RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. THOMAS). Leadership time will be reserved.

CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDING OFFICER. The Senate will now resume consideration of Senate Concurrent Resolution 57. The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 57) setting forth the congressional budget for the U.S. Government for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

The Senate resumed consideration of the concurrent resolution.

Pending:

Boxer amendment No. 3982, to preserve, protect, and strengthen the Medicaid Program by controlling costs, providing State flexibility, and restoring critical standards and protections, including coverage for all populations covered under current law, to restore $18 billion in excessive cuts, offset by corporate and business tax reforms, and to express the sense of the Senate regarding certain Medicaid reforms.

Wyden/Kerry Amendment No. 3984, to express the sense of the Senate regarding revenue assumptions.

Mr. LOTT. Mr. President, I now ask unanimous consent that the Wyden amendment of last night be set aside so that we can proceed to the next amendment, the Wellstone amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Who yields time?

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 3985

(Purpose: To express the sense of the Senate on tax deductibility of higher education tuition and student loan interest costs)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk on behalf of myself, Senator KERRY of Massachusetts, and Senator BIDEN of Delaware.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from Minnesota [Mr. WELLSTONE], for himself, Mr. KERRY, and Mr. BIDEN, proposes an amendment numbered 3985.

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

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

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . SENSE OF THE SENATE ON TAX RELIEF PRIORITIES.

(a) FINDINGS.—The Senate finds that:—

(1) the concurrent resolution on the budget for fiscal year 1997 (S. Con. Res. 57) calls for $122 billion in net tax reductions through 2002;

(2) the Committee Report accompanying the 1997 concurrent resolution (Senate Report 104–271) states, ''The Committee's recommendation would accommodate further tax reform or tax reductions to be offset by the extension of expired tax provisions or corporate and business tax reforms. Should the tax writing committees choose to raise additional revenues through these or other sources, such receipts could be used to offset other tax reform proposals such as estate tax reform, economic growth, fuel excise taxes or other policies on a deficit neutral basis'';

(3) the tax reductions passed in conjunction with the fiscal 1996 budget (H.R. 2491) included tax breaks which would disproportionately benefit the wealthy and large corporations, such as, reductions in the capital gains tax, exemptions from the alternative minimum tax, reduced tax penalties for corporate raiding of employee pensions, and increased tax incentives for corporations to move jobs overseas; and

(4) over the last decade, the cost of attending college has almost doubled, rising at twice the rate of inflation.

(b) SENSE OF THE SENATE.—The assumptions underlying the reconciliation instructions in this budget resolution assume that it is the sense of the Senate that any tax revenue raised by the Finance Committee to provide gross tax * * * the amount needed to pay for a per-child tax credit will be used either:

(1) to finance a tax deduction of $10,000 per year for higher education tuition and student loan interest costs; or

(2) to reduce the federal budget deficit;

and not for tax cuts which disproportionately benefit the wealthy and large corporations.

Mr. WELLSTONE. I thank the Chair.

Mr. President, what this amendment essentially says is that if there are to be any further tax cuts beyond tax credits for children and families, these cuts must take the form of a tax deduction of up to $10,000 per year for higher education tuition payments or student loan interest payments.

The report of the Senate Budget Committee allows for additional tax cuts beyond tax credits for children and families. These additional tax cuts are bound to flow disproportionately to high-income wealthy people. I believe that we should, instead, focus our efforts where they ought to be—on tax relief to enable families to afford higher education. That is what this amendment that my colleagues and I are introducing on this side of the aisle would do. It is expected that this education tax cut would finance a $10,000-per-year tax deduction for higher education tuition and for student loan interest costs.

Mr. President, on April 29, 1996, the front cover of Newsweek states in bold terms:

$1,000 a Week—The Scary Cost of College

This cover story addresses the fact that some colleges in this country cost their students $1,000 per week of school. That is what a family today in America is faced with.

Mr. President, according to the College Board, tuition costs have gone up more than 40 percent since 1985. Expressed in constant 1994 dollars, in 1985, tuition at the average private college was $10,058. By 1994, it was $14,486—a 44-percent increase. The average public college tuition was $2,095 in 1985. By 1994, it was $2,948—a 41-percent increase.

If you look at this next chart, what you can see is that over the years, since 1980, family income has risen only half as fast as skyrocketing medical costs; but even more than medical costs, what we see is a dramatic increase in private college tuition and public college tuition.

There is an economic squeeze for working families in America. Affordable higher education is at the very top of the list of priorities for families in our country. The first thing we should do as public servants is respond to these families.

Mr. President, as this next chart shows, in my State of Minnesota, from 1981 to 1992, the CPI has gone up 60 percent; the medical care subindex has gone up 133 percent; community college tuition has gone up 151 percent; the University of Minnesota tuition has gone up 153 percent; State university tuition has gone up 204 percent; and technical college tuition has gone up 316 percent.

I spend a lot of time in schools in my State. I can tell you, Mr. President, it is not at all uncommon to meet students who are taking 6 or 7 years to graduate because they are working two and three minimum wage jobs to get through. It is not at all uncommon to meet many students who are in their thirties and forties, going back to school at community colleges, who are trying to get back on their own two feet and are having a very difficult time making ends meet.

It is not uncommon to meet students who sell plasma at the beginning of the semester to buy textbooks. Mr. President, when we talk about higher education, we are talking about a major economic issue for families in Minnesota and all across the country.

As we see in this next chart, if we look at the last 15 years, we see that median family income has gone up 5 percent. However, tuition at a public 4-year institution has gone up 98 percent, and tuition at a private 4-year institution has gone up 89 percent. If we want to respond to working families in our country, then we need to make sure that no additional tax cuts flow to wealthy or high-income people before we make higher education affordable for everyone. That is why this amendment says that it is the sense of the Senate that whatever is left over by way of tax cuts goes to education.

Now I want to talk about student loans. Look at this chart. This is really rather amazing. What we see here is that, in the 1974–75 school year, grants made up 80 percent of an average student aid package. Twenty years later, in the 1994–5 school year, grants make up only 20 percent of student aid. In 1974–5, only 20 percent of a student's financial package was loans—and now loans are up to 80 percent.

So tuition and costs have skyrocketed beyond the means of most

families in Minnesota and in our country. And student aid has gone down in real terms, with loans replacing grants in greater proportion. In the meantime, real family income is not going up—in fact, many families over the last 20 years are just standing still, barely able to make ends meet. This is happening, even though we all know, and families know, that higher education is the most important factor in determining whether or not our sons and daughters and grandchildren will be able to make a good living in the future.

It is not uncommon, I say to my colleagues, as someone who spent over 20 years in higher education, to find students graduating from school with debts ranging from $20,000-$30,000 to $60,000. This disproportionately affects those with lower and middle incomes. This next chart expresses what we mean when we talk about a ''declining standard of living'' for the bottom 60 percent of the population, or what we mean when we talk about the economic squeeze of the middle class, of working families in America. Here we see real family income from 1979 to 1993, looking at it by quintile: The top 20 percent of families saw their incomes go up 18 percent, the next 20 percent up 5 percent, the middle 20 percent down 3 percent, the next 20 percent down 7 percent, and the bottom 20 percent down 15 percent.

This amendment is a reasonable proposition. I hope there are 100 votes for this amendment.

This next chart is rather amazing, and gives you a sense of the prohibitive cost of higher education. If you were to send your son or daughter to a public college and you started saving 17 years in advance, you would have to put away $234 a month. $234 a month. If you planned 5 years in advance, it would be $765 a month.

If you want to send your child to a private college, and you start saving 17 years in advance—and that is pretty good advance planning, starting at the time of birth of your son and daughter—you would have to put away $489 per month. If you waited until your child was in junior high, 5 years before starting college, which is still pretty impressive advanced planning, you would have to put away $1,599 per month to be able to afford private higher education. Almost $1,600. And this is after you pay your mortgage, after you buy your groceries, after you clothe your children, and after you save for your own retirement.

I suggest to you, Mr. President, and I suggest to my colleagues, that the vast, vast, vast, vast—I said that four times—majority of families in our country, whether it be Minnesota or Wyoming or South Carolina, you name it, cannot afford to put this kind of money into savings, as much as all of us want our sons and daughters and grandchildren to do well.

So, Mr. President, what this amendment says, in a nutshell, is that if we as Senators want to respond to the concerns of working families in our States, if we want to respond to the concern that parents have that their children be able to do well—and we know there is a huge gap between employment earnings of those who graduate from college versus those who are not able to do so—if we want to provide some relief to working families, to middle-income families, if we want to make sure that every woman and every man—some of them not so young, because we are talking about community colleges as well—has the opportunity for higher education, then what we have to make sure is that when we talk about tax cuts, anything beyond tax credits for children and families will go toward a $10,000 tax deduction that families can use to pay for tuition and to pay for the interest on their loans.

This is what I would call an eminently reasonable amendment. I think, from the point of view of my State, from the point of view of the State of Massachusetts or Washington or other States represented here, there is probably no more important priority for families than to make sure that men and women, women and men, are able to afford higher education. I have spent a lot of time on campuses, and I can assure my colleagues—Democrats and Republicans alike—that this is a hugely important issue to the people we represent.

