

I joined over a quarter of the Senate who voted for the Senate welfare reform bill but rejected the changes made in the conference report. I said then that we should not trade in an admittedly imperfect system for one that is certainly not better, and perhaps may prove much worse. The same is true today.

I have been persuaded by the process of debate and projections on the likely impact of this bill on my State that this welfare bill will do far more harm than good. It will cause hardship to State and local governments, throw more than a million more children into poverty and hurt rather than help the Nation's efforts at true welfare reform.

The bill will clearly increase the burden on States and local governments. Poor States will, as always, be particularly hard hit. For example, the bill requires progressively more hours of work, for a greater percent of each State's case load every year, with States losing cumulatively more funding each year they fail to hit their targets. While I am a strong proponent of work requirements as an integral part of welfare reform, I am skeptical of this approach. And I am not alone. The National Governors' Association [NGA] feels it will be very hard to meet these targets, especially because the bill allows few exemptions for those who will have the hardest time finding work. And if a State fails to meet these difficult targets they lose funding for the next year's program. The irony of this penalty is that the punishment assures that the violation will occur again and again, as a State has less and less Federal money each year to try and meet their employment targets. This leaves states with two choices—use state and local funds for education, training, and child care, or throw more people off the roles so it will be easier to hit their percentage targets.

The nonpartisan Congressional Budget Office has said that, over 6 years, this bill falls \$12 billion short of the funding needed to meet the work requirements of this legislation, and about \$2.4 billion short in child care resources. New Mexico is particularly at risk if this bill does not live up to its promise. It is one of the few States in which the welfare caseload is currently increasing, even though the benefits paid are below the national average. Who will be forced to pick up the shortfall? State and local governments will.

Further, last year in New Mexico, 239,000 recipients in 87,000 households relied on food stamps. About \$28 billion in savings realized by this bill will be in food stamps. Such cuts to funding benefits erode the integrity of the safety net. I say again that we are trading in an imperfect system for one that may prove much worse.

Legal immigrants are clearly among those who will be hurt by passage of this bill. I support the immigration bill now in Congress and its effort to make immigrants and their sponsors responsible for immigrants' welfare. But this

bill goes far beyond those provisions. There are over 3,000 aged or disabled legal immigrants receiving SSI benefits in New Mexico who may abruptly be cut off if this bill becomes law, and thousands more immigrants who have no sponsor for any number of reasons who may also lose benefits under this bill.

In the course of this debate, the Senate rejected an amendment that would have permitted States to use funds from their Federal block grant to offer vouchers to maintain basic non-cash benefits such as food, clothing, and shelter for children if their parents' benefits expire after 5 years. The refusal of the Senate to allow States to provide such vouchers will hurt New Mexico, where one third of the children less than 6 years old—almost 50,000—live in families with incomes below the poverty level.

Ours is a great Nation, enjoying low unemployment and real prosperity. Our common goal is to ensure that all Americans willing to work hard have the opportunity to share that prosperity. We all want to eliminate public assistance as a way of life while preserving temporary protections for those truly in need of help. But we must figure out a way to do this without denying the basic needs of innocent children for food, clothing, and shelter, and without driving State and local governments further into debt. •

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 440, S. 1577.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1577) to authorize appropriations for the National Historical Publications and Records Commission for fiscal years 1998, 1999, 2000, and 2001.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent the bill be deemed read a third time, passed, and the motion to reconsider be laid upon the table, and any statements relating to the bill be placed at the appropriate place in the RECORD.

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

The bill (S. 1577) was deemed read the third time and passed, as follows:

S. 1577

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

SECTION 1. AUTHORIZATION OF APPROPRIATIONS FOR THE NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION.

Section 2504(f)(1) of title 44, United States Code, is amended—

(1) in subparagraph (F) by striking out "and" after the semicolon;

(2) in subparagraph (G) by striking out the period and inserting in lieu thereof a semicolon; and

(3) by adding at the end the following new subparagraphs:

"(H) \$10,000,000 for fiscal year 1998;

"(I) \$10,000,000 for fiscal year 1999;

"(J) \$10,000,000 for fiscal year 2000; and

"(K) \$10,000,000 for fiscal year 2001."

