where I did put child abusers behind bars.

Should we not say that the parents ought to make this decision, not us in the Congress? We should put some responsibility back on families, on parents. They have the software available that they can determine what their children are looking at. That is what we should do. Banning indecent material from the Internet is like using a meat cleaver to deal with the problems better addressed with a scalpel.

We should not wait for the courts. Let us get this new unconstitutional law off the books as soon as possible.

My Mr. HATCH (for himself, Mr. BAUCUS, Mr. SIMPSON, and Mr. D'AMATO):

S. 1568. A bill to amend the Internal Revenue Code of 1986 to provide for the extension of certain expiring provisions; to the Committee on Finance.

EXTENSION OF EXPIRED TAX PROVISIONS LEGISLATION

Mr. HATCH. Mr. President, I am pleased today to join with my friends and colleagues, Senator BAUCUS, Senator SIMPSON, and Senator D'AMATO, in introducing legislation that would extend certain expired tax provisions that have been delayed by the recent budget impasse. If no action is taken, the current tax treatment for individuals who accept educational benefits from their employer or donate stock to a charitable foundation will disappear as well as the tax incentives for companies who hire disadvantaged employees and invest heavily in research and development, orphan drug research, and alternative fuel research. These items are noncontroversial and have consistently enjoyed bipartisan support. However, because President Clinton vetoed the balanced budget of 1995, which included these extensions, these much-needed provisions need immediate attention inasmuch as April 15 is quickly approaching. Both individuals and businesses are anxiously awaiting the extension of these expired provisions so they will be able to pay their anticipated tax bill.

Mr. President, this bill would ensure continued opportunity for Americans. The termination of one of these provisions—the employer-provided educational assistance program—would end the hopes of thousands to attend college in order to enhance their job opportunities. This program has been well-established as an alternative way for individuals to meet their long-range educational goals. Without this extension, an estimated 800,000 Americans would be required to pay taxes on the education expenses paid by employers who did not withhold for the 1995 tax year because they counted on Congress to extend this program. Companies have already reported a significant drop in program participation because employees would be unable to pay the anticipated additional taxes. Without this exclusion, education becomes too expensive for many and the future promise embodied by it often slips away.

Not only will educational goals be defeated if these expired provisions are not extended, but programs that contribute to economic growth and long-term job creation will also be eliminated as research incentives dissipate. Many high-technology industries rely on the research and experimentation tax credit to make the development of new products economically feasible. Without this credit, they would be forced to either reduce the amount of their research or relocate to a country with research-friendly tax policies. In the end, the people of the United States would pay the price for our negligence in not extending this tax credit. They would be the ones without the high-technology, high paying jobs. They would be the ones who would suffer from a research deficit. And they would be the ones who had to live in a country with a less than robust economy.

As this extender package focuses on job creation for the high-technology industries, it also creates incentives for businesses to hire high-risk employees through the work opportunities tax credit [WOTC]. This program helps remove individuals from the more costly government assistant programs and provides them with jobs that allow them to both learn and earn.

Mr. President, some of my colleagues will correctly note that this bill includes no offset to pay for the lost revenue of extending these expired tax provisions. However, when these items were introduced as a small portion of the balanced budget of 1995, they were an important part of a complete package that placed this Nation on a path to fiscal responsibility. Thus, in the context of a complete balanced budget deal, the cost of these provisions are offset by the necessary spending cuts. This bill has been carved out of the larger piece of legislation because time constraints require that we must now focus attention on the immediacy of this issue. While all of the tax provisions in the Balanced Budget Act of 1995 are important and need to be addressed in comprehensive legislation, the items singled out in this bill are those that will have a direct impact on tax returns that are due this spring. As the sponsor of the balanced budget amendment, I certainly recognize the need to enact these provisions in a way that will not increase the deficit. And, I remain hopeful that Congress will pass an effective and responsible budget bill, including these and other vital tax provisions, that the President will sign. We look forward to working with Chairman ROTH of the Finance Committee and Senator DOMENICI of the Budget Committee in crafting a revenue neutral package that would include these provisions.

Mr. President, these programs are specifically designed to target individuals and businesses in a way that will produce benefits for the American economy. History has proven that high employment rates, educational opportunities, and intensive research are goals that we can agree on. It is important that we see this bill enacted in a timely matter so that our Nation will feel the effects of this legislation. Individuals and businesses alike have anticipated the renewal of these provisions. Congress has extended them in the past, and should have extended them in the 1995 budget agreement. Failure to do so now could have serious repercussions. I note that similar legislation will be introduced in the House by Representatives NANCY JOHNSON and ROBERT MATSUI. I urge all of my colleagues to support this bill.

I ask unanimous consent that the text of the bill and a summary of its provisions be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1568

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

SECTION 1. WORK OPPORTUNITY TAX CREDIT.

(a) AMOUNT OF CREDIT.—Subsection (a) of section 51 of the Internal Revenue Code of 1986 (relating to amount of credit) is amended by striking ''40 percent'' and inserting ''35 percent''.

(b) MEMBERS OF TARGETED GROUPS.—Subsection (d) of section 51 of the Internal Revenue Code of 1986 is amended to read as follows:

''(d) MEMBERS OF TARGETED GROUPS.—For purposes of this subpart—

''(1) IN GENERAL.—An individual is a member of a targeted group if such individual is—

''(A) a qualified IV–A recipient,

''(B) a qualified veteran,

''(C) a qualified ex-felon,

''(D) a high-risk youth,

''(E) a vocational rehabilitation referral,

''(F) a qualified summer youth employee, or

''(G) a qualified food stamp recipient.

