

transmit my written approval, authorization, and determination concerning the agreement, and the memorandum of the Director of the United States Arms Control and Disarmament Agency with the Nuclear Proliferation Assessment Statement concerning the agreement. The joint memorandum submitted to me by the Secretary of State and the Secretary of Energy, which includes a summary of the provisions of the agreement and various other attachments, including agency views, is also enclosed.

The proposed agreement with the Argentine Republic has been negotiated in accordance with the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978 (NNPA) and as otherwise amended. In my judgment, the proposed agreement meets all statutory requirements and will advance the non-proliferation and other foreign policy interests of the United States. The agreement provides a comprehensive framework for peaceful nuclear cooperation between the United States and Argentina under appropriate conditions and controls reflecting a strong common commitment to nuclear non-proliferation goals.

The proposed new agreement will replace an existing U.S.-Argentina agreement for peaceful nuclear cooperation that entered into force on July 25, 1969, and by its terms would expire on July 25, 1999. The United States suspended cooperation with Argentina under the 1969 agreement in the late 1970's because Argentina did not satisfy a provision of section 128 of the Atomic Energy Act (added by the NNPA) that required full-scope International Atomic Energy Agency (IAEA) safeguards in nonnuclear weapon states such as Argentina as a condition for continued significant U.S. nuclear exports.

On December 13, 1991, Argentina, together with Brazil, the Argentine-Brazilian Agency for Accounting and Control of Nuclear Materials (ABACC) and the IAEA signed a quadrilateral agreement calling for the application of full-scope IAEA safeguards in Argentina and Brazil. This safeguards agreement was brought into force in March 1994. Resumption of cooperation would be possible under the 1969 U.S.-Argentina agreement for cooperation. However, both the United States and Argentina believe it is preferable to launch a new era of cooperation with a new agreement that reflects, among other things:

- An updating of terms and conditions to take account of intervening changes in the respective domestic legal and regulatory frameworks of the parties in the area of peaceful nuclear cooperation;
- Reciprocity in the application of the terms and conditions of cooperation between the parties; and
- Additional international non-proliferation commitments entered into by the parties since 1969.

Over the past several years Argentina has made a definitive break with

earlier ambivalent nuclear policies and has embraced wholeheartedly a series of important steps demonstrating its firm commitment to the exclusively peaceful uses of nuclear energy. In addition to its full-scope safeguards agreement with the IAEA, Argentina has made the following major non-proliferation commitments:

- It brought the Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (Treaty of Tlatelolco) into force for itself on January 18, 1994;
- It became a full member of the Nuclear Suppliers Group in April 1994; and
- It acceded to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) on February 10, 1995.

Once Argentina's commitment to full-scope IAEA safeguards was clear, and in anticipation of the additional steps subsequently taken by Argentina to adopt responsible policies on nuclear non-proliferation, the United States entered into negotiations with Argentina on a new agreement for peaceful nuclear cooperation and reached an agreement on a text on September 3, 1992. Further steps to conclude the agreement were interrupted, however, by delays (not all of them attributable to Argentina) in bringing the full-scope IAEA safeguards agreement into force, and by steps, recently completed, to resolve issues relating to Argentina's eligibility under section 129 of the U.S. Atomic Energy Act to receive U.S. nuclear exports. As the agreement text initialed with Argentina in 1992 continues to satisfy current U.S. legal and policy requirements, no revision has been necessary.

The proposed new agreement with Argentina permits the transfer of technology, material, equipment (including reactors), and components for nuclear research and nuclear power production. It provides for U.S. consent rights to retransfers, enrichment, and reprocessing as required by U.S. law. It does not permit transfers of any sensitive nuclear technology, restricted data, or sensitive nuclear facilities or major critical components thereof. In the event of termination, key conditions and controls continue with respect to material and equipment subject to the agreement.

From the U.S. perspective the proposed new agreement improves on the 1969 agreement by the addition of a number of important provisions. These include the provisions for full-scope safeguards; perpetuity of safeguards; a ban on "peaceful" nuclear explosives; a right to require the return of exported nuclear items in certain circumstances; a guarantee of adequate physical protection; and a consent right to enrichment of nuclear material subject to the agreement.

I have considered the views and recommendations of the interested agencies in reviewing the proposed agreement and have determined that its performance will promote, and will not

constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and authorized its execution and urge that the Congress give it favorable consideration.

