

Subcommittee provided by the Senate Appropriations Committee is agreed to. The House has not agreed to such allocations as of this time. If the House and Senate appropriations conferees do not agree on such allocations, I will do my best to ensure that the programs we have just discussed and the base administration request for the Savannah River Site are among my highest priorities during the House-Senate appropriations conference.

Mr. THURMOND. I appreciate the commitment that the able Senator from New Mexico has expressed for these programs. I look forward to working with my colleagues to ensure that these programs are fully implemented.

AMENDMENT NO. 4382

Mr. GRASSLEY. Mr. President, I am pleased to support the Feinstein, Kyl, Grassley amendment that will establish a more vigilant system of oversight of the sale of chemicals from Government stockpiles. Recently, Senator FEINSTEIN's office in California noticed a large, commercial sale of iodine from DOD stockpiles on the open market. Iodine is one of the precursor chemicals used in the manufacture of methamphetamine. Both Senator FEINSTEIN and I have been very concerned about the manufacture and sale of this very dangerous drug. Together we have sponsored legislation that would increase controls over the chemicals used in making meth. Thus, when Senator FEINSTEIN's office noticed the sale of large quantities of iodine by DOD they asked if the Government authorities knew who their customers were. It was a good question. They did not. With the realization that the Government could have found itself selling chemicals to possible illegal drug dealers, it became clear that the amendment that is being offered was an important step. By asking for a review of future sales by the Administrator of the Drug Enforcement Administration, the amendment establishes a safeguard on inappropriate sales while still permitting agencies to sell surplus items. I am pleased to support this timely and essential amendment.

AMENDMENT NO. 4420

Mr. SHELBY. Mr. President, I would like to enter into a colloquy with the distinguished chairman of the Senate Armed Services Committee, Senator STROM THURMOND and my distinguished colleague from Alabama, Senator HOWELL HEFLIN.

Mr. HEFLIN. Mr. President, I welcome the opportunity to enter into a colloquy with the distinguished chairman and my fellow Alabamian.

Mr. THURMOND. Mr. President, I too would be happy to enter into a colloquy with my friends from Alabama.

Mr. SHELBY. Mr. Chairman, I disagree with premise of Senator CONRAD's sense of the Senate amendment regarding the Air Force's National Missile Defense proposal. The program would violate the ABM Treaty and perhaps even the START I Treaty,

the cornerstone of nuclear arms reduction. I certainly hope that the committee's acceptance of this sense of Senate amendment does not constitute an endorsement of this highly questionable program.

Mr. HEFLIN. I agree with Senator SHELBY that the Air Force program is a bad idea. It is dead-end technology that would leave us with a system of extremely limited capability and no growth potential to meet a changing threat. I, too, hope that the committee has not expressed an endorsement by accepting this amendment.

Mr. THURMOND. The committee does not specifically endorse the Air Force proposal. I strongly support the Ballistic Missile Defense Organization's existing National Missile Defense program which includes the ground based interceptor, ground based radar and the Space and Missile Tracking System. I agree that this proposal presents a number of serious questions regarding arms control implications and potential future growth. The committee supports the need to have a serious examination of these questions before any significant amount of funding is directed to further evaluating the Air Force Proposal.

Mr. SHELBY. Thank you, Mr. Chairman, for addressing our concerns.

Mr. SHELBY. Thank you, Mr. President.

TAXPAYER SUBSIDIES FOR MILITARY CONTRACTOR MERGERS

Mr. HARKIN. Mr. President, I have an amendment at the desk No. 4178. It deals with taxpayer subsidies for military contractor mergers. This is a very important and timely amendment. I was outraged to learn recently that taxpayers are being asked to foot the bill, in one case to the tune of up to \$1.6 billion, for these mergers.

In the interest of not delaying my colleagues, and to give an opportunity to continue discussions with those who have raised concerns about my amendment, I will defer offering it until we get the DOD appropriations bill early next month.

The House Appropriations Committee adopted a bipartisan amendment identical to mine earlier this month. Therefore, that would be an appropriate vehicle.

Before I end, I just wanted to have printed in the RECORD several quotes from different groups on this subject.

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

It's time for the Pentagon to drop this ridiculous "money for nothing" policy.—Taxpayers for Common Sense

The new policy is unneeded, establishes inappropriate government intervention in the economy, promotes layoffs of high-wage jobs, pays for excessive CEO salaries, and is likely to cost the government billions of dollars.—Project on Government Oversight

The costs associated with mergers should not be absorbed by Federal taxpayers. This is an egregious example of unwarranted corporate welfare in our budget.—The CATO Institute

... [T]axpayer subsidization is no more necessary today to promote acquisitions and mergers than it has ever been. Just about every major defense company today is the product of a merger, some of them decades old. . . . Even today in the supposed "bull market," plenty of bidders vie for the available companies. . . . It is hard to believe that if taxpayer subsidies were not available, companies would not buy available assets if it made good business sense. If they paid a little less for their acquisitions, the taxpayers rather than the stockholders would benefit.—Lawrence J. Korb, Under-Secretary of Defense under President Reagan

Mr. HARKIN. We simply must make reforms here. So, I will pursue this on the DOD appropriations bill and try to put an end to this ill-advised waste of taxpayer money. I look forward to working together with Senator NUNN and other of my colleagues in reaching a successful conclusion to this issue. I appreciate his good faith efforts to try to resolve this and I believe the additional time may help us to that end.