''(2) QUALIFIED IV–A RECIPIENT.—

''(A) IN GENERAL.—The term 'qualified IV–A recipient' means any individual who is certified by the designated local agency as being a member of a family receiving assistance under a IV–A program for at least a 9-month period ending during the 9-month period ending on the hiring date.

''(B) IV–A PROGRAM.—For purposes of this paragraph, the term 'IV–A program' means any program providing assistance under a State plan approved under part A of title IV of the Social Security Act (relating to assistance for needy families with minor children) and any successor of such program.

''(3) QUALIFIED VETERAN.—

''(A) IN GENERAL.—The term 'qualified veteran' means any veteran who is certified by the designated local agency as being—

''(i) a member of a family receiving assistance under a IV–A program (as defined in paragraph (2)(B)) for at least a 9-month period ending during the 12-month period ending on the hiring date, or

''(ii) a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date.

''(B) VETERAN.—For purposes of subparagraph (A), the term 'veteran' means any individual who is certified by the designated local agency as—

''(i)(I) having served on active duty (other than active duty for training) in the Armed

Forces of the United States for a period of more than 180 days, or

''(II) having been discharged or released from active duty in the Armed Forces of the United States for a service-connected disability, and

''(ii) not having any day during the 60-day period ending on the hiring date which was a day of extended active duty in the Armed Forces of the United States.

For purposes of clause (ii), the term 'extended active duty' means a period of more than 90 days during which the individual was on active duty (other than active duty for training).

''(4) QUALIFIED EX-FELON.—The term 'qualified ex-felon' means any individual who is certified by the designated local agency—

''(A) as having been convicted of a felony under any statute of the United States or any State,

''(B) as having a hiring date which is not more than 1 year after the last date on which such individual was so convicted or was released from prison, and

''(C) as being a member of a family which had an income during the 6 months immediately preceding the earlier of the month in which such income determination occurs or the month in which the hiring date occurs, which, on an annual basis, would be 70 percent or less of the Bureau of Labor Statistics lower living standard.

Any determination under subparagraph (C) shall be valid for the 45-day period beginning on the date such determination is made.

''(5) HIGH-RISK YOUTH.—

''(A) IN GENERAL.—The term 'high-risk youth' means any individual who is certified by the designated local agency—

''(i) as having attained age 18 but not age 25 on the hiring date, and

''(ii) as having his principal place of abode within an empowerment zone or enterprise community.

''(B) YOUTH MUST CONTINUE TO RESIDE IN ZONE.—In the case of a high-risk youth, the term 'qualified wages' shall not include wages paid or incurred for services performed while such youth's principal place of abode is outside an empowerment zone or enterprise community.

''(6) VOCATIONAL REHABILITATION REFERRAL.—The term 'vocational rehabilitation referral' means any individual who is certified by the designated local agency as—

''(A) having a physical or mental disability which, for such individual, constitutes or results in a substantial handicap to employment, and

''(B) having been referred to the employer upon completion of (or while receiving) rehabilitative services pursuant to—

''(i) an individualized written rehabilitation plan under a State plan for vocational rehabilitation services approved under the Rehabilitation Act of 1973, or

''(ii) a program of vocational rehabilitation carried out under chapter 31 of title 38, United States Code.

''(7) QUALIFIED SUMMER YOUTH EMPLOYEE.—

''(A) IN GENERAL.—The term 'qualified summer youth employee' means any individual—

''(i) who performs services for the employer between May 1 and September 15,

''(ii) who is certified by the designated local agency as having attained age 16 but not 18 on the hiring date (or if later, on May 1 of the calendar year involved),

''(iii) who has not been an employee of the employer during any period prior to the 90-day period described in subparagraph (B)(i), and

''(iv) who is certified by the designated local agency as—

''(I) having his principal place of abode within an empowerment zone or enterprise community, or

''(II) being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date.

''(B) SPECIAL RULES FOR DETERMINING AMOUNT OF CREDIT.—For purposes of applying this subpart to wages paid or incurred to any qualified summer youth employee—

''(i) subsection (b)(2) shall be applied by substituting 'any 90-day period between May 1 and September 15' for 'the 1-year period beginning with the day the individual begins work for the employer', and

''(ii) subsection (b)(3) shall be applied by substituting '$3,000' for '$6,000'.

The preceding sentence shall not apply to an individual who, with respect to the same employer, is certified as a member of another targeted group after such individual has been a qualified summer youth employee.

''(C) YOUTH MUST CONTINUE TO RESIDE IN ZONE.—Paragraph (5)(B) shall apply for purposes of subparagraph (A)(iv)(I).

''(8) QUALIFIED FOOD STAMP RECIPIENT.—

''(A) IN GENERAL.—The term 'qualified food stamp recipient' means any individual who is certified by the designated local agency—

''(i) as having attained age 18 but not age 25 on the hiring date, and

''(ii) as being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date.

''(9) HIRING DATE.—The term 'hiring date' means the day the individual is hired by the employer.

''(10) DESIGNATED LOCAL AGENCY.—The term 'designated local agency' means a State employment security agency established in accordance with the Act of June 6, 1933, as amended (29 U.S.C. 49–49n).

''(11) SPECIAL RULES FOR CERTIFICATIONS.—

''(A) IN GENERAL.—An individual shall not be treated as a member of a targeted group unless—

''(i) on or before the day on which such individual begins work for the employer, the employer has received a certification from a designated local agency that such individual is a member of a targeted group, or

''(ii)(I) on or before the day the individual is offered employment with the employer, a pre-screening notice is completed by the employer with respect to such individual, and

''(II) not later than the 14th day after the individual begins work for the employer, the employer submits such notice, signed by the employer and the individual under penalties of perjury, to the designated local agency as part of a written request for such a certification from such agency.