Because this agreement meets all applicable requirements of the Atomic Energy Act, as amended, for agreements for peaceful nuclear cooperation, I am transmitting it to the Congress without exempting it from any requirement contained in section 123 a. of that Act. This transmission shall constitute a submittal for purposes of both sections 123 b. and 123 d. of the Atomic Energy Act. The Administration is prepared to begin immediately the consultations with the Senate Foreign Relations and House International Relations Committees as provided in section 123 b. Upon completion of the 30-day continuous session period provided for in section 123 b., the 60-day continuous session period provided for in section 123 d. shall commence.

WILLIAM J. CLINTON.

THE WHITE HOUSE, March 18, 1996.

#### THE BUDGET FOR FISCAL YEAR 1997—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

##### *To the Congress of the United States:*

The 1997 Budget, which I am transmitting to you with this message, builds on our strong economic record by balancing the budget in seven years while continuing to invest in the American people.

The budget cuts unnecessary and lower priority spending while protecting senior citizens, working families, and children. It reforms welfare to make work pay and provides tax relief to middle-income Americans and small business.

Three years ago, we inherited an economy that was suffering from short- and long-term problems—problems that were created or exacerbated by the economic and budgetary policies of the previous 12 years.

In the short term, economic growth was slow and job creation was weak. The budget deficit, which had first exploded in size in the early 1980s, was rising to unsustainable levels.

Over the longer term, the growth in productivity had slowed since the early 1970s and, as a result, living standards had stagnated or fallen for most Americans. At the same time, the gap between rich and poor had widened.

Over the last three years, we have put in place budgetary and other economic policies that have fundamentally changed the direction of the economy—for the better. We have produced stronger growth, lower interest rates,

stable prices, millions of new jobs, record exports, lower personal and corporate debt burdens, and higher living standards.

Working with the last Congress in 1993, we enacted an economic program that has worked better than even we projected in spurring growth and reducing the deficit. We have cut the deficit nearly in half, from \$290 billion in 1992 to \$164 billion in 1995. As a share of the Gross Domestic Product, we have cut the deficit by more than half in three years, bringing the deficit to its lowest level since 1979.

While cutting overall discretionary spending, we also shifted resources to investments in our future. With wages increasingly linked to skills, we invested wisely in education and training to help Americans acquire the tools they need for the high-wage jobs of tomorrow. We also invested heavily in science and technology, which has been a strong engine of economic growth throughout the Nation's history.

For Americans struggling to raise their children and make ends meet, we have sought to make work pay. We expanded the Earned Income Tax Credit, providing tax relief for 15 million working families. And we have given 37 States the freedom to test ways to move people from welfare to work while protecting children.

As the economy has become increasingly global, prosperity at home depends heavily on opening foreign markets to American goods and services. With this in mind, we secured legislation to implement the General Agreement on Tariffs and Trade and the North American Free Trade Agreement, and we have completed over 80 other trade agreements. Under our leadership, U.S. exports have grown to an all-time high.

With these policies, we have helped pave the way for a future of sustained economic growth, low interest rates, stable prices, and more opportunity for Americans of all incomes. But our work is not done.

Looking ahead, as I said recently in my State of the Union address, we must answer three fundamental questions: First, how do we make the American dream of opportunity for all a reality for all Americans who are willing to work for it? Second, how do we preserve our old and enduring values as we move into the future? And, third, how do we meet these challenges together, as one America?

This budget addresses those questions.

#### CREATING AN AGE OF POSSIBILITY

I am committed to finishing the job that we began in 1993 and finally bringing the budget into balance. In our negotiations with congressional leaders, we have made great progress toward reaching an agreement. We have simply come too far to let this opportunity slip away.

A balanced budget would reduce interest rates for all Americans, including the young families across the land

who are struggling to buy their first homes. It also would free up funds in the private markets with which businesses could invest in factories and equipment, or in training their workers.

But we have to balance the budget the right way—by cutting unnecessary and lower priority spending; investing in the future; protecting senior citizens, working families, children, and other vulnerable Americans; and providing tax relief for middle-income Americans and small businesses.

My budget does that. It strengthens Medicare and Medicaid, on which millions of senior citizens, people with disabilities, and low-income Americans rely. It reforms welfare. It cuts other entitlements. And it cuts deeply into discretionary spending.

But while cutting overall discretionary spending, my budget invests in education and training, the environment, science and technology, law enforcement, and other priorities to help build a brighter future for all Americans. We should spend more on what we need, less on what we don't.

