amended—

(A) in subsection (d), by striking out ''the Committees on Armed Services and on Appropriations of the Senate and House of Representatives'' and inserting in lieu thereof ''the congressional defense committees''; and

(B) by adding at the end of subsection (e) the following new paragraph:

''(7) The term 'congressional defense committees' means—

''(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

''(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.''.

(19) Section 2399(h)(2) is amended by striking out ''means'' and all the follows and inserting in lieu thereof the following: ''means—

''(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

''(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.''.

(20) Section 2401(b)(1) is amended—

(A) in subparagraph (B), by striking out ''the Committees on Armed Services and on Appropriations of the Senate and'' and inserting in lieu thereof ''the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committees on Appropriations of the''; and

(B) in subparagraph (C), by striking out ''the Committees on Armed Services and on Appropriations of the Senate and House of Representatives'' and inserting in lieu thereof ''those committees''.

(21) Section 2403(e) is amended—

(A) by inserting ''(1)'' before ''Before making'';

(B) by striking out ''shall notify the Committees on Armed Services and on Appropriations of the Senate and House of Representatives'' and inserting in lieu thereof ''shall submit to the congressional committees specified in paragraph (2) notice''; and

(C) by adding at the end the following new paragraph:

''(2) The committees referred to in paragraph (1) are—

''(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

''(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.''.

(22) Section 2515(d) is amended—

(A) by striking out ''REPORTING'' and all that follows through ''same time'' and inserting in lieu thereof ''ANNUAL REPORT.—(1) The Secretary of Defense shall submit to the congressional committees specified in paragraph (2) an annual report on the activities of the Office. The report shall be submitted each year at the same time''; and

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

''(2) The committees referred to in paragraph (1) are—

''(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

''(B) the Committee on National Security and the Committee on Appropriations of the House of Representatives.''.

(23) Section 2551 is amended—

(A) in subsection (e)(1), by striking out ''the Committees on Armed Services'' and all that follows through ''House of Representatives'' and inserting in lieu thereof ''the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on National Security and the Committee on International Relations of the House of Representatives''; and

(B) in subsection (f)—

(i) by inserting ''(1)'' before ''In any case'';

(ii) by striking out ''Committees on Appropriations'' and all that follows through ''House of Representatives'' the second place it appears and inserting in lieu thereof ''congressional committees specified in paragraph (2)''; and

(iii) by adding at the end the following:

''(2) The committees referred to in paragraph (1) are—

''(A) the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate; and

''(B) the Committee on National Security, the Committee on International Relations, and the Committee on Appropriations of the House of Representatives.''.

(24) Section 2662 is amended—

(A) in subsection (a)—

(i) in the matter preceding paragraph (1), by striking out ''the Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''; and

(ii) in the matter following paragraph (6), by striking out ''to be submitted to the Committees on Armed Services of the Senate and House of Representatives'';

(B) in subsection (b), by striking out ''shall report annually to the Committees on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''shall submit annually to the congressional committees named in subsection (a) a report'';

(C) in subsection (e), by striking out ''the Committees on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''the congressional committees named in subsection (a)''; and

(D) in subsection (f), by striking out ''the Committees on Armed Services of the Senate and the House of Representatives shall'' and inserting in lieu thereof ''the congressional committees named in subsection (a) shall''.

(25) Section 2674(a) is amended—

(A) in paragraph (2), by striking out ''Committees on Armed Services of the Senate and the House of Representatives, the Committee on Environment and Public Works of the Senate, and the Committee on Public Works and Transportation of the House of Representatives'' and inserting in lieu thereof ''congressional committees specified in paragraph (3)''; and

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

''(3) The committees referred to in paragraph (1) are—

''(A) the Committee on Armed Services and the Committee on Environment and Public Works of the Senate; and

''(B) the Committee on National Security and the Committee on Transportation and Infrastructure of the House of Representatives.''.

(26) Section 2813(c) is amended by striking out ''Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives'' and inserting in lieu thereof ''appropriate committees of Congress''.

(27) Sections 2825(b)(1) and 2832(b)(2) are amended by striking out ''Committees on Armed Services and the Committees on Appropriations of the Senate and of the House of Representatives'' and inserting in lieu thereof ''appropriate committees of Congress''.

(28) Section 2865(e)(2) and 2866(c)(2) are amended by striking out ''Committees on Armed Services and Appropriations of the Senate and House of Representatives'' and inserting in lieu thereof ''appropriate committees of Congress''.

(29)(A) Section 7434 of such title is amended to read as follows:

''§ 7434. Annual report to congressional committees

''Not later than October 31 of each year, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the production from the naval petroleum reserves during the preceding calendar year.''.

(B) The item relating to such section in the table of contents at the beginning of chapter 641 is amended to read as follows:

''7434. Annual report to congressional committees.''.

(b) TITLE 37, UNITED STATES CODE.—Title 37, United States Code, is amended—

(1) in sections 301b(i)(2) and 406(i), by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''; and

(2) in section 431(d), by striking out ''Armed Services'' the first place it appears and inserting in lieu thereof ''National Security''.

(c) ANNUAL DEFENSE AUTHORIZATION ACTS.—

(1) The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended in sections 2922(b) and 2925(b) (10 U.S.C. 2687 note) by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(2) The National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) is amended—

(A) in section 326(a)(5) (10 U.S.C. 2301 note) and section 1304(a) (10 U.S.C. 113 note), by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''; and

(B) in section 1505(e)(2)(B) (22 U.S.C. 5859a), by striking out ''the Committee on Armed Services, the Committee on Appropriations, the Committee on Foreign Affairs, and the Committee on Energy and Commerce'' and inserting in lieu thereof ''the Committee on National Security, the Committee on Appropriations, the Committee on International Relations, and the Committee on Commerce''.

(3) Section 1097(a)(1) of the National Defense Authorization Act for Fiscal Years 1992

and 1993 (Public Law 102–190; 22 U.S.C. 2751 note) is amended by striking out ''the Committees on Armed Services and Foreign Affairs'' and inserting in lieu thereof ''the Committee on National Security and the Committee on International Relations''.

(4) The National Defense Authorization Act for Fiscal Year 1991 (P.L. 101–510) is amended as follows:

(A) Section 402(a) and section 1208(b)(3) (10 U.S.C. 1701 note) are amended by striking out ''Committees on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(B) Section 1403(a) (50 U.S.C. 404b(a)) is amended—

(i) by striking out ''the Committees on'' and all that follows through ''each year'' and inserting in lieu thereof ''the Committee on Armed Services, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate and the Committee on National Security, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives each year''.

(C) Section 1457(a) (50 U.S.C. 404c(a)) is amended by striking out ''the Committees on Armed Services and on Foreign Affairs of the House of Representatives and the Committees on Armed Services and'' and inserting in lieu thereof ''the Committee on National Security and the Committee on International Relations of the House of Representatives and the Committee on Armed Services and the Committee on''.

(D) Section 2921 (10 U.S.C. 2687 note) is amended—

(i) in subsection (e)(3)(A), by striking out ''the Committee on Armed Services, the Committee on Appropriations, and the Defense Subcommittees'' and inserting in lieu thereof ''the Committee on National Security, the Committee on Appropriations, and the National Security Subcommittee''; and

(ii) in subsection (g)(2), by striking out ''the Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(5) Section 613(h)(1) of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 37 U.S.C. 302 note), is amended by striking out ''the Committees on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(6) Section 1412 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 50 U.S.C. 1521), is amended in subsections (b)(4) and (k)(2), by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(7) Section 1002(d) of the Department of Defense Authorization Act, 1985 (Public Law 98–525; 22 U.S.C. 1928 note), is amended by striking out ''the Committees on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''the Committee on Armed Services of the Senate, the Committee on National Security of the House of Representatives''.

(8) Section 1252 of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d), is amended—

(A) in subsection (d), by striking out ''Committees on Appropriations and on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''Committee on Appropriations and the Committee on Armed Services of the Senate and the Committee on Appropriations and the Committee on National Security of the House of Representatives''; and

(B) in subsection (e), by striking out ''Committees on Appropriations and on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''congressional committees specified in subsection (d)''.

(d) BASE CLOSURE LAW.—The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended as follows:

(1) Sections 2902(e)(2)(B)(ii) and 2908(b) are amended by striking out ''Armed Services'' the first place it appears and inserting in lieu thereof ''National Security''.

