I would like to remind you of what happened last week to my amendment that really would have addressed a central flaw in the bill. All I proposed to do was to require states to lay out the basic rules of their welfare system and assist all poor children who were eligible, unless their families were disqualified under the rules. The amendment made enough sense that the Majority Leader moved to adopt it by voice vote, but the majority staff was so determined to eliminate any hint of a reliable protection for children that we had to come back the next day and strike the provision on virtually a party-line vote.

Unless the heart of this bill is changed, the United States will be the only industrialized nation in the world that will not guarantee basic protection for children from hunger and abject poverty.

We can do much better than this bill. We can repair most of what is wrong with welfare, and over time, much that has gone wrong in our society that perpetuates welfare dependency. Instead of starting with political slogans, we have to start by looking at what really went wrong with welfare, and fixing it.

We should not only protect families from poverty, but lift families into the economic mainstream, by building connections to private-sector employers.

We should not only require teen parents to live at home, but create facilities like 15-Month houses for all those who lack a nurturing family.

We should make clear to mothers on welfare that having an additional child will significantly worsen their life chances, but also reduce the penalties for marriage and savings.

We should give States more responsibility, but also enlist the institutions of civil society—churches, neighborhood organizations, and YMCAs—to accomplish together what neither Government nor the market can accomplish on their own.

This legislation does not abandon the mythical ''welfare state,'' but it does abandon our society's commitment to protect poor children from abject poverty, hunger, abuse, neglect and death. Meanwhile, it does nothing to fix the real problems. I would urge all of my colleagues to think twice before joining the rush to send this deeply flawed bill forward into a process where it will get even worse.•

READY, FIRE, AIM

• Mr. D'AMATO. Mr. President, I rise today in support of the Affordable Housing Tax Credit [the Credit], which is the Federal Government's principal and most successful rental housing program. The Credit Program, however, is under attack and is threatened with termination. As part of budget reconciliation, the Ways and Means Committee has proposed to sunset the Credit at the end of 1997 pending a GAO review of the management of the program. Crafted this way and if accepted by the Senate, the proposal would greatly reduce private equity attracted to affordable housing through 1997, and if terminated after 1997, would halt the development or rehabilitation of affordable rental housing.

In essence, Ways and Means is adopting a ''Ready, Fire, Aim Strategy.'' The committee proposes to eliminate the program before determining there is a problem. No hearings have been held and no study has been conducted. Shoot first and ask question later.

Mr. President, I have written the chairman of the Finance committee, Senator ROTH, urging that the Committee not consider the Ways and Means proposal to sunset the Credit. Oversight of any Federal program is always appropriate, and the Credit should not be exempt. But a mandated sunset before review is just a budget gimmick to pick up revenues in the out years. Congress can always change the program if mismanagement is found, but only after hearings. Termination without review will drastically slow the flow of private capital to projects currently being planned. Action before study is rash. Budgetary needs should not dictate housing policy.

The Credit has enjoyed widespread bi-partisan support. Indeed, the program was originally sponsored by former Senator Mitchell and my colleague from New York, Congressman RANGEL, as part of the Tax Reform Act of 1986, and signed into law by President Reagan. In the Bush administration, Secretary of HUD, Jack Kemp, was the chief advocate of the Credit on behalf of the administration.

Under current law, the Credit is limited to $1.25 per capita per State and administered by the States on behalf of the Federal Government. Eligible affordable housing units are provided a Federal tax credit each year for 10 years, though the units must remain affordable for at least 15 years—many States require 30 or more years of affordability. Investors provide equity to projects in exchange for the credits to facilitate the development of affordable units.

Based on the Nation's population of approximately 260 million, States are able to allocate approximately $325 million of credits from their 1995 per capita volume limitation. Although the credits are utilized each year for 10 years by investors, those investors provide equity upfront during the development process. At today's market pricing, the roughly $325 million of volume cap credits available in 1995 will result in approximately $1.85 billion of private capital invested in affordable rental housing.

This private equity translates into rental housing for families in need of affordable housing. According to the National Council of State Housing Agencies [NCSHA], since 1986 the Credit has assisted in the development of over 700,000 units rental housing. In 1994 alone, according to NCSHA, the Credit produced 114,000 new or rehabilitated units, spurred construction activity leading to 98,000 jobs, $3.1 billion of wages, and $1.5 billion in tax revenues.