I cannot think of an amendment I brought to the floor of the Senate that has more importance in terms of how it affects families all across our country, and I hope there will be very, very strong support for this amendment.

Mr. LIEBERMAN. Mr. President, I rise today to express my strong support for the concept of a tax deduction for college tuition costs. The amendment we are considering today specifies—that it is the sense of the Senate—that if there is any tax revenue raised by the Finance Committee beyond what is needed to pay for a per-child tax credit, it should be used to either finance a tax deduction of $10,000 per year for higher education tuition and student loan interest costs, or to reduce the federal deficit. While I am not comfortable with some of the language of the amendment, which appears to preclude tax cuts in any other form this year, I share the sponsors belief that a tax break for the costs of higher education should be among our highest priorities when discussing tax changes in the 1997 Federal budget.

I am proud to be a cosponsor of a bill that was introduced by Senator DASCHLE in January, 1995 that would make working families with annual incomes under $100,000 eligible for a tax deduction of as much as $10,000. This legislation, which is based on a proposal made by President Clinton, is a commonsense approach. It is well targeted to ease an already crushing and still rapidly growing financial burden on many hard-working families who are struggling to get by today.

Mr. President, we all know that the American people are anxious about their economic future. They are worried about the security of their jobs and about their ability to take care of their families. As any parent with children in college or children approaching their college years can tell you, nothing compounds these anxieties like the spiraling costs of higher education. For many average working families, there is a real fear that they will not be able to afford to send their children to college, or that doing so will break them financially.

The basis for this fear is all too real. According to the College Board, the average yearly cost in 1994 for an undergraduate attending a private university was $19,561, which is 94 percent higher than the same cost 10 years ago. The average yearly cost for a public university, $6,862 is up 76 percent over the same period.

It's no wonder then that many middle class families are being priced out of the higher education market. The establishment of a tuition tax deduction along the lines of what we are proposing, in combination with student loans and grants, would help many families keep pace with these rising costs. It would accomplish that goal without creating any new bureaucracy or burdensome regulations, and would leave it to families to decide how to maximize the benefit of the deduction.

Best of all, it would help our children get the tools they need to find and hold on to good jobs. In today's economy, and even more so in the future, that means a college education.

There is no more sound predictor of economic success than a 4-year degree. Consider this example: a male college graduate earns on average 83 percent more than a man with only a high school diploma. A similar disparity exists for women with different levels of education.

We must also remember that many of the young minds that we stimulate today will be the engineers, inventors, business leaders and skilled workers who stimulate the economy and create the jobs of tomorrow. As one parent, wrote to me, ''Without the intellectual curiosity and the understanding of the world about us that a college education affords, along with the knowledge and the skills in some specific area, we would not develop the minds of those people in our country who are able to come up with the ideas and develop businesses that create jobs.''

Congress has an opportunity to respond to the fears of the American people about the financial costs of higher education and to their hopes about their children's futures. This tax deduction proposal is an important step toward reaching those goals, and I think it sends a strong message to the American people that we in Washington are listening.

Congress should heed the calls of hard-working middle class families who want their Government to value education. This idea makes a world of sense, and hopefully it will soon help

make us a nation of greater knowledge and prosperity.

Mr. KENNEDY. Mr. President, the Republican budget has many flaws, but its worst flaw is its deviousness. Last year's Republican budget was a naked assault on Medicare, education, and the environment. This year's budget simply puts a figleaf on the same obnoxious priorities. Obviously our Republican friends learned the wrong lesson from last year's debate. Instead of changing their priorities, they've concealed them.

Education is a prime example. They cut 20 percent over the next 6 years—and falsely call it a freeze of current spending. The devastating cuts in title I, Pell grants, and Head Start are not even mentioned.

In the area of taxes, the Republicans boast that their budget provides maximum flexibility for tax legislation this year. As we learned last year maximum flexibility is a code phrase for capital gains tax cuts and other tax breaks for the wealthiest individuals and corporations in the Nation.

Senator WELLSTONE has offered an amendment specifying that the first priority for any tax cut beyond the tax credit for children should be a tax deduction of $10,000 a year for college tuition and interest on student loans. Otherwise, available savings should be used for deficit reduction.

Tax relief is vital to keep college within reach for students and working families. Higher education is no longer a luxury for the few. It is a necessity for participation in the modern economy. According to the U.S. Bureau of Labor Statistics, 60 percent of all jobs created between 1992 and 2005 will require education beyond high school.

But rising college costs and heavy college loan burdens threaten to put college out of reach for many students and working families. That is why tuition tax relief is so important. President Clinton's proposal would allow a tax deduction of up to $10,000 a year for college tuition costs, and restore the deduction for interest on student loans.

For a family earning $50,000 a year, this relief would mean a reduction of $1,500 in their tax burden. Students paying back their student loans would be able to deduct the interest on their loans, just as homeowners deduct the interest on their mortgage. Students had this benefit until 1986, and it is time to restore it.

We know from experience that education is an investment that will more than pay for itself for students and the Government. Under the GI bill, every dollar invested in college aid produced $8 in economic returns. The additional taxes paid by GI bill graduates during their working lives have more than paid for the cost of the program.

Education and skills are the key to higher wages for American workers in the global economy. Economist Paul Krugman writes,

> We are living through one of those difficult periods in which technological progress, instead of producing broadly shared economic gains, steadily widens the gap between those who have the right skills and those who do not.

The education gap has been steadily growing. From 1969 to 1989, the real income of college-educated heads of households between the ages of 25 and 54 rose by 22 percent. But in that same period, the income of heads of households without a college education increased by only 1 percent.

The average high school graduate in 1992 earns $6,000 more than a high school dropout. The average college graduate earns $14,000 more than a person with only a high school diploma.

At the same time, the cost of college is increasing at more than twice the rate of inflation. The April 29 Newsweek cover story said it all. When elite colleges cost $1,000 a week to attend, paying for college is truly scary.

Tuitions have risen in public colleges as well. At the University of Massachusetts, tuition and fees have more than doubled over the past eight years, from $2,200 in 1988 to $4,560 in 1996, in order to compensate for declining State support.

To make matters worse for students squeezed by increased college costs, the value of Federal student aid has declined drastically, and has shifted from grants to loans. In 1975, 80 percent of Federal student aid came in the form of grants. Now 80 percent of student aid comes in the form of loans.

Borrowing to cover costs has skyrocketed. In 1994, the average student loan debt was $12,520. By 1998, the average debt will reach $21,000. Over the last 8 years, borrowing in the Federal student loan program has more than doubled.

The growing cost of a college education has become a heavy burden on families across the country. But they know that it is still the best investment they can make in their children's future. We must do more to help ease that burden. I urge my colleagues to support the Wellstone amendment.

Mr. KERRY. Mr. President, I strongly support the amendment offered by the junior Senator of Minnesota to use the Tax Code creatively to help families afford higher education. While Republicans are cutting Pell grants and student loans for average working families, Democrats propose to give every family a $10,000 maximum deduction for tuition costs, and allow their sons or daughters who take out student loans to deduct the interest on those loans so the burden of debt they carry when they graduate will not be so great as it otherwise would be.

These proposals are real-life solutions to real-life family problems. How can we say that people should go to college—everyone should receive the training they need—and then make it as difficult as we can to do it? We need to make it easier for Americans to afford the education and training they need to compete in a new global marketplace.

The costs of college are rising rapidly. This year, the average undergraduate will pay up to 6 percent more than last year for tuition and fees at both 4-year and 2-year colleges. Parents putting children through college, adults returning to school, and graduates with student loan payments are all facing these costs.

This tax deduction is targeted to middle-income families, to help ordinary Americans meet the costs of higher education. A full tax deduction would be available to two-income families earning up to $100,000, and single individuals earning up to $70,000. These tax deductions could be used for educational expenses at 4-year colleges and universities, community colleges, and vocational and professional schools. This amendment would help 16.5 million students across the country better afford the costs of higher education.

This is in contrast to the Republican budget which caps the Federal direct student loan program at 20 percent of loan volume. This will result in disruptions for colleges and universities and real problems and uncertainty for students. Since schools participating in the direct loan program currently handle nearly 40 percent of loan volume, many will be forced out of the program. But the real reason Republicans are trying to mangle this successful program is to help assure banks and guarantee agencies continued access to Federal subsidies.

Under the current Tax Code, although education expenses related to one's current job are tax deductible, education investments to prepare for new jobs and careers are not. This amendment would address this discrepancy.

But beyond helping families pay for tuition costs, I want to help parents get the lifetime education and training they will need to compete. Investment in higher education is crucial to making sure that Americans are able to meet the challenges of jobs which require advanced skills. Statistics show that the more education a person has, the more money he or she will earn. We need to provide access to higher-paying jobs for students from all families, and this is an important step in that direction.