TRANSFER OF THE U.S. AIR FORCE HOUSING PROJECT KINGSLEY ANNEX

Mr. NUNN. I yield to Mr. WYDEN.

Mr. WYDEN. I thank the Senator. I would just like to engage the Senator in a colloquy about a provision in this bill giving the Department of Defense the authority to transfer contaminated Federal property before the complete remediation of all the environmental problems at a property. While I believe that it is important that the Department take responsibility for the environmental clean up of its properties, I recognize that there are some properties which have been abandoned and have not received sufficient remedial action. This appears to be the case with an Air Force housing project called Kingsley Annex in Klamath Falls, OR.

Kingsley Annex consists of 290 units of housing that are sitting vacant in an area with a serious lack of housing, particularly, low income housing. A local nonprofit, SoCO Development, Inc. is interested in developing this property to be used for low-income housing; however, the property has a lead-based paint problem. The property has remained vacant because it is not high enough on the list of Air Force priorities to receive money for a clean up.

At no cost to the Federal Government, SoCO is willing to remediate the problem of lead-based paint and meet the HUD standards for reduction of lead-based paint on federally owned residential property, as well as remediate a number of other environmental hazards on the site. However, they need possession of the property before they can invest in a clean up.

In my view it is consistent with this provision for the Air Force to work with groups like SoCO Development, Inc., to use the new authority in this bill to turn over property for purposes such as low-income housing with the

conditions that ensure that the environmental problems are remediated.

Mr. NUNN. I assure the Senator from Oregon that this is consistent with the provisions in this language to encourage the Air Force to resolve situations like the one at Kingsley Annex. I also assure the Senator that I will work with him to help resolve the problem at Kingsley Annex, and I encourage the Air Force to move ahead with this project under this new authority.

ABM MULTILATERALIZATION

Mr. NUNN. Mr. President, I wish to enter into a colloquy with the distinguished Chairman of the Armed Services Committee, Senator THURMOND. Today we are agreeing to a unanimous-consent agreement concerning a number of items, including the substitution of sense of the Senate language for the binding language in this bill relative to the multilateralization of the ABM Treaty.

The issue of the treaty obligations of successor states to the former Soviet Union is of particular importance to the Senate because it concerns the Senate's unique constitutional responsibility to provide advice and consent to the ratification of treaties.

The unanimous-consent agreement provides for hearings on this issue because it raises the question of whether the many treaties with the USSR, relative to arms control, trade and other matters, which are acceded to by components of the former Soviet Union, now successor states, need to be re-ratified by the United States Senate. This issue has important ramifications for our relations with Russia and the other successor states, and also for American security in many other important ways.

While the bill, as amended by the unanimous-consent agreement, now states what the current sense of the Senate is, the Committee hearings provided for in the unanimous-consent agreement are important because they will assure the Senate's ability to fully and deliberately consider how we implement treaties with nations that split into separate sovereign states.

Would the distinguished Chairman of the Committee agree with this assessment?

Mr. THURMOND. The distinguished ranking Member of the Armed Services Committee fairly characterizes the situation. However, the hearings on this matter do not preclude, and should not be construed as a substitute for, the Senate's constitutional role in advice and consent to ratification of treaties and international agreements.

Mr. NUNN. I thank the Chairman.

Mr. MCCAIN. Mr. President, I am pleased to rise in support of the Senate Armed Services Committee's recommendations contained in the fiscal year 1997 national defense authorization bill now pending before the Senate.

Overall, I believe this is an excellent bill, and I congratulate Chairman THURMOND for leading the committee through our markup of this bill. Let me also offer my sincere thanks to Les

Brownlee and the staff of the committee for their professionalism and diligence in conducting a well-organized and very efficient markup process.

For the second year in a row, the Republican Congress has successfully increased the administration's inadequate defense budget request, slowing the too-rapid decline in defense spending which threatens to jeopardize the future readiness of our Armed Forces. The committee-reported bill authorizes nearly \$13 billion more than the President's budget request for defense programs, with more than \$7 billion allocated for procurement of additional weapons systems.

Although I am not completely satisfied with some of the committee's recommendations, the majority of this added funding is authorized for high-priority programs of the military services. The bill provides much-needed funding for essential tactical aircraft and missiles, improved communications systems, theater and national missile defense systems, and other high technology equipment which the Clinton administration failed to fund.