According to the New York State Housing Finance Agency and the Division of Housing and Community Renewal, in 1994, over 6,100 units of rental housing were made possible because of the Credit in my home State. The production of these units resulted, directly, in an estimated $520 million of housing investment in the State. Of the 6,100 units, over 4,700 were for low-income families. Also, in 1994, New York participated in a national redistribution of unused credits from the prior year. As a result, $9 million in additional credits were allocated leading to $90 million of new housing production activity and 1,200 units of rental housing. The corresponding benefits to New York State's economy translated to gainful employment and badly needed stimulation of our business community.

This is why I have been contacted by my Governor, George Pataki, his commissioner of housing, Joseph Holland, and his housing finance agency president, Stephen Hunt, to oppose any curtailment of the Credit Program until careful study has determined a need for change. Additionally the City of New York has urged me to stand up to the House Ways and Means Committee's proposal. Without the Credit my State, and its biggest city, would be deprived of its most important rental housing production program.

The Credit was only made permanent in 1993. Prior to that the program would sunset and Congress would have to enact legislation to extend its authority. Since the permanent extension in 1993, the market has been flooded with equity; principally from major corporations otherwise not involved in affordable housing. the value of credits in the marketplace has dramatically increased as these companies compete for scarce credits awarded by States. The Ways and Means action will put a chill on this market driving down the amount of equity available for housing in 1996 and 1997. There is no assurance that the program would be extended after 1997. As a result, private equity available for affordable housing will dramatically drop because of political uncertainty and looming termination. This is unwarranted since no hearings or studies have shown problems with the Credit Program.

As chairman of the Banking Committee, with jurisdiction over housing and HUD, I am keenly aware of the dramatic decline in Federal appropriations for housing programs. Mr. President, I am also very sensitive to the difficulties with HUD managing large Federal spending programs to support affordable rental housing. I have talked at length with Secretary Cisneros about his HUD reinvention blueprint based on less regulation and bureaucracy. Federal spending programs managed by HUD are slow moving and filled with red tape. On the other hand, the Credit is allocated promptly and is not dominated by Byzantine Federal regulations and paperwork. If anything, Congress should and will move beyond the Secretary's blueprint. But we should not terminate a program and slow the flow of capital derived from the Credit, until hearings have determined a need for change.

Mr. President, I urge rejection of the proposed Ways and Means Committee action to sunset the Credit. As a member of the Finance Committee I will work assiduously to protect this important program.●

NATIONAL FUND FOR HEALTH RESEARCH ACT

● Mrs. BOXER. Mr. President, I rise as an original cosponsor of the Hatfield-Harkin bill. I wish to express my strong support for this legislature which provides additional resources for health research over and above those provided to the National Institutes of Health [NIH] in the annual appropriations process.

This legislation would create the National Fund for Health Research Act, financed by a tobacco tax, in the form of 25 cents per pack and an equivalent tax on other tobacco products. As a result of this act, annual revenue in excess of $4 billion would be raised to provide additional funds for medical research, which is an important, but often underfunded part of our health care system.

Investment in medical research yields benefits in countless ways: improvements in preventing disease, better methods of diagnosis and treatment, and breakthroughs that have led to cures and therapies for afflictions ranging from cancer to schizophrenia.

Improvements in public health depend on basic research to find answers to fundamental questions about disease processes. The most widely heralded medical triumphs—such as the discovery of antibiotics, the vaccine for polio, the identification of human immunodeficiency virus—reflect the vast body of fundamental knowledge accumulated through medical research.

In addition, medical research is the first line of prevention defense. Research has produced immunizations, a screening test to prevent the transmission of HIV through blood products and the finding that AZT can reduce by two-thirds the rate of HIV transmission from mother to infant. With rising health care costs, it is in our best interest to fund medical research to further both prevention and treatment of disease.

This legislation raises funds for research while protecting our children. Everyday more than 3,000 children become smokers and more than 1,000 of them will eventually die as a result of smoking. Raising tobacco taxes is a highly effective manner in which to reduce tobacco use by children. A 25 cent tax will discourage an estimated 1.3 million children and adults from smoking.

I urge my colleagues to recognize the importance of medical research to the American people and support the Hatfield-Harkin bill.●

NAFTA

● Mr. LEVIN. Mr. President, during the Senate debate over the North American Free-Trade Agreement I put together a brochure entitled "NAFTA MATH: It Doesn't Add Up." This brochure questioned the job creation claims of NAFTA proponents and showed those job claims to be a distortion of what would really happen under NAFTA.

In the brochure and during the NAFTA debate I pointed out that the job gain claims were based solely on expected increases in exports. These job creation claims totally ignored any potential and expected increase in imports from Mexico—which result in the loss of American jobs.