For purposes of this paragraph, the term 'pre-screening notice' means a document (in such form as the Secretary shall prescribe) which contains information provided by the individual on the basis of which the employer believes that the individual is a member of a targeted group.

''(B) INCORRECT CERTIFICATIONS.—If—

''(i) an individual has been certified by a designated local agency as a member of a targeted group, and

''(ii) such certification is incorrect because it was based on false information provided by such individual,

the certification shall be revoked and wages paid by the employer after the date on which notice of revocation is received by the employer shall not be treated as qualified wages.

''(C) EXPLANATION OF DENIAL OF REQUEST.—If a designated local agency denies a request for certification of membership in a targeted group, such agency shall provide to the person making such request a written explanation of the reasons for such denial.''

(c) MINIMUM EMPLOYMENT PERIOD.—Paragraph (3) of section 51(i) of the Internal Revenue Code of 1986 (relating to certain individuals ineligible) is amended to read as follows:

''(3) INDIVIDUALS NOT MEETING MINIMUM EMPLOYMENT PERIOD.—No wages shall be taken into account under subsection (a) with respect to any individual unless such individual either—

''(A) is employed by the employer at least 180 days (20 days in the case of a qualified summer youth employee), or

''(B) has completed at least 250 hours (120 hours in the case of a qualified summer youth employee) of services performed for the employer.''

(d) TERMINATION.—Paragraph (4) of section 51(c) of the Internal Revenue Code of 1986 (relating to wages defined) is amended to read as follows:

''(4) TERMINATION.—The term 'wages' shall not include any amount paid or incurred to an individual who begins work for the employer—

''(A) after December 31, 1994, and before January 1, 1996, or

''(B) after December 31, 1997.''

(e) REDESIGNATION OF CREDIT.—

(1) Sections 38(b)(2) and 51(a) of the Internal Revenue Code of 1986 are each amended by striking ''targeted jobs credit'' and inserting ''work opportunity credit''.

(2) The subpart heading for subpart F of part IV of subchapter A of chapter 1 of such Code is amended by striking ''**Targeted Jobs Credit**'' and inserting ''**Work Opportunity Credit**''.

(3) The table of subparts for such part IV is amended by striking ''targeted jobs credit'' and inserting ''work opportunity credit''.

(4) The heading for paragraph (3) of section 1396(c) of such Code is amended by striking ''TARGETED JOBS CREDIT'' and inserting ''WORK OPPORTUNITY CREDIT''.

(f) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 51(c) of the Internal Revenue Code of 1986 is amended by striking '', subsection (d)(8)(D),''.

(2) Paragraph (3) of section 51(i) of such Code is amended by striking ''(d)(12)'' each place it appears and inserting ''(d)(6)''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 1995.

SEC. 2. EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE PROGRAMS.

(a) EXTENSION.—Subsection (d) of section 127 of the Internal Revenue Code of 1986 (relating to educational assistance programs) is amended by striking ''December 31, 1994'' and inserting ''December 31, 1997''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1994.

SEC. 3. RESEARCH CREDIT.

(a) IN GENERAL.—Subsection (h) of section 41 of the Internal Revenue Code of 1986 (relating to credit for research activities) is amended—

(1) by striking ''June 30, 1995'' each place it appears and inserting ''December 31, 1997'', and

(2) by striking ''July 1, 1995'' each place it appears and inserting ''January 1, 1998''.

(b) BASE AMOUNT FOR START-UP COMPANIES.—Clause (i) of section 41(c)(3)(B) of the Internal Revenue Code of 1986 (relating to start-up companies) is amended to read as follows:

''(i) TAXPAYERS TO WHICH SUBPARAGRAPH APPLIES.—The fixed-base percentage shall be determined under this subparagraph if—

''(I) the first taxable year in which a taxpayer had both gross receipts and qualified research expenses begins after December 31, 1983, or

''(II) there are fewer than 3 taxable years beginning after December 31, 1983, and before January 1, 1989, in which the taxpayer had both gross receipts and qualified research expenses.''.

(c) ELECTION OF ALTERNATIVE INCREMENTAL CREDIT.—Subsection (c) of section 41 of the Internal Revenue Code of 1986 is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

''(4) ELECTION OF ALTERNATIVE INCREMENTAL CREDIT.—

''(A) IN GENERAL.—At the election of the taxpayer, the credit determined under subsection (a)(1) shall be equal to the sum of—

''(i) 1.65 percent of so much of the qualified research expenses for the taxable year as exceeds 1 percent of the average described in subsection (c)(1)(B) but does not exceed 1.5 percent of such average,

''(ii) 2.2 percent of so much of such expenses as exceeds 1.5 percent of such average but does not exceed 2 percent of such average, and

''(iii) 2.75 percent of so much of such expenses as exceeds 2 percent of such average.

''(B) ELECTION.—An election under this paragraph may be made only for the first taxable year of the taxpayer beginning after June 30, 1995. Such an election shall apply to the taxable year for which made and all succeeding taxable years unless revoked with the consent of the Secretary.''

(d) INCREASED CREDIT FOR CONTRACT RESEARCH EXPENSES WITH RESPECT TO CERTAIN RESEARCH CONSORTIA.—Paragraph (3) of section 41(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(C) AMOUNTS PAID TO CERTAIN RESEARCH CONSORTIA.—

''(i) IN GENERAL.—Subparagraph (A) shall be applied by substituting '75 percent' for '65 percent' with respect to amounts paid or incurred by the taxpayer to a qualified research consortium for qualified research.