(2) Section 2910(2) is amended by striking out ''the Committees on Armed Services and the Committees on Appropriations of the Senate and of the House of Representatives'' and inserting in lieu thereof ''the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives''.

(e) NATIONAL DEFENSE STOCKPILE.—The Strategic and Critical Materials Stock Piling Act is amended—

(1) in section 6(d) (50 U.S.C. 98e(d))—

(A) in paragraph (1), by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''; and

(B) in paragraph (2), by striking out ''the Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''such congressional committees''; and

(2) in section 7(b) (50 U.S.C. 98f(b)), by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(f) OTHER DEFENSE-RELATED PROVISIONS.—

(1) Section 8125(g)(2) of the Department of Defense Appropriations Act, 1989 (Public Law 100–463; 10 U.S.C. 113 note), is amended by striking out ''Committees on Appropriations and Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Appropriations and the Committees on Armed Services of the Senate and the Committee on Appropriations and the Committees on National Security of the House of Representatives''.

(2) Section 1505(f)(3) of the Military Child Care Act of 1989 (title XV of Public Law 101–189; 10 U.S.C. 113 note) is amended by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(3) Section 9047A of the Department of Defense Appropriations Act, 1993 (Public Law 102–396; 10 U.S.C. 2687 note), is amended by striking out ''the Committees on Appropriations and Armed Services of the House of Representatives and the Senate'' and inserting in lieu thereof ''the Committee on Appropriations and the Committee on Armed Services of the Senate and the Committee on Appropriations and the Committee on National Security of the House of Representatives''.

(4) Section 3059(c)(1) of the Defense Drug Interdiction Assistance Act (subtitle A of title III of Public Law 99–570; 10 U.S.C. 9441 note) is amended by striking out ''Committees on Appropriations and on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives''.

(5) Section 7606(b) of the Anti-Drug Abuse Act of 1988 (Public Law 100–690; 10 U.S.C. 9441 note) is amended by striking out ''Committees on Appropriations and the Committee on Armed Services of the Senate and the House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives''.

(6) Section 104(d)(5) of the National Security Act of 1947 (50 U.S.C. 403–4(d)(5)) is amended by striking out ''Committees on Armed Services of the Senate and House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

(7) Section 8 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in subsection (b)(3), by striking out ''Committees on Armed Services and Government Operations'' and inserting in lieu thereof ''Committee on National Security and the Committee on Government Reform and Oversight'';

(B) in subsection (b)(4), by striking out ''Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives'' and inserting in lieu thereof ''congressional committees specified in paragraph (3)'';

(C) in subsection (f)(1), by striking out ''Committees on Armed Services and Government Operations'' and inserting in lieu thereof ''Committee on National Security and the Committee on Government Reform and Oversight''; and

(D) in subsection (f)(2), by striking out ''Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives'' and inserting in lieu thereof ''congressional committees specified in paragraph (1)''.

(8) Section 204(h)(3) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(3)) is amended by striking out ''Committees on Armed Services of the Senate and of the House of Representatives'' and inserting in lieu thereof ''Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives''.

SEC. 1104. MISCELLANEOUS AMENDMENTS TO TITLE 10, UNITED STATES CODE.

(a) SUBTITLE A.—Subtitle A of title 10, United States Code, is amended as follows:

(1) Section 113(i)(2)(B) is amended by striking out ''the five years covered'' and all that follows through ''section 114(g)'' and inserting in lieu thereof ''the period covered by the future-years defense program submitted to Congress during that year pursuant to section 221''.

(2) Section 136(c) is amended by striking out ''Comptroller'' and inserting in lieu thereof ''Under Secretary of Defense (Comptroller)''.

(3) Section 227(3)(D) is amended by striking out ''for''.

(4) Effective October 1, 1995, section 526 is amended—

(A) in subsection (a), by striking out paragraphs (1), (2), and (3) and inserting in lieu thereof the following:

''(1) For the Army, 302.

''(2) For the Navy, 216.

''(3) For the Air Force, 279.'';

(B) by striking out subsection (b);

(C) by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d);

(D) in subsection (b), as so redesignated, by striking out ''that are applicable on and after October 1, 1995''; and

(E) in paragraph (2)(B) of subsection (c), as redesignated by subparagraph (C), is amended—

(i) by striking out ''the'' after ''in the'';

(ii) by inserting ''to'' after ''reserve component, or''; and

(iii) by inserting ''than'' after ''in a grade other''.

(5) Effective October 1, 1995, section 528(a) is amended by striking out ''after September 30, 1995,''

(6) Section 573(a)(2) is amended by striking out ''active duty list'' and inserting in lieu thereof ''active-duty list''.

(7) Section 661(d)(2) is amended—

(A) in subparagraph (B), by striking out ''Until January 1, 1994'' and all that follows through ''each position so designated'' and inserting in lieu thereof ''Each position designated by the Secretary under subparagraph (A)'';

(B) in subparagraph (C), by striking out ''the second sentence of''; and

(C) by striking out subparagraph (D).

(8) Section 706(c)(1) is amended by striking out ''section 4301 of title 38'' and inserting in lieu thereof ''chapter 43 of title 38''.

(9) Section 1059 is amended by striking out ''subsection (j)'' in subsections (c)(2) and (g)(3) and inserting in lieu thereof ''subsection (k)''.

(10) Section 1060a(f)(2)(B) is amended by striking out ''(as defined in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)))'' and inserting in lieu thereof '', as determined in accordance with the Immigration and Nationality Act (8 U.S.C. 1101 et seq.)''.

(11) Section 1151 is amended—

(A) in subsection (b), by striking out ''(20 U.S.C. 2701 et seq.)'' in paragraphs (2)(A) and (3)(A) and inserting in lieu thereof ''(20 U.S.C. 6301 et seq.)''; and

(B) in subsection (e)(1)(B), by striking out ''not later than one year after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1995'' and inserting in lieu thereof ''not later than October 5, 1995''.

(12) Section 1152(g)(2) is amended by striking out ''not later than 180 days after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1995'' and inserting in lieu thereof ''not later than April 3, 1994,''.

(13) Section 1177(b)(2) is amended by striking out ''provison of law'' and inserting in lieu thereof ''provision of law''.

(14) The heading for chapter 67 is amended by striking out ''**NONREGULAR**'' and inserting in lieu thereof ''**NON-REGULAR**''.

(15) Section 1598(a)(2)(A) is amended by striking out ''2701'' and inserting in lieu thereof ''6301''.

(16) Section 1745(a) is amended by striking out ''section 4107(d)'' both places it appears and inserting in lieu thereof ''section 4107(b)''.

(17) Section 1746(a) is amended—

(A) by striking out ''(1)'' before ''The Secretary of Defense''; and

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

(18) Section 2006(b)(2)(B)(ii) is amended by striking out ''section 1412 of such title'' and inserting in lieu thereof ''section 3012 of such title''.

(19) Section 2011(a) is amended by striking out ''TO'' and inserting in lieu thereof ''TO''.

(20) Section 2194(e) is amended by striking out ''(20 U.S.C. 2891(12))'' and inserting in lieu thereof ''(20 U.S.C. 8801)''.

(21) Sections 2217(b) and 2220(a)(2) are amended by striking out ''Comptroller of the Department of Defense'' and inserting in lieu thereof ''Under Secretary of Defense (Comptroller)''.

(22) Section 2401(c)(2) is amended by striking out ''pursuant to'' and all that follows through ''September 24, 1983,''.

(23) Section 2410f(b) is amended by striking out ''For purposes of'' and inserting in lieu thereof ''In''.

(24) Section 2410j(a)(2)(A) is amended by striking out ''2701'' and inserting in lieu thereof ''6301''.

(25) Section 2457(e) is amended by striking out ''title III of the Act of March 3, 1933 (41 U.S.C. 10a),'' and inserting in lieu thereof ''the Buy American Act (41 U.S.C. 10a)''.

(26) Section 2465(b)(3) is amended by striking out ''under contract'' and all that follows through the period and inserting in lieu thereof ''under contract on September 24, 1983.''.

(27) Section 2471(b) is amended—

(A) in paragraph (2), by inserting ''by'' after ''as determined''; and

(B) in paragraph (3), by inserting ''of'' after ''arising out''.

