The PRESIDING OFFICER (Mr. ABRAHAM). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 64, nays 34, as follows:

[Rollcall Vote No. 576 Leg.]

YEAS—64

Abraham	Frist	Lieberman
Ashcroft	Gorton	Lott
Bennett	Graham	Mack
Bond	Gramm	McCain
Bradley	Grams	McConnell
Breaux	Grassley	Murkowski
Burns	Gregg	Nickles
Byrd	Hatch	Pressler
Campbell	Hatfield	Reid
Chafee	Heflin	Roth
Coats	Helms	Santorum
Cochran	Hutchison	Shelby
Cohen	Inhofe	Simpson
Coverdell	Inouye	Smith
Craig	Jeffords	Specter
D'Amato	Johnston	Stevens
Daschle	Kassebaum	Thomas
DeWine	Kempthorne	Thompson
Dodd	Kerrey	Thurmond
Dole	Kohl	Warner
Domenici	Kyl	
Ford	Leahy	

NAYS—34

Akaka	Feingold	Murray
Baucus	Feinstein	Nunn
Biden	Glenn	Pell
Bingaman	Harkin	Pryor
Boxer	Hollings	Robb
Brown	Kennedy	Rockefeller
Bryan	Kerry	Sarbanes
Bumpers	Lautenberg	Simon
Conrad	Levin	Snowe
Dorgan	Mikulski	Wellstone
Exon	Moseley-Braun	
Faircloth	Moynihan	

NOT VOTING—1

Lugar

So, the conference report was agreed to.

Mr. SHELBY. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senate recedes from its amendment numbered 132.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The distinguished majority leader.

Mr. DOLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. KENNEDY. Mr. President, I ask unanimous consent to proceed as in morning business.

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

The Senator from Massachusetts.

BUDGET IMPASSE

Mr. KENNEDY. Mr. President, the current budget impasse demonstrates the harsh and unacceptable priorities of the Republican majority in Congress. As the past 2 days have shown, our Republican friends are prepared to hold the entire Federal Government hostage to their extreme agenda. Their price for keeping the Government open is to abandon senior citizens on Medicare and families struggling to educate their children. Their price is too high and their tactics are irresponsible, and President Clinton is right to reject them.

It is wrong for our Republican friends to sacrifice the rights of students and senior citizens on the altar of tax breaks for the wealthy. The American people did not think they were voting for deep cuts in Medicare and education in 1994, and they are not going to vote for anti-Medicare, anti-education candidates in 1996.

Make no mistake, balancing the Federal budget is not the issue. We all agree that the budget should be balanced and must be balanced, but above all, it must be balanced fairly. The fundamental issue that divides Democrats and Republicans is not whether to balance the budget but how to balance the budget. We can debate these issues responsibly. It is reckless and irresponsible for the Republican majority in Congress to shut down the Federal Government because they cannot get their way. They do not deserve their way, and they will not get their way.

Democrats categorically reject Republican priorities that would balance the budget on the backs of senior citizens, students, and working families to provide payoffs to the privileged and confer lavish tax breaks worth hundreds of billions of dollars on the wealthiest individuals and corporations in our society.

In education, the Republican budget bill is a bust for students and a bonanza for big banks. It is wrong to dismantle the highly successful Direct Student Loan Program. It is wrong to prohibit colleges and universities from choosing and using a loan program that provides the best service and the lowest cost to students. It is wrong to tilt the playing field and funnel $100 billion in new business over the next 7 years to the banks and guaranty agencies in the student loan industry. I say let competition work. Let the best loan program win.

Whatever happened to the Republican belief in competition? The President had signed a law that went into effect in 1993 to provide for a transition and a real competition between direct loan and the guaranteed student loans. Republicans and Democrats alike had worked towards a real compromise.

There were many who wanted to go immediately to direct loans. There were others who wanted the guaranteed loan. So we created a compromise that permitted the universities and colleges of this country to move gradually towards the Direct Loan Program, and they have been moving forward with that Direct Loan Program.

There are more than 1,450 colleges that have that. It is interesting that there is not a single college in the United States that has moved from a Direct Loan Program back to the guaranteed loan. Not one. And there are scores of them that want to move the other way.

But under this particular proposal, what we are doing is actually carving out a very narrow sliver of the whole loan program to the direct loan, some 10 percent, and giving the other part to the guaranty agencies. Almost $100 billion will flow through them and the profits will be anywhere from $7 billion to $9 billion. Those will be out of the pockets and pocketbooks of the parents primarily and the students over the period of these next 7 years, and that is wrong.

We say, ''OK, let's leave it up to the universities and colleges.'' Let them make the choice whether they want the guaranteed loan program, on the one, or the direct loan on the other. We have offered that. Let the colleges make the choice. That is competition at the local level. But we were refused and effectively closed out from that option.

