that have been funded by this Government. We spend $170 million on juvenile crime. We already spend $4 billion on prevention programs through virtually every agency and department of Government.

Look at these things. The Department of Interior: Indian child welfare groups; Department of Housing and Urban Development: The 4–H groups, youth apprenticeships, youth sports programs: Department of Labor: Job training for homeless demonstration projects, summer youth employment training, school to work opportunities, Youth Fair Chance; Department of Transportation: Youth-impaired driving techniques projects; gang resistant education and training in the Department of the Treasury.

So it is just on and on. One of the things Senator THOMPSON talks about a lot is his belief that we have no idea about what works in terms of prevention. He is very frustrated by all of these programs with no real belief in whether or not we know that they work.

So, in consultation with him—and Senator HATCH has agreed—we have added to this bill a substantial sum of money for research to analyze these programs to see which ones work.

We want to prevent crime, and we care about young offenders. But the most crucial thing we are facing today is a situation like that of the young lady who Senator DOMENICI mentioned who was stabbed in the throat by a young violent offender, in which the juvenile justice system did not work. Those offenders are not being properly processed, and when apprehended are not properly punished.

This bill will mandate a series of graduated sanctions. We want to make sure that the first brush of a young offender with the law is his last. I believe we can do that. This bill is a major step forward in that regard.

I appreciate the opportunity, Mr. President, to share these thoughts and ideas with my colleagues.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, what is the regular order?

The PRESIDING OFFICER. The Senator from Massachusetts has an order to speak for up to 15 minutes.

Mr. KERRY. Mr. President, I thank the Chair.

Mr. President, I will not use that full amount of time because other colleagues are waiting.

(The remarks of Mr. KERRY pertaining to the introduction of S. 929 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. KERRY. Mr. President, I yield whatever time remains, and I thank my colleague.

Mr. ALLARD addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. I ask unanimous consent to address the Senate for 7 minutes under morning business, and following that, extend 10 minutes to my colleague from Arizona, Senator KYL, under morning business.

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

ESTATE TAX REFORM

Mr. ALLARD. Mr. President, I rise to make a few comments concerning estate tax reform.

There are a number of things I support in the House tax bill. I am pleased to see cuts in the capital gains tax, and I am pleased to see tax relief for families with children. However, I am very concerned with the proposed adjustment of the estate tax. The estate tax has seen a significant change since 1981, and the current $600,000 exemption has never been adjusted for inflation. If it had been adjusted, it would be worth $840,000 today. The recommended adjustment in the House bill would not even keep pace with inflation and would not ease the substantial economic burden placed on family businesses and farms.

The proposed Senate version is better but still needs improvement. It raises the exemption to $1 million to all estates by 2008 and would exempt an additional $1 million on family farm and business assets.

At the time of a person's death, their farm or business has already been subjected to Federal, State, and local tax. The estate tax is a double tax. The estate tax not only places a burden on assets that have already been taxed but it does not discriminate between cash funds and the nonliquid assets and property that make daily activities possible for a family business or farm. These asset-rich, cash-poor businesses can have their livelihood eliminated in order to pay a tax of up to 55 percent—up to 55 percent—of market value of the property left to them. Ironically, the estate tax raises only 1 percent of the Federal Government's revenue but helps to prevent up to 75 percent of family businesses from being passed to a second generation. This practice threatens the stability of our families and communities while inhibiting growth and economic development.

I strongly support estate tax relief. The current estate and gift tax system poses a great threat to family-owned businesses and farms. I am a cosponsor of legislation to increase unified credit and to index it for inflation. I am also a cosponsor of legislation to eliminate the estate tax entirely.

Repeal of the estate tax would benefit the economy. George Mason University Professor Richard Wagner has stated that the elimination of the estate tax would enhance the output of the country by $79.2 billion—I repeat, by $79.2 billion—and would create up to 228,000 jobs. Unfortunately, under the current system, the energy that could go into greater productivity is expended by selling off businesses, dividing resources and preparing for the absorption of an estate by the Government.

The current system leads to the views of an Arizona citrus farmer who said of his family business, ''Instead of an inheritance, it's an albatross.''

We must insist that no more American families lose their businesses because of the estate tax. We must assure that when a family is coping with all the inevitable transition costs of passing a business from one generation to the next, the Federal Government is not there as an added burden. The working people of the United States deserve better.

Until we accomplish total repeal, I will be working to reduce the burden of this tax. I believe the exemption should be dramatically increased and that the current 17 rates should be reduced to one low, flat rate. The estate tax should then be effectively abolished for family businesses and farms for as long as the assets remain in the family. No family business or farm should ever have to be liquidated just to pay the estate tax.

I look forward to working with the Senate Finance Committee to reform this outdated and punitive tax system.

Mr. President, I yield back the remainder of my time.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. I thank the Chair.

INTELLIGENCE AUTHORIZATION

Mr. KYL. Mr. President, I wish to follow up on some comments that my colleague from Colorado made. First, however, I should like to address a subject briefly which has relevance to one of the bills we will be taking up, if not today, then later this week, and that is the intelligence authorization bill.

This is a bill which should not have a great deal of controversy surrounding it. It provides for the funding of the intelligence agencies of the United States and the substantive policy that governs our intelligence activities, but it is especially relevant and propitious, I think, that we take up that bill this week following the news accounts of the arrest and incarceration of a man whose name is Kanzi, ostensibly from Pakistan, who is the alleged perpetrator of a violent crime against employees of the CIA a few years ago here in the Washington, DC, area.

The reason I bring this up now is to make two points. One, we frequently hear the stories when things go wrong in law enforcement and in particular in operations involving our intelligence agencies. We try to learn from those lessons, but there have been bitter experiences with which we have had to deal. What we do not hear so much about are the many, many successes that go unreported, frequently because they involve law enforcement or intelligence activities that simply cannot