(28) Section 2524(e)(4)(B) is amended by inserting a comma before ''with respect to''.

(29) The heading of section 2525 is amended by capitalizing the initial letter of the second, fourth, and fifth words.

(30) Chapter 152 is amended by striking out the table of subchapters at the beginning and the headings for subchapters I and II.

(31) Section 2534(c) is amended by capitalizing the initial letter of the third and fourth words of the subsection heading.

(32) Section 2705(d)(2) is amended by striking out ''the date of the enactment of this section'' and inserting in lieu thereof ''October 5, 1994''.

(33) The table of sections at the beginning of subchapter I of chapter 169 is amended by adding a period at the end of the item relating to section 2811.

(b) OTHER SUBTITLES.—Subtitles B, C, and D of title 10, United States Code, are amended as follows:

(1) Sections 3022(a)(1), 5025(a)(1), and 8022(a)(1) are amended by striking out ''Comptroller of the Department of Defense'' and inserting in lieu thereof ''Under Secretary of Defense (Comptroller)''.

(2) Section 6241 is amended by inserting ''or'' at the end of paragraph (2).

(3) Section 6333(a) is amended by striking out the first period after ''section 1405'' in formula C in the table under the column designated ''Column 2''.

(4) The item relating to section 7428 in the table of sections at the beginning of chapter 641 is amended by striking out ''Agreement'' and inserting in lieu thereof ''Agreements''.

(5) The item relating to section 7577 in the table of sections at the beginning of chapter 649 is amended by striking out ''Officers'' and inserting in lieu thereof ''officers''.

(6) The center heading for part IV in the table of chapters at the beginning of subtitle D is amended by inserting a comma after ''SUPPLY''.

SEC. 1105. MISCELLANEOUS AMENDMENTS TO ANNUAL DEFENSE AUTHORIZATION ACTS.

(a) PUBLIC LAW 103–337.—Effective as of October 5, 1994, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) is amended as follows:

(1) Section 322(1) (108 Stat. 2711) is amended by striking out ''SERVICE'' in both sets of quoted matter and inserting in lieu thereof ''SERVICES''.

(2) Section 531(g)(2) (108 Stat. 2758) is amended by inserting ''item relating to section 1034 in the'' after ''The''.

(3) Section 541(c)(1) is amended—

(A) in subparagraph (B), by inserting a comma after ''chief warrant officer''; and

(B) in the matter after subparagraph (C), by striking out ''this''.

(4) Section 721(f)(2) (108 Stat. 2806) is amended by striking out ''revaluated'' and inserting in lieu thereof ''reevaluated''.

(5) Section 722(d)(2) (108 Stat. 2808) is amended by striking out ''National Academy of Science'' and inserting in lieu thereof ''National Academy of Sciences''.

(6) Section 904(d) (108 Stat. 2827) is amended by striking out ''subsection (c)'' the first place it appears and inserting in lieu thereof ''subsection (b)''.

(7) Section 1202 (108 Stat. 2882) is amended—

(A) by striking out ''(title XII of Public Law 103–60'' and inserting in lieu thereof ''(title XII of Public Law 103–160''; and

(B) in paragraph (2), by inserting ''in the first sentence'' before ''and inserting in lieu thereof''.

(8) Section 1312(a)(2) (108 Stat. 2894) is amended by striking out ''adding at the end'' and inserting in lieu thereof ''inserting after the item relating to section 123a''.

(9) Section 2813(c) (108 Stat. 3055) is amended by striking out ''above paragraph (1)'' both places it appears and inserting in lieu thereof ''preceding subparagraph (A)''.

(b) PUBLIC LAW 103–160.—The National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) is amended in section 1603(d) (22 U.S.C. 2751 note)—

(1) in the matter preceding paragraph (1), by striking out the second comma after ''Not later than April 30 of each year'';

(2) in paragraph (4), by striking out ''contributes'' and inserting in lieu thereof ''contribute''; and

(3) in paragraph (5), by striking out ''is'' and inserting in lieu thereof ''are''.

(c) PUBLIC LAW 102–484.—The National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) is amended as follows:

(1) Section 326(a)(5) (106 Stat. 2370; 10 U.S.C. 2301 note) is amended by inserting ''report'' after ''each''.

(2) Section 4403(a) (10 U.S.C. 1293 note) is amended by striking out ''through 1995'' and inserting in lieu thereof ''through fiscal year 1999''.

(d) PUBLIC LAW 102–190.—Section 1097(d) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1490) is amended by striking out ''the Federal Republic of Germany, France'' and inserting in lieu thereof ''France, Germany''.

SEC. 1106. MISCELLANEOUS AMENDMENTS TO FEDERAL ACQUISITION LAWS.

(a) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended as follows:

(1) Section 6(b) (41 U.S.C. 405(b)) is amended by striking out the second comma after ''under subsection (a)'' in the first sentence.

(2) Section 18(a) (41 U.S.C. 416(a)) is amended in paragraph (1)(B) by striking out ''described in subsection (f)'' and inserting in lieu thereof ''described in subsection (b)''.

(3) Section 25(b)(2) (41 U.S.C. 421(b)(2)) is amended by striking out ''Under Secretary of Defense for Acquisition'' and inserting in lieu thereof ''Under Secretary of Defense for Acquisition and Technology''.

(b) OTHER LAWS.—

(1) Section 11(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking out the second comma after ''Community Service''.

(2) Section 908(e) of the Defense Acquisition Improvement Act of 1986 (10 U.S.C. 2326 note) is amended by striking out ''section 2325(g)'' and inserting in lieu thereof ''section 2326(g)''.

(3) Effective as of August 9, 1989, and as if included therein as enacted, Public Law 101–73 is amended in section 501(b)(1)(A) (103 Stat. 393) by striking out ''be,'' and inserting in lieu thereof ''be;'' in the second quoted matter therein.

(4) Section 3732(a) of the Revised Statutes (41 U.S.C. 11(a)) is amended by striking out the second comma after ''quarters''.

(5) Section 2 of the Contract Disputes Act of 1978 (41 U.S.C. 601) is amended in paragraphs (3), (5), (6), and (7), by striking out ''The'' and inserting in lieu thereof ''the''.

(6) Section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) is amended—

(A) in subsection (a), by striking out ''section 1302 of the Act of July 27, 1956, (70 Stat. 694, as amended; 31 U.S.C. 724a)'' and inserting in lieu thereof ''section 1304 of title 31, United States Code''; and

(B) in subsection (c), by striking out ''section 1302 of the Act of July 27, 1956, (70 Stat. 694, as amended; 31 U.S.C. 724a)'' and inserting in lieu thereof ''section 1304 of title 31, United States Code,''.

SEC. 1107. MISCELLANEOUS AMENDMENTS TO OTHER LAWS.

(a) OFFICER PERSONNEL ACT OF 1947.—Section 437 of the Officer Personnel Act of 1947 is repealed.

(b) TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended—

(1) in section 8171—

(A) in subsection (a), by striking out ''903(3)'' and inserting in lieu thereof ''903(a)'';

(B) in subsection (c)(1), by inserting ''section'' before ''39(b)''; and

(C) in subsection (d), by striking out ''(33 U.S.C. 18 and 21, respectively)'' and inserting in lieu thereof ''(33 U.S.C. 918 and 921)'';

(2) in sections 8172 and 8173, by striking out ''(33 U.S.C. 2(2))'' and inserting in lieu thereof ''(33 U.S.C. 902(2))''; and

(3) in section 8339(d)(7), by striking out ''Court of Military Appeals'' and inserting in lieu thereof ''Court of Appeals for the Armed Forces''.

(c) PUBLIC LAW 90–485.—Effective as of August 13, 1968, and as if included therein as originally enacted, section 1(6) of Public Law 90–485 (82 Stat. 753) is amended—

(1) by striking out the close quotation marks after the end of clause (4) of the matter inserted by the amendment made by that section; and

(2) by adding close quotation marks at the end.

(d) TITLE 37, UNITED STATES CODE.—Section 406(b)(1)(E) of title 37, United States Code, is amended by striking out ''of this paragraph''.

(e) BASE CLOSURE ACT.—Section 2910 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) by redesignating the second paragraph (10), as added by section 2(b) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Public Law 103–421; 108 Stat. 4352), as paragraph (11); and

(2) in paragraph (11), as so redesignated, by striking out ''section 501(h)(4)'' and ''11411(h)(4)'' and inserting in lieu thereof ''501(i)(4)'' and ''11411(i)(4)'', respectively.