Mr. President, in 1995 President Clinton proposed a deduction for tuition expenses. I was proud to support his proposal, but I did not believe it went far enough. I have heard from dozens, indeed hundreds, of Massachusetts students or the families of those students, about the difficulties they are experiencing in paying back the loans they have taken out in order to be able to afford post-high school education. Before the Senate Democratic leadership introduced the President's proposal, I urged that they expand the proposal to provide tax deductibility of interest paid on outstanding student loans, and they agreed that such a provision would be desirable and would offer real

and important help to Americans who are seeking to improve their educational levels and their competitiveness as workers; the leadership group added tax deductibility of loan interest payments before they introduced the measure. I am pleased that the amendment we are debating today contains both these key features that will enable deduction from income taxes of both tuition and student loan interest payments.

This is a solid amendment, Mr. President, which will help Americans to help themselves. I compliment the Senator from Minnesota for developing the amendment, the Democratic leader, Senator DASCHLE, and his staff who have labored diligently to produce the Democratic leadership amendments and prepare them for floor action, and all other Senators who have been involved in assembling this amendment and bringing it to the floor. I urge my colleagues to support the amendment, which takes a very significant step toward helping the 16.5 million students in colleges and universities to afford the education they need.

Mr. WELLSTONE. Mr. President, while I have the floor, in very short order, I want to also send a few other amendments to the desk. First of all, I ask unanimous consent to set aside the existing amendment for a moment.

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

AMENDMENT NO. 3986

(Purpose: To ensure that funds are provided for the hiring of new police under the Community Oriented Policing Service in fiscal year 1997)

Mr. WELLSTONE. Mr. President, I now send an amendment to the desk. This amendment is to ensure that full funds are provided for the hiring of new police under the Community Oriented Policing Service (COPS) Program in fiscal year 1997. I see on the floor my colleague from Massachusetts, who has been a real leader on this issue. I can say, speaking just for the State of Minnesota, that police chiefs and sheriffs and the law enforcement community have done an extremely effective job in taking this program and dealing with issues of domestic violence. COPS has led to a lot of concentrated work with young people, a lot of concentrated work in neighborhoods that have high levels of violence.

I cannot think of a more important program, and that is why this amendment makes certain that this budget resolution provides for COPS to be fully funded. I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 3986.

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

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

The amendment is as follows:

At the appropriate place insert the following:

SEC. . SENSE OF THE SENATE THAT FUNDS WILL BE AVAILABLE TO HIRE NEW POLICE OFFICERS.

(a) It is the sense of the Senate that the assumptions underlying the function totals and reconciliation instructions in this budget resolution assume: (1) full funding of the Violent Crime Reduction Trust Fund; and (2) that sufficient funds will be made available for Public Safety and Community Policing grants to reach the goals of Title I of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–266).

Mr. WELLSTONE. Mr. President, I ask unanimous consent that Senator JOHN KERRY be listed as a cosponsor.

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

AMENDMENT NO. 3987

(Purpose: To prevent Congress from enacting legislation that increases the number of children who are hungry or homeless)

Mr. WELLSTONE. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 3987.

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

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

The amendment is as follows:

At the appropriate place insert the following:

SEC. . SENSE OF THE SENATE.—(a) It is the sense of the Senate that the assumptions in this budget resolution assume that Congress will not enact or adopt any legislation that would increase the number of children who are hungry or homeless.

(b) It is the sense of Congress that the assumptions in this budget resolution assume that in the event legislation enacted to comply with this resolution results in an increase in the number of hungry or homeless children by the end of fiscal year 1997, the Congress would revisit the provisions of said legislation which caused such increase and would, as soon as practicable thereafter, adopt legislation which would halt any continuation of such increase.

Mr. WELLSTONE. Mr. President, this amendment simply says that the Senate will not enact any legislation that will increase the number of children who are hungry or homeless. And it also says that if, in fact, legislation passed by Congress does increase the number of homeless or hungry children by the end of fiscal year 1997, the Congress will revisit the provisions of the legislation which causes the increase and would, as soon as possible, adopt legislation to stop the increase.

Mr. President, I have brought this amendment to the floor of the Senate before. It was defeated twice, believe it or not. It was then passed on voice vote. I deeply regret that I let it pass on a voice vote. I want to have a recorded vote on this because I believe, as a matter of fact, some of the decisions we are making, in terms of some of the cuts we are making, will create more hunger and homelessness among children, and I want all of us to be held accountable.

AMENDMENT NO. 3988

(Purpose: To express the sense of the Senate with respect to maintaining current expenditure levels for the Low Income Home Energy Assistance Program (LIHEAP) for fiscal year 1997)

Mr. WELLSTONE. Mr. President, I ask unanimous consent that this amendment be set aside, and I send another amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] for himself, Mr. KOHL, Mr. JEFFORDS, Mr. KERRY, Mr. DODD, Mr. KENNEDY, Mr. LEVIN and Mr. BAUCUS, proposes an amendment numbered 3988.

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

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

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . SENSE OF THE SENATE ON LIHEAP.

(a) FINDINGS.—The Senate finds that—

(1) home energy assistance for working and low-income families with children, the elderly on fixed incomes, the disabled, and others who need such aid is a critical part of the social safety net in cold-weather areas during the winter, and a source of necessary cooling aid during the summer;

(2) LIHEAP is a highly targeted, cost-effective way to help millions of low-income Americans pay their home energy bills. More than two-thirds of LIHEAP-eligible households have annual incomes of less than $8,000, more than one-half have annual incomes below $6,000.

(3) LIHEAP funding has been substantially reduced in recent years, and cannot sustain further spending cuts if the program is to remain a viable means of meeting the home-heating and other energy-related needs of low-income families, especially those in cold-weather States;

(b) SENSE OF THE SENATE.—The assumptions underlying this budget resolution assume that it is the sense of the Senate that the funds made available for LIHEAP for fiscal year 1997 will be not less than the actual expenditures made for LIHEAP in fiscal year 1996.

Mr. WELLSTONE. Mr. President, this amendment is very straightforward. What this amendment says is that we should sustain the same level of funding for the Low Income Home Energy Assistance Program. This has been a huge battle. I do not know that there has been an issue that I have worked harder on, and I cannot believe that every single time this comes up, we have to fight so hard to make sure that people do not go cold in the United States of America.

So I want to get a strong affirmative vote on this amendment.

Mr. President, I ask unanimous consent that this amendment be set aside.

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

AMENDMENT NO. 3989

Mr. WELLSTONE. Mr. President, this next amendment that I am about to send to the desk I send on behalf of myself, Senator MURRAY and Senator WYDEN. It says that it is the sense of the Senate that no welfare reform provision should be enacted by Congress unless until Congress considers whether such welfare reform provisions would exacerbate violence against women and their children, further endanger women's lives, make it more difficult for women to escape domestic violence, or further punish women victimized by violence. Any welfare reform measure enacted by the Congress should require that any welfare-to-work education or job placement programs being implemented by States address this impact of domestic violence on welfare recipients.

One word of explanation, Mr. President. We have some fairly dramatic data that shows, in many cases, as many as 50 percent of women on welfare or in workfare programs have been or are victims of domestic violence. They have been battered.

I suggest to my colleagues that any welfare reform provision that we enact must take into account these circumstances. It cannot be ''one size fits all.'' It took Monica Seles 2 years to play tennis again. Imagine what it is like for a woman and her children who have been beaten over and over and over again.

We cannot pass a piece of legislation without any special allowance for these families that have gone through this violence, because we must not force these women and children back into very dangerous homes. That is what this amendment says.

This Congress and this country have become much more focused, thank goodness, on the problems of domestic violence. When we consider welfare reform, we must take this interest into account.

I repeat this. You cannot force a mother and her children, even if she is low income, back into a dangerous home where she could end up being murdered.

I will repeat that once more. We cannot pass legislation without taking into allowance the problems of domestic violence, the problems of women who have been battered, the problems of children who have been battered. We cannot pass this legislation without understanding that one size does not fit all, because if we do, in the case of many families—and in the relatively short period of time I have next week, I will have some data to bring out—we will force many women and children back into dangerous homes. We are going to force many women and children into situations where they could lose their lives.

Mr. President, that is not melodramatic, that is the case. So I hope there will be overwhelming support for this amendment.

Mr. President, I send this amendment to the desk.

The PRESIDING OFFICER (Mr. KYL). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE], for himself, Mrs. MURRAY and Mr. WYDEN, proposes an amendment numbered 3989.

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

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

The amendment is as follows:

At an appropriate place insert the following:

SEC. . SENSE OF THE SENATE.—The assumptions underlying functional totals and reconciliation instructions in this budget resolution include:

(a) FINDINGS.—The Senate finds that:

(1) Violence against women is the leading cause of physical injury to women. The Department of Justice estimates that over 1 million violent crimes against women are committed by domestic partners annually.

(2) Domestic violence dramatically affects the victim's ability to participate in the workforce. A University of Minnesota survey reported that one-quarter of battered women surveyed had lost a job partly because of being abused and that over half of these women had been harassed by their abuser at work.

(3) Domestic violence is often intensified as women seek to gain economic independence through attending school or job training programs. Batterers have been reported to prevent women from attending such programs or sabotage their efforts at self-improvement.

