Mr. HEFLIN. Mr. President, I am proud to cosponsor the legislation Senator GRASSLEY is introducing today to reauthorize the State Justice Institute for another 4 years.

I was the original sponsor of the State Justice Institute Act when Congress first passed the act in 1984, and when it reauthorized SJI in 1988 and 1992.

The State Justice Institute has proven to be a uniquely valuable component of the Nation's justice system. Among all the agencies in the Federal Government, SJI is the only organization dedicated to helping the State courts of our Nation. Mr. President, those counts handle well over 95 percent of all the criminal prosecutions and civil litigation brought in this country.

No one State can provide the funds for innovation that SJI can, and no State has the ability, the money, or, in fact, the reason to share its good ideas with every other State. That's the role SJI plays, and it has worked very well with the very modest appropriations Congress has provided over the years.

Congress has entrusted the decision about what innovations merit SJI support to a board of directors composed—by statute—of State supreme court justices, appellate and trial judges, court administrators, and members of the public, all of whom who are keenly aware of the real problems in our courts and dedicated to assuring that SJI target its funds at the courts' most serious problems nationwide.

In this era of Federal fiscal responsibility and restored political balance between Federal and State governments, this small, economical institute that is governed largely by State officials may be an excellent working model for any Federal grant program that serves important national purposes.

At a time when every segment of American society is demanding a more effective justice system, Congress must keep alive the only Federal entity that is dedicated to helping the State courts of this country manage an overwhelming torrent of cases with greater effectiveness, efficiency, and justice.

I am pleased to join Senator GRASSLEY in sponsoring this important legislation.

By Mr. WELLSTONE:

S. 1722. A bill to amend the Fair Labor Standards Act of 1938 and the National Labor Relations Act, to strengthen minimum wage and striker replacement, and to ensure quality job training, education, health care, and pension security for workers, and for other purposes; to the Committee on Labor and Human Resources.

THE WORKING FAMILIES ECONOMIC SECURITY ACT OF 1996

Mr. WELLSTONE. Mr. President, I rise today to introduce the Working Families Economic Security Act of 1996. This legislation is an effort to bring together in one comprehensive bill a number of items that have been on my legislative agenda for working families over the years, along with a number of new ideas, and to move forward on them in this Congress. It does not address every issue vital to the economic prosperity of American families; it does not pretend to. It is simply one more way of ensuring that bread-and-butter economic issues, which are so important to people in my State and throughout the country, are brought back front-and-center to the attention of this Congress, which has so far all but ignored them. Passing this omnibus legislation would be a good step toward protecting the working people who are the backbone of our economic, political and social system. This bill contributes significantly to efforts within the Democratic caucus in the Senate on improving the paycheck security, health security, and retirement security of all Americans.

The very real and historic changes that have rocked the American economy have helped some Americans, but have done great harm to many others. While some of the statistics that we use to measure the performance of the economy and to gauge the standard of living seem to show that the U.S. economy is doing well, the reality for many is that good-paying jobs are being lost in the face of unprecedented downsizing by many firms. Many of the new jobs that are being created pay lower wages; corporate executives' salaries are rising, while workers' salaries are declining; the health insurance system is inadequate to the tasks of the modern workplace. There is deep apprehension and concern about the future.

Let me give just one recent example from Minnesota. I visited during the recess with members of the Cusick family in Duluth about their economic worries. A life-long resident of Duluth, Ken Cusick will graduate this Spring from the University of Minnesota-Duluth. He has three kids and a wife who works, and yet they struggle every day. They worry about having money to pay for groceries, day care costs for their kids, and rising education costs.

Their lives reflect a broader reality in our country. Underneath the numbers which reflect record highs in the stock market, low unemployment, and slow growth in the economy, a time bomb is ticking for American families. Many workers are in fact being left behind, with only dim hope for a brighter future. They are working more and earning less. And even though some Clinton administration economic advisers have begun to highlight certain positive economic news, including in a report last week that challenges certain assumptions about lay-offs and jobs in the economy, I agree with Labor Secretary Reich: it is still true that for many, especially low and moderate income working people, the economic recovery is spotty, partial, and has failed to increase their real take-home pay.

Many working families today are afraid. Workers fear losing their jobs, having no money for retraining, losing their pensions and health care, not being able to take care of aging parents, and paying for their kids' college. And they are angry that their wages are stagnant while corporate executives—even those who may be failing in their jobs—reap windfall salaries for downsizing their firms, and putting good people out of work.

Twenty years ago the typical CEO of a large company earned 30 or 40 times the salary of an average worker. Today that CEO earns almost 200 times more. A recent survey of American CEOs reported in the New York Times indicates that CEO compensation last year rose at the fastest rate since the mid-1980's, skyrocketing by 31 percent in 1995 alone. This increase was double the rise in 1994, and triple the one in 1993. This illustrates a larger societal trend that is spinning out of control: the vast majority of the economic gains in today's economy are going to the very wealthy few, while working men and women are being short-changed.

For example, from WWII until the 1970's, American workers were responsible for an almost 90 percent increase in productivity. In return, their real wages increased by over 95 percent. But from 1973 to 1982, workers got only half as much of an increase in real wages as they gave in new productivity. And from 1982 through 1994, they got only a third as much.

This legislation addresses a number of basic economic concerns of the average American. It includes an increase in the minimum wage; a means to directly address government subsidization of growing wage disparities, protections for striking workers, a streamlining and expansion of job retraining, and modest health care portability reforms. It embodies a number of initiatives that I've worked on over the years, as well as some new ideas that I think must be part of an economic program to provide real economic security for America's families. I know this Congress won't act on all these initiatives, but I hope we will act on some this year. Those which remain may have to wait for a new Congress to be elected, controlled by a Democratic Party which considers the interests of working Americans priority one.

MINIMUM WAGE

This provision would raise the Federal minimum wage from the current $4.25 to $5.15 by 1997. But unlike some other approaches, it proposes to index the minimum wage to prevent its erosion by inflation or by long periods of Congressional inaction to the point where it is no longer possible for minimum wage workers to lift themselves or their families out of poverty. This measure provides for modest but overdue increases and, most important, begins to narrow the gap between the minimum wage and a living wage. I am

pleased that we are now moving forward on the minimum wage, and I intend to push it forward with Senator KENNEDY and others until it's enacted. So far, we've been blocked from even getting a clean, up-or-down vote on raising the minimum wage, but that can't be blocked forever. Sooner or later, democracy must rule, and we will get a vote.

It is unacceptable that today an American who works full-time, year round at the minimum wage—even with the expanded earned income tax credit—does not earn enough to bring a family of three above the poverty line. At $4.25 an hour, a person working 40 hours a week at the minimum wage earns just $170 a week—before taxes and Social Security are deducted.