That is only the beginning of the Republican attack on education. Over the next 7 years, their budget would slash Federal aid to education by an incredible one-third—$36 billion. A one-third cut in education is utterly irresponsible. We ought to be investing more in education, not less. That is our priority, that is President Clinton's priority, and I am confident the American people share it.

The Republicans claim their budget means a brighter future for the Nation's children. In fact, the Republican budget will turn out the classroom lights for millions of the Nation's schoolchildren and no anti-education plan like that deserves to pass. That is included in the Republican program.

What they take is the House appropriations figure, which is $4 billion. We had just over $2 billion in the Senate. I am convinced if we had gone to the conference, it would have been closer to the Senate, given the votes that have taken place here in the Senate on the education issue where we had bipartisan support, 67–32, when we had the vote on the Snowe-Simon amendment some time ago and the other actions that were taken on the compromise here.

We restored money in education, and what did the continuing resolution do? It took the lower figure between the House and the Senate, $4 billion cut and said you only have to spend 60 percent of what was being spent last year. That is effectively undermining in a dramatic way major education programs, whether it is the Head Start Program, the math and science programs for elementary schools, the whole school reform program, the drug-free school program, and many others, and that is basically wrong.

Excessive cuts like that break faith with families across America struggling to educate their children. Extreme cuts like that walk away from 30 years of bipartisan cooperation to improve education. Up to this year, we had bipartisan support. If you look over the last Congress, in 1992 through 1994, when we reauthorized the Head Start Program, when we reauthorized title I, $6.6 billion to reach out to needy children to help them with math and science, when we passed the Goals 2000 program to commit 90 percent of the funding to go to local schools and parents in local communities to enhance academic achievement, when we passed the School-to-Work Program, when we passed the Direct Loan Program, every one of those had bipartisan support. Only a handful of Republicans voted against it. Effectively, what happened in the 1994 legislation that said we have to wipe those programs out—I did not hear that point being made by our Republican friends in the course of the 1994 election, and we should not effectively undermine that important commitment to the young people in this country.

Mr. President, over the next decade, the number of school-aged children will rise to 50 million. That is almost double the number in the Sputnik era, a generation ago, when nobody questioned that educating our children was an urgent national priority. We are increasing the total number of children and effectively seeing the significant cuts by a third of all of the programs dealing with K through 12.

Now is no time to cut education. Education is the key that unlocks the American dream. Cutting education as we struggle to meet the challenge of the information age is like cutting national defense at the height of the cold war.

Senior citizens are targeted by the Republican budget. In the bill vetoed by President Clinton, our Republican friends were not insisting that Medicare payments to doctors and hospitals be cut as their price for keeping the Government open. They were not insisting that fraud and waste be squeezed out of Medicare. They were not insisting that senior citizens get the preventive care for outpatient services that they need to keep them out of the hospital to reduce Medicare. The right way instead of the right wing way. The only provision our friends insisted on was a new tax on senior citizens in the form of higher Medicare premiums.

Speaker GINGRICH makes no mistake about it. He says he wants to see Medicare wither away. Well, with priorities like that, it is more likely that the Republican Party will wither away.

Medicare is part of Social Security. It is a contract between the Government and the people that says, ''Pay into the trust fund during your working years, and we will guarantee good health care in your retirement years.''

It is wrong for the Republicans to break that contract. It is wrong for Republicans to propose deep cuts in Medicare—three times as deep as anything needed to protect the trust fund. It is doubly wrong for Republicans to propose deep cuts in Medicare in order to pay for tax breaks for the wealthy. It is triply wrong for the Republicans to try to force the President into accepting higher Medicare premiums as their price for keeping the Government open.

Over the period of the last 2 days, I have seen many of the Republican leaders on television, and not one of them mentions their tax cut for the wealthy individuals. I have yet to hear them talk about it on the floor of the Senate. Not one of them goes on television and says, ''The reason we need our program, Mr. President, is because we have $245 billion of tax cuts.'' Not one of them say it. They brought it in here just a few days before we were going to vote on that. It was an add-on, and once they got their commitment in terms of the higher premiums on Medicare, then they went ahead and got their tax cut. We have all known that it has been out there for some period of time. Why do we not, on the level, try to present that to the people and let the American people vote on that issue? They refuse to do so.

So Republican leaders make the preposterous claim that their cuts in Medicare will only affect millionaires. Well, I have news for them. Eighty-three percent of the Medicare spending is for senior citizens with incomes of less than $25,000 a year. Almost two-thirds of Medicare spending is for senior citizens with less than $15,000 a year. These are the people who you are raising the taxes on with the increased premiums on Medicare. On average, because of gaps in Medicare coverage, already high copays, deductibles, and premiums, senior citizens must spend 21 percent of their total income to purchase the health care they need. It is unfair to make them bear the brunt of cuts in Medicare.