I am also pleased that the committee adopted most of the recommendations of the Readiness Subcommittee, including:

A provision to dispose of unneeded stockpile items which will reduce the deficit by \$650 million;

A provision to terminate defense spending for a Justice Department-run center to gather intelligence on illegal drug activities; and

A provision requiring organizers of civilian sporting events to agree to reimburse the Department of Defense for the cost of providing security and other support services, but only if the event makes a profit; and

A provision requiring the military Service Chiefs to provide an analysis of an alternative readiness management system, called tiered readiness, which I proposed in a recent paper.

I appreciate very much the cooperation of my colleagues in formulating a compromise proposal to resolve the difficult issue of allocating workload between public and private maintenance depots. The provisions adopted by the committee revise the current 60-40 public-private workload allocation to a 50-50 formula, pending receipt of core workload data from the Department of Defense. The committee also adopted a requirement for competition at Kelly and McClellan Air Force Bases in advance of implementing any privatization-in-place proposal.

The committee also adopted several other amendments dealing with policy matters of particular importance.

First, the committee adopted an amendment to repeal provisions of the fiscal year 1996 Defense Authorization Act related to missing service personnel. These provisions were identified by the military leadership as burdensome and unnecessary. I appreciate the support of my committee colleagues in repealing these unworkable provisions, and I look forward to their

support in our conference with the House of Representatives.

The committee also adopted an amendment to provide the Secretary of Defense with the authority to waive counterproductive "Buy America" restrictions which were adopted in last year's defense authorization bill. The new waiver may be exercised at the Secretary's discretion to allow the Department of Defense to purchase items from a firm located in a foreign country, if that country has a reciprocal defense procurement memorandum of understanding with the United States. The new waiver will once again allow free trade between the United States and our allies for defense contracts.

The committee also adopted a proposal directing the Department of Defense to follow a uniform policy with respect to military personnel who have illnesses that prevent them from serving overseas. In my view, it is unconscionable that military personnel infected with the AIDS virus would be treated any differently than others who cannot deploy for health reasons. This provision would ensure uniformity in the Department's discharge policy for nondeployable personnel. I sincerely hope we are able to maintain this fair and compassionate position in our conference with the House.

Again, I offer my sincere thanks and congratulations to Chairman THURMOND and Senator NUNN and the committee staff for their hard work in successfully crafting a balanced defense bill. However, I am sorry to note that the practice of pork-barrel spending is still evident in the Senate Armed Services Committee.

Mr. President, in past years, defense bills have been filled with pork-barrel projects which did little to enhance our military capabilities. Last year, the Congress wasted nearly \$4 billion on pork-barrel projects like the *Seawolf* submarine, B-2 bomber, and other wasteful projects. This year, I am pleased that the practice of adding funds for Members' special interests seems to have declined significantly. However, there are several programmatic recommendations in this bill which, in my view, constitute pork-barrel spending.

First, and most egregious, the Committee added almost \$600 million in unrequested military construction projects. The close attention focused on military construction pork in the past at least forced greater scrutiny of the add-on list this year. All of these projects met the established criteria for add-ons, and most of them were included on the military Services' priority lists. However, I cannot accept the apparent assumption that projects planned for construction in the next century are as high a priority as projects planned for next year's budget, and I had hoped that the Committee would focus on adding money for projects planned for 1998 or 1999.

The military construction projects added by the Committee were not included in my Subcommittee's mark, and I strongly objected to their inclusion in the Committee bill. At the appropriate time, I will offer an amendment to strike these projects.

Another perennial favorite is the addition of hundreds of millions of dollars for unrequested equipment for the National Guard and Reserve. This bill includes an additional \$759.8 million in the National Guard and Reserve Equipment account, plus as much as \$242 million in additional unrequested equipment earmarked for the Guard and Reserve in the regular Service procurement accounts. Within this amount is \$284 million for 6 unrequested C-130J aircraft for the Guard and Reserve—a tactical airlift aircraft that the active Air Force has not yet been able to afford.

The active Air Force did request funding to procure one C-130J tactical airlift aircraft. However, the Committee decided not to authorize this asset for the active Air Force. Instead, the Committee recommended \$204.5 million for an additional three C-130Js, including funding to modify these aircraft to a weather reconnaissance role, and then transferred all four aircraft to WC-130 weather reconnaissance squadron in Mississippi. It is inexplicable to me why the Committee would choose to divert these aircraft from the active Air Force, where they would have replaced aging C-130E models, and instead use them to replace newer C-130H models in a weather reconnaissance unit. Further, the Air Force plans to eliminate nearly 90 aircraft from its current C-130 fleet to conform with the Mobility Requirements Study, yet the Committee recommended adding these 4 aircraft plus 6 more C-130s for the Guard and Reserve.

The Committee's rationale for adding these aircraft, reflected in the report language, appears to be that the weather reconnaissance mission could benefit from near-term modernization. That argument, in my view, could easily apply to the thousands of Service priorities which were not included in this bill and which, in my view, would contribute much more to our national defense than an upgraded weather reconnaissance capability.