(4) Nationwide surveys of service providers prepared by the Taylor Institute of Chicago, document, for the first time, the interrelationship between domestic violence and welfare by showing that between 50 and 80 percent of women in welfare to work programs are current or past victims of domestic violence.

(5) The American Psychiological Association has reported that violence against women is actually witnessed by their children, who as a result can suffer severe psychological, cognitive, and physical damage and some studies have found that children who witness violence in their homes have a greater propensity to commit violent acts in their homes and communities when they become adults.

(6) Over half of the women surveyed by the Taylor Institute stayed with their batterers because they lacked the resources to support themselves and their children. The surveys also found that the availability of economic support is a critical factor in women's ability to leave abusive situations that threaten themselves and their children.

(7) Proposals to restructure the welfare programs may impact the availability of the economic support and the safety net necessary to enable poor women to flee abuse without risking homelessness and starvation for their families.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that:

(1) No welfare reform provision should be enacted by Congress unless and until Congress considers whether such welfare reform provisions would exacerbate violence against women and their children, further endanger women's lives, make it more difficult for women to escape domestic violence or further punish women victimized by violence.

(2) Any welfare reform measure enacted by Congress should require that any welfare to work, education, or job placement programs implemented by the States address the impact of domestic violence on welfare recipients.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the amendment be laid aside.

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

Mr. WELLSTONE. I ask unanimous-consent that we go back to the higher education tuition tax deduction amendment.

The PRESIDING OFFICER. Is there objection to the last unanimous-consent request? Without objection, it is so ordered.

Several Senators addressed the Chair.

Mr. THOMAS. Mr. President, simply, on behalf of the manager, I want to make it clear that the majority has not yielded back time on the Wellstone amendments, nor have we given up the right to second-degree these amendments.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I inquire what the order is at this point in time, if there is an order, and, if there is not, I want to keep the floor.

The PRESIDING OFFICER. At this point, Senators are obtaining unanimous consent to set aside previous amendments.

Mr. KERRY. Mr. President, I was originally scheduled to go at a later time. Because we were fogged in, I ask unanimous consent that I be permitted to proceed with two amendments, which I was going to do later, at this moment in time and reserve such time on those amendments as is set aside for other colleagues on our side to be able to speak at a later time.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

Mr. KERRY. I thank the Chair.

Mr. President, I will be introducing two amendments on behalf of the leadership, one with respect to the environment and one with respect to education. I am joined on the education amendment by the distinguished Senator from Washington, Senator MURRAY. I will just proceed very rapidly on the environment one in order to dispose of it, and then we will spend a few minutes on the education one.

AMENDMENT NO. 3990

(Purpose: To help protect the quality of our water and air, to clean up toxic waste, to protect our national parks and other natural resources, and to ensure adequate enforcement of environmental laws, by restoring proposed cuts in the environment and natural resources, to be offset by the extension of expired tax provisions or corporate and business tax reforms)

Mr. KERRY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], for himself, Mr. LAUTENBERG, Mrs. BOXER, Ms. MIKULSKI, Mr. DASCHLE, Mr. LIEBERMAN, Mr. LEAHY, Mr. GRAHAM, Mr. KENNEDY, Mr. DODD, and Mr. BAUCUS, proposes an amendment numbered 3990.

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

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

The amendment is as follows:

On page 3, line 5, increase the amount by $439,000,000.
On page 3, line 6, increase the amount by $790,000,000.
On page 3, line 7, increase the amount by $1,025,000,000.
On page 3, line 8, increase the amount by $1,195,000,000.
On page 3, line 9, increase the amount by $1,342,000,000.
On page 3, line 10, increase the amount by $1,495,000,000.
On page 3, line 14, increase the amount by $439,000,000.
On page 3, line 15, increase the amount by $790,000,000.
On page 3, line 16, increase the amount by $1,025,000,000.
On page 3, line 17, increase the amount by $1,195,000,000.
On page 3, line 18, increase the amount by $1,342,000,000.
On page 3, line 19, increase the amount by $1,495,000,000.
On page 4, line 8, increase the amount by $701,000,000.
On page 4, line 9, increase the amount by $1,036,000,000.
On page 4, line 10, increase the amount by $1,169,000,000.
On page 4, line 11, increase the amount by $1,280,000,000.
On page 4, line 12, increase the amount by $1,398,000,000.
On page 4, line 13, increase the amount by $1,674,000,000.
On page 4, line 17, increase the amount by $439,000,000.
On page 4, line 18, increase the amount by $790,000,000.
On page 4, line 19, increase the amount by $1,025,000,000.
On page 4, line 20, increase the amount by $1,195,000,000.
On page 4, line 21, increase the amount by $1,342,000,000.
On page 4, line 22, increase the amount by $1,495,000,000.
On page 15, line 16, increase the amount by $701,000,000.
On page 15, line 17, increase the amount by $439,000,000.
On page 15, line 24, increase the amount by $1,036,000,000.
On page 15, line 25, increase the amount by $790,000,000.
On page 16, line 7, increase the amount by $1,169,000,000.
On page 16, line 8, increase the amount by $1,025,000,000.
On page 16, line 15, increase the amount by $1,280,000,000.
On page 16, line 16, increase the amount by $1,195,000,000.
On page 16, line 23, increase the amount by $1,398,000,000.
On page 16, line 24, increase the amount by $1,342,000,000.
On page 17, line 7, increase the amount by $1,674,000,000.
On page 17, line 8, increase the amount by $1,495,000,000.
On page 52, line 14, increase the amount by $701,000,000.
On page 52, line 15, increase the amount by $439,000,000.
On page 52, line 21, increase the amount by $1,036,000,000.
On page 52, line 22, increase the amount by $790,000,000.
On page 52, line 24, increase the amount by $1,169,000,000.
On page 52, line 25, increase the amount by $1,025,000,000.
On page 53, line 2, increase the amount by $1,280,000,000.
On page 53, line 3, increase the amount by $1,195,000,000.
On page 53, line 5, increase the amount by $1,398,000,000.
On page 53, line 6, increase the amount by $1,342,000,000.
On page 53, line 8, increase the amount by $1,674,000,000.
On page 53, line 9, increase the amount by $1,495,000,000.

Mr. KERRY. Mr. President, this is an amendment on behalf of myself, Senators LAUTENBERG, BOXER, MIKULSKI, DASCHLE, BAUCUS, LIEBERMAN, LEAHY, DODD, KENNEDY, and GRAHAM of Florida. I want to particularly thank the Senator from New Jersey, Senator LAUTENBERG, for his persistent, continued leadership in this particular area and his efforts in committee to try to guarantee that we had adequate funding with respect to the environmental policy for this country.

I regret enormously that this amendment to restore funding for environmental cleanup failed by a party line vote in the Budget Committee.

This amendment that we are now proposing funds the most fundamental priorities of the country with respect to the environment, protection of our natural resources, our national parks.

I will just preface the specifics of the amendment by saying, Mr. President, that all of us care enormously about the budget and the fiscal restraints that we are living under right now. The issue in Washington is not whether or not we are going to balance the budget. This fight should not be, ''They don't want to balance the budget.'' They do. ''They're irresponsible. They just want to spend a lot more money.'' We don't.

That is not the fight. There are two budgets, one of which we voted on last night that balanced the budget by CBO figures in 6 years. It is a Democrat vision of how we ought to go about spending money to balance the budget. There is an opposing vision. That opposing vision suggests that we should not be spending a certain amount of money on environmental protection, but rather we ought to be spending that money giving tax breaks to our wealthiest citizens, people who already have a lot of money and do not particularly need at this moment to receive another tax break.

Mr. President, I remind colleagues that we have reduced the deficit over the last 4 years and cut it in half. That is a promise kept by the President of the United States. When he ran for office, President Clinton said, ''I will cut the deficit of this country within 4 years.'' It is now 3½ years later, and the deficit has been cut in half. In addition to that, we have had, as we know, record economic continued growth. We have had 8.5 million jobs created. That is the context in which we are making a number of choices about where we proceed from here.

One of those most fundamental choices is whether we are going to keep faith with our commitment to the American people that our kids are not going to drink leaded water, that we are going to continue to proceed down the road of the Safe Drinking Water Act, that we are going to continue down the path of the Clean Air Act.

We have made great gains in the last few years in the quality of the air that people breathe. There are less people entering hospitals or dying of emphysema or lung disease as a consequence of the fact that our cities are now becoming free of smog and carbon dioxide and the nitrogen oxides that used to not only take away the view, but take away life. That is an enormous gain in the quality of life for this country.

Our amendment seeks to guarantee that we continue to make that gain. So we seek to restore $7.3 billion over 6 years for environmental protection funding. We seek to raise that funding to the President's requested level for three key environmental agencies—the Environmental Protection Agency [EPA] itself, for the National Park Service [NPS], and for the National Oceanic and Atmospheric Administration [NOAA].

Mr. President, the President's budget and the Republican budget—here are two different views. These numbers are not rhetoric. The Republican budget seeks to cut $10.9 billion for environmental protection from the President's budget request over the next 6 years.