''(ii) QUALIFIED RESEARCH CONSORTIUM.—The term 'qualified research consortium' means any organization described in subsection (e)(6)(B) if—

''(I) at least 15 unrelated taxpayers paid (during the calendar year in which the taxable year of the taxpayer begins) amounts to such organization for qualified research,

''(II) no 3 persons paid during such calendar year more than 50 percent of the total amounts paid during such calendar year for qualified research, and

''(III) no person contributed more than 20 percent of such total amounts.

For purposes of subclause (I), all persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as related taxpayers.''

(e) CONFORMING AMENDMENT.—Subparagraph (D) of section 28(b)(1) of the Internal Revenue Code of 1986 is amended by striking ''June 30, 1995'' and inserting ''December 31, 1997''.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years ending after June 30, 1995.

(2) SUBSECTIONS (c) AND (d).—The amendments made by subsections (c) and (d) shall apply to taxable years beginning after June 30, 1995.

SEC. 4. ORPHAN DRUG TAX CREDIT.

(a) RECATEGORIZED AS A BUSINESS CREDIT.—

(1) IN GENERAL.—Section 28 of the Internal Revenue Code of 1986 (relating to clinical testing expenses for certain drugs for rare diseases or conditions) is transferred to subpart D of part IV of subchapter A of chapter 1 of such Code, inserted after section 45B, and redesignated as section 45C.

(2) CONFORMING AMENDMENT.—Subsection (b) of section 38 of such Code (relating to general business credit) is amended by striking ''plus'' at the end of paragraph (10), by striking the period at the end of paragraph (11) and inserting '', plus'', and by adding at the end the following new paragraph:

''(12) the orphan drug credit determined under section 45C(a).''.

(3) CLERICAL AMENDMENTS.—

(A) The table of sections for subpart B of such part IV is amended by striking the item relating to section 28.

(B) The table of sections for subpart D of such part IV is amended by adding at the end the following new item:

''Sec. 45C. Clinical testing expenses for certain drugs for rare diseases or conditions.''.

(b) CREDIT TERMINATION.—Subsection (e) of section 45C of the Internal Revenue Code of 1986, as redesignated by subsection (a)(1), is amended by striking ''December 31, 1994'' and inserting ''December 31, 1997''.

(c) NO PRE-1995 CARRYBACKS.—Subsection (d) of section 39 of the Internal Revenue Code of 1986 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following new paragraph:

''(7) NO CARRYBACK OF SECTION 45C CREDIT BEFORE 1995.—No portion of the unused business credit for any taxable year which is attributable to the orphan drug credit determined under section 45C may be carried back to a taxable year beginning before January 1, 1995.''.

(d) ADDITIONAL CONFORMING AMENDMENTS.—

(1) Section 45C(a) of the Internal Revenue Code of 1986, as redesignated by subsection (a)(1), is amended by striking ''There shall be allowed as a credit against the tax imposed by this chapter for the taxable year'' and inserting ''For purposes of section 38, the credit determined under this section for the taxable year is''.

(2) Section 45C(d) of such Code, as so redesignated, is amended by striking paragraph (2) and by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4).

(3) Section 29(b)(6)(A) of such Code is amended by striking ''sections 27 and 28'' and inserting ''section 27''.

(4) Section 30(b)(3)(A) of such Code is amended by striking ''sections 27, 28, and 29'' and inserting ''sections 27 and 29''.

(5) Section 53(d)(1)(B) of such Code is amended—

(A) by striking ''or not allowed under section 28 solely by reason of the application of section 28(d)(2)(B),'' in clause (iii), and

(B) by striking ''or not allowed under section 28 solely by reason of the application of section 28(d)(2)(B)'' in clause (iv)(II).

(6) Section 55(c)(2) of such Code is amended by striking ''28(d)(2),''.

(7) Section 280C(b) of such Code is amended—

(A) by striking ''section 28(b)'' in paragraph (1) and inserting ''section 45C(b)'',

(B) by striking ''section 28'' in paragraphs (1) and (2)(A) and inserting ''section 45C(b)'', and

(C) by striking ''subsection (d)(2) thereof'' in paragraphs (1) and (2)(A) and inserting ''section 38(c)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 1994.

SEC. 5. CONTRIBUTIONS OF STOCK TO PRIVATE FOUNDATIONS.

(a) IN GENERAL.—Subparagraph (D) of section 170(e)(5) of the Internal Revenue Code of 1986 (relating to special rule for contributions of stock for which market quotations are readily available) is amended by striking ''December 31, 1994'' and inserting ''December 31, 1997''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 1994.

SEC. 6. EXTENSION OF BINDING CONTRACT DATE FOR BIOMASS AND COAL FACILITIES.

(a) IN GENERAL.—Subparagraph (A) of section 29(g)(1) of the Internal Revenue Code of 1986 (relating to extension of certain facilities) is amended by striking ''January 1, 1997'' and inserting ''January 1, 1999'' and by striking ''January 1, 1996'' and inserting ''July 1, 1997''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 7. EXTENSION OF TRANSITION RULE FOR CERTAIN PUBLICLY TRADED PARTNERSHIPS.

(a) IN GENERAL.—Subparagraph (B) of section 10211(c)(1) of the Revenue Act of 1987 (Public Law 100–203) is amended by striking ''December 31, 1997'' and inserting ''December 31, 1999''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the provisions of section 10211 of the Revenue Act of 1987.

