lot of work has gone into the negotiations on this compromise proposal now for the last several weeks. I appreciate his willingness to work with us to achieve this agreement today. We will have an up-or-down vote as we have requested on minimum wage on July 9. I appreciate very much his willingness to work with us to achieve that.

This effort would not have been successful were it not for the distinguished ranking member of the Labor Committee. He has been stalwart in the effort to find a way to ensure that we have this opportunity. I applaud and thank Senator KENNEDY for his contribution to these negotiations and his arduous work in making sure that we have been successful this afternoon.

As the distinguished majority leader said, this allows us to move the process forward. We will have a series of votes and an opportunity to vote on relevant amendments. That was key during these negotiations—relevant amendments during the consideration of these bills. Once that has been achieved we will go to conference.

I am very hopeful, very desirous, and fully confident that we can resolve these matters with the House in conference sometime during the month of July—sooner rather than later. It is my expectation they will be resolved successfully in a form that will allow us to bring back a conference report that is acceptable to the Democrats and that the President can sign. I will work with the majority leader to ensure that that happens. My colleagues have my commitment that I will make every effort to see that that happens in the next several weeks.

As the distinguished majority leader also mentioned, the health bill is not part of this package. It was our hope that we could resolve the differences with regard to health as well. But we will work on that next.

It is not our desire to offer the health bill as an amendment today to the defense bill. I hope that at some point in the next 24 hours, the majority leader and Senator KENNEDY and I can sit down to work on that, as we worked on minimum wage, to see if we can find a way to resolve the impasse and leave with the week intact and with the confidence of knowing we can resolve health, as now we have been able to resolve the matter of the minimum wage, in an acceptable manner procedurally at least.

So, again, I thank very much all of those who were involved in this negotiation. I am hopeful that we can now look with some promise, some confidence to this issue being resolved in a successful way in the very near future.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

THE MINIMUM WAGE BILL

Mr. KENNEDY. Mr. President, I join our two leaders in welcoming this agreement which will permit the Senate to vote on the issue about whether families that work hard 40 hours a week, 52 weeks a year, ought to have a livable wage. I think it is important to note that with this agreement the time of obstruction, delay, and stonewalling has been put aside.

It did not have to be this way. Increases in the minimum wage have been bipartisan in times past, and they should be bipartisan today if we are going to reward work and respect work and make sure that families that are working will have enough of an income to provide for themselves, for their children, to put food on the table, and pay a mortgage.

That has been a proud tradition for the last 58 years. Fifty-eight years ago today President Roosevelt signed the first minimum wage bill. It was 25 cents an hour. He predicted at that time there were going to be voices raised saying this was to be the end of democracy in America. So often with the increases that I have seen in the minimum wage since the early 1960's, there have been similar calls, that any increase was going to destroy the free enterprise system.

Of course, that is not what this is about. It is about fairness. It is about decency. It is about respect for work. It is about making sure American families are going to be treated fairly.

So I am grateful that we will have that issue before the Senate. Today is really a victory for working families, those working families that came here and appeared before various forums in the House of Representatives and the Senate of the United States. We were not permitted to have hearings to hear from these families, denied those hearings in the past year and a half. Nonetheless, we were able to have forums. Families told us about their hopes and dreams, told us how they work not one job but two jobs. Families pointed out they did not mind working one job, two jobs, three jobs but what they resented most was not having sufficient income so they could set aside a few hours to spend with their children and members of their family.

That is what this is about. Women in the work force, 65 percent of those who receive the minimum wage are women in the work force. It is about children of working families in the work force.

So, Mr. President, we will look forward to debating this issue when we come back after the Fourth of July break.

Finally, as we are looking at this moment, we also have to consider what our friends on the other side are offering as an amendment to the minimum wage and their view about what the minimum wage should be. If perchance their amendment is accepted, then even the position of the House of Representatives, which said that the minimum wage would have gone into effect at the time of July 1, just a couple of weeks after the time of the passage, their proposal is going to delay that until the early part of next year, January of next year—another delay.