The current Federal poverty line for a family of four is about $15,500. Even with the tax credits available to them under current law, and food stamps, a family with one worker at the minimum wage would end up about $900 below the poverty line. But at $5.15 an hour, this same family would—when you factor in the earned income tax credit and a food stamp benefit—be lifted above officially defined poverty levels. This 90-cent increase would literally lift them above the line. For people like 26-year-old Mike Kochevar, a single dad living in Hibbing while he attends the Hibbing Community College, raising the minimum wage even modestly would be a big help. He works two jobs, and is struggling to make it.

What would such an increase mean for these workers, in practical terms, in their daily lives? It would mean an extra $1,800 or so in their pocket, for one thing. And that means more than 7 months of groceries, or rent and mortgage payments for a few months, or a full year of health care costs, or a season of heating bills in my State.

I know that minimum wage opponents will make the same dire predictions of job loss and damage to the economy that have been made every time the minimum wage has been increased since 1938. But the textbook economic theory that increases in the minimum wage result in large job losses has never had solid empirical support. Recent studies by leading economists who examined the results of the most recent increases in both State and Federal minimum wages have concluded otherwise. I was sent to Washington to be on the side of hard-working Minnesotans who are struggling to make ends meet. That's why I am pushing this so hard, and why I intend to push it until it's enacted into law.

INCOME EQUITY

As I have already noted, in recent years there has been a growing wage gap between senior corporate executives and their employees. What is more remarkable is that the Federal Government helps to subsidize this disparity by allowing corporations to deduct these fantastic salaries. Current law prevents employer deductions for employee salaries over a million dollars, with an exception for performance-based pay. I believe it is unfair for employers to deduct the first million dollars of the huge and growing salaries of corporate executives, while the real wages of workers are declining. This provision is a modest proposal; it is meant to ensure that the United States is not subsidizing gross wage disparities through the Tax Code, by barring employers from writing off that portion of salaries above the ratio set in the bill. Specifically, it would prohibit employers from deducting employee compensation—salaries, wages and bonuses—that are more than 25 times higher than the salary of their lowest paid worker.

PROTECTIONS FOR STRIKING WORKERS

This legislation is needed to protect American workers who go out on strike. There are two central principles of American labor law: workers have a right to organize without being retaliated against for exercising that right. And they have a right to negotiate wages, benefits and other items through collective bargaining. Since the 1980's, these rights have been seriously jeopardized, with the use of permanent replacements for striking workers increasing dramatically. Employers often use the permanent replacement of striking workers—or threat of their use—to undermine collective bargaining agreements, and bring in new employees. Mergers and acquisitions, leveraged buyouts, and the rise of a new breed of employers focused solely on short-term profits has created a new climate for labor-management relations, in which workers are considered by some to be expendable, and negotiated agreements subject to arbitrary and one-sided suspension.

Under current law, while employers may not fire employees for engaging in a legal economic strike, they may permanently replace striking workers; a distinction only a lawyer could love. This provision would bar the hiring of permanent replacements for striking workers. Recent strikes where employers have hired permanent replacements for striking workers, or have threatened to, underscore the urgent need for this change. Without it, the right to strike is nothing more than a right to be fired. A related provision would require the timely mediation or arbitration of initial contract negotiation disputes, to prevent employers from refusing to negotiate first contracts with a duly-elected bargaining unit.

Under my legislation, employers would be compelled to negotiate in good faith with a new bargaining unit. This measure would provide that, if within 60 days of bargaining unit certification a first contract is not agreed to, the parties would enter into negotiations with the help of a mediator. If within 30 days the mediator could not bring the two sides to agreement, the contract would go to binding arbitration.

Those provisions of this bill that I've outlined go a long way toward protecting people in their current jobs, and bolstering their wages. But we must also address the concerns American workers have about their futures.

LIFELONG LEARNING

We in Congress have a responsibility to help American workers plan and improve their futures. To prepare our work force for future jobs. And to provide some security while people are in transition between jobs. One of the most important forms of help that we can provide American working people is relevant, effective job training delivered in the most efficient way possible for jobs that really exist, and that pay a decent wage.

Lifelong learning has never been more critical, and we must do all we can to give people access to the resources they need to retool their skills. For too long, the Federal job training system has been too cumbersome, with duplicative programs that have not always been effective. And so this legislation includes provisions to streamline and consolidate these programs, and expand job training opportunities for workers. Carol Turner, director of older worker retraining for the Duluth Workforce Center, confirmed for me the other day that in her city, this kind of coordination, coupled with expanded local control, is critical to getting people off welfare and increasing their standard of living.

It would streamline the job training process for all Americans, including welfare recipients, by consolidating existing programs, and establishing state and local work force development boards to coordinate programs within each State. It would encourage States to develop one-stop delivery systems for employment services; my State has been one of the leaders in this field. It provides continued funding for summer jobs and other special training programs that have been so successful. And it imposes a cap on the amount of job training funds that can be used by States for economic development activities, to make sure that Federal funds are in fact being used for retraining. The bill retains Job Corps as a national program, with strict national oversight standards, a zero-tolerance drug policy, and other key reforms.

HEALTH INSURANCE REFORM

One of the most alarming developments for workers has been the growing fear of losing their health insurance. In order to help workers plan for their futures, this legislation will make it easier for individuals and employers to buy and keep health insurance—even when a family member or employee becomes ill. And it will allow people to change jobs without fear of losing their health coverage. For folks like the Edgett family of Duluth, who lost their coverage when they decided to start their own small business, these kinds of efforts to make health care more affordable and more portable would be a big help. And the same goes for millions of other Americans.

Despite past State and Federal reform efforts, the lack of portability of health insurance remains a serious concern for many Americans, particularly those with preexisting health conditions. The General Accounting Office estimates that as many as 25 million Americans could benefit from this legislation.

This legislation builds upon and strengthens the current private insurance market by guaranteeing that private health insurance coverage will be available, renewable, and portable; by limiting preexisting condition exclusions; and by increasing the purchasing clout of individuals and small employers through incentives to form private, voluntary coalitions to negotiate with providers and health plans. It also provides for parity between mental health and other health care benefits; its adoption would be an historic step forward in our treatment of those with mental health problems in this country.

Enactment of the bill would help millions of workers who lose their employer-based coverage and are then turned away by other insurers. It also would make it easier for workers to change jobs or start their own businesses without fear of losing their health insurance. It would accomplish this by prohibiting employers from denying coverage of a preexisting medical condition to an applicant for more than 1 year. After that year, no preexisting condition limits could be imposed on anyone who maintains coverage, even if the person changes jobs or insurance plans. In addition, individuals switching from a group plan to an individual plan could not be denied coverage as long as they maintained continuous coverage. Finally, health plans would not be allowed to drop enrollees who pay their premiums, even if they become chronically ill.

The bill also includes provisions to protect retirees, their spouses and dependents from abrupt termination—or substantial reduction—of certain health care benefits. It would require courts to order employers to provide benefits while benefit disputes are litigated, impose upon employers the burden of proof when health care contracts are silent or ambiguous about changes, and require advance warning by employers of their intent to modify retiree benefit packages.