The President's budget would, in fact, be cut severely by the Republican budget in the final year—fiscal year 2002. In 2002, the Republicans would cut by 20 percent the National Park Service budget. The President's budget for the National Park Service is extremely important given that the number of visits to our Nation's parks continue to increase and that steady pace of visits has taken its toll on many parks. For example, the Grand Canyon alone needs $350 million to repair roads, sewers, and water systems. In addition, over the last several years, Congress has added a substantial number of new responsibilities to the Park Service, while the core operational budget for the Park Service has remained flat in real terms since 1983.

The Republican budget, in fiscal year 2002, would include a 12-percent cut for Superfund even though there are thousands of Superfund sites not yet cleaned up; at many sites cleanup efforts have not even started.

It would mean a 9-percent cut for the EPA's water programs, even though there is city after city in America with decaying water infrastructure, with problems with pipes and sewers and

combined sewer overflows. Nevertheless, there is a cut.

It would provide a 23-percent cut for the Environmental Protection Agency's operations and enforcement programs, which is a way of gutting environmental protections and cleanups. If you do not have the inspectors—the environmental cops on the street—to go out to hold people accountable, then some people will take advantage of the system. Some people will cut corners on environmental measures or do nothing at all and pollution will occur, which is precisely why we are in the predicament we are in this country and, I might add, in every country in the world facing massive cleanups of toxic sites of poisons and of dirty water and of dirty air.

There is a 21-percent cut for the EPA science and technology program which defies imagination when you measure what the Japanese are doing, what the Germans are doing, what other countries are rushing to do to create jobs in the new technologies that will clean up these environmental disasters. Why would the United States of America, the world's leader in many of these technologies, precisely because we have invested in them, suddenly retreat and disinvest?

There is a 15-percent reduction in the National Oceanic and Atmospheric Administration's operations and research program.

Mr. President, these cuts that the Republicans are proposing are more than just numbers on a page. They express a set of priorities. They express their vision of where expenditures ought to go. They have to be counterbalanced against the choices that have been made to fund the alternative of that money.

Where does that money go? Does it go into deficit reduction? No. It does not go into deficit reduction. They are taking from these environmental priorities and giving to people who already are doing very well in the United States of America. That does not really make sense.

So the question has to be asked, again and again and again, what are the priorities of our Nation?

Let me give a specific example of what happens in my State of Massachusetts in the area of drinking water. Massachusetts and the Nation have made great strides in the past two decades on cleaning up our water. Massachusetts is probably one of the States providing higher expenditure in terms of efforts to safeguard our drinking water. Yet 17 percent of our citizens still drink from water systems that violate Federal water standards. We have over 1 million people in 80 communities who last year drank water that failed to meet the Federal standards. We have 300,000 people in 14 communities who drank water containing disease-causing fecal matter. There are over 800,000 people who drank water from water supplies that failed to meet the Environmental Protection Agency standard for adequate filtering and disinfecting of tap water. In Massachusetts, in 1994 and 1995, there were 141 water systems serving nearly 500,000 people that failed to meet the basic sanitary testing requirements for tap water.

Mr. President, that is just my State. I could show those examples in States all across this country. Why are Americans going out and buying bottled water at a cost that far exceeds their water bills on an annual basis? The answer to that is because they do not trust the water systems. Why do they not trust the water systems? Because they know these kinds of statistics exist. It is our responsibility to be able to guarantee that those systems work.

What is happening in the face of that responsibility? We are going to cut back on enforcement. We are going to cut back on water grants to States. It is absolutely mindless. We should be assisting communities with investments for new water systems and testing measures. We should be spending more to guarantee that our citizens are safe. That is the responsibility of Government.

What we have here are two very differing views of what that responsibility is and how it ought to be carried out. Mr. President, we are seeking, as I said, $7.3 billion simply to bring the level back to what the President recommended for three key areas: the EPA, the Park Service, and NOAA.

There are reasons for doing this. With respect to an agency such as NOAA, many people do not know what services NOAA provides that Americans use and depend on every day. For example, NOAA runs the National Weather Service which is vital to the Midwestern States, particularly, for farming disasters, for prediction of storms. It is NOAA's long-term oceanic and atmospheric research program that developed the 5-day weather forecast and just recently made possible the 6-day forecast.

The weather service modernization at NOAA is now at a critical stage. The President's budget would allow us to finish the job we are doing of providing new technologies and restructuring in this NOAA field. Future weather satellite coverage, by these cuts, would be cut in half. That would result in a blackout if any working satellite failed. The funds that are here would allow NOAA to maintain its fleet of satellites, assuring that there would be no gaps in satellite coverage. This is critical for weather warnings, for hurricane storm prediction, avoiding disasters, and for many other defense and civilian-oriented programs. NOAA's research increases the reliability of hurricane predictions saving the nation billions of dollars in losses.

NOAA's programs help protect human lives and property; it provides national security by supporting weather service modernization and operations. It is critical to our flight systems, to the safety of our transportation network, to our national fisheries and coast protection efforts.

I am not going to continue on in this area. I do want to emphasize, Mr. President, we are really simply asking that we keep going down the road that America has decided it would like to go down. Regrettably, what will most likely happen here is we will have these cuts proposed by the Republicans; we will expend enormous amounts of energy debating these cuts that the American people do not want; and then we will come back later this year and will probably win some kind of a restoration in environmental funding. At least, I hope we will.

In the end, we are just nickel-and-diming ourselves and disinvesting in one of the most important quality-of-life issues that really matter to our fellow citizens.

Mr. EXON. Mr. President, I rise in support of the Kerry-Lautenberg amendment to restore funding for essential environmental programs.

This amendment will help to protect the quality of our water and air, clean up toxic waste, and preserve our national parks and other natural resources by restoring proposed Republican cuts in the environment and natural resource programs.

It appears as if my Republican colleagues are attempting to back away from and cleverly cover up all the damage their budget does to the environment.

Some of my colleagues may be surprised to learn that their budget assumes savings derived from drilling for oil in the arctic refuge. It's in there, along with deep cuts for the EPA's enforcement and operations programs and the National Park Service's operations and maintenance activities.

This amendment will keep the budget in balance by the year 2002. The $7 billion add back is easily offset by using just a fraction of the extension of expired tax provisions or the elimination of corporate loopholes the Republicans intend to use for their budget plan.

I urge my colleagues to support this amendment.

Mr. LIEBERMAN. Mr. President, I rise in strong support of Senator LAUTENBERG's and Senator KERRY's amendment to restore funding for the National Park Service, EPA, NOAA, and the Department of the Interior.

This amendment goes to the heart of the debate over what kind of government the American people want. And it expresses in legislative language some of the strongest values we hold dear.

There is no doubt the American people are of a mind to reduce the size and cost of government. They believe government takes too much from their pockets and spends too much on programs that aren't working. Those are strongly held views, and on the face of it you might think this amendment runs counter to that public mood. But I would gladly take the opportunity to offer the essence of the Lautenberg amendment up for a very public vote of

the American people. There is doubt whether we can prevail on the Senate floor. There is no doubt that we would prevail in the court of public opinion.

Because for all their doubts about government, the American people expect government to fulfill some very basic duties. Protect them from foreign enemies. Protect them from crime. And keep them and their children safe from hazards that they are unable to defend against on their own. That most definitely includes environmental pollution. They also care deeply about global warming, endangered species, and preservation of America's parks and forests.

Yes; they're mad about taxes, stagnant wages, and government waste. But they're mad about beaches they can't swim at, water they can't drink, rivers they can't fish in, and air that's unsafe to breathe. This amendment shows respect for America, its land, air and waters and its people, by restoring funds for clean water, safe drinking water, enforcement of environmental laws, cleanup of toxic waste sites, and preserving our national parks.

Let me address several key aspects of the amendment.

First, Senator LAUTENBERG's amendment would restore $623 million to EPA's science and technology budget over the next 6 years. Frankly, Mr. President, I simply can't understand why the proposal before us cuts the President's request in this area by 21 percent.

Let's look at what the science and technology account at EPA does. This account funds the operating programs of the EPA's Office of Research Development and the program office laboratories. These organizations provide scientific and technical expertise to help meet the agency's environmental goals. Specifically, these funds are used to improve our understanding of risks to human health and ecosystems, develop innovative and cost effective solutions to pollution prevention and risk reduction. Funding from this account is used by EPA to develop risk assessment criteria and to develop sound cost-benefit research and techniques. As we all know, there has been extensive talk this Congress about the importance of both risk assessment and cost benefit analyses.

And the specific programs that EPA will focus on with funds from this account are critical. For example, drinking water research at EPA evaluates the effects of the pathogenic bacteria, parasites, and viruses that can cause serious illness or even death. In the air quality area, EPA intends to focus a multiyear effort on the dangers of small particles of soot known as particulate matter. A recent report by the Natural Resources Defense Council concludes that approximately 64,000 people may die prematurely from heart and lung disease each year due to particulate air pollution. According to the report, lives are not just being shortened by days or weeks but by an average of 1 to 2 years in the most polluted areas. EPA's research will focus on mortality estimates, an evaluation of the biologic mechanisms resulting in harmful effects, and development of innovative control strategies.