Second, it is going to have a provision to provide 180-some days, so that any entrant into a new job for 180 days can still be paid at the old wage of $4.25 an hour. We have seen other gimmicks in the past on the minimum wage. We had a 90-day delay called the Youth Training Program, even though there never was a training program included, and then another 90 days included if that youth were under 18 years of age.

Now we have a delay of 180 days for the entrant at the minimum wage, whether that be a teenager—the 30 percent of those who are making the minimum wage who are teenagers—or whether that be a single mother who has to provide for her family. If we pass this bill and get it enacted into law, it is going to be delayed until the early part of next year under the Republican amendment, and then it will be delayed another 180 days under the Republican amendment. And then the final provision of the Republican amendment is to have a carveout for businesses of up to $500,000. That will carve out approximately 10 million Americans that will no longer be included in coverage for the minimum wage.

So on the one hand, as we are going to have an agreement to at least vote on this issue and to address this issue of fundamental fairness, we also have to be aware that there will be a proposal on the floor of the Senate that will carve out 10 million of the 13 million Americans who would be affected by this minimum wage, will carve out those new entrants into the job market at the lower level of the ladder for 180 days from getting any benefit of the increase in the minimum wage, should we support it, and then delay that program until the first of next year. That is a totally unacceptable proposal, and I hope it will be resisted here.

But I am grateful to our leaders for working out this proposal. I am particularly thankful to those on our committee and here on this side of the aisle who have been constant. Every Member on our side of the aisle has voted in support of the increase in the minimum wage, and I commend the number of Republicans who have also joined with us and have reflected their support for the minimum wage in the past. We thank them for their constancy and indication they were going to take every step that was going to be necessary to get a vote on this issue.

I hope that over the period of the next few weeks, the American people will look at what the alternative will be in this Chamber that effectively, on the one hand, will give an increase in the minimum wage and, on the other hand, withdraw it. That is an unacceptable way of proceeding. I hope that amendment will be defeated. It is important that the American people in these remaining days, when they see their Members of the Senate at the Fourth of July parades and at the picnics over this period of time, say, when

you go on back to the Senate of the United States on the 8th and 9th, OK, take care of those small business men and women, up to $13 billion in terms of additional kinds of help and support; OK, take care of those small businesses—and many of those provisions I will support—but do not go in and carve out the millions and millions of Americans who otherwise would have participated in an increase in the minimum wage.

I am grateful for this agreement, and I thank the Senator from South Dakota, the Democratic leader, who has been the leader on this issue as in so many other issues and with his leadership has really brought us to this place where at last we will have an opportunity to vote on this matter.

Mr. President, I yield back the remainder of my time.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. THURMOND. Are we ready to vote?

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I would like, in responding to the chairman, to now——

Mr. THURMOND. Has the Senator proposed the amendment yet?

Mr. LIEBERMAN. We have not, and if it is OK with the chairman, I would like to go ahead and introduce the amendment now.

AMENDMENT NO. 4156

(Purpose: To provide for a quadrennial defense review and an independent assessment of alternative force structures for the Armed Forces)

Mr. LIEBERMAN. Mr. President, I call up amendment No. 4156 to the Department of Defense authorization bill and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. LIEBERMAN], for himself, Mr. THURMOND, Mr. COATS, Mr. ROBB, Mr. MCCAIN, Mr. NUNN, Mr. INHOFE, Mr. KEMPTHORNE, Mr. WARNER, Mrs. HUTCHISON, Mr. SANTORUM, Mr. MURKOWSKI, Mr. LEVIN, Mr. FORD, and Mr. BOND, proposes an amendment numbered 4156.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the amendment is printed in today's RECORD under ''Amendments Submitted.''

Mr. LIEBERMAN. I thank the Chair.

