

from the current reliance on response and recovery to one that emphasizes preparedness. The Federal Emergency Management Agency (FEMA) has already established administratively a program to assist disaster-prone communities, one in every state, in developing strategies to avoid the crippling effects of natural disasters. My proposal would allow the SBA to begin a pilot program that would be limited to small businesses within those communities which are eligible to receive disaster loans after a disaster has been declared. Currently, SBA disaster loans may only be used to repair or replace existing protective devices that are destroyed or damaged by a disaster. In connection with repairs, funds may also be used to install new mitigation devices that will prevent future damage. My legislation is necessary to authorize SBA to establish this pilot program to provide mitigation loans prior to the occurrence of a disaster.

Mr. President, I believe that this disaster mitigation program will address two areas of need for our small businesses—reducing the cost of recovery from a disaster and reducing future disaster costs for small businesses. It also addresses the opportunity for small businesses to contract work during a period when market forces haven't driven up the prices for these services, thereby ultimately reducing the cost of disaster assistance to the taxpayers.

I thank my colleagues on the Small Business Committee for including both of these initiatives, which I think will serve the needs of so many, in this bipartisan legislation. I look forward to its prompt enactment. Thank you, Mr. President.

Mr. SHELBY. Mr. President, I ask unanimous consent that the amendment be agreed to, the substitute amendment be agreed to, the bill be considered read a third time and passed, the amendment to the title be agreed to, the title, as amended, be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The amendment (No. 3674) was agreed to.

The committee amendment, as amended, was agreed to.

The bill (H.R. 3412), as amended, was considered read the third time and passed.

ORDERS FOR THURSDAY, OCTOBER 1, 1998

Mr. SHELBY. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. on Thursday, October 1. I further ask that the time for the two leaders be reserved.

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

PROGRAM

Mr. SHELBY. For the information of all Senators, on behalf of Senator LOTT, tomorrow the Senate will convene at 9 a.m. and begin 3 hours of debate on the defense authorization conference report.

At the conclusion of debate time at approximately 12 noon, the Senate will proceed to vote on the adoption of the conference report. Following that vote, the Senate may begin consideration of S. 442, the Internet tax bill, with relevant amendments in order and a Bumpers amendment regarding catalog sales. The Senate may also consider S. 1092, the Cold Bay-King Cove legislation under a 6-hour time agreement or any other legislative or executive items cleared for action.

Therefore, Members should expect rollcall votes throughout Thursday's session with the first vote occurring at approximately 12 noon.

ORDER FOR RECESS

Mr. SHELBY. Mr. President, if there is no further business to come before the Senate, I ask that the Senate stand in recess under the previous order following the remarks of Senator ROBB.

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

STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998—CONFERENCE REPORT

Mr. ROBB. Mr. President, I have heard many of the statements made here today and yesterday regarding the defense authorization conference report and, indeed, I had hoped to come to the floor earlier, but I was involved in a meeting in my office with the Foreign Minister of the Republic of Yugoslavia in a very serious and protracted discussion about the possible military options that Mr. Milosevic's Government and our Government were considering with respect to the situation in Kosovo, and the readiness of the military forces as well as the ability of those forces to respond to various contingencies was a significant part of our discussion.

Many of our colleagues have expressed their concern over the degraded state of readiness of our armed services. Mr. President, I share those concerns, especially as they relate to our fundamental ability to fight and win two major wars as is called for by our national military strategy.

Admittedly, the need to fight two such wars has been challenged by many, but until the tense situations in the Middle East and the Korean peninsula are behind us, we do not have the luxury of cutting force structure anymore. Indeed, in the words of the well-known Broadway musical, "we've gone about as 'fer' as we can go."

Yesterday, the Chairman of the Joint Chiefs of Staff and the four service

chiefs confirmed that the risk we now associate with fighting in a second theater is high. By "high risk," we mean that the level of troop losses in such a conflict could be unacceptably high. This, Mr. President, is a serious development and one which merits our immediate attention. Many of our colleagues have also expressed frustration that we were made aware of this and other readiness problems only recently.

While I share some of these frustrations, I also appreciate the complexity of predicting problems even a few months out. Pilot retention, for example, can be a function of the strength of the economy. Moreover, I appreciate the comments by our service chiefs in a hearing yesterday that reinforced the immense complexity of managing our readiness, especially like a major downsizing unlike anything we have been through since the end of World War II.

This having been said, we have a serious readiness problem that threatens to nosedive very quickly. We are already eating our seed corn, and the threat of a hollow force, according to our witnesses yesterday, looms only 5 or perhaps a few more years out.

Some fixes can be made in short order; others, such as fielding new equipment that won't consume so much of our resources to maintain, may take years.

The obvious solution and one quoted by many of those participating in the hearing and certainly by our service chiefs is more money.

While I will support supplemental funding for the Department of Defense, I do so with considerable frustration over this Congress' inability to have the courage to cut wasteful defense spending. While we rail on and on about the administration for underfunded readiness, we refuse to cut bases. One more base closure round should realize around \$3 billion a year in steady-state savings, enough to pay for a host of readiness problems.

While some attack our service leaders for not being forthcoming, we add hundreds of millions of dollars in military construction projects that, although requested by the military for future years, we rush to build today so we can score points back in our States and districts just before an election. While some claim we have had no indications of a looming readiness problem, the fact is that we have. But despite this, we added over \$2 billion in this bill for procurement and research and development projects that were simply not requested by the military. I am not suggesting they are not necessary in the long term, but they were not requested by the military in this bill.

Mr. President, I support this conference report. I will support the supplemental funding package. But I hope each and every Member will find the will next year to support substantial infrastructure reductions and stop pushing so many Member interests