#### PROJECTING AMERICAN LEADERSHIP

Across the globe, we live in a time of great opportunity and great challenge. With the end of the Cold War, the world looks to the United States for leadership. Providing it is clearly in our best interest. We must not turn away.

My budget provides the necessary resources to advance America's strategic interests, carry out our foreign policy, open markets abroad, and support U.S. exports. It also provides the resources to confront the emerging global threats that have replaced the Cold War as major concerns—regional, ethnic, and national conflicts; the proliferation of weapons of mass destruction; international terrorism and crime; narcotics trading; and environmental degradation.

On the diplomatic front, our successes have been numerous and heartening, and they have made the world a safer and more stable place. Through our leadership, we are helping to bring peace to Bosnia and the Middle East, and we have spurred progress in Northern Ireland. We also encouraged the movement toward democracy and free markets in Russia and Central Europe, and we led a successful international effort to defuse the nuclear threat from North Korea.

On the military front, we have deployed our forces where we could be effective and where it was in our interest to promote stability by ending bloodshed (such as in Bosnia) and suffering (such as in Rwanda). We also have used the threat of force to ease tensions, such as to unseat an unwelcome dictatorship in Haiti and to stare down Iraq when it threatened again to move against Kuwait.

This budget provides the funds to sustain and modernize the world's strongest, best-trained, best-equipped, and most ready military force.

Through it, we continue to support service members and their families with quality-of-life improvements in the short term, while planning to acquire the new technologies that will become available at the turn of this decade.

#### CREATING OPPORTUNITY AND ENCOURAGING RESPONSIBILITY

The Federal Government cannot—by itself—solve most of the problems and address most of the challenges that we face as a people. In some cases, it must play a lead role—whether to ensure the guarantee of health care for vulnerable Americans, expand access to education and training, invest in science and technology, protect the environment, or make the tax code fairer. In other cases, it must play more of a partnership role—working with States, localities, non-profit groups, churches and synagogues, families, and individuals to strengthen communities, make work pay, protect public safety, and improve the quality of education.

To restore the American community, the budget invests in national service, through which 25,000 Americans this year are helping to solve problems in communities while earning money for postsecondary education or to repay student loans. We want to create more Empowerment Zones and Enterprise Communities to spur economic development and expand opportunities for the residents of distressed urban and rural areas. We want to expand the Community Development Financial Institutions Fund to provide credit and other services to such communities. With the same goal in mind, we want to transform the Department of Housing and Urban Development into an agency that better addresses local needs. And we want to maintain our relationship with, and the important services we provide to, Native Americans.

In health care, our challenge is to improve the existing and largely successful system, not to end the guarantees of coverage on which millions of vulnerable Americans rely. My budget strengthens Medicare and Medicaid, ensuring their continued vitality. For Medicare, it strengthens the Part A trust fund, provides more choice for seniors and people with disabilities, and makes the program more efficient and responsive to beneficiary needs. For Medicaid, it gives States more flexibility to manage their programs while preserving the guarantee of health coverage for the most vulnerable Americans, retains current nursing home quality standards, and continues to protect the spouses of nursing home residents from impoverishment. My budget proposes reforms to make private health care more accessible and affordable, and premium subsidies to help those who lose their jobs pay for private coverage for up to six months. It also invests more in various public health services, such as the Ryan White program to serve people living

with AIDS, and research and regulatory activities that promote public health.

Because American's welfare system is broken, we have worked hard to fix those parts of it that we could without congressional action. For instance, we have given 37 States the freedom to test ways to move people from welfare to work while protecting children, and we are collecting record amounts of child support. But now, I need the help of Congress. Together, in 1993 we expanded the Earned Income Tax Credit for 15 million working families, rewarding work over welfare. Now, my budget overhauls welfare by setting a time limit on cash benefits and imposing tough work requirements, and I want us to enact bipartisan legislation that requires work, demands responsibility, protects children, and provides adequate resources to get the job done right—with child care and training, giving recipients the tools they need.

More and more, education and training have become the keys to higher living standards. While Americans clearly want States and localities to play the lead role in education, the Federal Government has an important supporting role to play—from funding preschool services that prepare children to learn, to expanding access to college and worker retraining. My budget continues the strong investments that we have made to give Americans the skills they need to get good jobs. Along with my ongoing investments, my budget proposes a Technology Literacy Challenge Fund to bring the benefits of technology into the classroom, a \$1,000 merit scholarship for the top five percent of graduates in every high school, and more Charter Schools to let parents, teachers, and communities create public schools to meet their own children's needs.