Mr. President, as previously discussed, this is the amendment which would provide for both an in-the-Pentagon-and-outside-the-Pentagon, under the Secretary of Defense, national defense panel review of our national security structure to answer basic questions: What are the threats to our national security in the coming decades, and how can we best meet them? It is an attempt to get out of the box, get out of the day-to-day here and look forward, over the horizon, so that we are ready to face and meet whatever threats to our security exist, and to do so in the most cost-effective way.

Mr. President, I appreciate the broad bipartisan support for the amendment, including the statement from the chairman of the committee, Senator THURMOND. I believe my cosponsor, the Senator from Indiana, who spoke only briefly before, does have further comments.

I do want to indicate to my colleagues here that Senator COATS and I do intend to ask for a rollcall vote on this. We do not expect the debate will be long, but we do hope to do so sometime soon this afternoon.

I look forward to the debate and I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, America's preeminence in the world is accompanied by the opportunity and burden of leadership to shape the international community. I have been somewhat perplexed that our concerns with national defense are often no broader than the level of defense spending, which we generally debate only during the annual authorization and appropriation cycles. It is incumbent that we consider the scope of the demands and expectations placed on our military in support of America's role in shaping the work today, and through the next century. Included are the fundamental issues of our national security interests, the nature of future conflicts, and the most appropriate military strategy for which the Department of Defense should develop its military capabilities. These considerations must be made deliberately, not by default. Failing to do so will lead the United States to react, rather than control, events in the next century.

The actions we take on the defense authorization bill will fundamentally influence our national security strategy and force structure well into the next century. Properly done, these decisions will be a powerful investment in the future. Unfortunately, there is widespread consensus—both in and out of the Pentagon—that the administration's 1993 Bottom Up Review strategy is not the strategy America needs to guide its military into the 21st century. The strategy has been chronically underfunded, with shortfall estimates ranging anywhere from $50 to $150 billion. There is great skepticism with the two major regional conflict [MRC] yardstick that undergirds the Pentagon force planning. And, perhaps most disquieting, is the BUR's implicit assumption that the nature of future conflicts will closely resemble those of the past. The effects of misinvesting in a strategy that has lost its relevance are immense.

Congress has done its best to reconcile the sizable disconnect between the BUR's requirements to fight and win two nearly simultaneous MRC's and the funding needed to execute such a strategy. But, while Congress has supported the military in sustaining readiness, in modernizing for the future, and in holding the line against additional force structure cuts in order to meet the BUR requirements, the administration has accused Congress of pork barrel politics. When Congress has tried to rectify serious funding shortfalls in programs at the urgings of senior military leaders, the administration has accused Congress of contributing to inefficient defense spending. The political gamesmanship over issues crucial to America's national security has created such hyperbole that the merits in investing defense dollars today for an uncertain future tomorrow confuse most Americans. I have serious concerns over the impact this political spin may ultimately have a public support for our troops.

In an era of competing budget priorities, an expanding continuum of military operations, the uncertainty of future threats and emerging new technologies, we can ill afford a business as usual approach on investing in our future defense. Senator LIEBERMAN, myself, and a host of cosponsors have worked in a bipartisan effort to ensure that the Defense Department and Congress will make only the most prudent investments in defense. Through this amendment—a review of the Armed Forces force structure—we intend to do more than affect the next military strategy and its resultant force structure. In establishing an independent, nonpartisan National Defense Panel, prominent defense experts will assess alternative force structure strategies in light of future threats, emerging technologies, required capabilities, and a broad continuum of military operations that may be likely in the future. The National Defense Panel's assessment will be far more comprehensive than previous force structure assessments, and will explore innovative, forward-thinking ways of meeting future national security challenges. The complete assessment will provide alternatives to a singular military strategy and its resultant force structure that will, in turn, enable Congress, the Defense Department, and the American public to better consider the level of defense spending our Nation requires in support of its national interests.

The National Defense Panel will also assist the Defense Department as it undertakes its quadrennial strategy review over the next year. The Department's Quadrennial review, while more narrow in focus, will examine force structure, modernization plans, infrastructure, defense policies and other elements of the defense program to develop a new defense strategy replacing the Bottom Up Review.