While this is by no means comprehensive reform, it is a good first step. Even people with good health insurance coverage cannot count on protection if they lose or change jobs, especially if someone in their family has a preexisting condition. Our current health care system allows insurers to collect premiums for years and then suddenly refuse to renew coverage if individuals or employees get sick. It also allows insurers to routinely deny coverage to different types of businesses from auto dealers to restaurants.

Many States, including Minnesota, have already enacted standards for insurance carriers, but because ERISA preemption prevents States from regulating self-funded health plans, only Federal standards can apply to all health plans. More and more employers in Minnesota have been choosing to offer self-funded plans to employees. Such plans now enroll about 1.5 million people, up from 890,000 in 1992, and about 50 percent of all privately insured residents. Current estimates also show that more than 400,000 Minnesotans—including 91,000 children—are uninsured.

While I am committed to fighting for comprehensive reforms that would include everyone and enable working families to afford health care coverage as good as Members of Congress have, I recognize that this may not happen this year. At the very least, we should act on reforms that would address some of the most egregious inequities in our current system, as well as those that would allow States to expand access and contain costs.

PENSION REFORM

It is clear that this country needs strong, enforceable pension protections. The President has made some recent proposals to strengthen pension security, which we should consider seriously in the coming months. But the new Republican majority is moving in the other direction. They have passed so-called reforms, vetoed once, that would again make it easy for companies to raid ''over-funded'' pension plans. At a minimum we must preserve protections in current law that prohibit companies from raiding the pension plans of their employees. As we have all seen, overfunded plans can quickly become underfunded with a change in interest rates, or changes in the stock markets. For example, if interest rates decline by 2 percent—as they did between November 1994 and December 1995—a plan's funding level can drop from 125 percent to around 90 percent within a matter of weeks.

During the 1980's, when pension assets grew with a rising stock market, companies took over $20 billion from over 2,000 pension plans covering 2.5 million workers and retirees. In many cases, these companies took the funds from overfunded plans while allowing significant underfunding in other plans. In 1990, this practice was stopped virtually dead in its tracks by changes in law which made such raids prohibitively expensive by imposing a 50-percent excise tax on companies that did it. Republican proposals to weaken these and related pension rules could allow companies to draw another $15 billion or more out of these plans, potentially effecting another 4 million workers and retirees in 6,000 plans over the next 5 years. Similar efforts to dip into workers' pension plans have been a major problem for workers in my State, including those who worked for many years at Reserve Mining Co.

There is a real problem with the low rate of private savings in this country, including for retirement. Comprehensive pension, Social Security, and other retirement security reforms are difficult issues to address adequately. Even so, it is critical that we do so, especially since there are many proposals, some quite radical in their scope, now floating around to do things like privatize the Social Security System and create so-called super-IRA's, allowing people to invest all or part of their Social Security funds in the stock markets, instead of in Government securities—where they would be more secure but perhaps offer slightly lower overall returns.

As the baby boomer generation moves toward retirement, these retirement security issues, along with questions about savings rates, portability of pensions, 401(k) plan use, and related matters could become more urgent. To look at the long-term implications of these and other proposed changes to our retirement security policies, I am today calling for the establishment of a bipartisan commission to make recommendations to Congress on how best to reform our retirement security programs in a way that would have the most beneficial impact on the largest number of people, similar to a bill that was introduced recently on the House side.

CORPORATE ACCOUNTABILITY

The rash of lay-offs, corporate restructurings, and other economic dislocations that have rocked the American economy pose serious problems for American workers, their families, and communities, and have contributed to the widening income gaps in our society. For years, we have seen a growing trend toward an almost exclusive focus on the bottom line in many corporations, with firms caught in a web of leveraged buy-outs, mega-mergers, swiftly changing markets, and other forces. While we are all committed to a free economy, we cannot sustain a prosperity that permits us to be divided between the wealthy few and the worried many.

Corporations must keep in mind the interests of all of their stakeholders in making economic decisions, and not just stockholders. Workers, communities, State governments which provide economic incentives, suppliers and contractors, and a host of other stakeholders should all be considered as firms make economic decisions.

This bill attempts to create incentives for firms to engage in more responsible, forward-looking, stakeholder-driven decisionmaking. It outlines a proposed set of corporate responsibility principles that businesses would have to observe as a condition to qualify for certain preferential treatment in Federal contracting. These principles include, among others, providing a safe and healthy workplace; ensuring fair employment, including avoiding discrimination in hiring; observing environmental protections; promoting good business practices; maintaining a corporate culture that

respects free expression; and encouraging similar behavior by partners, suppliers and subcontractors. This proposal would require that, in its procurement process, the Federal Government give a preference to contractors that adopt and enforce this corporate code of conduct; it would also provide for periodic reviews to ensure compliance with the code.

I believe we must encourage responsible citizenship by firms doing business with the Government, and this provision moves us in that direction. I am skeptical of providing additional tax subsidies as some have proposed, and I think this alternative approach deserves consideration. I know that there are a host of other approaches, such as those that have caught fire in my State and elsewhere, which require that a living wage—not just a minimum wage—be paid by companies that receive government benefits. I want to pursue this and other similar ideas which are bubbling up from the grassroots, because I think they too are interesting ways to prompt firms to act more responsibly, and to combat the growing layoffs that have so shaken our economy.

FAIR TRADE UNDER NAFTA

Many Americans today are concerned about losing good jobs in this country when U.S. employers seek cheaper labor abroad. I did not support the North American Free-Trade Agreement. I believed then, and do now, that this particular agreement is not in the best interests of the workers of Mexico, Canada, or the United States. I believe we have an obligation to guarantee that workers and environmental interests are not compromised. And so I have included a title in my omnibus legislation that is an effort to strengthen NAFTA and at the same time protect the interests of all workers.

The legislation I am proposing would direct the President to renegotiate portions of the North American Free-Trade Agreement to address the negative effects of the agreement's implementation since January 1994. The renegotiation would seek to achieve the original promises of NAFTA: to improve the standard of living and quality of life for United States citizens, as well as those of Mexico and Canada. A positive, fair NAFTA would open markets in a way that promotes a high-wage, high-skill strategy of growth for the whole continent, promotes environmental and consumer protection, and contributes to real development and democracy.

Instead, available evidence indicates NAFTA has failed and has contributed to a substantial U.S. trade deficit, loss of jobs, suppression of wages, and to downward pressure on environmental and health standards and conditions.

I am not opposed to free trade. I am in favor of fair trade and fair trade agreements. I believe these changes would take us along the road of building a solid foundation for the future of our workers, our health, and the future of the entire region.

Mr. President, I hope this bill, and other measures to bring the issues of economic security for working families back to center stage, will be acted on soon. I intend to continue to press legislation to address these issues here in the Senate—it was what I was elected to do. I urge my colleagues to cosponsor this important legislation, and to support its key elements as I bring some of them to the Senate floor in the coming months.

Mr. President, the Working Families Economic Security Act of 1996 is really an effort on my part as the Senator from Minnesota pulling together a lot of different legislation and a lot of work that I have been doing in the Senate over the years and putting it into one bill. The reason I do so is that I really feel as if Minnesota and the country are kind of leading the way in telling us what we must do, the work that they think is important that connects to their lives.