As Americans, we can take pride in cleaning up the environment over the last 25 years, with leadership from Presidents of both parties. But our job is not done—not with so many Americans breathing dirty air or drinking unsafe water. My budget continues our efforts to find solutions to our environmental problems without burdening business or imposing unnecessary regulations. We are providing the necessary funds for the Environmental Protection Agency's operating program, for our national parks and forests, for my plan to restore the Florida Everglades, and for my "brownfields" initiative to clean up abandoned, contaminated industrial sites in distressed urban and rural communities. And we are continuing to reinvent the regulatory process by working collaboratively with business, rather than treating it as an adversary.

With science and technology (S&T) so vital to our economic future, our national security, and the well-being of our people, my budget continues our investments in this crucial area. To maintain our investments, I am asking Congress to fulfill my request for basic

research in health sciences at the National Institutes of Health, for basic research and education at the National Science Foundation, for research at other agencies that depend on S&T for their missions, and for cooperative projects with universities and industry, such as the industry partnerships created under the Advanced Technology Program.

To attack crime, the Federal Government must work with States and communities on some problems and lead on others. To help communities, we continue to invest in the Community Oriented Policing Services (COPS) program, which is putting 100,000 more police on the street. We are helping States build more prisons and jail space, better enforce the Brady bill that helps prevent criminals from buying handguns, and better address the problem of youth gangs. At the Federal level, we are leading the fight to stop drugs from entering the country and expand drug treatment efforts, and we are stepping up our efforts to secure the border against illegal immigration while we help to defray State costs for such immigration.

For many families, of course, the first challenge often is just to pay the bills. My budget proposes tax relief for middle-income Americans and small businesses. It provides an income tax credit for each dependent child under 13; a deduction for college tuition and fees; and expanded individual retirement accounts to help families save for future needs and more easily pay for college, buy a first home, pay the bills during times of unemployment, or pay medical or nursing home costs. For small business, it offers more tax benefits to invest, provides estate tax relief, and makes it easier to set up pensions for employees. It also would expand the tax deduction to make health insurance for the self-employed more affordable.

#### MAKING GOVERNMENT WORK

As we pursue these priorities, we will do so with a Government that is leaner, but not meaner, one that works efficiently, manages resources wisely, focuses on results rather than merely spending money, and provides better service to the American people. Through the National Performance Review, led by Vice President GORE, we are making real progress in creating a Government that "works better and costs less."

We have cut the size of the Federal workforce by over 200,000 people, creating the smallest Federal workforce in 30 years, and the smallest as a share of the total workforce since before the New Deal. We are ahead of schedule to cut the workforce by 272,900 positions, as required by the 1994 Federal Workforce Restructuring Act that I signed into law.

Just as important, the Government is working better. Agencies such as the Social Security Administration, the Customs Service, and the Veterans Affairs Department are providing much

better service to their customers. Across the Government, agencies are using information technology to deliver services more efficiently to more people.

We are continuing to reduce the burden of Federal regulation, ensuring that our rules serve a purpose and do not unduly burden businesses or taxpayers. We are eliminating 16,000 pages of regulations across Government, and agencies are improving their rule-making processes.

In addition, we continue to overhaul Federal procurement so that the Government can buy better products at cheaper prices from the private sector. No longer does the Government pay outrageous prices for hammers, ashtrays, and other small items that it can buy cheaper at local stores.

As we look ahead, we plan to work more closely with States and localities, with businesses and individuals, and with Federal workers to focus our efforts on improving services for the American people. Under the Vice President's leadership, agencies are setting higher and higher standards for delivering faster and better service.

#### CONCLUSION

Our agenda is working. We have significantly reduced the deficit, strengthened the economy, invested in our future, and cut the size of Government while making it work better for the American people.

Now, we have an opportunity to build on our success by balancing the budget the right way. It is an opportunity we should not miss.

WILLIAM J. CLINTON.

March 1996.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules, but not before 5 p.m. today.

#### PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. SMITH of Texas. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule: The Committee on Banking and Financial Services, the Committee on Economic and Educational Opportunities, the Committee on Government Reform and Oversight, the Committee on International Relations,