Mr. President, I am well aware of the argument that the active military Services do not adequately provide for the needs of the Guard and Reserve, but I do not believe the Congress, or the individual Adjutants General, can properly prioritize their needs. The Senate Armed Services Committee has repeatedly urged the Services to include Guard and Reserve requirements in their budget requests. I think we should enlist the obviously widespread support of our Senate colleagues and the State Adjutants General to ensure that Guard and Reserve priorities are included in the budget formulation process, rather than continuing to impose on the Guard and Reserve our own

politicized judgments about specific weapons systems and projects.

Another questionable add-on in this bill is a \$15 million increase for the High Frequency Active Auroral Research Program, or HAARP. This program has benefited from congressional add-ons since 1990, costing a total of \$76 million in just seven years, with another \$115 million required before the project can be completed in 2001. Yet it remains unclear what military benefit might accrue from the construction of a facility to study the aurora borealis.

Proponents of the program argue that it should be a part of the counterproliferation program of the Department of Defense because it will be able to detect underground tunnels and structures. However, the Air Force, which manages the program for the Department of Defense, noted in April of last year that the research is not sufficiently mature to warrant its inclusion in the nonproliferation and counterproliferation program.

Proponents also argue that the program will have application for communications, navigation, and surveillance missions. Yet, the Department of Defense did not include this \$15 million in its budget request for fiscal year 1997, and it was not included on their priority lists for additional funds. That indicates to me that, in competition with other militarily relevant programs, HAARP is not a high priority for the military.

Mr. President, in my view, the Congress should stop compelling the military Services to pursue research programs that do not meet their requirements. Spending hundreds of millions of defense dollars to study the energy of the aurora borealis is, in my view, and unconscionable waste of taxpayer dollars. This program should be turned over to a privately funded university, research institution, or other organization where it could be pursued as a purely scientific endeavor.

The Committee also included a provision in the bill that establishes a cumbersome and expensive new bureaucracy to coordinate the Navy's oceanographic research activities. The addition of \$99.4 million for two new oceanographic ships does not trouble me, since these ships were included in the Navy's shipbuilding plan. Nor does the addition of \$6 million to replace worn equipment used by the Navy in its oceanographic survey and research activities. In fact, I do not necessarily dispute the assertion that Navy oceanographic research is underfunded. However, I see no need to establish a multi-tiered organization to ensure that the Navy has access to all Federal and civil research in oceanography.

The bill sets aside \$13 million to fund a new bureaucracy which would, in my view, only hinder the efficient and effective expenditure of Federal funds for militarily relevant oceanographic research. In addition, the criteria and processes for appointment to these various new entities seem vague, as do the

particular responsibilities and authorities of these seemingly overlapping organizations. Finally, the outyear funding requirements for this new bureaucracy are unknown, and I question whether the Navy can afford this potential funding drain in the future.

Mr. President, I believe the committee would have been better served to increase the funding available to the Navy for its oceanography program, together with specific legislative authority for the Navy to explore private sector efforts which might be of utility to the Navy. In this way, the Navy would be spared the burden of the new bureaucracy and, at the same time, would be able to benefit from privately funded research and other activities.

Finally, again this year, the committee included legislative language and additional funding for the New Attack Submarine program which is designed to ensure that the first two, and perhaps four, of these submarines are allocated equally between the two competing shipyards. The legislative language is essentially the same as that adopted last year, which earmarks at least one submarine each for Newport News and Electric Boat shipyards. The bill includes an additional \$701 million for advance procurement for the second new attack submarine to ensure that Newport News receives its fair share of this program.

Mr. President, I did not support this approach last year because it defeats any pretense at competition between the yards, earmarks multi-billions of dollars for each of the yards, and is based on a faulty assumption that the Nation requires two shipyards to ensure its nuclear submarine industrial base. I still question why the Navy is retiring SSN-688 submarines early in order to accommodate the *Seawolf* and new attack submarines in a drastically reduced attack submarine fleet, and I do not understand why we are buying New Attack Submarines, which are less capable than *Seawolf* submarines, when they cost as much as *Seawolf* submarines—about \$2.5 billion each. I think the committee should consider deferring this funding until it is necessary and allocate this \$701 million to other Navy priorities.

Mr. President, these pork-barrel projects add up to more than \$2 billion. I am astonished that, once again, after fighting hard to sustain a much-needed increase in the defense budget, the committee chose to spend these funds on pork.

Last year, we wasted \$4 billion, or more than half of the total Defense budget increase, on pork-barrel projects. I suppose this year's bill shows progress of a sort—we are only wasting \$2 billion.

But, Mr. President, I will say again that the American people will not stand for this type of wasteful spending of their tax dollars. If we in Congress refuse to halt the pork-barrelling, it will be more and more difficult to explain to the American people why we

need to maintain adequate defense spending.