I am a cafe politician, and I try to spend as much time as possible with coffee and pie—probably too much pie—in cafes in Minnesota, just sitting down with people and talk and listen—and listen. What I hear, Mr. President, is, ''Senator, I am retired. I don't want anybody to take my pension away.''

One provision in this legislation makes it crystal clear there can be no skimming of hard-earned pension money. That belongs to the employees. It belongs to nobody else. No large multinational corporation will be allowed to skim pension money from any man or woman retired in Minnesota or anywhere in the country. People say to me in cafes in Minnesota, ''Senator, it is just outrageous to me that if I have a bout with cancer in my 50's, I might see my insurance policy canceled.''

This bill includes the insurance reform provisions that we should pass anyway that make sure that the insurance companies no longer are able to continue with this discrimination. It is just outrageous that an insurance company would not provide coverage to someone because of a bout with an illness, or that somebody cannot transfer from one job to another or start a small business in Minnesota or in Colorado or in New Mexico with this kind of discrimination against them because they have had a bout with cancer or because they are a diabetic.

Mr. President, Minnesotans say to me in cafes, ''Senator, I don't know what your colleagues are thinking, but let me tell you, $4.25 an hour to $5.15 an hour, increasing the minimum wage nationwide is an additional $1,800. For that, I can pay my energy bill; for that, I can purchase health insurance for myself and my children; for that, I can go to a community college; for that, I can put food on the table.'' This includes raising the minimum wage to $5.15 an hour.

Mr. President, Minnesotans say to me in cafes, ''Senator, I am really worried because I am 50 years old and I read the papers and I know that people are being downsized, restructured out of work. What will happen to me?'' So there is a strong emphasis here on education and job training in this legislation. I think we have to redefine education as a teacher. It is no longer K through 12. It is for longer—K through higher education. It is K through 65. People should not just be spit out of the economy with nowhere to go, people who have worked hard and are skilled. We should give skilled men and women an opportunity, if they lose their job in one company through no fault of their own, to be able to go back to school to have the skills development to find a job, a good job, somewhere else in the economy. There is a strong emphasis on education and job training.

Mr. President, this legislation also focuses on, in general, the issue of economic opportunities. People say to me in cafes, ''Senator, our children are in their 20's. They cannot find a job paying a decent wage with decent fringe benefits.''

So, Mr. President, let me just say, I think from pension funds to health care to decent jobs at decent wages, to educational opportunities, to putting an end to this obscene disparity tax, funded disparity between CEO's salaries and wage earners, to some sort of accountability, that we call on large multinational corporations to be accountable. I think this is the direction people want us to go in. These are the bread-and-butter economic issues.

I say, by way of conclusion, that I think one of the mistakes—I do not believe in hate; I believe in honest debate. I think much of the mistake that the Gingrich Congress has made in 1994, there was a lot of campaigning on the bread-and-butter economic issues, and now Speaker Gingrich is taking the bread and butter, and working families do not like that. People want to see their kids have economic opportunities. These are the issues that matter: a good job, good education, opportunities to start a small business, having decent health care coverage, making sure that we focus on investing in our kids, making sure we invest in an economy that produces jobs that people can count on. That is what people are talking about in the cafes in Minnesota.

That is what people are talking about under the roofs in their homes. That is what people are talking about on their farms. This Working Family's Economic Security Act of 1996 brings that together. I will take pieces of this legislation and bring amendments to the floor and make sure we have votes on this.

By Mr. BINGAMAN (for himself, Mr. PELL, and Mr. CAMPBELL):

S. 1723. A bill to require accountability in campaign advertising, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE CAMPAIGN ADVERTISING ACCOUNTABILITY ACT OF 1996

Mr. BINGAMAN. Mr. President, I rise today to offer legislation on behalf of myself and Senator PELL that I believe is a small, yet a very important step in reforming the campaign system that has led to widespread mistrust of the political process and mistrust of those who seek public office.

Mr. President, the legislation that I am offering today is simple and straightforward. First of all, it would amend the new Telecommunications Act to provide that all legally qualified candidates for Federal elective office who refer directly or indirectly to another candidate for that office in a campaign advertisement must make the reference in person.

If the candidate voluntarily chooses not to make the reference himself or herself, he or she would not be eligible for the lowest unit rate provided to candidates under section 315(b) of the Communications Act for the remainder of the 45-day period preceding the primary or the primary runoff election, or the 60-day period presiding the date of the general or special election. The candidate would, however, of course, continue to have access to the broadcast station at the same charge made for comparable use of the station by commercial users.

Second, the bill requires that broadcasters who allow an individual or group to air advertisements in support of, or in opposition to, a particular candidate for Federal office, allow the candidate's opponent the same amount of time without charge on the broadcast station during the same period of the day.

Mr. President, these are not new concepts. In the 99th Congress, Senator Danforth offered S. 1310, which would have required a broadcast station that allowed a candidate to present an ad that referred to her opponent without presenting the ad herself, to provide free rebuttal time to the other candidate. Since then, other variations of what have become known as talking heads legislation have been incorporated in overall campaign finance reform bills and introduced as free standing bills.

Mr. President, I became interested in this issue last year when I read an editorial in the Washington Post by David Broder entitled, ''Dirty Work for Dirty Campaigns.'' Mr. Broder referred to an issue of Campaigns and Elections which is a magazine for campaign consultants. The July 1995 issue contained an article about negative attack ads and quoted several campaign consultants. What the consultants admitted about campaigning today should shock the conscience of everyone in the Senate.

Consultants are quoted as saying in reference to developing negative, attack ad, ''Welcome to the world of attack mail * * * It's a world of taunts, jeers, jabs, pointed fingers, and mudslinging.'' The consultants go on to write, ''Excite the emotions. It's much easier and more effective to persuade with the heart than with the head alone. Fear, anger, envy, indignation and shame are powerful emotions in the political arena.'' And, Mr. President, in what is perhaps the most revealing revelation about these consultants' campaign strategy, they write that the candidate should never take personal responsibility for attacking the opponent but, and I quote, ''It's always best to have someone else deliver the negative message, even if it's a third-person, unsigned piece. Keep your candidate at a dignified distance.'' Mr. President, I see nothing dignified about such a strategy. While the consultants were commenting on attack mail, I don't think it requires too much of a stretch to realize that the same rules apply to many of today 's television advertisements.

Mr. President, a little over a year ago, I went through a costly, and negative campaign. right now, many of our colleagues are preparing to go through the same process and I say with all sincerity, that I do not envy my colleagues whether they are Republican or Democrat because I know that they will soon be subjected to many of the same negative, attack ads that I had to face in my race. Many of those ads will contain misrepresentations, distortions, and outright untruths. Perhaps an image will appear but it won't be the candidate's either. Instead, it will be the candidate hiding behind the message. And if it is not the candidate himself or herself who is orchestrating the attack ad, it will be some special interest group that is not subject to even the minimal restraints on spending and other restrictions that candidates are subject to.