An op-ed published in Monday's New York Times confirms the worst of my fears. I will ask to have printed in the RECORD a September 11 New York Times op-ed by Bob Herbert which confirms the fact that NAFTA has not resulted in the increase in U.S. jobs promised by its supporters. In fact, it has resulted in the opposite.

Mr. Herbert writes about the findings of a Public Citizen study of U.S. jobs created under NAFTA. Public Citizen looked at the job creation promises of dozens of companies that supported NAFTA. Mr. Herbert writes, "Public Citizen noted that every one of those companies has already 'laid off workers because of NAFTA.'" In addition, "Of the companies surveyed, 89 percent had failed to take any significant step toward fulfilling their promises of job creation or export expansion."

In addition, "There has been no meaningful job creation from NAFTA, which has been in effect for 20 months. But the U.S. Department of Labor, through its NAFTA Trade Adjustment Assistance Program, which was designed to help people thrown out of their jobs by NAFTA, has certified that 38,148 workers lost their jobs by mid-August. An additional 30,000 workers have filed for assistance under the program. It is expected that the true job loss under NAFTA will reach 1 million by the end of the year."

Finally, Mr. Herbert writes that although exports from the United States have increased to Mexico as NAFTA proponents predicted, as I feared, imports to the United States from Mexico increased even faster, especially for high value-added manufactures such as automobiles and other high-technology items.

Unfortunately, some of our fears about the implications of NAFTA were well founded. NAFTA's problems were evident even before the devaluation of the peso which hurt hopes for a growing consumer market in Mexico. With Mexico's current fiscal problems, these trends could well get worse.

I ask that the op-ed by Bob Herbert be printed in the RECORD.

The material follows:

[From the New York Times, Sept. 11, 1995]

NAFTA'S BUBBLE BURSTS

(By Bob Herbert)

Back in 1993, in a typical declaration of faith in the projected glories of the North American Free Trade Agreement, a vice president of the Mattel Corporation named Fermin Cuza assured a Congressional subcommittee that Nafta would result in the creation of new jobs at Mattel and have "a very positive effect" on the 2,000 men and women already employed by Mattel in the United States.

Mr. Cuza's was just one of many promises made during that season of devotion to free trade. The consumer group Public Citizen took a look back at them.

Let's start with Mattel. Not only have no jobs been created, but a check of Federal records by Public Citizen found that 520 workers at Mattel's Fisher-Price facility in Medina, N.Y., have been certified as laid off specifically because of "increased company imports from Mexico" that resulted from Nafta.

Public Citizen's Global Trade Watch unit surveyed the job creation promises of dozens of staunchly pro-Nafta corporations. They included, in addition to Mattel, Allied Signal, General Electric, Procter & Gamble, Scott Paper and Zenith.

In a report released last week, Public Citizen noted that every one of those companies has already "laid off workers because of Nafta."

Of the companies surveyed, 89 percent had failed to take any significant step toward fulfilling their promises of job creation or export expansion.

In November 1993, President Clinton asserted, "If this trade agreement passes—Nafta—we estimate America will add another 200,000 jobs by 1995 alone."

He was mistaken. There has been no meaningful job creation from Nafta, which has been in effect for 20 months. But the U.S. Department of Labor, through its Nafta Trade Adjustment Assistance program, which was designed to help people thrown out of their jobs by Nafta, has certified that 38,148 workers lost their jobs by mid-August. An additional 30,000 workers have filed for assistance under the program, which is not well known and not available to most workers who are at risk. It is expected that the true job loss under Nafta will reach one million by the end of the year.

It is fashionable now for Nafta supporters to blame the end-of-the-year peso crash for problems that were inherent in the trade agreement. During the first year of Nafta, before the big devaluation in December, the value of the peso relative to the dollar had already declined by nearly 15 percent. That wiped out any advantage the U.S. would have realized from Nafta's lower tariffs. The average tariff decline was just 10 percent. In other words, the "market access advantage" that the U.S. was supposed to enjoy had vanished before the peso crash.

Proponents of Nafta are quick to note that U.S. exports to Mexico increased during the first year of Nafta. True. But what they fail to mention is that imports to the U.S. from Mexico increased even faster, with automobiles and other high-technology items increasing twice as fast. We were well on our way to a trade deficit with Mexico (and the big job losses that would entail) before the crash of the peso.

Worse, much of the increase in exports to Mexico came from items that boomerang