Mr. President, recent polls indicate that national defense will probably not be an issue in the Presidential campaign. Less than 5 percent of those polled indicated that defense is an issue of concern to them in considering their vote. Instead, Americans are concerned about balancing the budget, reducing taxes, and improving their quality of life, among other things.

So how do we explain to the citizens of this country why we need to spend \$11 billion more for defense this year, when we waste \$2 billion on pork? How do we explain why we need to maintain a strong military to ensure our Nation's future security? How do we credibly argue that this added \$11 billion is necessary for national defense, when \$2 billion is spent for projects that do little or nothing to contribute to our security?

Mr. President, we have made progress in reducing the amount of defense pork-barrelling. But we have a long way to go—\$2 billion, to be precise. For the sake of ensuring public support for adequate defense spending in the future, we have to completely eliminate pork-barrel spending now.

Mr. President, let me conclude by saying, again, that I believe this is, overall, a very good defense bill, and I voted in favor of reporting the bill to the Senate. However, with the budget resolution conference completed, this bill will have to be reduced by about \$1.7 billion to stay within the budget targets for defense. To meet this target, I urge my committee colleagues to look carefully at these pork-barrel additions. We must protect the high-priority military programs in this bill which contribute to the future readiness of our Armed Forces. We should cut out the pork first.

Mr. HATFIELD. Mr. President, the clarion call of this Congress, and the current administration, has been to balance the budget. To reduce the Federal deficit and balance the budget. I believe that, with the passage of this bill, the Senate takes a step away from that goal. The fiscal year 1997 Department of Defense authorization bill authorizes a total of approximately \$265.7 billion for national defense programs, which is more than \$11.2 billion more than the administration requested. I have to question the sincerity, and certainly the logic, of those who ardently advocate for a balanced budget while refusing to look realistically at defense spending.

When we speak of health care, education, and foreign aid, the self-professed fiscal conservatives rave about how the public must be prepared to sacrifice today to preserve the future. About how the Federal Government must cut costs and eliminate waste. And about how there is not one extra penny to spare for even the most essential domestic programs. Yet, when we even broach the subject of significantly reducing military spending, these same

fiscal conservatives take to the floor and raise the specter of national security as justification for maintaining an unconscionable level of funding.

Congress and the administration must share the blame for the failure to significantly reduce defense spending. Over the next 6 years, both the administration's and the Congress' budget plans call for \$1.6 trillion in military spending. This would mean that during the decade of the 1990's, the United States Government will have spent somewhere in the neighborhood of \$2.7 trillion on its military. This, when we haven't even yet begun to pay off the tremendous debts incurred during the massive military build-up of the 1980's.

For fiscal year 1997, the Senate has added \$11.2 billion dollars to the administration's request for the Department of Defense. Much has been made of the fact that each of the Joint Chiefs came to Capitol Hill earlier this year and presented a list of additional programs and projects they needed beyond the initial request. These soon became referred to as their wish lists. And, of course, Congress dutifully added the funds for those items.

There has developed an attitude here that to question the funding requests from the Pentagon is to undermine the Nation's security. To spend a penny less than what is requested, it is suggested, will put our security into jeopardy. I think we should recognize that the posture and weapons systems requested by the Defense Department as essential to security do not carry with them any mandate from heaven. It is the estimation of dedicated people working in an enormously complex bureaucracy and influenced heavily by the interests and biases of that bureaucracy. Moreover, it must be remembered that the Defense Department defines and regards "national security" in the most narrow vein. Only the military factor is considered.

But when Congress evaluates the national security, it must recognize that our true security is a combination of economic health, political stability, and domestic tranquility, as well as our military resources. Congress has the unique task of judging the relationship of all these factors as it attempts to ensure our overall national security. We have the responsibility of prioritizing our limited resources, and we must keep in mind that the most important element of our defense policy is the will of our people. The disillusionment and dissatisfaction caused by the lack of adequate education, health services, and housing creates as great a threat to our national security as anything we may face outside our own borders.

President Eisenhower, one of America's most celebrated and dedicated military leaders, used to say that military strength is only the sharp edge of the sword. The strength of the blade, and therefore of the sword, is based on the economic might and political freedom of the American people. Today,

the United States leads the world in military power, yet we lag behind other developed nations in literacy, per capita income, infant mortality, doctor-patient ratios, and other important indicators of a society's strength.

We must realize that our national security is not solely dependant on our military might. The prevailing consensus around here seems to be that if it doesn't fly, shoot, float or explode, then it isn't relevant to the security of our country. But unless we can enjoy a strong economy, adequate housing, good nutrition, educational opportunity, satisfying employment, and the liberties on which our Nation was founded, we are not truly secure, no matter how many arms and men we can muster against an enemy. This broader definition of "national security" must be kept in mind when considering the allocation of our financial resources in the federal budget. In my opinion, the Senate has failed in its responsibility to do so today by authorizing over \$267 billion dollars for military spending at the expense of much needed domestic programs.