Mr. President, we hear that politicians are held in only slightly higher esteem by the public than lawyers and journalists. While that may be true, I know that my colleagues, regardless of their political affiliation, are honorable men and women who care about their respective States and our Nation. Unfortunately, the negative perception persists.

I believe that one of the reasons for that is the trend in today's campaigns to attack, attack and attack—to go negative early and stay negative until the votes are counted. As Senator Danforth noted, legislation requiring the candidate herself to present ads that reference her opponent would serve the purpose, ''* * * to open up speech, open up the ability to respond, the ability to defend oneself. In the case of a candidate making a negative attack, we try to improve the sense of responsibility and accountability by making it clear that the candidate who makes the attack should appear with his own face, with his own voice.''

I believe that the legislation I am introducing today will begin the process of restoring the confidence of the American people in public service as an honorable endeavor. I also believe that it passes first amendment scrutiny because it sets up a system of voluntary participation in receiving the benefits of section 315 of the Communications Act. A candidate's access rights to the airwaves in this instance are statutory, rather than constitutional. Congress established the requirements for candidates to be eligible for the lowest unit rate and Congress has the right to modify those requirements so long as the modifications reasonably balance the interest of candidates, broadcast licensees, and the public. Participation in this context is voluntary.

Nothing in this legislation would prohibit a candidate from offering an ad that references her opponent without making the reference in person. A candidate could offer her ad in any format and no penalty, either civil or criminal, would attach for deciding not to following the strictures of this legislation. Broadcasters would not be burdened by this bill because it does not require them to provide any additional benefits to particular candidates. Instead, it leaves the choice of whether or not to participate in the system whereby the candidate receives a lowest unit rate charge to the candidate herself. And, finally, the public is not harmed by this bill. In fact, I find it difficult to believe that anyone would argue that the public would be harmed by requiring candidates to take responsibility for their statements. More openness, more honesty and more responsibility in campaign advertising would benefit all.

Mr. President, last year the majority leader included campaign finance reform in the list of legislation that should be considered by the 104th Congress, and I commend him for that. In addition, our colleagues from Arizona and Wisconsin, Senators MCCAIN and FEINGOLD introduced a comprehensive campaign finance reform bill that has received a positive response in many corners. Unfortunately, I fear that, as the majority leader has noted, the differences between the two parties on comprehensive campaign finance reform could all to easily prevent the Congress from enacting comprehensive campaign finance reform. My legislation, on the other hand, is not a Republican or Democratic issue. If the elections of 1992 and 1994 demonstrated anything, it was that neither Republicans nor Democrats have a patent on the art of negative campaigning. Both sides have resorted to these types of ads and both sides have been the victims of them. My legislation, unlike the larger issues of campaign finance reform, should attract bipartisan support.

Mr. President, we are about to enter the height of the American political season. It is no doubt just a matter of time before the negative advertisements begin to air across the country. By enacting the legislation we are introducing today, I believe that the Senate will take a major first step in bringing fresh air into the area of campaign reform and a major step toward

restoring dignity and confidence in our political process. I urge my colleagues to act on this matter at the earliest possible time.

By Mr. THOMAS:

S. 1724. A bill to require that the Federal Government procure from the private sector the goods and services necessary for the operations and management of certain Government agencies, and for other purposes; to the Committee on Governmental Affairs.

THE FREEDOM FROM GOVERNMENT COMPETITION ACT

Mr. THOMAS. Mr. President, I rise today to introduce a bill called the Freedom From Government Competition Act, a bill that will create jobs and commercial opportunities for small businesses. I am joined in this effort by my friend and associate from Wyoming, Senator SIMPSON, as well as Senator KYL and Senator CRAIG. I urge, of course, other Senators to join this effort.

It has been the Federal Government's policy for a good long time to contract out services. We have not always enforced it, however. The purpose of this bill is to put some teeth in the policy; we ought to put into the private sector all those things that could be better done there, as opposed to having them done within the Federal Government.

This bill establishes a process in which the Office of Management and Budget will identify Government functions that are commercial in nature and recommend a plan to contract out those activities to the private sector over a 5-year period. It is similar to H.R. 28 in the House, introduced by Congressman DUNCAN from Tennessee. It has bipartisan support of over 40 Members in the House and it is similar, interestingly enough, to a bill that was introduced by Senator RUDMAN in the 1980's here in the Senate.

Significant portions of this idea were a part of the 1996 defense authorization bill, which had to do with procurement and moving some of these kinds of things into the private sector. This bill simply takes that concept and expands it further to other Federal Government operations.

Government competition with the private sector, as we all know, is a big problem. Often bureaucracy wastes too much time and money on goods and services that could better be delivered by the private sector. Most of us, I think, agree with the notion we ought to limit those functions of the Government to things that can only be performed by the Government and put into the private sector the other functions. That, basically, is the purpose of my bill.

It is also wrong, it seems to me, that the Government competes with the private sector. There ought to be competition, but the competition ought to exist within the private sector. For example, surveying and mapmaking can be done in the private sector. Indeed it should be. Training, education, janitorial services, laboratory services are all functions that can be performed by private industry. I proposed a similar bill when I served in our legislature in the State of Wyoming, urging and in fact setting up a process to contract out many services.

This idea has been a major concern for some time. It was one of the top issues of the most recent White House Conference on Small Business, as you can imagine. State and local governments have had success, in some areas, privatizing. Massachusetts Governor Weld said, ''It's not an issue of public versus private. It's an issue of monopoly versus competition.'' I agree.

The Department of Defense has had considerable success in contracting out some functions. The armed services are saving $1.5 billion a year, a 31 percent reduction, from outsourcing. So it is time for us to not only talk about it but to do it. This bill basically says to the Office of Management and Budget, come back to the Congress with a plan that makes this happen. It will create jobs, help small businesses and save billions of dollars.

Mr. President, I urge my colleagues to take a look at this bill and join me in this idea of moving those nongovernmental functions that are performed by the Government into the private sector.

Mr. President, I send the bill to the desk and ask it be appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

By Mr. BURNS (for himself, Mr. PRESSLER, Mr. LEAHY, Mr. DOLE, Mr. FAIRCLOTH, Mrs. MURRAY, Mr. MCCAIN, Mr. WYDEN, and Mr. ASHCROFT):

S. 1726. A bill to promote electronic commerce by facilitating the use of strong encryption, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE PROMOTION OF COMMERCE ON-LINE IN THE DIGITAL ERA ACT OF 1996

Mr. BURNS. Mr. President, I rise today to introduce the Pro-CODE bill, or the Promotion of Commerce Online in the Digital Era Act of 1996, with the following cosponsors: the distinguished majority leader, Senator DOLE, Senator PRESSLER, Senator LEAHY, Senator MURRAY, Senator WYDEN, Senator NICKLES, Senator MCCAIN, Senator ASHCROFT, and Senator FAIRCLOTH.