(f) PUBLIC LAW 103–421.—Section 2(e)(5) of Public Law 103–421 (108 Stat. 4354) is amended—

(1) by striking out ''(A)'' after ''(5)''; and

(2) by striking out ''clause'' in subparagraph (B)(iv) and inserting in lieu thereof ''clauses''.

SEC. 1108. COORDINATION WITH OTHER AMENDMENTS.

For purposes of applying amendments made by provisions of this Act other than provisions of this title, this title shall be treated as having been enacted immediately before the other provisions of this Act.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON TERRORISM, TECHNOLOGY, AND GOVERNMENT INFORMATION

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Technology, and Government Information for the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, September 6, 1995, at 10 a.m. in SH216 to hold a hearing on the Ruby Ridge incident.

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

ADDITIONAL STATEMENTS

THE 8(a) PROGRAM

● Mr. BOND. Mr. President, earlier this summer the Clinton administration released its report on affirmation action. The President's report devotes considerable attention to the Small Business Administration's 8(a) Minority Contracting Program. The report details the 8(a) program's failings and abuses, but in the end the President concludes that the program should be saved in the name of affirmative action.

As the chairman of the Committee on Small Business, I have first hand familiarity with the 8(a) program. It is a program that gives a very valuable government contracting preference to members of certain minority groups without requiring proof of specific discrimination or social disadvantage.

The 8(a) statute requires proof of economic disadvantage. But in practice, even those who have accumulated substantial wealth are still welcomed into this program. An applicant to the 8(a) program is deemed economically disadvantaged if the applicant has a net worth less than $250,000, excluding the value of his or her home and the value of the small business owned by the applicant.

Let's focus for just a minute on what this economic disadvantage test really means. According to data provided to me by the Administrator of the Small Business Administration, 81.6 percent of all small businesses owners in the United States have a net worth under $250,000.

But the 8(a) limit for economic disadvantage doesn't stop at $250,000. Once you are in the program, net worth can grow to $750,000 without jeopardizing participation in the 8(a) program. The SBA Administrator has informed me that 91.6 percent of all small business owners have a net worth below this level. And President Clinton's affirmative action report correctly notes that business owners with excessive wealth even above these levels have managed to avoid detection and wrongfully remain in the 8(a) program.

So let's review where we are on the 8(a) program. We have a program supposedly for small business owners who are socially and economically disadvantaged. But an applicant is eligible for the 8(a) program without an individual showing of specific discrimination. Then, under the economic disadvantage test, over 80 percent of all small business owners in the United States would be small enough to be eligible. And on top of that, an 8(a) participant's wealth can triple in size once in the program and still remain eligible for special government contract preferences.

It doesn't surprise me that participants in the 8(a) program are fighting to save it. It is a good deal for anyone who can get in.

In April 1995, I chaired a hearing before the Committee on Small Business, and we heard a great deal of passionate testimony about the 8(a) program—both in favor of and opposed to the program. One of the witnesses was Josh Smith, founder of Maxima Corp., one of the best known companies to have participated in the 8(a) program. Mr. Smith discussed how the 8(a) program fails to benefit low-income communities and low-income minorities.

Mr. Smith testified that 8(a) companies were not locating in and hiring people from needy neighborhoods and distressed inner cities with large numbers of unemployed members of minority groups. To the contrary, too often 8(a) firms can be found in northern Virginia or suburban Maryland. I think its wrong that the important objective of this program—bringing economic opportunity and jobs to historically disadvantaged areas and small businesses—has been lost.

Today, the 8(a) program builds wealth among a small group of individuals who own small businesses and who gain acceptance into the program. The program makes no effort to encourage hiring of minorities or residents of distressed areas, nor is there any requirement that the 8(a) company assist community redevelopment effort by locating in or performing work in distressed areas. The social disadvantage requirement of the 8(a) program is satisfied merely if the owner, who controls 51 percent of the company, is a member of a prescribed racial or ethnic group.

I believe the 8(a) program as we know it today should be replaced with a race neutral program specifically designed to use Federal contracting expenditures to help attract small businesses and employment to distressed areas with low income and high unemployment. Such areas might be located in the inner city, on an Indian reservation, or in Appalachia.

I suggest we call these areas historically underutilized business zones or

HUBZones. My proposal will allow any small business located in a HUBZone and employing people in the HUBZone to obtain a reasonable and meaningful preference in competing for Federal Government contracts against other businesses not located in a HUBZone.

My proposal begins to return the idea behind the 8(a) program to its roots, when it was targeted to inner city areas after the riots following the assassination of Martin Luther King. In this case, government contract set-asides were used to bring in new businesses to areas trying to recover from the dramatic damage and tension that accompanies a riot, such as those that occurred in 1968.

The HUBZone replacement for today's 8(a) program should not be limited, however, to inner cities. My program creates hope and opportunity for all cities, rural areas, and Native American communities that have not prospered while other more affluent areas of our country have flourished.

For too long, we have overlooked programs to bring jobs and wealth to economically distressed areas of our Nation. We now have an opportunity to take a positive step to provide long overdue help where help is needed in our country. The HUBZone proposal will create a powerful private-public partnership to give opportunity to small businesses who locate in economically distressed areas and to give hope to people who have not had much chance until now to pull themselves up the economic ladder.●

THE NATIONAL SECURITY EDUCATION PROGRAM

● Mr. SIMON. Mr. President, this Defense appropriations bill includes $7.5 million for the National Security Education Program. I want to congratulate my colleagues on the Appropriations Committee for ensuring funding for this important program.

The National Security Education Program has enjoyed bipartisan support. President Bush signed the National Security Education Act, which established the National Security Education Program, in December 1991. The chief Senate sponsor of the bill was Senator David Boren, who is now president of the University of Oklahoma. Senators NUNN and WARNER were cosponsors.

The National Security Education Program was designed to support study abroad by U.S. students. The program emphasizes the study of foreign languages and preparation for possible careers in national security. Funds go to U.S. institutions, undergraduate scholarships, and graduate fellowships.

The program guarantees a return on the Federal investment by requiring that recipients of fellowships and scholarships be obligated to serve in a Federal Government agency or an educational institution in the area of study for which the scholarship or fellowship was awarded.

According to CRS, this is the only major Federal program that supports study abroad by U.S. citizen undergraduate students.

The program operates from interest on a trust fund, based on a one-time 1992 appropriation of $150 million. In fiscal year 1995, the trust fund yielded $15 million.

Pressured to find savings in these tight budget times, the Appropriations Committee voted to cut funding for the program and eliminate the trust fund in the Defense supplemental bill we considered earlier this year. I offered an amendment on the Senate floor that restored funding for the program. The amendment was accepted on a voice vote.

A compromise was reached in conference whereby all 1995 funding was saved but the trust fund was reduced from $150 million to $75 million. This was a fair compromise given that the House also had originally voted to eliminate the program.

I am pleased that for fiscal year 1996, the Appropriations Committee decided to continue funding for the program, even though it is necessarily based on a smaller trust fund which yields less interest than it had previously. This is an effective program that addresses a serious national interest and I commend the committee for its wise action.

Foreign language proficiency is crucial to our national defense and security but there is much that needs to be done. Of the 500,000 American troops the United States sent to the Persian Gulf, only five could translate Iraqi intelligence documents. The United States has the only foreign service in the world you can get into without the knowledge of a foreign language.

Foreign language proficiency and knowledge of other cultures is also important for our economic competitiveness. There is a simple rule of business: ''You can buy in any language, but if you want to sell you have to speak the language of your customer.'' The fact is that four out of five new jobs in the United States are created through foreign trade.

An article that appeared on the front page of the business section of the Sunday Los Angeles Times on August 28, 1994 noted that: ''In a global economy, study and business experience abroad are critical. Yet Americans stay home while 400,000 foreign students come here to learn.''

Last year, the National Security Education Program supported 317 students from 150 U.S. institutions who studied in 48 countries with 34 different languages. The average award was $8,000 per student. Cutting the program would yield very small savings. But the dividends from such programs are very real.

I hope the Senate can maintain support for this program when the bill moves to conference.