Mr. President, all of us would agree that it is critical that EPA's regulations and policies be based on good credible science. But developing that science involves a public investment of funds. We shouldn't criticize EPA for failing to rely on the best science if we don't provide the resources to do the job.

Second, I strongly support the restoration of funding for the State revolving fund under the Clean Water Act. SRF money is critical for Connecticut and particularly Long Island Sound.

The SRF program espouses the virtues that the majority has been emphasizing this Congress—it provides low interest loans to States to meet community based environmental needs and offers flexibility in how money is spent. For example, Connecticut has received $170 million in Federal funds and has committed over $1 billion in State funds since 1987 to improve sewage treatment plants.

In Connecticut, clean water is not just an environmental issue—but an economic issue. Long Island Sound, for example, generates approximately $5 billion per year for the local economy—through fin and shellfish harvest, boating, fishing, hunting, and beachgoing activities. The commercial oyster harvest is a great example. In 1970, Connecticut's once thriving shellfish industry was virtually nonexistent. Today, its $50 million harvest has the highest value in the Nation. This improvement is due in large part to required upgrades in water quality.

Our work on cleaning up Long Island Sound, however, has a long way to go. Health advisories are still in effect for recreational fish consumption, and disease causing bacterial and viruses have been responsible for numerous beach closures. In March, the department of public health in Connecticut issued a fish consumption advisory for mercury levels in freshwater fish from Connecticut waterbodies.

Connecticut still needs hundreds of millions of dollars to perform needed improvements on public sewage systems, which continue to be the largest source of pollution for the Sound. The total estimated cost of upgrading the outdated plants is estimated at $6 to $8 billion.

Inadequate funding of the SRF delays needed improvements in Long Island Sound and in other great water bodies in this country —improvements that have enormous economic, recreational, and environmental benefits. That's why I support the additional funding in Senator LAUTENBERG's amendment.

Let me just touch briefly on several other provisions in the Lautenberg amendment.

The amendment restores funding for NOAA's operations and research program. One of the missions of this program is to improve the National Weather Service's ability to predict hurricanes. This makes good economic sense. An average hurricane warning today covers about 300 miles of coastline and involves preparation and evacuation costs the public in excess of $50 million per event. The improved approach to predicting hurricanes proposed by the National Weather Service can reduce the size of the warning areas, saving more than $5 million per storm, according to the Weather Service. This is a highly cost-effective approach—the Service tells us that the savings are more than 50 times the cost of the proposed additional observations. The enhanced observations will result in earlier, more accurate warnings. It will allow the public to protect residences more effectively and to relocate boats, recreational vehicles to safe locations. It will save property owners and insurance companies huge amounts of money. Moreover, when the areas of warning are smaller, the National Weather Service believes they will be taken more seriously, leading to more thorough preparations and saving more lives.

Mr. President, the Lautenberg amendment expresses more clearly than many pieces of legislation we debate on the Senate floor the kind of values we cherish in this country. I strongly urge its adoption.

Mr. President, I want to speak on one other matter in the budget resolution. The budget assumptions to the Energy Committee appear to include an assumption that revenues will be obtained from drilling for oil and gas in the Arctic National Wildlife Refuge, although this is not clearly spelled out in the committee's report. This would be a huge mistake.

As we found out during the fiscal year 1996 budget discussions, a wide majority of Americans oppose this move and the President clearly will veto any bill that includes opening up ANWR for drilling.

The arguments for balancing the budget by drilling in the Regue continue to be very weak. Geological surveys show that the odds of striking oil are extremely low—the estimate for a major strike is only 5 percent. Environmental studies predict irreversible damage from drilling to this pristine ecosystem from drilling, particularly the calving activities of the 150,000 caribou that simply have no where else to go. The footprint of development would span a network of hundreds of square miles along the highly sensitive coastline where wildlife and fish are concentrated.

Mr. President, I urge that the Energy Committee not come back in the reconciliation bill with provisions to open ANWR for drilling.

Mr. LEAHY. Mr. President, I am a cosponsor of this amendment because I feel very strongly about the long-term implications of turning our backs on the environment. This Congress tried

to repeal environmental laws and they tried to tie up the system with procedural gimmicks. They tried to cut funding for the EPA, and they tried to pass riders on the appropriations bills for temporary suspensions of environmental laws.

While we were able to hold back some of this political pandering to special interests, the environment did suffer setbacks with the Republican initiatives that either slipped through the cracks or were forced through Congress as parts of larger compromises. But now we are talking about systematically reducing funding over the next 7 years. We simply cannot do that without having negative consequences.

The Congressional Budget Office may conclude that the bill saves money, but that is only because they are counting dollars, not inches of acid rain, kilograms of toxic waste and concentrations of airborne particulates. When it comes time to pay the health bills of 7-year-old children who grew up around dirty Superfund sites, the cost will be high. The cost of neglect for our streams and rivers, the cost of apathy for safe drinking water, the cost of maintenance lapses in the National Park Service, and the cost of data gaps in basic environmental science will be high. The environment will not take care of itself. We have to step up and be responsible about the future we pass to our children.

This budget is not responsible when it comes to basic protections for our air, water, streams, and natural resources. That is why we are working to restore environmental funding by using bipartisan offsets identified by the Republicans. Environmental protection is supposed to be a bipartisan issue. Presidents Bush, Reagan, and Nixon signed some of our most important environmental laws. We offer this amendment to bring the budget back into line with the bipartisan commitments made in the past 25 years.

The people of the United States never voted to gut environmental spending. They voted for honest efforts to control wasteful spending, close wasteful loopholes, and refocus government on the priorities that government can do best. This amendment will make sure government provides basic safeguards for a clean environment. This is a job that government can do and needs to do. I urge my colleagues to support this amendment.

AMENDMENT NO. 3991

(Purpose: This amendment increases the Function 500 totals to maintain levels of education and training funding that will keep pace with rising school enrollments and the demand for a better-trained workforce. This increase is fully offset by the extension of expired tax provisions or corporate and business tax reforms)

Mr. KERRY. Mr. President, I send a second amendment to the desk and ask for its immediate consideration.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], for himself, Mrs. MURRAY, Mr. LEVIN, Mr. KENNEDY, Mr. DASCHLE, Mr. WELLSTONE, Mr. HARKIN, Mr. SIMON, Mr. DODD, Mr. KOHL, Mr. BINGAMAN, Ms. MIKULSKI, Mr. DORGAN, and Mr. WYDEN, proposes an amendment numbered 3991.

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

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

The amendment is as follows:

On page 3, line 5, increase the amount by $2,200,000,000.

On page 3, line 6, increase the amount by $7,000,000,000.

On page 3, line 7, increase the amount by $7,900,000,000.

On page 3, line 8, increase the amount by $8,800,000,000.

On page 3, line 9, increase the amount by $10,300,000,000.

On page 3, line 10, increase the amount by $12,100,000,000.

On page 3, line 14, increase the amount by $2,200,000,000.

On page 3, line 15, increase the amount by $7,000,000,000.

On page 3, line 16, increase the amount by $7,900,000,000.

On page 3, line 17, increase the amount by $8,800,000,000.

On page 3, line 18, increase the amount by $10,300,000,000.

On page 3, line 19, increase the amount by $12,100,000,000.

On page 4, line 8, increase the amount by $6,000,000,000.

On page 4, line 9, increase the amount by $7,600,000,000.

On page 4, line 10, increase the amount by $8,600,000,000.

On page 4, line 11, increase the amount by $9,500,000,000.

On page 4, line 12, increase the amount by $11,300,000,000.

On page 4, line 13, increase the amount by $13,200,000,000.

On page 4, line 17, increase the amount by $2,200,000,000.

On page 4, line 18, increase the amount by $7,000,000,000.

On page 4, line 19, increase the amount by $7,900,000,000.

On page 4, line 20, increase the amount by $8,800,000,000.

On page 4, line 21, increase the amount by $10,300,000,000.

On page 4, line 22, increase the amount by $12,100,000,000.

On page 25, line 17, increase the amount by $6,000,000,000.

On page 25, line 18, increase the amount by $2,200,000,000.

On page 25, line 25, increase the amount by $7,600,000,000.

On page 26, line 1, increase the amount by $7,000,000,000.

On page 26, line 8, increase the amount by $8,600,000,000.

On page 26, line 9, increase the amount by $7,900,000,000.

On page 26, line 16, increase the amount by $9,500,000,000.

On page 26, line 17, increase the amount by $8,800,000,000.

On page 26, line 24, increase the amount by $11,300,000,000.

On page 26, line 25, increase the amount by $10,300,000,000.

On page 27, line 7, increase the amount by $13,200,000,000.

On page 27, line 8, increase the amount by $12,100,000,000.

On page 52, line 14, increase the amount by $6,000,000,000.

On page 52, line 15, increase the amount by $2,200,000,000.

On page 52, line 21, increase the amount by $7,600,000,000.

On page 52, line 22, increase the amount by $7,000,000,000.

On page 52, line 24, increase the amount by $8,600,000,000.

On page 52, line 25, increase the amount by $7,900,000,000.

On page 53, line 2, increase the amount by $9,500,000,000.