EXTENDING MOST-FAVORED-NATION TREATMENT FOR CAMBODIA

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 398, H.R. 1642.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1642) to extend nondiscriminatory treatment (most-favored-nation treatment) to the products of Cambodia, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) despite recent increases in acts of repression by the Cambodian Government and growing government corruption that has contributed to substantial environmental degradation, Cambodia has made some progress towards democratic rule after 20 years of undemocratic regimes and civil war, and is striving to rebuild its market economy;

(2) extension of unconditional most-favored-nation treatment would assist Cambodia in developing its economy based on free market principles and becoming competitive in the global marketplace;

(3) establishing normal commercial relations on a reciprocal basis with Cambodia will promote United States exports to the rapidly growing Southeast Asian region and expand opportunities for United States business and investment in the Cambodian economy; and

(4) expanding bilateral trade relations that includes a commercial agreement may promote further progress by Cambodia on human rights and democratic rule and assist Cambodia in adopting regional and world trading rules and principles.

SEC. 2. EXTENSION OF NONDISCRIMINATORY TREATMENT TO THE PRODUCTS OF CAMBODIA.

(a) HARMONIZED TARIFF SCHEDULE AMENDMENT.—General note 3(b) of the Harmonized Tariff Schedule of the United States is amended by striking "Kampuchea".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the effective date of a notice published in the Federal Register by the United States Trade Representative that a trade agreement obligating reciprocal most-favored-nation treatment between Cambodia and the United States has entered into force.

SEC. 3. REPORT TO CONGRESS.

The President shall submit to the Congress, not later than 18 months after the date

of the enactment of this Act, a report on the trade relations between the United States and Cambodia pursuant to the trade agreement described in section 2(b).

Mr. McCAIN. Mr. President, I am very pleased that the full Senate will soon approve H.R. 1642, a bill to grant MFN to Cambodia. I would like to thank the chairman of the Finance Committee for his help in seeing it through. He promised to do so last October and has been true to his word. My hope now is that the other body will quickly approve the minor alterations in the findings and send the bill to the President for his signature.

Traditionally, we have only restricted trade with Communist countries, and since 1975, only select Communist countries which prevent the free emigration of their people. The only other countries with restricted access to the American market are proven international aggressors and terrorist nations such as Iran and Iraq. Cambodia is no longer Communist and it does not restrict the free emigration of its people. It is certainly not in the category of rogue nations. I think the committee and the Senate has acted appropriately not to impose restrictions on Cambodia more appropriate for other eras and other nations.

Although it did not change the real substance of the bill, the committee did alter the findings. I would not have done so—not because I do not share Senator ROTH's concerns or the other concerns raised in the findings already approved by the other body. I do share concerns about the development of Cambodian democracy, government corruption, an human rights abuses. I encouraged the committee not to amend the bill principally because I thought it should be sent to the President as quickly as possible.

I should point out to my friends in Cambodia that they would do very well to heed the concerns expressed in the findings of this bill and in the accompanying report. They are the same concerns which led to the adoption in the other body of H. Res. 345. Those who pay close attention to Cambodia have been concerned about the direction of Cambodian politics. It is true that the Cambodian people have a freely elected government, freedom of speech and freedom of association. It is also true, however, that each of these democratic institutions has at one time or another come under attack from the coalition government.

The Senate is today approving unconditional most-favored-nation status for Cambodia. It is only fair that it do so. But the Cambodia Government should be under no illusions. Granting MFN to Cambodia should not be interpreted as disinterest in the course of Cambodian democracy. The United States Senate is committed to helping democracy and human rights to flourish in Cambodia. Our efforts will not end with this vote.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the com-

mittee amendment be agreed to, the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be placed at the appropriate place in the RECORD.

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

The committee amendment was agreed to.

The bill (H.R. 1642), as amended, was deemed read the third time and passed.

SMALL BUSINESS INVESTMENT COMPANY IMPROVEMENT ACT OF 1996

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 455, S. 1784.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1784) to amend the Small Business Investment Act of 1958, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Small Business with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Investment Company Improvement Act of 1996".

SEC. 2. DEFINITIONS.