I thank my colleagues.●

COMMEMORATION OF THE 50TH ANNIVERSARY OF THE FORMAL SURRENDER OF THE EMPIRE OF JAPAN

Mr. KYL. Mr. President, I rise to offer my thoughts on the occasion of the 50th anniversary of the formal surrender of the Empire of Japan and the end of World War II.

Mr. President, September 2, 1995, marked the day, 50 years ago, that the Empire of Japan signed documents of surrender aboard the U.S.S. *Missouri* in Tokyo Bay, formally ending World War II. It is fitting that America commemorated the anniversary of this most pivotal event in human history—the victory of the free world over three irredeemable regimes in which human evil was institutionalized and directed toward world conquest: Germany's naziism, Italy's fascism, and Japan's militaristic imperialism.

In the 2,194 days of World War II, more than 50 million human beings lost their lives. This horrific total includes nearly 300,000 Americans killed in combat, six million Jews murdered in Europe, and one million Chinese slain in the Japanese rape of Nanking.

Fifty years ago, a vicious war had finally ended, but ancient cities lay in ruins. Mighty armies had been vanquished. Proud cultures had been decimated. But today, one overriding truth has gradually become clear: Though much was lost, far more has since been gained.

In the European theater, World War II saw the indescribable bravery of American teenagers at Normandy and Pointe du Hoc, and the unfathomable butchery of the Third Reich. In the Pacific, the hallowed places of valor, suffering, and self-sacrifice continue to echo down the halls of American history: Bataan, Corregidor, Midway, Iwo Jima, Okinawa.

The vast scope of World War II encompassed the final cavalry charge and the first wartime use of the atomic bomb. It is fitting and proper that, 50 years after the end of this conflict, all Americans quietly reflect upon the meaning of the war, and, in particular, upon the awesome destructive power unleashed by these bombs dropped on Hiroshima and Nagasaki from a U.S. Air Force B–29, killing 200,000. This act of American servicemen, done in our name, does not make them—or us—warmongers. On the contrary, the soldier, sailor, and aviator above all yearn for peace—even while obeying all moral and reasonable orders of civilian leaders—because he or she endures the greatest fear and anguish from war.

Mr. President, our ongoing national debate over the propriety of America's use of these weapons reflects an active national moral conscience. It is an indication that Americans continue to care about what was done by their Government in their name. It signals our appreciation that national choices have moral consequences for which all Americans are responsible. In the case

of Hiroshima and Nagasaki, these consequences continue to reverberate through American and world history.

Fifty years after the fact, it is difficult to recapture the national mood and historical context of August 1945. The temptation of latter-day historians is to narrowly focus on only these two events—as destructive and horrible as Hiroshima and Nagasaki were—apart from the historical context in which they occurred. This is sometimes done with the intent to advance a particular agenda or political point of view. This tendency, known as historical revisionism, was recently seen in the controversy over the *Enola Gay* exhibit at the Smithsonian, and in the debate over changing ''V-J Day'' to ''Victory in the War of the Pacific,'' to avoid offending Japanese sensitivities.

Hiroshima and Nagasaki cannot be accurately assessed in the abstract. These events are directly linked to Okinawa, Iwo Jima, Bataan, and, of course, Pearl Harbor, where the U.S.S. *Arizona* Memorial bears silent witness to the memory of 1,177 American sailors who died on the morning of December 7, 1941. The average age of the 1,102 who, to this day, remain entombed in the Arizona's watery grave, is 18. These teenaged sailors were heroes before they were men.

Some armchair historians, safely ensconced in ivory towers, issue moral condemnations of the very acts of war that saved American lives and, in large measure, preserved their freedom to issue those condemnations. They enjoy the benefits of freedom—particularly, the freedom to dissent—with little appreciation of its costs. They don't adequately appreciate that freedom is not free, but has been purchased with the blood of young Americans whose names they will never know. In re-writing the events that preserved their freedom, and the freedom of much of the world, they engage in more than dubious scholarship; they dishonor the memory of those of whom General MacArthur said, ''they fought and died * * * and left the air singed with their honor.''

A credible historian must endeavor to learn the lessons of history. To learn these lessons, he or she must know the facts on which the lessons are based.

Mr. President, to fairly evaluate Hiroshima and Nagasaki, the historian must strive to see the world as Truman saw it, and to fully embrace the objective facts that he confronted. In this evaluation, all are entitled to their own opinions; none are entitled to their own facts. And facts can be stubborn things. What were the facts on which Truman based his fateful decision to use the atomic bomb?

Truman, as Commander in Chief, was responsible, not only for determining and prosecuting military strategy, but also for the lives of his troops. As a World War I combat veteran, he knew well the brutality of war, and regarded his duty to minimize American casualties to be a sacred moral obligation. One can only imagine the firestorm of criticism if, in 1947, it was revealed that America had a weapon—no matter how destructive or horrible—that just might have saved American lives had it been used. George Elsey, a young naval intelligence officer in constant contact with Truman prior to and at the time the decision was made, believes that ''the answer is impeachment.''

Truman knew well the high cost already paid in taking back the Pacific islands: Guadalcanal, Tarawa, Saipan, Midway. At Iwo Jima—where, in the immortal words of Adm. Chester Nimitz, ''uncommon valor was a common virtue''—more marines were killed than in the entire Korean war.

And then, there was Okinawa, the bloodiest battle of the Pacific War and the last great engagement of World War II. Okinawa demonstrated with brutal clarity how viciously the Japanese would fight to defend their home islands. Nearly 190,000 Army and Marine combat troops and an armada of 1,200 ships—second in size only to the Normandy invasion—began the assault. In less than three months of battle, 12,000 Americans were killed, a total representing nearly 25 percent of all the American deaths from 9 years of war in Vietnam. A 19-year-old soldier wrote of the butchery of Okinawa in his last letter home 2 days before he was killed: ''the fear is not so much of death itself * * * [as it is] the terror and anguish and utter horror in the final moments that precede death in this battle.''

The losses suffered by American ships and sailors at Okinawa remain the greatest in world naval history: 30 ships sunk, 368 damaged, and more than 5,000 sailors killed by kamikaze attacks during a battle fought after it was clear to the world that Japan had lost the war.

Mr. President, using Iwo Jima and Okinawa as a measure, according to a Pentagon briefing received by Truman, a minimum of 250,000 and as many as 600,000 American lives would be lost in an invasion of the home islands, predicted to be fought out for over a year, island by island, beach by beach, cave to cave, and, in the end, hand to hand. Douglas MacArthur and Winston Churchill both estimated that one million allied soldiers would be killed in an invasion of Honshu, Hokkaido, Shikoku, and Kyushu, the Japanese home islands.

The Pentagon predicted 20,000 Americans would die in the first month alone. For Truman, this potential human cost was intolerable. If there was a way—any way—to avoid such bloodshed, it seemed worth taking. Historian David McCollough said the explanation for why Truman used the bomb was one word: ''Okinawa. He wanted to stop the killing.''

I believe this one fact, standing alone, fully justified Truman's decision to use the atom bomb on Japan: Not one American life was lost in an invasion of the heavily fortified home islands of the Empire of Japan.

Additional facts also support Truman's decision. Some revisionists argue that the bomb was unnecessary because Japan was planning to surrender. This is plainly refuted by the facts. Three days after the *Enola Gay* dropped the bomb on Hiroshima, killing 70,000 people and virtually destroying the city, the Chief of Staff of the Japanese Army, Gen. Yoshijiro Umezu, assured the Supreme War Council meeting in Tokyo that his troops could ''turn back the invading American force and get better terms than the unconditional surrender'' demanded by the Allies. On August 9, in a meeting in his bomb shelter, Umezu was interrupted by an officer who announced that a second nuclear weapon had been dropped on Nagasaki. The General's response: ''I can say with confidence that we will be able to destroy the major part of an invading force.''

The Japanese leadership was caught between a realization of the inevitability of defeat and their cultural tradition in which suicide was honorable, and surrender was sacrilege. They did not want a negotiated peace. They chose, instead, to commit national suicide. As the Japanese War Minister, General Anami, said, ''would it not be wondrous for this whole nation to be destroyed like a beautiful flower?''

Emperor Hirohito's war-ending statement confirmed the role the atomic bombs played in ending the war. Hirohito cited the atomic bomb, which Japan was then hurriedly developing, in his taped broadcast to the nation announcing Japan's surrender on August 15, 1945. ''The enemy has begun to employ a most cruel bomb, the power of which to do damage is indeed incalculable. To continue would result in the collapse and obliteration of the Japanese nation.''