SEC. 8. EXTENSION OF GROUP LEGAL SERVICES.

(a) EXTENSION.—Subsection (e) of section 120 of the Internal Revenue Code of 1986 (relating to amounts received under qualified group legal services plans) is amended by striking ''June 30, 1992'' and inserting ''December 31, 1997''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after June 30, 1992.

PROVISIONS OF THE EXTENDER BILL

All the tax provisions in this legislation are extended until 12/31/97 so that they will be protected through the fundamental tax reform debate that is sure to ensue in this election year.

1. Work Opportunities Tax Credit [WOTC], formerly TJTC:

This program is not as flexible as the original TJTC. However, this bill expands it from the limited version that was included in the Balanced Budget Act of 1995, as follows:

The categories have been expanded to include qualified summer youth who live with families dependent on food stamps and 18–25 year olds who live with families dependent on food stamps.

The hour requirement for the minimum employment period was reduced from the 500 hours included in the Balanced Budget Act of 1995 to 250 hours.

2. Employer-Provided Educational Assistance Program:

This program remains the same as the version included in the Balanced Budget Act, but this legislation does not limit the provision to undergraduate education.

3. Research and Experimentation Tax Credit:

This bill extends the research and experimentation credit as included in the Balanced Budget Act by incorporating an Alternative Increment Research Credit as well as an adjustment for start-up companies (the notch baby issue).

4. Orphan Drug Tax Credit:

This bill extends the research credit for rare diseases and allows the carryforward or carryback of unused credit, as included in the Balanced Budget Act of 1995.

5. Contributions of Stock to Private Foundation:

Extends existing law to December 31, 1997.

6. Extension of Binding Contract Date for the Section 29 Credit:

Extends the placed-in-service date to January 1, 1999, and the binding contract date to July 1, 1997.

7. Publicly Traded Partnerships:

Extends grandfathered PTPs as regular partnerships until December 31, 1997.

8. Group Legal Services:

This bill extends the program included in the Senate version of the Balanced Budget Act of 1995 until December 31, 1997.

• Mr. D'AMATO. Mr. President, I am very pleased to join my distinguished colleagues, Senators HATCH, BAUCUS, and SIMPSON, in introducing legislation to extend certain expiring tax provisions. Over the years, all of the provisions in this bill have received support from most Members of Congress. In the first session of this Congress, I joined Senator HATCH in cosponsoring legislation to extend the tax benefits on a number of these provisions. In addition, on June 29, 1995, I introduced S. 997 to permanently reinstate the tax exclusion for employer-provided group legal services. I am very pleased that that provision has been included in this bill.

Mr. President, this bill is an important and necessary piece of legislation. As such, I urge my colleagues to join us in the effort to extend these important benefits.•

ADDITIONAL COSPONSORS

S. 413

At the request of Mr. DASCHLE, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 413, a bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under such Act, and for other purposes.

S. 673

At the request of Mrs. KASSEBAUM, the names of the Senator from Idaho [Mr. CRAIG] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 673, a bill to establish a youth development grant program, and for other purposes.

S. 837

At the request of Mr. WARNER, the names of the Senator from South Carolina [Mr. THURMOND] and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of S. 837, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison.

S. 1058

At the request of Mr. WELLSTONE, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 1058, a bill to provide a comprehensive program of support for victims of torture.

S. 1095

At the request of Mr. MOYNIHAN, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 1095, a bill to amend the Internal Revenue Code of 1986 to extend permanently the exclusion for educational assistance provided by employers to employees.

S. 1130

At the request of Mr. BROWN, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1130, a bill to provide for the establishment of uniform accounting systems, standards, and reporting systems in the Federal Government, and for other purposes.

S. 1183

At the request of Mr. HATFIELD, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 1183, a bill to amend the Act of March 3, 1931 (known as the Davis-Bacon Act), to revise the standards for coverage under the Act, and for other purposes.

S. 1379

At the request of Mr. THURMOND, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1379, a bill to make technical amendments to the Fair Debt Collection Practices Act, and for other purposes.

S. 1423

At the request of Mr. GREGG, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 1423, a bill to amend the Occupational Safety and Health Act of 1970 to make modifications to certain provisions, and for other purposes.

S. 1497

At the request of Mr. NICKLES, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of S. 1497, a bill to amend the Solid Waste Disposal Act to make certain adjustments in the land disposal program to provide needed flexibility, and for other purposes.

SENATE RESOLUTION 215

At the request of Mr. LAUTENBERG, the names of the Senator from Montana [Mr. BAUCUS], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Ohio [Mr. DEWINE], and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of Senate Resolution 215, a resolution to designate June 19, 1996, as ''National Baseball Day.''

SENATE RESOLUTION 217

At the request of Mrs. KASSEBAUM, the names of the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Rhode Island [Mr. PELL], and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of Senate Resolution 217, a resolution to designate the first Friday in May 1996, as ''American Foreign Service Day'' in recognition of the men and women who have served or are presently serving in the American Foreign Service, and to honor those in the American Foreign Service who have given their lives in the line of duty.