We must examine our military requirements carefully, so that we don't rob ourselves of the resources necessary to provide a high standard of living for every American. This bill fails in that regard, and therefore I cannot support it.

Mrs. FEINSTEIN. Mr. President, I rise in support of the DOD authorization bill for fiscal year 1997. This is a responsible bill that provides continued national security and properly funds modernization and operating accounts.

As the front page of any newspaper in this country today reminds us, we continue to live in a dangerous and uncertain world. Civil and international conflicts can begin by the assassination of a national leader, the blockade of shipping lanes, or ethnic strife. Our military response to these conflicts can vary from peacekeeping, humanitarian, and peace enforcement operations to full scale deployment. Because we continue to ask our military to participate in more and more operations other than war, we not only must plan and prepare to send our troops to an international border to protect our allies or our citizens living overseas, but to protect foreign civilians in peacekeeping and humanitarian operations.

While the fiscal year 1997 DOD authorization bill is nearly \$12 billion higher than the President's budget request, it keeps total defense spending \$5.6 billion below last year's inflation adjusted level. Although some of my colleagues may think this a negligible reduction, this is the 12th year in a row where the U.S. defense budget is less than it was the year before; \$7.6 billion of these additional funds were allocated to modernization of our weapons systems to that the men and women of our Armed Forces have access to the best technology and safest equipment possible.

At a time when we are asking our soldiers to do more and more with less, we must strive to provide them with reliable systems that are capable of carrying out a variety of missions.

Concern over the funding levels for the new military equipment was noted by the Chairman of the Joint Chiefs of Staff, General Shalikavili, is especially worrisome in the area of procurement and research and development. During their testimony before the Senate Armed Service Committee, General Shalikavili and the service chiefs recommended that the procurement account be funded at \$60 billion in fiscal year 1997.

This bill also increases funding in the service's day-to-day operating accounts. Reduced funding threatened to limit the ability of the services and Guard and Reserve forces to carry out the airlift, support, medical, and counterdrug tasks asked of them. For example, the committee increase funding for the Air National Guard by \$76 million to ensure that it could carry out its aircraft and mission support operations. The committee also rightly increased the level of funding for the Defense Department's counterdrug activities. These missions, especially those carried out by the National Guard, have had a substantial impact on reducing the flow of drugs into this Nation. As a Senator from California, where illegal drugs are an epidemic, I am very pleased with this action.

This year's defense bill also recognizes the needs of our men and women in uniform. I believe the committee wisely included additional military construction projects, a 4-percent increase in the basic allowance for quarters, and a 3-percent pay raise to better our uniformed military's standard of living.

I do not, however, support all the extra funds that were added to this bill. I felt it important to support Senator DORGAN's amendment to cut \$300 million from national missile defense funding. I believe that a national missile defense is a laudable goal, and I certainly want to see different Anti-Ballistic Missile [ABM] Treaty compliant national missile defense systems studied. But, the cold war is over. There is no immediate or even mid-term threat to U.S. security that suggests the need for an immediate development and deployment of a national missile defense system. Only Russia and China have nuclear armed ICBM's that can reach the United States—and China has no more than a dozen or so of these weapons. There is consensus within the national intelligence community that it is very unlikely that additional countries can or will build ICBM's within the next two decades. In addition, the Pentagon's Joint Requirements Oversight Council [JROC] believes that with current and projected ballistic missile threats, the funding level for developing a national missile defense system should be no more than \$500 million per year.

Funding at this level will allow the United States to continue to field critical theater missile defenses and national missile defense systems to meet projected threats, save money, and achieve an affordable ballistic missile defense. Should threats to the United States materialize, it will give us sufficient lead time to respond to those threats, at that time and as necessary, with appropriately higher funding and a more aggressive national missile defense program.

I also supported the Wellstone amendment to transfer \$1.3 billion—just 10 percent of the \$13 billion increase in funding from the President's request—from DOD to higher education and employment and training programs. California is one of the most heavily impacted States by the cuts. This amendment would have provided the needed extra funding for education and job training programs.

Senator WELLSTONE's amendment would have transferred \$806 million from DOD's coffers for Pell grants, Perkins loans, and direct student loans. Employment and training programs for dislocated workers, summer youth jobs, school-to-work, and one-stop job training centers would have received a total of \$504 million. All of these programs are as important to California as adequate defense spending and I am sorry that the Wellstone amendment did not pass.

In conclusion, Mr. President, I would like to make special note of a major victory for the women who serve in our armed forces. I am speaking of the passage of the repeal of current law that prohibits abortion at an overseas U.S. military facility even if the woman paid for the procedure herself. Forcing a woman to fly to the United States to obtain an abortion creates a double standard that is not only unjust, but potentially dangerous to the health of our women in uniform and military spouses. I am very pleased to see this amendment pass.