So, in assessing whether the atomic bomb was needed to shorten the war and to save the lives of American and Allied soldiers, let us not forget: The surrender of Japan did not occur until 5 days after the second atomic bomb was dropped.

Americans must not glorify in what was done at Hiroshima and Nagasaki, but neither should we apologize for it. It is indeed a paradox of the 20th century that the weapons of war are, at times, necessary to end war, to prevent war, and to advance the cause of peace. But, in view of the war's end and the 50 year peace that has ensued, Pacific war veterans can take pride in just that.

In August 1995, Japan is endowed with political stability and is a thriving nation of human freedom and enterprise. The rubble of war has, phoenix-like, arisen from the ashes as an international center of democracy, culture, and learning. It is a historical aberration that the vanquished of August 1945 arguably benefited more than the victors. World War II freed the Japanese and German people from evil, destructive regimes and re-directed their national potential in ways that have brought their people, and the world,

unquantifiable economic, political, and cultural benefits. Japan, with few natural resources, now produces over 10 percent of the world's goods and services, and has become our friend and ally, our partner in peace and economic enterprise, a source of stability in the bustling Pacific rim, and a major engine of international commerce.

So, as we commemorate the 50 years of peace and stability that began at the end of World War II, let us not forget the ultimate sacrifice made by 300,000 young American soldiers, sailors, and aviators who accomplished the redemption of the Earth.

Surely, these young men and women from Arizona, Iowa, Louisiana, Missouri, and every other State of the Union, realized the risks they ran and the ultimate price that they might pay. But they also knew that, while the price of freedom is high, the price of oppression is far higher. With the courage of this conviction, they willingly offered their lives to defend transcendent principle and to preserve the promise of freedom for fellow human beings born and yet unborn. They fought for neither power nor treasure, and the only foreign land they now revere lies beneath countless crosses and Stars of David where their fallen comrades rest.

America's World War II veterans embody all that is strong, noble and true about this Nation. They and their departed friends—and all others who have protected the United States in peacetime and in war—served as good soldiers and good citizens. Their high standard of allegiance has enriched our national consciousness and has cultivated and sustained a sense of purpose and patriotism in Americans across this great land. In selflessly laying their lives on the line, they helped ensure that, throughout the world, the strong are just, the weak secure, and the peace preserved for generations to come.

Mr. President, in this year of commemoration, I know I share the sentiments of all Americans in saying to World War II veterans and their families: I salute you. Your country thanks you. God bless each of you.●

CENTENARIAN THOMAS STAVALONE

● Mr. D'AMATO. Mr. President, I rise today in honor of a great American, Thomas Stavalone. On September 14 of this year, Thomas Stavalone of Saratoga Ave., Rochester, NY, will be celebrating an event few others have been privileged to achieve; he will be 100 years old.

Born in a suburb of Naples, Italy, in the village of Peturo in 1895, Tom emigrated to America in 1904 at the tender age of 9. Together with his family, he originally settled in the Scio Street area, later relocating to the old 9th Ward section of Rochester, which he still calls home. He attended No. 5 School, where he met the girl he would eventually marry.

On June 30, 1917, Tom married his sweetheart, Immaculate LaMarca. She lived to the age of 90, passing away in 1987, after they had celebrated their 70th wedding anniversary. They had four children, Lawrence, Amelia, Margie and Thomas, Jr., who died in infancy.

As a sports enthusiast during his youth, he preferred to be an active participant rather than an observer. Tom is also an avid outdoorsman, enjoying both hunting and fishing. He would always share his bountiful catch with neighbors and friends.

Tom worked in several Rochester shoe factories over the years, but when he retired in 1962 it was from a position with the Rochester Transit Authority.

Tom's chief activity today is gardening, but he also enjoys playing bocce and watching Yankee games. No matter what the weather, he walks daily to the Stardust Room at Edgerton Park to share in their senior citizen lunches. There he also enjoys the camaraderie of both neighbors and friends.

Tom has witnessed 17 men rise to become the President of our country extending from Teddy Roosevelt to Bill Clinton. During his 100 years, Tom has seen the progress in transportation go from the horse and buggy age to man landing on the Moon; mass communication has evolved from just the printed word to radio, and even computers; entertainment has extended from vaudeville to video. Times have certainly changed and Tom Stavalone has been there to witness these many changes.

His family and friends will honor him with a gala celebration on September 17, 1995, at the Mapledale Party House in Rochester, NY. I want to thank Tom for his many contributions to the betterment of our world and with him a very happy 100th birthday.●

RICHARD TISSIERE

● Mr. BRADLEY. Mr. President, on Friday, September 8, following closely on the heels of our national celebration of the American worker, a prominent labor leader in my State will be honored for his many achievements on behalf of all New Jerseyans and my State's labor movement. Richard Tissiere, the business manager and president of the Laborers' Union Local 472, AFL–CIO, has devoted a lifetime of energy, enthusiasm, and hard work to both the local 472, his community and our country.

Richie Tissiere's commitment to his union, exemplified by his perfect attendance record at union meetings for the entire 43 years of his membership, has contributed to the hard-won achievements of the American work force. Today's American worker enjoys a living wage, company paid health benefits, safe working conditions and a 5-day workweek as a direct result of the fruits of the labor of America's unions. This uniquely American compact between labor and management has rightly been the envy of the world. As the role of unions in today's work force undergoes growing pains, we must remember that we all—rich and poor, management and worker—are in this together. For most of our history as an industrialized nation we have understood this fact. We understood that workers were not interchangeable parts but partners in a quest for productivity and partners in a community. Richie Tissiere understands this compact and has devoted himself to ensuring that America's unique partnership between worker and employer remains a vibrant part of our society.

Richie Tissiere's contributions to New Jersey have been many and they have been varied. I have had the pleasure of working with Richie when he served on my Labor Advisory Board in the State which is only one of the ways that Richie has touched so many of his fellow New Jerseyans. Generations of young soccer players have Richie and area labor unions to thank for supporting their leagues, boys and girls in Newark can tip their hats to Richie for his support of their youth clubs, and thousands of construction, highway, and mass transit workers appreciate the role Richie has played in the booming construction industry in the State.

It is indeed fitting that the Essex-West Hudson Labor Council, AFL–CIO will pay tribute to Richie Tissiere, a fine New Jerseyan and a dedicated union supporter at their annual Labor Day Parade.●

THE VISIT OF COMTE RENE DE CHAMBRUN TO THE LIBRARY OF CONGRESS CELEBRATING MICROFILMING OF LAFAYETTE PAPERS

● Mr. HATFIELD. Mr. President, as Chairman of the Joint Committee on the Library of Congress, I want to bring to the attention of this body an agreement between the Library of Congress and the Comte Rene de Chambrun of France to microfilm the Lafayette papers. In June, the Librarian of Congress, Dr. James Billington, agreed to begin microfilming the collection and make it available to scholars from all over the world by 1996. Rene de Chambrun, the great-great grandson of the Marquis de Lafayette, will be honored this evening, Lafayette's birthday, at a dinner sponsored by Congress and the Library.

Many will remember Rene de Chambrun who, like his ancestor Lafayette, was held in high esteem by his American counterparts during World War II. Through a web of connections in the United States, Chambrun was able to convince President Roosevelt and others to send much needed military equipment to Britain in mid 1940. The assistance, instigated by Chambrun, was no small factor in the Battle of Britain—the first battle

fought for control of the air and a battle which Hitler eventually retreated from.

In 1956, the Count de Chambrun, exploring La Grange, the 15th century chateau he had recently acquired near Paris, discovered a large collection of personal papers of Lafayette. Since its discovery, this collection, which has been carefully preserved and organized, has remained virtually inaccessible to historians and archivists and today remains one of the great scholarly mysteries of the 20th century.

LaFayette played a central role in both the American Revolution and the French Revolution. Agreeing to serve without pay in the American army, Lafayette was present at Valley Forge in the harsh winter of 1777–1778. In France, he worked to make his country a constitutional monarchy and held in his heart a strong desire that France would one day become a pure republic. Throughout his life he championed, sometimes at great personal cost, the ideas of liberty, equality, human rights and national self-determination that today are still cause for inspiration.