Like the title of the bill states, my primary objective with this legislation is to promote commerce both domestically and abroad. But I have two other goals that I believe will be achieved by Pro-CODE: one is to improve the competitiveness of American software companies with their foreign competitors, the other is to protect the intellectual property and privacy of both businesses and individuals.

Mr. President, Pro-CODE would have a profound impact on our economy and the way each of us lives our life from day to day. It is a relatively simple bill, but it deals with a term few of us are familiar with: encryption. Encryption is simply the use of a string of letters or numbers—or a key—to render our computer files and transmissions unreadable by people who have no business reading them. If you have the right key, you can unlock the code and have access to that information.

Unfortunately, American businesses and computer users face a threat—and it is a threat from their own Government—because the current administration will not let American companies export encryption at a level higher than 40 bits. This is a fancy word, but it means is that it is a level of security that can be cracked by your basic supercomputer in about one-thousandth of a second at a cost of a tenth of a cent. Companies can sell stronger encryption here at home, but it is too expensive to create two different standards, so they do not.

What this means is that commerce and communication on computer networks including the Internet is not reaching its full potential. How many of you would feel secure sending your credit card number over the Internet—especially when you learn that reported invasions by computer hackers increased ninefold between 1990 and 1994? Or when Internet World magazine estimates that the actual number of unwanted computer penetrations in 1992 alone was 1.2 million? If you were a business, how many of you would feel secure passing sensitive information to your branches around the world or around the Nation? If you were an ordinary citizen, would you feel secure knowing that many of your records and files are subject to the kind of security that the cyber-criminals of today just laugh at?

Yet that is the problem we face today, and my colleagues here today and I find it unacceptable. Just 3 months ago we passed a historic telecommunications law that is designed to make it easier to interact with each other. But the law—that vehicle which will take us along the information highway—is useless without the engine of information security driving it forward.

Mr. President, our bill would allow the unrestricted export of mass-market or public-domain encryption programs. It would also require the Secretary of Commerce to allow the export of encryption technologies if products of similar strength are available elsewhere in the world. Finally, it would prohibit the Government from imposing a mandatory key-escrow system in which the Government or another third party would have a back door to your computer files.

I come from a State where distances can often keep us apart. From Eureka, MT, in the northwest to Alzada, MT, in the southeast is the same distance as from Washington, DC, to Chicago. Anything to bring us closer together will

give us benefits only enjoyed now by folks in larger areas. It will also give the mom-and-pop businesses in our smallest communities a leg up on their bigger competitors as we enter the information age.

But my concern is also based on the effect the current policy is having on jobs and industry in this Nation. Because of our current ill-advised policy, American companies will lose their share of the world market—which now stands at 75 percent—to foreign companies who do not have to abide by such restrictions. For example, I have discovered a World Wide Web page from a South African company that boasts 128-bit encryption. In many cases, these encryption programs are available to download from the Internet.

Mr. President, American companies clearly are at a competitive disadvantage. A study by the Computer Systems Policy Project found that within just the next 4 years, American companies could lose $60 billion in revenues and American workers could lose 216,000 high-tech jobs. Our bill is a jobs bill that I'm sure the administration can agree with. But it is not only that. As you can see, it is also a consumers bill.

One of the questions I have heard is, ''How does this legislation differ from a bill you are also sponsoring with Senator LEAHY?'' The answer is, not a lot. However, Pro-CODE is narrower in its scope. It deals exclusively with the issue of commerce and omits the criminality provisions. In addition, it does not set up guidelines for a voluntary key-escrow arrangement. This is a streamlined measure that I hope to move quickly through the Committee on Commerce, Science, and Transportation and the Science, Technology, and Space Subcommittee, which I chair. We will have hearings on this bill, hopefully as soon as this month, and I hope to have at least one of those in the field where the people are affected most by this bill.

In addition to the diverse and bipartisan group of Senators you see before you, support for this legislation in the private sector is both broad and deep. There are two homepages on the Web that are dedicated to tracking encryption legislation and making people aware of why it is needed. As with the blue-ribbon campaign, Internet users will be encouraged to download the golden key and envelope symbol. They will then be able to link to one of the two encryption pages and show their support for this effort.

I am also sending today an open letter to the Internet community encouraging support for this bill, and I expect it to be made available to hundreds of thousands of Internet users. I will also make myself available for at least two online forums to discuss my bill with computer users. Mr. President, I urge support for this bill.

Mr. PRESSLER. Mr. President, I am proud to join with my colleagues today to introduce the Promotion of Commerce On-Line in the Digital Era Act [Pro-CODE]. This bill will eliminate outdated, useless rules, and regulations so that American companies can compete effectively throughout the world in the global information technology industry. It will strengthen our economy, create jobs, and maintain the U.S. lead in telecommunications and information technology into the 21st century.

The high-technology industry is the crown jewel of the American economy—growing exponentially each year and constantly creating new jobs. This is the future of our country's economic security.

We are the world leaders in the technology revolution. Whether in hardware, software, browsers, semiconductors, cryptography, or other segments of the industry, we have the talent and capability to retain this lead indefinitely. The private sector is doing everything possible to expand this industry. Unfortunately, they frequently are held back by unnecessary or antiquated Government rules and regulations. Government should help, or at the very least, get out of the way.

Outdated Government policy must change and it must change immediately. The future of this industry, its employees and our country's economy depends on this change.

This is why I am an original sponsor of Pro-CODE. The Senate Committee on Commerce, Science, and Transportation, which I chair, will have jurisdiction over this bill, that basically, would allow unlimited export of commercially available encrypted software. I am committed to moving this legislation forward immediately and I am joined by others on the committee who fell the same way.

The health of our national economy, and my home State of South Dakota's economy in particular, is heavily dependent upon exports. We must focus on expanding our present foreign markets and opening new ones in order to strengthen our businesses and maintain our economic hegemony. It is undisputed that American business can compete evenly with their foreign counterparts when operating on a level playing field. However, they are not always given fair treatment.

When U.S. companies are treated unfairly vis-a-vis their foreign competitors, they lose contracts and their market share suffers. This leads to lower profits and less repatriation of those profits to the United States. We must do all we can to eliminate foreign trade barriers that restrict U.S. companies operating abroad. At the same time, we also must eliminate our own Government's discrimination against our American multinationals. To this end, the bill assists U.S. multinational companies, and high-technology companies in particular, by eliminating unnecessary restrictions on their operations.

The Pro-CODE bill enjoys widespread bipartisan support. I believe this change in policy is vital if the United States is to maintain its worldwide lead in the development and sale of software technology. This is an industry key to the continued strength of our economy, however, export controls—true relics of the cold war—are hurting American companies' ability to sell their products overseas. We won the cold war. We must now disarm the weapons used to win that war before they are used against us.

It is simply logical to allow U.S. companies to sell overseas some of the technology they currently are allowed only to sell within the United States. As you know, certain software readily available around the world and on the Internet is not allowed to be exported from the United States. Rules that once made sense are obsolete and harmful—only to us—in today's rapidly changing world. Encrypted software, which serves to secure communications, is the future of the industry.