ALLIED BURDENSARING

Mr. KERRY. Mr. President, I was pleased to be the principal cosponsor of an amendment offered by the Senator from Iowa [Mr. HARKIN] to the Defense authorization bill, amendment No. 4177. It was my intention to join Senator HARKIN on the floor to speak in favor of the amendment that seeks to obtain a greater sharing of the financial and other burdens of stationing American troops in foreign countries. However, Senator HARKIN successfully negotiated with the managers of the bill and they agreed to accept the amendment. As a consequence, it was hastily offered and approved by a voice vote last night while I was away from the Senate floor and could not reach the floor before that action was concluded.

Because of my strong support for this amendment, I would like to insert in the RECORD the statement I intended to make when the amendment was offered, and I ask unanimous consent

that the statement be printed in the RECORD.

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

ALLIED BURDENSARING

Mr. President, I am pleased to join with the Senator from Iowa in offering this amendment. Unlike previous burdensharing amendments that simply asked our allies to pay more of the costs of stationing U.S. troops abroad, this amendment incorporates a more comprehensive definition of the price of international peace and security. Forward deployed American troops represent only one element of a collective security approach to maintaining international security and fostering peace and democracy. An equitable distribution of the costs of collective security must recognize and include other components in the burdensharing calculations, and that is what we have done in this amendment.

Our amendment, which mirrors the Shays/Frank amendment that passed overwhelmingly in the House of Representatives, instructs the President to focus on four areas in which to seek greater contributions from countries that have U.S. forces stationed on their soil. To satisfy the terms of the amendment, the increases can be in one or more of these areas at the President's discretion.

First is the traditional request that host nations pick up more of the costs for forward deployed U.S. troops. The amendment calls on the President to increase host nation support over the next four years with a goal of reaching 75 percent of the non-personnel costs incurred by U.S. forces. Japan already pays 79 percent of these costs and Korea pays 63 percent, but our European allies only contribute an average of 24 percent. The CBO has calculated a potential savings of \$11.3 billion by 2002 if this provision is fully implemented.

The second area of focus is overall defense spending by our allies as a percentage of their respective GDPs. The U.S. currently spends 4.7 percent of GDP on defense while many of our allies, including Germany, Japan, Italy, and Canada spend less than 3 percent. The amendment calls on the President to encourage allied nations to increase their defense spending as a percentage of GDP by 10 percent or to a level commensurate with that of the U.S. But as with host nation support, this category will be appropriate for some nations and not others. For example, the President might choose to encourage the Canadians to raise their defense budget from its current level of 1.9 percent of GDP to 2.09 percent, but Greece already spends 5.6 percent of GDP on defense, more than the U.S.

The third category is foreign assistance. If the President thought an ally should be doing more in this area he could encourage that country to increase its foreign assistance by 10 percent or to a level commensurate with that of the U.S. I personally believe that we have cut our own foreign aid too deeply in recent years. But if, because of our budgetary situation, the U.S. cannot continue to fund important development programs that contribute to stability in many nations, then countries that do not spend large amounts on their military should be encouraged to pick up the slack. The purpose of this amendment is to share the load, not to make every allied nation contribute the same amount in every category.

Finally the amendment instructs the President to push allied nations to increase their military contributions to U.N. and other multilateral peace-keeping operations. This provision makes the clearest break with

Cold War thinking and recognizes how important international and regional peacekeeping efforts have become. From Cambodia to Liberia to Bosnia and dozens of other trouble spots, peacekeepers work to keep tensions from erupting into conflict and to contain the conflicts that do break out. Often in these situations America cannot send troops for fear that one side or the other would seek to make them the target. Although Japan and Germany are constrained from sending troops in many cases, they could do more to provide equipment, logistical services and financial support to peacekeeping efforts. So could other nations.

If the President cannot convince our allies to improve their contribution in any of these areas, the amendment lays out a menu of options for him to use to prompt cooperation. The options include: reducing troop levels stationed abroad; imposing taxes or fees similar to those that other nations impose on U.S. forces stationed abroad; reducing the amount of U.S. contributes to the NATO budget or other bilateral programs; or taking any other action within his power. In reality the President already has the authority to take any of these steps. This language simply urges him to use these tools to encourage burden sharing. These options are suggestions and are not mandatory.

During the Cold War, the United States maintained the military industrial might to counter the threat posed by the former Soviet Union. In doing so, we paid a very heavy price and the American people made many sacrifices, most importantly in the lives of American men and women who fought and died in Korea, Vietnam, and elsewhere. But we also sacrificed a great deal of our national wealth to build and maintain a military superior to all others, capable of defending not only the United States but also our allies in Europe and the Pacific. In addition to providing the primary defense for the free world, we aided the devastated economies of Europe and Japan to recover after the war and then devoted our efforts to development in the Third World. These contributions were also important to maintaining stability and security.

For much of the Cold War, we had the only economy capable of sustaining such an effort. This is no longer the case. The European Union has passed the U.S. as the largest integrated economy in the world, and Japan's per capita output is very close to ours. With the Cold War gone and the threat of global war fading, it is time for the rest of the industrialized nations to take on their fair share of world responsibility. The United States will continue to lead the way, but we can no longer do it all ourselves.