Approximately one-quarter of the 18,000 items in the Lafayette collection contain information about the American Revolution and the establishment of the new national government. The collection contains extensive correspondence with leading American political and military leaders. The ''hero to two worlds,'' as Lafayette was called, knew many of America's Founding Fathers well, particularly Presidents Washington, Adams, Jefferson, and Monroe. A preliminary examination of the papers indicates that some of this correspondence may be the only existing records of lost original letters. There is substantial documentation on the American Revolution, including a secret code used by Lafayette and Washington and Lafayette's handwritten accounts of his 1781 campaign in Virginia and of the siege of Yorktown. There are important documents concerning the participation of the French Navy in the war. Also of interest are notes from visits to Monticello after the war where Lafayette and Jefferson discussed the subject of slavery.

In addition, the collection contains original material regarding Lafayette's role in the French Revolution and his imprisonment and exile from 1792–1799. It records his interactions with every major French leader from Louis XVI to Napoleon and his activities during the Napoleonic and post-Napoleonic period. It also contains significant correspondence with leaders of national liberation movements in Poland and South America, including Simon Bolivar. Furthermore, the Lafayette papers reveal his private life—the father, husband and farmer.

Through the process of microfilming, important pieces of the Library's collection are protected from extensive and damaging handling. Microfilmed presidential papers are used quite often—I have found occasion to explore the papers of President Herbert Hoover several times myself. I commend the Library of Congress for its diligent efforts to see that the Lafayette papers are made available to the public where they will join the papers of other prominent founding fathers such as George Washington, Thomas Jefferson, Benjamin Franklin, and James Madison.

As a body, the voluminous Lafayette papers promise to shed new light on American history and our view of Lafayette—one of those rare figures who decisively influenced the affairs of two great nations, the United States and France. It is appropriate that we honor Count de Chambrun today, and through him the Marquis de Lafayette.●

JOURNAL OF THE AMERICAN MEDICAL ASSOCIATION'S ISSUE ON VIOLENCE IN AMERICA

● Mr. SIMON. Mr. President, today, I would like to call my colleagues' attention to an important issue of the Journal of the American Medical Association, which examines violence as a public health issue.

As too many Americans know, violence has become an epidemic in our country. Despite some admirable efforts, the problem has unfortunately not been successfully addressed by congressional action. Given the scope of the problem, it is important for all Americans to focus on this issue and contribute to the solution. I would like to take this opportunity to commend the American Medical Association for taking a leadership role in drawing public attention to this issue.

The June issue of the Journal of the American Medical Association (JAMA) is a prime example of the AMA's commitment. This issue focuses on the recent emphasis in the medical community on addressing violence as a public health issue. Putting violence in this context raises the profile of the issue and, I believe, greatly contributes to creating better solutions.

For example, an editorial entitled ''The Unrelenting Epidemic of Violence in America'' lists grim statistics about the prevalence of violence in our society, and estimates the tremendous social and medical costs to society caused by this violence. The editorial then calls upon physicians to take an active role in working to reduce the magnitude of this problem, and offers advice on ways to proceed:

> Patient centered interventions may include education that emphasizes primary prevention, such as discussing the hazards of firearms and encouraging safe firearm storage practices, appropriately screening for child abuse, domestic violence, and elder abuse, and identifying and initiating proper counseling for harbingers of violence such as alcohol and other substance abuse, behavioral problems, emotional disorders, and inadequate social support.

JAMA also encourages physicians to become antiviolence advocates by participating in community, State, or national public health policy debates on violence, influencing public attitudes in favor of violence prevention initiatives, and supporting legislative and regulatory measures intended to reduce violence, such as those that limit the availability of handguns.

Because the causes of violence are so complex, we sometimes feel overwhelmed before we even begin the work to find solutions. To encourage its members, JAMA relates the story:

> . . . of a stranger walking along a beach at noon on a brilliant sunny day. As the tide has receded, a large number of starfish have been stranded on the hot sands, baked by the noonday sun. They surely will not survive until the next tide returns. An older woman skitters about the beach, gently picking up the starfish and tossing them back into the ocean. As the stranger approaches and notices the tens of thousands of starfish on the miles of sandy beach, he stops to ask the woman, ''How can you possibly make a difference, with the vast number of starfish that are stranded?'' The woman replies, gently picking up a starfish next to her and showing it to the stranger, ''For this starfish, it makes all the difference in the world.''

To further encourage its readers, JAMA then relates the work of John May, a physician with Cermak Health Services in Chicago, who is making an important difference in his community. According to JAMA, Dr. May has received local and national attention for his work to develop patient screening and counseling techniques, study risk factors associated with firearm violence, and promote violence prevention awareness. May has developed a simple mnemonic device involving the word ''guns'' to assess whether someone is at risk for a firearm injury: Is there a gun in your home? Are you around users of alcohol or other drugs? Do you feel a need to protect yourself? Do any of these situations apply to you: Seen or been involved in acts of violence? Sadness? School-aged children at home? Furthermore, May believes that physicians must work to deglamorize the gun, as they have done with cigarettes: Unfortunately, guns and violence are promoted as powerful, sexy, and effective. It's no wonder that young people are drawn to them and, tragically, killed by them.

The June issue of JAMA is not, however, the first example of the AMA's commitment to exploring the issue of violence. In 1994, the AMA joined with the American Bar Association and nearly 100 other groups in presenting the National Conference on Family Violence: Health and Justice. This important conference focused on the disturbingly widespread problem of family violence, and made specific recommendations, such as primary prevention through education, early intervention in at-risk families, and the development of community-coordinated efforts to address this problem.

My colleagues, the Nation's physicians, and all Americans, can learn from the articles in the June issue of JAMA. But more importantly, we can all learn from the AMA's example of

civic responsibility. I applaud their efforts and encourage my colleagues to review the June issue and share it with medical professionals in their communities.●

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 104–19, TREATY DOCUMENT NO. 104–20, AND TREATY DOCUMENT NO. 104–21

Mr. GRASSLEY. Madam President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the following three treaties transmitted to the Senate on September 6, 1995, by the President of the United States: The Investment Treaty with Albania, treaty document No. 104–19; the Treaty with Hungary on Legal Assistance in Criminal Matters, treaty document No. 104–20; and the Treaty with Austria on Legal Assistance in Criminal Matters, document No. 104–21.

I further ask unanimous consent that the treaties be considered as having been read the first time; that they be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's messages be printed in the RECORD.

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

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty Between the Government of the United States of America and the Government of the Republic of Albania Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and Protocol, signed at Washington on January 11, 1995. I transmit also, for the information of the Senate, the report of the Department of State with respect to this Treaty.

The bilateral investment Treaty (BIT) with Albania will protect U.S. investment and assist the Republic of Albania in its efforts to develop its economy by creating conditions more favorable for U.S. private investment and thus strengthen the development of its private sector. The Treaty is fully consistent with U.S. policy toward international and domestic investment. A specific tenet of U.S. policy, reflected in this Treaty, is that U.S. investment abroad and foreign investment in the United States should receive national treatment. Under this Treaty, the Parties also agree to international law standards for expropriation and compensation for expropriation; free transfer of funds related to investments; freedom of investments from performance requirements; fair, equitable, and most-favored-nation treatment; and the investor's or investment's freedom to choose to resolve disputes with the host government through international arbitration.

I recommend that the Senate consider this Treaty as soon as possible, and give its advice and consent to ratification of the Treaty, with Annex and Protocol, at an early date.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 6, 1995.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty Between the Government of the United States of America and the Government of the Republic of Hungary on Mutual Legal Assistance in Criminal Matters, signed at Budapest on December 1, 1994. I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty is one of a series of modern mutual legal assistance treaties that the United States is negotiating in order to counter criminal activities more effectively. The Treaty should be an effective tool to assist in the prosecution of a wide variety of modern criminals, including members of drug cartels, ''white-collar'' criminals, and terrorists. The Treaty is self-executing.