SENATE CONCURRENT RESOLUTION 42—CONCERNING THE EMANCIPATION OF THE IRANIAN BAHA'I COMMUNITY

Mrs. KASSEBAUM (for herself, Mr. DODD, Mr. LIEBERMAN, Mr. MCCAIN, Mr. MACK, Mr. D'AMATO, Mrs. FEINSTEIN, Mr. SARBANES, Mr. SIMON, Mr. GLENN, Mr. COHEN, Mr. SPECTER, Mr. PELL, Mr. COCHRAN, Ms. SNOWE, Mr. LEVIN, Mr. KOHL, Mr. JEFFORDS, Mr. HELMS, Mr. SIMPSON, Mr. KENNEDY, Mr. INOUYE, Mr. STEVENS, Mr. CRAIG, Mr. HOLLINGS, Mr. CHAFEE, and Mr. GRASSLEY) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 42

Whereas in 1982, 1984, 1988, 1990, 1992, and 1994 the Congress, by concurrent resolution, declared that it holds the Government of Iran responsible for upholding the rights of all its nationals, including members of the Baha'i Faith, Iran's largest religious minority;

Whereas the Congress has deplored the Government of Iran's religious persecution of the Baha'i community in such resolutions and in numerous other appeals, and has condemned Iran's execution of more than 200 Baha'is and the imprisonment of thousands of others solely on account of their religious beliefs;

Whereas the Government of Iran continues to deny individual Baha'is access to higher education and government employment and denies recognition and religious rights to the Baha'i community, according to the policy set forth in a confidential Iranian Government document which was revealed by the United Nations Commission on Human Rights in 1993;

Whereas all Baha'i community properties in Iran have been confiscated by the government and Iranian Baha'is are not permitted to elect their leaders, organize as a community, operate religious schools or conduct other religious community activities guaranteed by the Universal Declaration of Human Rights; and

Whereas on February 22, 1993, the United Nations Commission on Human Rights published a formerly confidential Iranian Government document that constitutes a blueprint for the destruction of the Baha'i community and reveals that these repressive actions are the result of a deliberate policy designed and approved by the highest officials of the Government of Iran: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) continues to hold the Government of Iran responsible for upholding the rights of all its nationals, including members of the Baha'i community, in a manner consistent with Iran's obligations under the Universal Declaration of Human Rights and other international agreements guaranteeing the civil and political rights of its citizens;

(2) condemns the repressive anti-Baha'i policies and actions of the Government of Iran, including the denial of legal recognition to the Baha'i community and the basic rights to organize, elect it leaders, educate its youth, and conduct the normal activities of a law-abiding religious community;

(3) expresses concern that individual Baha'is continue to suffer from severely repressive and discriminatory government actions, solely on account of their religion;

(4) urges the Government of Iran to extend to the Baha'i community the rights guaranteed by the Universal Declaration of Human Rights and the international covenants of

human rights, including the freedom of thought, conscience, and religion, and equal protection of the law; and

(5) calls upon the President to continue—

(A) to assert the United States Government's concern regarding Iran's violations of the rights of its citizens, including members of the Baha'i community, along with expressions of its concern regarding the Iranian Government's support for international terrorism and its efforts to acquire weapons of mass destruction;

(B) to emphasize that the United States regards the human rights practices of the Government of Iran, particularly its treatment of the Baha'i community and other religious minorities, as a significant factor in the development of the United States Government's relations with the Government of Iran;

(C) to urge the Government of Iran to emancipate the Baha'i community by granting those rights guaranteed by the Universal Declaration of Human Rights and the international covenants on human rights; and

(D) to encourage other governments to continue to appeal to the Government of Iran, and to cooperate with other governments and international organizations, including the United Nations and its agencies, in efforts to protect the religious rights of the Baha'is and other minorities through joint appeals to the Government of Iran and through other appropriate actions.

● Mrs. KASSEBAUM. Mr. President, today I am submitting a concurrent resolution condemning the persecution of the Baha'i community that has been carried out systematically by the Government of Iran over the past two decades. I am joined in this effort by Senator DODD, Senator LIEBERMAN, Senator MCCAIN, and 23 other cosponsors.

Six times in the past, Congress has passed similar legislation, most recently in 1994. While Iran's repression of Baha'is appears less bloody today than during the 1980's, that persecution nevertheless continues. None of us has forgotten the confidential documents from 1991, drafted and signed by Iran's highest government and clerical authorities, which revealed a deliberate policy to destroy the Baha'is.

We believe it is important that Congress again raise its voice in protest of the Iranian Government's persecution of Baha'is. While American Baha'is reside in every State and are deeply concerned about the fate of more than 300,000 Baha'is in Iran, our legislation is not motivated by constituent pressure. Rather, it rests on broader principles. Ours is a Nation founded in an unwavering belief in the importance of religious freedom, and all Americans—whatever their religious convictions may be—believe strongly that no government should condemn and persecute a people because of their faith.

Yet, this is what the Government of Iran has done to the Baha'is for many years. Iran's constitution does not recognize Baha'is as a religious group but as unprotected infidels whose civil rights can be ignored at will. The Baha'i cannot legally marry or divorce in Iran, nor can they travel freely outside Iran. They cannot inherit property. They are not free to assemble and cannot elect community leaders or maintain their community institutions.

Since 1979, 201 Baha'is have been killed and 15 others have disappeared and are presumed dead. Arbitrary arrests of Baha'is continue. From January 1990 to June 1993, 43 Baha'is were arrested and detained for varying periods of time, and as of January this year 5 Baha'is were being held in prison because of their religious beliefs.

Baha'i cemeteries, holy places, historical sites, administrative centers, and other assets, most of which were seized in 1979, remain confiscated or have been destroyed. Baha'i property rights generally are disregarded, and many homes and businesses have been arbitrarily confiscated. More than 10,000 Baha'is were dismissed from positions in government and education in the early 1980's because of their religious beliefs, and many remain unemployed without benefits or pensions. Baha'i youth are systematically barred from institutions of higher learning.