Both the Defense Department and the State Department are on record in support of this amendment. According to the State Department the amendment "supports U.S. policy objectives in achieving an equitable responsibility sharing of global security interests with our allies." This amendment does not tie the President's hands. He maintains the flexibility to target different countries in different areas and to use the tools he feels are most appropriate.

Not only is this approach supported by the Administration, but because of the potential to save the American taxpayers \$11.3 billion by 2002, the amendment has garnered the endorsement of The Concord Coalition Citizens' Council, Taxpayers for Common Sense, and Citizens Against Government Waste. This amendment makes sense both for budgetary reasons and on grounds of fairness, and it supports Administration policy. I urge my colleagues to support it.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from Massachusetts.

MINIMUM WAGE AND HEALTH INSURANCE REFORM

Mr. KENNEDY. Mr. President, under the Senate schedule, when the Senate returns a week from Monday, we will have the opportunity to debate the minimum wage increase, the proposal that will be before the U.S. Senate. In anticipation that minimum wage really is the next order of business, I will address the Senate briefly this afternoon in terms of what I think are the issues that will be considered. I think it is important, as we move through the Fourth of July recess, that the American people understand the issues that will be considered, under a relatively short time agreement, with the vote coming up in the early part of the week, when we return.

The issues that will be before the Senate and the American people are extremely important to working families, especially low-income working families, and their children.

I think it is important that we begin to think about these matters, now that the issues on the defense authorization bill have been addressed and pretty well resolved. Then I would like to just take a few moments to address where we are, as I consider it, in terms of the health insurance reform bill that was passed unanimously out of our committee and on the floor of the Senate and where we are in terms of the discussions that have been taking place in recent days.

But on the first issue, on the minimum wage, Mr. President, I think it is regrettable that our Republican colleagues continue to try to do all they can to undermine a fair increase. We will have the opportunity to vote on a 90 cent increase in the minimum wage over a 2-year period. Nonetheless, it is important to know that not only will we have the opportunity to vote for the increase, but that there will be an alternative before the U.S. Senate that will undermine in a very dramatic, important and significant way the effects of the increase for working families.

Mr. President, that is the particular part of the debate that I would like to talk about briefly this afternoon. At every turn, wherever we can provide some protection, there will be at least a proposal to minimize that protection for workers in the form of delays in the increase of the minimum wage.

In the proposal that will be the alternative to our increase in the minimum wage, the Republican proposal will, first of all, put off any increase until January 1, 1997.

That means for another 6 months, minimum wage workers will go without a raise. They have already had no raise over the period of the last 5 years. They will be denied approximately \$500 more in additional pay that they would have received over the next 6 months—

\$500 that could buy medicine for sick children, new school clothes, or even Christmas presents. Only the Grinch would be mean enough to delay this raise for our poorest workers until after Christmas. Surely, our Republican colleagues find this kind of meanness embarrassing.

It is important to know that in the proposal that was introduced 2 years ago, the first phase of the increase in the minimum wage was to go into effect in this July period, to go up 40 cents, and then an additional 45 cents a year from now. Now we will have before the Senate the alternative of delaying any kind of increase until January 1997, at the earliest.

Next, our opponents propose an increase—but just a flat increase in the minimum wage, as we had in 1989, signed by a Republican President. Under our Republican proposal, we will find that the minimum-wage proposition that they support creates a subminimum wage for any worker who takes a job with a new employer.

Their proposal would allow employers to pay any new employee a subminimum wage of \$4.25 an hour for 6 months. This harsh provision could have a serious depressing effect on the already depressed wages of large numbers of working Americans. Each year 6 million workers lose their jobs and struggle to find new ones, and all of them would be subjected to this subminimum wage.

Our Republican friends call this an opportunity wage. But the only opportunity in sight is the opportunity for employers to exploit their new workers. No one will be hurt more by this than the downsized, laid-off workers in a time of high unemployment who cannot find jobs equivalent to the jobs they lost. Not only will they face the indignity of having their wages fall to the minimum, but they will find themselves falling to a subminimum wage.

The past year has been a time of economic expansion and relative prosperity for our economy as a whole. But again and again we see the stories of white and blue-collar workers laid off after long careers in good-paying jobs. Many of these workers have found themselves forced to accept minimum-wage jobs after being laid off by a downsizing employer.

Mr. President, what we are saying here is that anyone who enters the job market will not be eligible for an increase in the minimum wage for 180 days. They may work for a period of time, they may be laid off from that job, they may go to another job, and they are still not eligible for another 180 days.

At least in 1989, when we were debating the increase in the minimum wage, they called it a training wage for a period of 90 days. Even though there was no requirement to provide either education or training during that period of time—they just labeled it as a training wage.

This one before us now in the U.S. Senate is 180 days, without any kind of