

(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(a) OFFICER PERSONNEL ACT OF 1947.—Section 437 of the Officer Personnel Act of 1947 is repealed.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(c) PUBLIC LAW 90-485.—Effective as of August 13, 1968, and as if included therein as originally enacted, section 1(6) of Public Law 90-485 (82 Stat. 753) is amended—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 it's 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 co-sponsors.

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 nazism, 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