Perhaps we cannot, from the U.S. Congress, end the terrible oppression of the Baha'is in Iran. But by submitting this concurrent resolution, we can send a clear message to all who will listen: We have not forgotten.●

● Mr. LIEBERMAN. Mr. President, on a number of occasions over the past several years, many of my colleagues and I have condemned the government of Iran for its repressive policies and actions toward its Baha'i community. Today, I join with Senator KASSEBAUM, Senator DODD, Senator MCCAIN, and others in submitting another concurrent resolution calling on Iran to change its repressive anti-Baha'i policies and to protect the rights of all its people including minorities such as the Baha'is.

Since the Senate passed its first concurrent resolution on the Iranian Baha'is in 1982, we have seen some improvement in the situation. Persecution of individual Baha'is seems to be less severe than in past years. Expressions of international outrage and the application of diplomatic pressure have had some effect, even on the isolated and close-minded regime in Iran.

But the progress we have seen is not enough. It is not enough to say that the government is not persecuting these people as much as they used to. It is not enough to say that only a few Baha'is are being held in Iran's prisons because of their religious beliefs. It is not enough to say that the Government of Iran is willing, in the words of a 1991 policy document, to ''permit them a modest livelihood.'' It is not enough that the Government of Iran is willing to allow Baha'is to ''be enrolled in schools.'' It is not enough when all of these rights are dependent on citizens NOT identifying themselves as Baha'is.

The real thrust of Iranian policy is seen in the provisions of the 1991 policy document that say Baha'is ''must be expelled from universities * * * once it becomes known that they are Baha'is'' or that the Government will ''deny them employment if they identify themselves as Baha'is.'' A policy which calls for a plan to ''be devised to confront and destroy their cultural roots outside the country'' and to ''deny them any position of influence, such as in the educational sector, etc'' is a policy of repression and denial of fundamental human rights. Such a policy violates the obligations of sovereign states to uphold the Universal Declaration of Human Rights and other international agreements guaranteeing the civil and political rights of citizens. Such a policy must change if Iran is ever to rejoin the community of nations.

Our action today in passing this resolution is consistent with the actions of the U.S. Government and responsible international bodies for many years. The Reagan and Bush administrations worked to gain international support for the Baha'i community. President Clinton has cited ''the abusive treatment of the Baha'i in Iran'' as a critical human rights concern and his administration has remained attentive to the fate of this community. The State Department has worked diligently to secure passage of U.N. resolutions condemning Iran for its persecution of the Baha'is and to raise the issue at all relevant international fora. The U.N. General Assembly has adopted numerous resolutions condemning Iran's human rights abuses with specific reference to the Baha'is. The German Bundestag and the European Parliament have also adopted resolutions condemning Iran's treatment of its Baha'i community.

And so we come before the Senate once again with a concurrent resolution which will keep this critical issue in the public eye and will maintain international pressure on Iran to change its ways. The American people understand very well that if the rights of all members of a society are not protected, then the rights of no one in the society are secure. We do not expect Iran to become a Jeffersonian democracy. But we and the entire world community have a right to expect and to demand that it not persecute any of its peoples solely for their religious preferences. How can a society consider itself to be just and based on the law of God when it persecutes in a broad and systematic fashion 300,000 of its citizens who constitute the largest religious minority in Iran? Iran must end its hypocrisy and extend to the Baha'i community the rights guaranteed by the Universal Declaration of Human Rights and international covenants on human rights.

I urge my colleagues to support this concurrent resolution and our continuing effort to bring about change in Iran.●

● MR. MCCAIN. Mr. President, it is an honor once again to join my colleagues, Senators KASSEBAUM, DODD, and LIEBERMAN in submitting the seventh concurrent resolution since 1982 condemning the abuses endured by the Baha'i faithful in Iran. It is, however, an honor which I would prefer to be relieved of by an Iranian Government

that respects the rights of religious minorities.

There has been some limited progress since 1982, but the situation for the Baha'is remains far from tolerable. Since 1979, 201 Baha'is have been killed and thousands have been jailed. Tens of thousands have been dismissed from jobs and denied the means to provide for themselves and their families. Baha'is, severely persecuted in life, are not even afforded peace in death. Fifteen thousand graves in the Baha'i cemetery in Tehran were recently desecrated as a result of an excavation to make way for a city cultural project.

The scope of this persecution would seem ample proof of systematic persecution. But if there were any doubt in the international community that the suffering of the Baha'is is a result of deliberate government policy, the United Nations dispelled it in 1993 by publishing a secret Iranian Government document. The secret code of oppression which came to light that year outlined Iran's design for the destruction of the Baha'i faith.

It ordered the expulsion of known Baha'is from universities. A common strategy of tyrannies—this process has succeeded in depriving higher education to an entire generation.

The document emphasizes that Baha'is should be punished for false allegations of ''political espionage.''

It calls for a multifaceted effort to stop the growth of the Baha'i religion.

And most frighteningly, it urges the destruction of the Baha'is ''cultural roots outside their country.''

The Baha'is suffer oppression not because they pose a threat to the power of the Iranian Government or the order of Iranian society, but because they refuse to recant their religious beliefs and accept the Islam of the mullahs.

There is perhaps no nation in the world with which we have as many differences as we do with Iran. Its quest for weapons of mass destruction and its support for international subversion pose direct threats to its neighbors, U.S. interests, and the interests of our allies.