The Republican attack on Medicare will make life harder, sicker, and shorter for millions of elderly Americans. They deserve better from Congress, and I believe they will get it.

This cruel and unjust Republican plan to turn the Medicare trust fund into a slush fund for tax breaks for the wealthy deserves to be defeated. Their attempt to force a Medicare premium increase into law to keep the Government running deserved the veto it received.

We can meet our budget goals without undermining education, without undoing Medicare, and without shutting down the Government. I believe that this is a battle that we should fight, rather than cutting the Medicare programs and the key education programs, which are so important for the future.

Mr. HARKIN. Will the Senator yield for a question?

Mr. KENNEDY. Yes.

Mr. HARKIN. The Senator makes a lot of good points about the people that are being hurt out there and are being affected by this shutdown of the Government. I ask the Senator if he knows something or has heard what I have found out today and that I was not aware of. Right now, because of the shutdown in Government, I understand that essential workers go to work. All of our staffs are here at work; committee staffs are here, Senators' staffs, and Representatives' staffs are here. But I just discovered today that when they get their paychecks next week, they are not going to be paid for any days worked after the 13th of this month. Is that the Senator's understanding?

Mr. KENNEDY. Well, I had heard that mentioned by some of our colleagues, but the particular details, I am not as familiar with as the Senator from Iowa. I hope that he will explain that to us.

Mr. HARKIN. Well, I just heard that even though they are essential workers and they have to come to work, they do not get paid. I then found out that it does not just apply to staffs. All the air traffic controllers out there right now working to guide our aircraft—they are working now, and they are essential, but they are not getting paid. So whether it is our staffs, air traffic controllers, or people working at the Pentagon for the Department of Defense, they are working but not getting paid.

I thought we did away with slavery in this country. They have to go to work, but they do not get paid. Now, again, I guess they will get paid later on sometime, but these are people with mortgages, car payments, kids in college, kids in school. They have their bills to pay just like everybody else. But next Monday, when they get their checks, they are going to come up short. However, I think the Senator—I would like to ask the Senator, we do not fall into that category? Senators and Congress are going to get full pay next week when our paychecks come. But staff, air traffic controllers, everybody else, they do not get full pay.

What an abomination. I ask the Senator, it seems to me, did we not pass, earlier this year, a law stipulating that all of the laws that we have in this country have to apply to Members of Congress and the Senate? Did we not pass that bill? I thought we passed a bill that said if we have laws out there, they have to apply to us just like everybody else?

Mr. KENNEDY. The Senator is quite right, with this one exception: We have provided ourselves with universal comprehensive health insurance. We get the choice of some 200 health programs. The Federal Government pays three-quarters of it; we only pay a quarter of it. We have not provided that for the American people. We have provided very good health insurance for every Member here, and it is so interesting that so many of those that were

against any kind of health care coverage were the quickest ones to sign up. You can go down in the office of the Secretary of the Senate, and they have a blue sheet down there, and you can go down and check off if you do not want your health care coverage. Every Member in this Senate now has checked that and said that they do want it.

So the Senator is right. We have applied laws to ourselves that cover others, with the important exception that we have not given the American people what we have given ourselves in terms of health insurance, which is another issue at another time. But I think it is always important to mention that, particularly when the total number of uninsured is going up through the roof, particularly children in my State and around this country, and where the cost of health care continues, particularly in prescription drugs, to rise.

Mr. HARKIN. The Senator is our expert on health care. My question was dealing with the staff right now who are not getting paid in the Senate and the House, the air traffic controllers, and the people who work for the Department of Defense. But we do. I thought we passed a law that says that Congress has to live by the laws that the rest of the people do. You pointed out one in health care. Is it not true also that Congress is not applying to itself the very laws that say that those staff people, air traffic controllers, people working for the Department of Defense, essential Government workers, they do not get paid?

But guess what, Senators and Congressmen? We get our pay.

Mr. KENNEDY. That is certainly the way that I understand it, the way that the Senator explained it. I think it is one of the reasons why I think the American people are so frustrated and should be frustrated.

This did not have to happen, does the Senator agree with me? This did not have to happen, to work through this whole kind of a situation where they are halting the Government and effectively blackmailing the President of the United States for the first time in the history of this country, and also loading up the debt limit with similar kinds of activity to try to halt full faith and credit when we ought to be able to, as individuals, be able to work out an accommodation. That is the way it is done around here.

Mr. HARKIN. Will the Senator yield?

It seems funny, since Congress has not applied this law to itself—that is, Senators and Congressmen continue to get paid but other Government workers will not get paid.

They are the ones who have mortgages to meet, car payments, kids in school. Does it not seem fair to the Senator that perhaps we ought to take up the Boxer bill and pass it here, that would say that Senators and Congressmen and the Speaker of the House and everybody else, that we put ourselves in the same boat, that we do not get paid either during this same period of time? Does that not seem reasonable?