If we fail to loosen our export laws, American companies face two unpleasant choices. First, they can simply stand by and watch their products be replaced by foreign competitors. This means losing this industry the way we lost consumer electronics, steel, and the auto industry in the past. In the more likely alternative, these companies will be forced to move their production and research facilities offshore. If this happens, not only will our economy suffer, but we will lose high-paying, high-technology jobs. We cannot afford either alternative. That is why I am fighting to correct this problem. We must do so—before it is too late.

When I led the effort to enact the sweeping Telecommunications Reform Act my goal was to open up all aspects of the telecommunications industry to widespread competition. Without changes in other laws this goal cannot be fully achieved. Indeed, without such changes we risk the loss of markets such as software to foreign competitors because our own Government restricts the U.S. companies.

The issue is a simple one—with the globalization of our information systems we must have secured transmissions. Those transactions should be protected by the best encrypted software available. That means American products.

As the Federal Communications Commission proceeds with implementation of the Telecommunications Act it is important for Congress to keep a watchful eye on their deliberations. For example, some at the FCC support a mandated high-definition television [HDTV] standard. Not me. I will fight any FCC attempt to set mandated equipment standards. To establish such mandates would set a dangerous precedent which could chill competitive gains the United States has made throughout the world. The computer industry has grown and flourished because the Government did not set standards or impose mandates. The Government should not get into mandating standards.

I also am working to bolster our competitiveness through the enactment of the international tax simplification for American competitiveness bill. The purpose of this legislation is to make technical corrections and simplification changes to the U.S. Tax Code—eliminating some of the discriminatory and redundant application of rules of our companies. This bill likely will include a provision eliminating the discrimination against software under the foreign sales corporation rules. This too will help U.S. software exporters. This bill contains commonsense changes to the Tax Code designed to put United States companies on more equal footing with their key competitors in Japan and Germany. I intend to introduce this bill in the next few weeks. Here too, I expect widespread bipartisan support.

I want to use my role as chairman of the Commerce Committee—with its jurisdiction over international trade and the Commerce Department—in combination with my membership on the Finance Committee—which has jurisdiction over trade and tax policy—to help strengthen American competitiveness overseas. Our economic future depends upon diligent efforts to ensure our companies are treated equitably not only by foreign countries, but by our own as well. We can compete with anyone given a fair chance. It is my goal to put America first.

Mr. LEAHY. I am pleased to join a bipartisan group of Senators in supporting legislation to encourage the development and use of strong, privacy-enhancing technologies for the Internet by rolling back the outdated restrictions on the export of strong cryptography.

As an Internet user myself, I care deeply about protecting individual privacy and encouraging the development of the Net as a secure and trusted communications medium. Current export restrictions only allow American companies to export primarily weak encryption technology. The current strength of encryption the U.S. government will allow out of the country is so weak that, according to a January 1996 study conducted by world-renowned cryptographers, a pedestrian hacker can crack the codes in a matter of hours. A foreign intelligence agency can crack the current 40-bit codes in seconds.

Perhaps more importantly, the increasing use of the Internet and similar interactive communications technologies by Americans to obtain critical medical services, to conduct business, to be entertained and communicate with their friends, raises special concerns about the privacy and confidentiality of those communications. I have long been concerned about these issues, and have worked over the past decade to protect privacy and security for our wire and electronic communications. Encryption technology provides an effective way to ensure that only the people we choose can read our communications.

Encryption is critical for electronic commerce really to flourish on the Internet, and for computer users to trust that their communciations will remain private. Today, I have sent out an open letter to the Internet about this encryption legislation. So that people reading the letter can be assured that it is really me sending it, I am using a popular encryption program called ''Pretty Good Privacy'', or ''PGP'', to authenticate my signature. This is yet another practical use of encryption, and an important one for electronic commerce.

Maintaining the privacy and confidentiality of our computer communications and information is very important to all of us both here and abroad. I have read horror stories sent to me over the Internet about how human rights groups in the Balkans have had their computers confiscated during raids by security police seeking to find out the identities of people who have complained about abuses. The human rights groups have been able to get for free from the Internet an encryption program called Pretty Good Privacy (PGP) to protect their computer communications and files. These encrypted files are undecipherable by the police and the names of the people who entrust their lives to the human rights groups are safe.

The encryption bill, called the Promotion of Commerce On-Line in the Digital Era (PRO-CODE) Act of 1996, which we introduce today, would:

Bar any government-mandated use of any particular encryption system, including key escrow systems and affirm the right of American citizens to use whatever form of encryption they choose domestically;

Loosen export restrictions on encryption products so that American companies are able to export any generally available or mass market encryption products without obtaining government approval; and

Limit the authority of the Federal Government to set standards for encryption products used by businesses and individuals, particularly standards which result in products with limited key lengths and key escrow.

This is the second encryption bill I have introduced with Senator BURNS and other congressional colleagues this year. Both bills call for an overhaul of this country's export restrictions on encryption, and, if enacted, would quickly result in the widespread availability of strong, privacy protecting technologies. Both bills also prohibit a government-mandated key escrow encryption system. While Pro-CODE would limit the authority of the Commerce Department to set encryption standards for use by private individuals and businesses, the first bill we introduced, called the ''Encrypted Communications Privacy Act'', S.1587, would set up stringent procedures for law enforcement to follow to obtain decoding keys or decryption assistance to read the plain text of encrypted communications obtained under court order or other lawful process.

To satisfy national security and law enforcement concerns, both bills have important exceptions to restrict encryption exports for military end-uses, or to terrorist designated or embargoed countries, such as Cuba or North Korea.

I know this is not enough to satisfy our national security and law enforcement agencies, who fear that the widespread use of strong encryption will undercut their ability to eavesdrop on terrorists or other criminals.

But U.S. export controls will not keep encryption out of the hands of criminals; these controls only hurt legitimate users and American business. Any criminal intent on encrypting his computer information or messages to avoid getting caught can go into any Egghead store and buy off-the-shelf Lotus Notes or Norton Utilities encryption program, both of which contain strong encryption that cannot be exported. It is then a simple matter just to slip the software disc into his pocket to smuggle out of the country.

Actually, it is even simpler than that for a foreign terrorist or any criminal to get ahold of strong encryption. They don't even have to leave home. With a computer, a modem, and a telephone line, they could download for free off the Internet from anywhere in the world strong encryption, such as Pretty Good Privacy.

Strong encryption has an important use as a crime prevention shield, to stop hackers, industrial spies and thieves from snooping into private computer files, and stealing valuable proprietary information. We should be encouraging the use of strong encryption to prevent certain types of computer and online crime.

It is clear that the current policy toward encryption exports is hopelessly outdated, and fails to account for the real needs of individuals and businesses in the global marketplace.

In one recent example, a major high-technology firm had a multi-million dollar contract to sell digital television systems to China put at risk due to our export regulations. Why? The company suffered lengthy delays in getting export approval because the systems contained encryption technology to scramble TV signals—a critical component of the system to protect the intellectual property rights of the programming carried by the signal. Foreign competitors seeking to get into the vast China market were ready and willing to step into the company's place if it were unable to fulfill its contractual obligations. Two weeks after the contractual delivery date, the company finally got the export approval it sought. This example is particularly ironic since in trade negotiations, the United States has strongly urged China to protect intellectual property rights better.