If Iran is ever to enjoy normal relations with the free world, it must demonstrate a commitment to abide by the basic rules of relations among civilized nations. This must be made clear to Iran. But we must also communicate to the Government of Iran that Americans and, indeed, all the ever expanding free world, consider religious tolerance to be a minimal requirement for entry into the community of nations. A Baha'i, no less than any other human being, is entitled to the right to life, liberty, and the pursuit of happiness.

For Baha'is, as for many people, happiness is pursued through religious devotion. If the theocracy that rules Iran cannot accept that enduring truth, it has no right to consider itself a worthy member of the civilized world.●

ADDITIONAL STATEMENTS

THE FARM BILL

● Mr. FRIST. Mr. President, I would like to offer a few quick remarks regarding the Senate's recent passage of a comprehensive farm bill, especially how it relates to the Nation's dairy industry, from the dairy farmer, to the processor, to the consumer.

Mr. President, beginning in 1995, American fluid milk processors initiated what is essentially a self-funded program which aims to counteract a slow decline in the consumption levels of fluid milk. Strangely enough, fluid milk consumption in the United States has been declining over the past several years, due mainly to a misconception that milk is not good for you. The program's intent is simple: To change those misconceptions and thus increase the consumption of fluid milk. Thus far the program has been very successful.

This trial program exists under the authority of the Fluid Milk Processor Promotion Act of 1990, which is set to expire at the end of 1996. Later this month, processors will vote on whether to continue the program, which they are expected to do, but they will need the underlying authority to do so. Fortunately, Senator LUGAR's amendment included just such authority by removing the sunset date in the original legislation. I commend Senator LUGAR for his inclusion of the extended authority for the program.

Mr. President, promotion is the one area where milk processors and dairy farmers are working closely together and are in full agreement as to its benefits. This program, along with promotion efforts funded by dairy farmers, works to increase milk sales and help the entire dairy industry.●

THE RISING TIDE MUST LIFT MORE BOATS

● Mr. DASCHLE. Mr. President, yesterday our distinguished colleague Senator KENNEDY delivered to the Center for National Policy an important address challenging us to confront a number of issues critical to our economy and our society. I commend the address, ''The Rising Tide Must Lift More Boats,'' to the attention of Senators and the public, and ask that it be printed in the RECORD.

ADDRESS OF SENATOR EDWARD M. KENNEDY, FEBRUARY 8, 1996

I'm grateful to your president, Mo Steinbruner, for that generous introduction, and I also want to acknowledge your Chairman, my former outstanding colleague in Congress, Mike Barnes. I'm honored to address the Center for National Policy. The Center has made impressive and innovative contributions to the national debate. It truly is a national policy center. I hope to speak with you today in that spirit—about the future of the American economy, the clear and present threat to the American standard of life, and a strategy for a prosperity that lifts not only the numbers and statistics, but the wages and hopes of hardworking people.

By most indicators, the economy is doing very well. The stock market is hitting record highs. Inflation has been low and consistently so. Unemployment is down. And after years of slow growth, productivity is finally on the rise.

But those appearances are deceiving. The prosperity is less than it seems—because it is uneven, uncertain, and inequitable. All is not well in the American economic house, because all is not well in the homes of too many American workers and their families.

Americans are working more and earning less. Their standard of living is stagnant or sinking. They have been forced deeper into debt and they have less to spend. They worry—about losing their jobs, losing their health insurance, affording their children's education, caring for their parents in old age, and somehow still saving for some semblance of security in their own retirement.

President Kennedy said that a rising tide lifts all boats. And for the golden decades after World War II, that was true. But today's rising tide is lifting only some of the boats—primarily the yachts.

The vast majority of economic gains are being channeled to the wealthy few, while the working men and women who are the strength and soul of this country and its economy are being shortchanged.

From World War II until 1973, national economic growth benefited the vast majority of Americans. We were all growing together; but now we are growing apart—and the result is a tip-of-the-iceberg economy. Since 1973, the lower 60 percent of American wage earners—three fifths of our entire workforce—have actually lost ground. Real family income has fallen for 60 percent of all Americans, even as the income of the wealthiest 5 percent increased by nearly a third, and income for the top 1 percent almost doubled. As we approach the 21st century, we confront an economically unjustified, socially dangerous, historically unprecedented, and morally unacceptable income gap between the wealthy and the rest of our people.

Twenty years ago, the typical CEO of a large corporation earned 40 times the salary of the average worker. Today that CEO earns 190 times more. Can this be called fair? Can this be the basis of a good or even a stable society?

Productivity gains used to guarantee wage gains. But not anymore. In 1994 and 1995, productivity rose by 3 percent. Yet wages fell by more than 2 percent—the biggest drop in eight years. So the average worker did more, and yet the income gap grew worse.

Flat or falling wages are compounded by the ever present specter of layoffs. Once, corporations reduced their workforces only when they were in trouble. But now profitable companies are laying off good workers, at a time of increasing sales, in an endless quest for ever fatter profits and ever higher stock prices.

The recent merger between Chase Manhattan Bank and Chemical Bank earned rave reviews on Wall Street—but brought anguish and loss to so many homes. Stock prices soared, but 12,000 jobs will be lost. Can this be called fair? Can this be the basis of a good or even a stable society?

And as economic insecurity multiplies, other values suffer. Community and family feel the pressure. Parents work longer hours or take second jobs, and every extra hour on the job is taking from their children—time not spent at Little League, or PTA, or simply reading a bedtime story.

Every loss of health insurance; every cut in support for child care, schools, colleges, and job training makes it harder for families to earn a better future. There are those, even in my own party, who see a separation between economics and values—a theoretical