Mr. KENNEDY. It certainly seems reasonable to me. It would make a great deal of sense.

Mr. HARKIN. I hope that the other side, the Republicans, would agree to bring this up and put ourselves in the same boat as all the other Government workers who are not getting paid and see how long this foolishness will go on if Senators and Congressmen are not getting paid.

Mrs. BOXER. Will the Senator yield?

Mr. KENNEDY. I am happy to yield to the Senator.

Mrs. BOXER. My question is——

Mr. NICKLES. Mr. President——

Mr. KENNEDY. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Massachusetts has the floor.

Mr. KENNEDY. I will yield briefly and then I will yield the floor.

Mrs. BOXER. I wanted to ask the Senator if he was aware, because the Senator from Iowa raised the subject, that in fact the U.S. Senate did pass the Boxer amendment which said no budget, no pay.

It was bipartisan. Senator DASCHLE and Senator DOLE helped me get it through. It passed twice. But it is, in fact—and I ask the Senator if he is aware of this—Speaker NEWT GINGRICH who refused to allow it to be voted on on the House side.

Is the Senator aware of that?

Mr. KENNEDY. I was not aware that very sound and worthwhile, valuable suggestion which I supported was sidetracked—Speaker GINGRICH, in other words, sidetracked that measure.

Mrs. BOXER. Yes, I say to my friend, that is true.

Mr. KENNEDY. And as a result of that, we have the inequity which the Senator from Iowa pointed out.

I yield the floor.

MORNING BUSINESS

Mr. NICKLES. Mr. President, I ask unanimous consent there now be a period for the transaction of morning business, with Senators permitted to speak for up to 15 minutes each, so if we have discussion we can have discussion on both sides of the issue.

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

THE CONTINUING RESOLUTION

Mr. NICKLES. Mr. President, I want to respond to a couple of comments made by my friend and colleague from the State of Massachusetts.

I heard two or three statements that Republicans have a budget and they are trying to balance the budget on the backs of senior citizens and making unrealistic cuts in Medicare would be the thrust. I disagree.

Mr. President, if you look at the Medicare fund, it is going broke. The Medicare system is funded by a payroll tax. All the money goes into one fund. It is financed by a tax that costs right now 1.45 percent of payroll, matched by employer. That is 2.9 percent.

Now, next year the fund pays out more than it takes in. You cannot continue to do that indefinitely. The fund is going broke. The President's own trustees said it is going broke.

Some of us do not want that to happen. Some of us think that would be unfair to seniors. Maybe some of my colleagues on the other side of the aisle say, ''Well, do not do anything. We will not solve that problem.'' I disagree.

Now, there are two ways to solve the problem—either reduce the rate of growth of spending in Medicare, which is, frankly, what we are proposing, or you increase payroll taxes, which is what Congress has done in the past.

Just for my colleagues' information, I looked up years ago what was the history of Medicare taxes. The maximum tax in 1977 was $177. That is employee and employer maximum tax. The maximum tax in 1993 was almost $4,000. So it went substantially from $177 to almost $4,000.

Guess what? The fund is still going broke. So we have increased the tax rates, we have increased the basis. We are spending a lot more money, and still spending exceeds the revenues. Next year, the spending is greater than the revenue in spite of the fact that now there is no cap. It is 2.9 percent of payroll. It can be well over $4,000 and the fund is still going broke.

If it goes broke, it cannot pay the bills. It cannot pay the hospital. It cannot pay the doctor. How is it responsible to allow that to happen? I do not believe it is responsible. So we need to fix it. That is part of our budget.

Somebody says, ''Well, you are cutting Medicare.'' I disagree. This year we are spending $178 billion in Medicare. By the year 2002, we will be spending $286 billion in Medicare. That is an increase. That is an increase at twice the rate of inflation. So, Medicare under our proposal grows twice the rate of inflation, and it stays solvent. We keep the Medicare trust fund solvent for beyond the year 2010. The President keeps it solvent for a couple more years. That is not satisfactory. We are trying to be responsible. Some people are playing politics.

The President is playing politics. The Republicans wanted a 25-percent increase in beneficiaries' payments. That is so demagogic. The facts are, just to be very simple, part B, part B is voluntary. It pays for the doctors. When the system started 30 years ago, it was supposed to be 50–50. Now the percentage that beneficiaries pay is 31.5 percent. That means taxpayers pay 68.5 percent. That means my son and daughter, who are not wealthy by any means but they have jobs, they are helping to subsidize the wealthiest persons' Medicare—they help pay 68.5 percent of the Medicare premium of the wealthiest persons in America.

We are trying to make some changes in that. One, we try and keep the perk