On page 53, line 3, increase the amount by $8,800,000,000.

On page 53, line 5, increase the amount by $11,300,000,000.

On page 53, line 6, increase the amount by $10,300,000,000.

On page 53, line 8, increase the amount by $13,200,000,000.

On page 53, line 9, increase the amount by $12,100,000,000.

Mr. KERRY. Mr. President, this is a very similar issue to the one just discussed. I am proud to be joined in this effort by the Senator who led the fight in committee, who has been one of the Senate's most outspoken and capable leaders with respect to the issue of education, Senator MURRAY of Washington. She attempted in committee to get this changed. We are now seeking this together on the floor, along with other colleagues.

It seems to me, Mr. President, if somebody came along and said to Americans, ''I'm going to run for office, and I'm proposing the largest cuts in education in American history,'' you would be laughed out of the room. People would look at you and say, ''What, are you serious? That's your platform?'' That is what is being proposed. That is what we have in the agenda in this budget—the largest education cuts at the Federal level in American history.

Now, it is incomprehensible to me, Mr. President, when we measure each of the particular Federal programs that are contained within the Federal budget for education, why at this point in American history that is the route we would choose to go down. Republican President George Bush led an effort, with the Republican Governors and Democrat Governors alike, to try to reform the education system of this country. Together, the President, President Bush, and the Governors fought for something called Goals 2000. President Clinton came into office and we managed to move that effort to fruition.

It is the most basic kind of effort to try to address the problems in our schools. There is not any American who is not aware of the problems of our schools. It is why parents struggle to send their kids to any school they think will work. They go into debt to do it. They go to parochial school, they get out of public school, they struggle with their public school.

State after State has stressed the issue of education reform. Yet, here we are, having passed something that offers school districts help to be able to

raise the standards, raise the standards of teaching for the kids, raise the standards of ongoing learning for the teachers, raise the standards of curriculum, raise the standards with respect to the administration of a school so you have school-based management—a whole host of things that almost everyone in the U.S. Senate would agree are good things to do—yet we are going to reduce, for literally tens of thousands of kids, the opportunity to be able to touch those goals.

This budget would cut education by $25 billion in real terms over the next 6 years. In fact, it would cut education by $3.2 billion in fiscal year 1997 alone. When we examine this budget, we can only conclude it is the sequel to last year's story with respect to the attack on education that most Americans came to agree was extreme.

Senator MURRAY and I rise today to offer an amendment that will restore our funding for education investments to the level proposed in the President's fiscal year 1997 budget. This simply comes to the level of a balanced budget over 7 years, by CBO figures, that the President offered in his budget.

Mr. President, I will have two charts that show what has happened in education, but I will wait until the charts arrive.

We have a lot of schools, despite increased resources, that do not have computers. They do not have facilities in libraries that even have modern textbooks. Many schools have part-time librarians because they cannot afford to have a full-time one. Many schools cannot even afford to stay open beyond 2:30, 2 o'clock in the afternoon. We have a huge public resource we have invested in, and we do not even use it into the evening for many communities—for remedial education, ongoing family education, for problems with language so people could proceed faster to the mainstream with respect to the use of language—a whole host of things we could be doing creatively. We do not do them, and now we will cut our capacity to be able to provide the kind of assistance that would allow schools to experiment in those areas.

It is very difficult for me to understand why we are reducing the ability of people to even have remedial reading and other kinds of efforts when only one-third of the high school graduates in the United States of America last year had what is considered a passable reading level. We have 2½ million kids in America who graduated from high school last year. One-third of them were below basic reading level, one-third were at the margin, and only one-third were passable. Only 100,000 of our high school graduates had what was considered a world-class reading level. I do not know if every school in this country needs phonics or what, but to reduce the ability of schools to make those choices right now flies directly counter to the experience that everyone has come to agree is critical in order to be able to get a decent job in this new information management world we live in. Everybody understands that.

The world is different. The marketplace is different. People are going to have to prepare for three, four, five careers in a lifetime. How do you do that if you are not coming out of the best education system in the word? How do you come out of the best education system in the world if you do not have the basic resources and the basic tax base in many communities to be able to afford it? How about the tax base issue?

Title I: So many of our communities depend on title I money to be able to provide the mainstreaming, the extra teacher assistance, even the classroom level of students that provides adequate education at the early intervention level.

Why would we be reducing the ability to do that? Why would we be reducing the ability of kids to have Head Start? Why would we be reducing the ability of kids to do the one thing we have learned is so important, which is to take at-risk kids and get them into a new learning environment where they can actually gain the skills to get a job when they are at risk of dropping out of high school? We have seen so many of these kids that we understand that this is critical.

Mr. President, this amendment would still spend $17 billion less than function 500 than would have been invested if the prerescission policies of last year had kept pace with inflation. So this is not profligate spending. We are not coming here asking people to just throw money at a problem. We are asking people to keep up in those programs that have been proven to work at least with a level of inflation and prerescission level.

Mr. President, I have more that I could say on this. I will turn to my colleague, Senator MURRAY, who will talk with greater specificity about what is at stake here.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. I thank my colleague from Massachusetts.

I am pleased to be offering this amendment today, along with Senators KERRY, LEVIN, KENNEDY, DASCHLE, WELLSTONE, SIMON, HARKIN, DODD, KOHL, BINGAMAN, MIKULSKI, DORGAN, and WYDEN.

Mr. President, our amendment simply increases the level of investment this country will make in education and job training over the next 6 years. When Senator Magnuson, whose seat I now sit in, was here over two decades ago, education proponents were asking Congress to dedicate one-third of the Federal budget to education. Today, very sadly, a mere 3 percent of our budget is invested in our children's education.

Function 500's discretionary initiatives—the part of the budget that this amendment addresses—contain some of our most successful education and job training programs, including Head Start, title I, impact aid, school-to-work, vocational education, and education technology programs.

I can tell you, as a Senator who is a preschool teacher, a PTA member, a mother, and a Senator, that I know each of these programs makes a difference in the lives of our young people.

Mr. President, children are our Nation's most precious resource. I have heard so many of my colleagues say this. We know the next generation faces more challenges than any who came before them. They face a more competitive job market, rapidly changing occupations, more technology, and increasing international competition. Adequately funding function 500 is one of the best ways the Federal Government can prepare our children for the changing work force. It is a simple, commonsense investment. And it is an investment that yields big dividends quickly.

I, personally, have seen a Head Start student smile as she listened to a teacher read her a book for the very first time. I have talked with college students who would not be in school were it not for a Pell grant. I was on a school board that passed a bond to put technology into our classrooms because we knew that in our lifetime every student would need to be able to use the latest technology. I have been in schools like the Bethel School District, where students tell me school-to-work programs have changed their lives and brought personal success.

Quite frankly, I am a little disappointed that we need to offer this amendment today. We all know last year's budget debate was acrimonious. But, after much haggling, we were able to restore valuable education funds in the omnibus fiscal year 1996 appropriations bill. I commend Senators SPECTER, HARKIN, KENNEDY, and others for their hard work and dedication to getting that job done in the last budget. But, after all of this, I did not expect to see the new Republican budget propose another truly inadequate level for education and job training funds.

Now, I have heard the Republicans tell us their budget actually increases education spending by $3.1 billion over 6 years. Well, that is not the whole story. I have to tell my colleagues, that amount will not even keep pace with inflation. Nor will it match the amount needed to serve the Nation's increased enrollment projections. Student enrollment will increase 7 percent over the next 6 years, and next year's enrollment will be the highest national level since 1971. It is clear to me that, over 6 years, the Republican budget amounts to a cut—plain and simple. It is $26 billion below inflated fiscal year 1996 levels. It is a retreat from our responsibility to provide education and opportunity to the next generation of Americans, and it lacks the core values I believe most Americans hold.

Mr. President, as many of my colleagues know, I offered this amendment last week in the Budget Committee markup. Unfortunately, it was not accepted. It was rejected along party lines. But let me take a minute to describe this amendment a little bit further. This amendment increases function 500's 6-year spending level $56.1 billion over the Republican proposal. However, please note, this amendment falls short of what we would be spending under fiscal year 1995 prerescission levels.

I want to emphasize that point. This amendment spends $17.7 billion less than what would have been invested if the fiscal year 1996 prerescission policies were kept in place. The 1995 level is the most appropriate. However, I understand that that level is not fiscally possible because we all need to give a little as we move toward a balanced budget. I believe this amendment is truly a good-faith concession from the most acceptable education and job training funding level.

Finally, it is important to understand that this amendment is paid for by closing corporate tax loopholes and extending expired tax provisions. Our children—our young people are worth it.

Mr. President, I have held a series of town hall meetings throughout Washington State over the course of this past year. In Tacoma, Spokane, Yakima, and Vancouver people came together to talk about the responsibility adults have in improving the well-being of our children. We agreed to respect our differences, but to get beyond them to the things we can all agree on. Overwhelmingly, all adults and young people agreed we need to invest in our children's education.

In fact, whenever I talk with my friends and neighbors about the budget, they always tell me not to cut Federal investments in education and job training. They know Head Start works in Washington State. It serves 11,000 kids annually, but there are 6,000 more eligible children that could be served with increased funding.