(a) *SMALL BUSINESS CONCERN.*—Section 103(5) of the Small Business Investment Act of 1958 (15 U.S.C. 662(5)) is amended by inserting before the semicolon the following: "; except that, for purposes of this Act, an investment by a venture capital firm, investment company (including a small business investment company) employee welfare benefit plan or pension plan, or trust, foundation, or endowment that is exempt from Federal income taxation—

"(A) shall not cause a business concern to be deemed not independently owned and operated;

"(B) shall be disregarded in determining whether a business concern satisfies size standards established pursuant to section 3(a)(2) of the Small Business Act; and

"(C) shall be disregarded in determining whether a small business concern is a smaller enterprise".

(b) *PRIVATE CAPITAL.*—Section 103(9) of the Small Business Investment Act of 1958 (15 U.S.C. 662(9)) is amended to read as follows:

"(9) the term 'private capital'—

"(A) means the sum of—

"(i) the paid-in capital and paid-in surplus of a corporate licensee, the contributed capital of the partners of a partnership licensee, or the equity investment of the members of a limited liability company licensee; and

"(ii) unfunded binding commitments, from investors that meet criteria established by the Administrator, to contribute capital to the licensee; Provided, That such unfunded commitments may be counted as private capital for purposes of approval by the Administrator of any request for leverage, but leverage shall not be funded based on such commitments; and

"(B) does not include any—

"(i) funds borrowed by a licensee from any source;

"(ii) funds obtained through the issuance of leverage; or

"(iii) funds obtained directly or indirectly from any Federal, State, or local government, or any government agency or instrumentality, except for—

"(I) funds invested by an employee welfare benefit plan or pension plan; and

"(II) any qualified nonprivate funds (if the investors of the qualified nonprivate funds do not control, directly or indirectly, the management, board of directors, general partners, or members of the licensee);";

(c) *NEW DEFINITIONS.*—Section 103 of the Small Business Investment Act of 1958 (15 U.S.C. 662) is amended by striking paragraph (10) and inserting the following:

"(10) the term 'leverage' includes—

"(A) debentures purchased or guaranteed by the Administration;

"(B) participating securities purchased or guaranteed by the Administration; and

"(C) preferred securities outstanding as of October 1, 1995;

"(11) the term 'third party debt' means any indebtedness for borrowed money, other than indebtedness owed to the Administration;

"(12) the term 'smaller enterprise' means any small business concern that, together with its affiliates—

"(A) has—

"(i) a net financial worth of not more than \$6,000,000, as of the date on which assistance is provided under this Act to that business concern; and

"(ii) an average net income for the 2-year period preceding the date on which assistance is provided under this Act to that business concern, of not more than \$2,000,000, after Federal income taxes (excluding any carryover losses); or

"(B) satisfies the standard industrial classification size standards established by the Administration for the industry in which the small business concern is primarily engaged;

"(13) the term 'qualified nonprivate funds' means any—

"(A) funds directly or indirectly invested in any applicant or licensee on or before August 16, 1982, by any Federal agency, other than the Administration, under a provision of law explicitly mandating the inclusion of those funds in the definition of the term 'private capital';

"(B) funds directly or indirectly invested in any applicant or licensee by any Federal agency under a provision of law enacted after September 4, 1992, explicitly mandating the inclusion of those funds in the definition of the term 'private capital'; and

"(C) funds invested in any applicant or licensee by one or more State or local government entities (including any guarantee extended by those entities) in an aggregate amount that does not exceed—

"(i) 33 percent of the private capital of the applicant or licensee, if such funds were committed for investment before the date of enactment of the Small Business Investment Company Improvement Act of 1996; or

"(ii) 20 percent of the private capital of the applicant or licensee, if such funds were committed for investment on or after the date of enactment of the Small Business Investment Company Improvement Act of 1996;

"(14) the terms 'employee welfare benefit plan' and 'pension plan' have the same meanings as in section 3 of the Employee Retirement Income Security Act of 1974, and are intended to include—

"(A) public and private pension or retirement plans subject to such Act; and

"(B) similar plans not covered by such Act that have been established and that are maintained by the Federal Government or any State or political subdivision, or any agency or instrumentality thereof, for the benefit of employees;

"(15) the term 'member' means, with respect to a licensee that is a limited liability company, a holder of an ownership interest or a person otherwise admitted to membership in the limited liability company; and