The Treaty provides for a broad range of cooperation in criminal matters. Mutual assistance available under the Treaty includes: (1) taking testimony or statements of persons; (2) providing documents, records, and articles of evidence; (3) serving documents; (4) locating or identifying persons or items; (5) transferring persons in custody for testimony or other purposes; (6) executing requests for searches and seizures; (7) assisting in forfeiture proceedings; and (8) rendering any other form of assistance not prohibited by the laws of the Requested State.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 6, 1995.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty Between the Government of the United States of America and the Government of the Republic of Austria on Mutual Legal Assistance in Criminal Matters, signed at Vienna on February 23, 1995. I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty is one of a series of modern mutual legal assistance treaties being negotiated by the United States in order to counter criminal activity more effectively. The Treaty will enhance our ability to investigate and prosecute a wide variety of offenses, including drug trafficking, violent crimes, and ''white-collar'' crimes. The Treaty is self-executing.

The Treaty provides for a broad range of cooperation in criminal matters. Mutual assistance available under the Treaty includes: (1) taking the testimony or statements of persons; (2) providing documents, records, and articles of evidence; (3) serving documents; (4) locating or identifying persons or items; (5) transferring persons in custody for testimony or other purposes; (6) executing requests for searches and seizures; (7) assisting in forfeiture proceedings; and (8) rendering any other form of assistance not prohibited by the laws of the Requested State.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 6, 1995.*

ORDERS FOR TOMORROW

Mr. GRASSLEY. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:30 a.m. on Thursday, September 7, 1995; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day; that there then be a period for the transaction of morning business, not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak for up to 5 minutes each, with the following exception: Senator MCCAIN, 30 minutes; further, that at the hour of 10:30, the Senate immediately resume consideration of H.R. 4, the welfare reform bill, with the time between 10:30 a.m. and 3:30 p.m. equally divided between the two managers; further, at 3:30 p.m., Senator DASCHLE be recognized for up to 15 minutes, to be followed by Senator DOLE for up to 15 minutes of debate.

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

PROGRAM

Mr. GRASSLEY. Madam President, for the information of all Senators, the Senate will resume consideration of the welfare reform bill at 10:30 a.m. tomorrow. Under a previous order, there will be a rollcall vote on the Daschle amendment No. 2282, as modified, at 4 p.m. tomorrow. The vote on the Daschle amendment will be the first vote of Thursday's session. However, rollcall votes are expected thereafter on other amendments on the welfare reform bill, and a late night session is expected in order to make substantial progress on that bill.

ORDER FOR RECESS

Mr. GRASSLEY. Madam President, I ask unanimous consent that following a statement by the Democratic leader, that the Senate recess as previously ordered.

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

The Senate minority leader.

SENATOR BILL BRADLEY

Mr. DASCHLE. Mr. President, our friend and colleague BILL BRADLEY has said that he has always preferred moving to standing still. When the 104th Congress adjourns around a year from now, the senior Senator from New Jersey will move on to new challenges in his life and career, and we will feel the loss of one of the most principled and thoughtful Members of this body. While Senator BRADLEY has expressed a deep sense of disappointment in the country's current political climate, I know that he will be able to look back on his career in the Senate with a lasting sense of pride in his accomplishments on behalf of the people of New Jersey, and of the Nation.

BILL BRADLEY's work in the Senate has been remarkable for the breadth of its legislative range, and for the depth of its intellectual foundation. Whether addressing the intricacies of tax policy or the broad impact of international trade proposals, his grasp of the subject matter before him is unrivaled. Ask any Senator who has stumbled unprepared into a debate with him. BILL BRADLEY has been a legislative force to be reckoned with, as he will continue to be until his last vote is cast in this Chamber.

Senator BRADLEY is often recognized for his mastery of technically intimidating issues. But I will always remember him more for the passion he can bring to a debate than for his oft-cited professorial prowess. In the last decade, some of the most socially important and emotionally powerful statements on the subject of racial strife in America have been delivered from the heart and soul of Senator BRADLEY.

When Senator BRADLEY takes the floor to speak, or offers a legislative solution to a national problem, he comes armed with formidable arguments and effective insights. When BILL BRADLEY takes up an issue or takes on a cause, he will likely succeed in what he's set out to achieve. This is the result of a rare combination of the competitiveness with which he was clearly born, and the credibility he has earned through a life in public service.

If you are a working-class American, then BILL BRADLEY has served you well. If you are poor or disadvantaged, BILL BRADLEY has made your concerns his cause. Through the din of violence and divisiveness in our society, BILL BRADLEY has been a voice of healing. In the face of monied special interests, BILL BRADLEY has been a fighter for fairness and economic justice. BILL BRADLEY has been a credit to the Senate, to the Nation, and to public service. He has been a powerful advocate for the values that so many of us share, and I look forward to working with him on the vital matters we will face together in the months remaining in his term.

CLAIBORNE PELL: A TRUE PUBLIC SERVANT

Mr. DASCHLE. Madam President, in his commencement address at Syracuse University in 1957, Senator John F. Kennedy called American politics one of this country's ''most neglected, most abused, and most ignored professions.''

''As one who is familiar with the political world,'' Senator Kennedy told the graduates: ''We stand in serious need of the fruits of your education. Bear in mind, as you leave this university and consider the road ahead, not the sneers of the cynics or the fears of the purists.'' Instead, he urged us to bear in mind that politics has been a home as well as a noble career to America's best and brightest.

In the early days of our Republic, there were George Washington, Thomas Jefferson, James Madison, John Adams, John Quincy Adams, and George Mason, to name but a few.

John Kennedy had a way of making you feel good about yourself as well as your country, and he inspired many of us to look for ways to serve our country to preserve its strengths and address its weaknesses. This is one of the reasons so many of us look back on the Kennedy administration with fondness and respect, and with a knowledge that we, as individuals, and we, as a country, are forever indebted to President Kennedy for nurturing that spirit.

We are also indebted to another man who has dedicated his life to that spirit: Senator CLAIBORNE PELL.

Through the years it has been my privilege to work with the senior Senator from Rhode Island, I have only known him to stress the positive, never the negative. He has always looked for the best in us, instead of dwelling upon our faults. Never once have I heard him berate an opponent, or disparage this institution.

He has sought to bring us together instead of divide us. To make the system work better, instead of despairing it.

To Senator PELL, as it was with President KENNEDY, politics is an honorable profession, an enriching experience and meaningful service. The political arena is where ordinary people can accomplish great things. Claiborne PELL understood that.

In announcing his intention to leave the Senate, this gentle and good man remarked:

> I continue to believe that government, and the Federal Government in particular, can and should make a positive impact on the lives of most Americans.

Through his efforts, the Federal Government has made a positive impact.

In his 34 years in the Senate, Senator PELL used the system, with all of its faults and limitations, to make our country a better place to live, a better place to work, and a better place to raise a family. He has taken a leading role in passage of much of the landmark education legislation of the past three decades, including reducing financial barriers to higher education, with the educational grants that bear his name. He has taken a leading role in the creation of the Nation's most important educational and cultural institutions, including the National Endowment for the Arts and the National Endowment for the Humanities.

He has also sought to make not only the country, but also the world, a better place in which to live and work. As a U.S. Senator and chairman of the Senate Foreign Relations Committee, he has worked tirelessly to promote international cooperation through his work on behalf of arms control agreements and international environmental treaties. As Senator MOYNIHAN pointed out yesterday, Senator PELL has ''brought to the Senate floor two of the most important treaties for the control of nuclear weapons in our Nation's history.''

Just this year, he proudly represented the Senate at the 50th anniversary of the United Nations. This was fitting, as Senator PELL was at the United Nation's opening ceremonies 50 years ago, and he has been instrumental in the effort to further the noble goals that inspired the United Nation's creation in the first place.

Mr. President, this is statesmanship at its finest. It is the quest of peace—for international cooperation for the benefit of the United States and the benefit of humankind.

Although Claiborne PELL is leaving the Senate, he has pledged to continue ''to fight for the values and programs'' that he considers vital.

How pleased I was to hear that promise. We will continue to need his spirit, his energy, and his dedication to making the good fight. Therefore, instead of saying goodbye, I will simply thank him for the years he gave to the people of Rhode Island and to the people of this great country.

I urge all of my colleagues in the Senate and in the House, and those in other great political arenas, to be a bit more like Senator PELL, to look for the high roads, not the lowest ones. We should summon America's best to step up onto the political stage, not scare them away from it. That is something Claiborne PELL has done remarkably well for 34 years.

I yield the floor.

RECESS UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 9:30 a.m.

Thereupon, the Senate, at 7:43 p.m., recessed until Thursday, September 7, 1995, at 9:30 a.m.