Encryption expert Matt Blaze, in a recent letter to me, noted that current U.S. regulations governing the use and export of encryption are having a ''deleterious effect * * * on our country's ability to develop a reliable and trustworthy information infrastructure.''

This sentiment is echoed by the chief executive officers of 13 major U.S. computer systems companies, including IBM, Apple, Digital Equipment, Hewlett-Packard, and others, which recently reported that

* * * encryption is the most practical and effective means to protect valuable and confidential electronic information traveling across open networks. The availability of effective encryption is necessary to realize the full potential of the Global Information Infrastructure (GII).

The time is right for Congress to take steps to put our national encryption policy on the right course. The Pro-CODE bill, as well as the Encrypted Communications Privacy Act, S. 1587, are much-needed steps to reform our Nation's cryptography policy.

Mrs. MURRAY. Mr. President, I am pleased to be joining Senator BURNS, Senator LEAHY, Senator DOLE, Senator PRESSLER and others in cosponsoring the Promotion of Commerce On-Line in the Digital Era Act of 1996. The strong bipartisan support for this bill emphasizes how important our national encryption policies are becoming and reflects Congress' growing awareness of the issues surrounding the production and sale of encrypted software and hardware. I commend Senator BURNS and Senator LEAHY for their efforts in putting this legislation together.

As many of my colleagues know, the Department of Commerce recently released a report stating there are tremendous international growth opportunities for software exporters in the next five to 10 years. Unfortunately, the Department of Commerce also acknowledged most U.S. companies don't pursue international sales because our export control laws are too cost prohibitive.

Rather than dissuading international sales, our national policies should be encouraging American companies to enter the global marketplace. American software producers are losing tens of billions of dollars in lost sales due to outdated export controls. I recognize there are legitimate national security concerns underpinning the Export Administration Act. However, these archaic laws are no longer relevant to the post-cold-war world in which we now live. Today's national export controls should target those items that really need to be controlled in order to maintain national security. Simply, they should make better sense; it doesn't make sense to tell U.S. software producers they can't export a product that is already widely available on the world market.

Senator BURNS' bill makes sure our innovative private sector producers lead the way in developing acceptable encryption technology, and it makes sure government mandates and national export control policies do not hamper private sector developments.

Mr. President, I introduced the Commercial Export Administration Act in the 103rd Congress, and I am pleased Senator BURNS is incorporating the spirit of my language in his bill. My language reduced regulatory red tape and made it easier to export generally available mass-marketed commercial software. Washington state is home to some of the most innovative software producers in the world, and they are eager to export their goods. Unfortunately, our export controls keep Washington state's companies from penetrating the world market.

Some of my colleagues may not know that Washington state's small and mid-sized high-tech companies provided more than 98,000 jobs in 1995.

Mr. President, I mention this because our bill will increase exports and enable our high-tech companies to grow further. Higher growth means more jobs—plain and simple. A recent study revealed U.S. software and hardware exporters lost $60 billion in potential 1995 sales, and the study estimates a loss of 200,000 jobs in the industry by the year 2000. Given the increase in international competition, we can no longer afford to hold U.S. companies back from potential world sales.

This legislation is badly needed, and I urge my colleagues to join Senator BURNS and me in supporting this bill.

ADDITIONAL COSPONSORS

S. 704

At the request of Mr. SIMON, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 704, a bill to establish the Gambling Impact Study Commission.

S. 929

At the request of Mr. ABRAHAM, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 929, a bill to abolish the Department of Commerce.

S. 1233

At the request of Ms. MIKULSKI, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 1233, a bill to assure equitable coverage and treatment of emergency services under health plans.

S. 1385

At the request of Mr. BREAUX, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 1385, a bill to amend title XVIII of the Social Security Act to provide for coverage of periodic colorectal screening services under Part B of the Medicare Program.

S. 1584

At the request of Mr. THOMPSON, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1584, a bill to authorize appropriations for the preservation and restoration of historic buildings at historically black colleges and universities.

S. 1646

At the request of Mr. DOMENICI, the names of the Senator from Arkansas [Mr. BUMPERS] and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of S. 1646, a bill to authorize and facilitate a program to enhance safety, training, research and development, and safety education in the propane gas industry for the benefit of propane consumers and the public, and for other purposes.

S. 1647

At the request of Mr. PRESSLER, the name of the Senator from Idaho [Mr. KEMPTHORNE] was added as a cosponsor of S. 1647, a bill to amend the Federal Land Policy and Management Act of 1976 to provide that forest management activities shall be subject to initial judicial review only in the United States district court for the district in which the affected land is located, and for other purposes.

S. 1667

At the request of Mr. GREGG, the names of the Senator from Minnesota [Mr. GRAMS] and the Senator from Georgia [Mr. COVERDELL] were added as cosponsors of S. 1667, a bill to change the date on which individual Federal income tax returns must be filed to the nation's Tax Freedom Day, or the day on which the country's citizens no longer work to pay taxes, and for other purposes.

SENATE RESOLUTION 243

At the request of Mr. ROBB, the names of the Senator from Michigan [Mr. ABRAHAM], the Senator from Utah [Mr. BENNETT], the Senator from New Jersey [Mr. BRADLEY], the Senator from Arkansas [Mr. BUMPERS], the Senator from West Virginia [Mr. BYRD], the Senator from Indiana [Mr. COATS], the Senator from Mississippi [Mr. COCHRAN], the Senator from Idaho [Mr. CRAIG], the Senator from South Dakota [Mr. DASCHLE], the Senator from Ohio [Mr. DEWINE], the Senator from Connecticut [Mr. DODD], the Senator from Kansas [Mr. DOLE], the Senator from Nebraska [Mr. EXON], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Kentucky [Mr. FORD], the Senator from Tennessee [Mr. FRIST], the Senator from Ohio [Mr. GLENN], the Senator from Washington [Mr. GORTON], the Senator from Florida [Mr. GRAHAM], the Senator from Minnesota [Mr. GRAMS], the Senator from Idaho [Mr. KEMPTHORNE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Nebraska [Mr. KERREY], the Senator from Michigan [Mr. LEVIN], the Senator from Indiana [Mr. LUGAR], the Senator from Florida [Mr. MACK], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Maryland [Ms. MIKULSKI], the Senator from New York [Mr. MOYNIHAN], the Senator from Oklahoma [Mr. NICKLES], the Senator from Arkansas [Mr. PRYOR], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from New Hampshire [Mr. SMITH], the Senator from Wyoming [Mr. THOMAS], the Senator from Oregon [Mr. WYDEN], the Senator from Delaware [Mr. BIDEN], the Senator from Wisconsin [Mr. FEINGOLD], and the Senator from Georgia [Mr. NUNN] were added as cosponsors of Senate Resolution 243, a resolution to designate the week of May 5,