I have seen firsthand the successes that come from our vocational education programs. We must remember that over 50 percent of our children will not go on to college, and they need to graduate with skills that give them real jobs. We know, vocational education and school-to-work programs help prepare those young adults to compete in the rapidly changing global marketplace.

I recently talked to a young woman who was waiting to hear if she would get a Pell grant this year. Her eyes filled with tears as she told me this was her one chance to get to college next fall.

I also know from personal experience, as a teacher, the progress being made in our public schools through title I funding and education technology grants. Sure, cutting education funds will not mean we stop teaching reading, writing, or math. But, if we do not pass this amendment it will mean one more child will not get the help they critically need to be a success one day.

Mr. President, these programs work in my home State. But, support for these programs is widespread. My colleagues may have seen a recent USA Today poll that showed 82 percent of Americans do not want to balance the budget if it means cutting education. We should listen to this message and do what our constituents recommend.

The debate over our fiscal priorities has come a long way since exactly 1 year ago, and Senator DOMENICI, chairman of the Budget Committee, deserves a lot of the credit for advancing this discussion and moving our Nation closer to a balanced budget. I believe the differences between the two parties has narrowed to a point where compromise is within reach. All we need now is the courage to do so.

Mr. President, last year's budget debate was painful for all of us. But, I know it was especially painful for our constituents—our hard-working friends and neighbors. They did not know why the budget debate forced the Government to shut down twice; one time for 3 straight weeks. They did not see that as progress. Instead, they saw it as just another example of what is wrong with Congress and the Government today.

I do not mention this to point fingers at any particular party, but as a reminder that the budget debate requires compromise if we hope to really serve the people.

In the end last year, we learned our Government is truly a democracy. We learned any successful budget agreement will need to be as broad and bipartisan as possible. Most importantly, we learned that it is possible to balance the Federal budget without retreating on education or hurting children.

The final appropriations bill increased education funding from the original proposal because we all recognized we needed to compromise on this critical area of funding. We have to do that again, now, with this budget and with the passage of this amendment.

Mr. President, I am optimistic we have learned from our mistakes and I am confident Congress and the President can come to terms on a balance budget plan. Both sides have come a long way over the course of a year. During the appropriations process, Republicans have acknowledged the need to increase funding for education, the environment, cops on the street, and AmeriCorps; and the President has submitted a CBO-certified balanced budget that includes cuts in Medicare and Medicaid.

Finally, Mr. President, I want to note that many of my colleagues argue for the Republican budget package by claiming it will benefit our children and grandchildren in the long run. They claim we will give our children a better economy and lower interest rates tomorrow by balancing the budget today. Well, this may be true, but they fail to note that this plan cuts our vital investments to do so; programs like Head Start, title I, Pell grants, and vocational education.

I fail to see how my children will be better off tomorrow without decent, quality education today. In fact, if my kids do not have an education, they will not get a job, and if they do not get a job, they will not be able to buy a home with those lower interest rates.

Mr. President, a businessman recently commented to me that a good business that plans to be here in the future cuts its budget carefully and invests in its most important resources. He said he feared this Congress appeared to be having a fire sale. We need to look ahead and say we do want to survive long into the future. This amendment helps get us there.

So, again, I say to my colleagues on both sides of the aisle, when compared to prerescission 1995 levels, this amendment is a modest investment in education and job training and restores a core value I believe Americans hold: The belief that education is important. I strongly urge my colleagues to support Senator KERRY, myself, and others in supporting this critical amendment.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I will just take a couple of minutes and then reserve the remainder of the time for other Senators who want to speak on this issue. I thank the Senator from Washington. I want to emphasize, if I may, a couple of points that both she and I have made.

This is not a struggle, in my judgment, over whether one group wants to be fiscally responsible and the other group does not. We are both talking about a framework for a balanced budget. In fact, were it not for the insistence on a very significant size tax cut on a 7-year basis—still over $200 billion, less than that over 6 years—there is today enough money on the table by both sides, agreed upon, to balance the budget. I hope Americans understand that. We do not have to have this fight except for the struggle over a tax cut. It is the struggle over the tax cut that forces the taking of money from a whole lot of things that matter in order to give the tax cut. The tax cut is fundamentally a borrowing from the future to give to the present. The tax cut is essentially a transfer payment taking from the next generation in terms of investment and current programs and giving to a group of people to spend it today.

That is really what we are fighting about here because we have identified, and the President has delivered to us and we have voted for a sufficient number of discretionary cuts to balance the budget of this country this afternoon. What we are saying in our vision is we are willing to support—many of us, not everybody perhaps—some form of a tax cut in order to have compromise here.

There are certainly some Americans who really deserve one. If it were geared in a way that absolutely guaranteed that the right people were getting it, there might be much more support for building the compromise faster. But there is no excuse for taking 20,000 kids out of Head Start and saying you do not get a head start so we can give somebody earning more than $300,000 a year more money. It is irrational. But that is exactly what the program is at the same time as the stock market of this country went up 34 percent in one year, at the same time as company after company reports record profits, at the same time as interest rates are low, unemployment is low, and 8.5 million jobs have been created in 3½ years. What is the rationale for taking 20,000 kids and saying you do not get a head start so we can jump-start the economy—8.5 million jobs better than Ronald Reagan did, better than George Bush did? It is illogical.

In New Bedford, MA, 294 children are currently participating in Head Start. So I wonder what Senator here would like to go tell those kids, go stand in front of them and say, ''No more program. Sorry.'' Or to say that ''50 of you are going to be out of this program and the rest of you get to go ahead because we think it is a good program. We just do not want 50 of you to continue in it so we can give people who earn $300,000 or more a nice tax break.'' That is the choice.

Mr. President, another important effort that would be cut here is the Safe and Drug-Free Schools Program. It serves over 134,000 kids in Massachusetts alone. The Republicans want to cut this antiviolence program by $50 million. That may be a relatively small cut. But again, I ask the question: Why? Why? Has somebody discovered suddenly that every school in America is free of drugs? Has somebody discovered suddenly that drugs are no longer a problem? Has somebody discovered that kids are not still bringing weapons to school and we do not need to make our schools safer? I cannot think of a parent in America who would agree that safe schools and drug-free schools is not yet a priority of this Nation. Yet, our friends on the other side of the aisle, in order to give this great big, fat tax cut, are coming in and saying, ''Sorry, kids. It does not matter how unsafe your school is. We are not going to consider that a Federal priority anymore.''

Mr. President, I will just close by showing on these two charts the history of what has happened with respect to these expenditures. This is what we did in 1990, 1991, 1992, 1993, 1994, and 1995 in the black—every year the Federal priority was to try to help make a difference to hurting places in America. We were going to try to help these schools do better.

Here is the Republican revolution. There is the date that the Republican revolution began—the biggest cuts in American history all of a sudden despite the fact that experts across the land will tell you that each of these efforts is working.

Mr. President, here is the history in a different way. This is what we are doing. Last year the Republicans proposed a $26 billion cut in education appropriations. The Senator from Illinois is here. He will remember this. He was one of the people who helped to stop it. They wanted to cut $10 billion from education last year. That was their original goal. But the committee raised a storm. People raised a storm, and that came out of the committee at $4.9 billion. Then it came down here, and we had an effort, a fight on the floor, that resulted in a $3.7 billion cut finally. That is the bite of the apple they took. We came along and said, ''We do not want a $3.7 billion cut. We think that is wrong.'' So we had another big fight on the floor. We consumed all the time and energy of the U.S. Senate, and we finally won and got the $3.7 billion restored so we have a lesser cut.

What is the lesson learned from that? The Senate ultimately voted—I think it was about 80-plus Senators—to say let us just take this tiny little nibble out of the apple. And what happens this year? They come right back and propose to devour the apple again with a $25 billion cut. Why are we are going through that exercise again? No wonder most Americans are sitting around at home saying, ''Have these guys lost their minds? Where are they coming from?''

That is called extreme, Mr. President, from here, to here, with this intermediary experience, and here is what we wound up with. You would think somebody learned a lesson.

So I hope that we are going to have the good common sense not to split ourselves apart but to come together around the most fundamental commitment we could make in this country today. There is no way we will compete with Japanese, with Germans, with any of the other developing countries who care more about education than we do apparently. They put the effort into it. We should be putting the effort into it. All of us know that very few Governors, very few mayors are going to run for office with the ability to say, ''I am going to raise the tax base, the property tax,'' which is the most onerous of all taxes, ''and I am going to adequately fund education.'' The whole purpose of these efforts was to make up the difference in those areas. I hope that we will do just that in this Chamber.

I ask unanimous consent to reserve the remainder of time on both the environment amendment and the education amendment for those Senators wishing to speak thereon.

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

Mr. EXON. Will the Senator please yield?

Mr. KERRY. I yield the floor.

Mr. EXON. Will the Senator yield 2 minutes of his time?

Mr. KERRY. Mr. President, I am delighted to yield 2 minutes to the Senator.

Mr. EXON. I congratulate and thank the Senator from Massachusetts and the Senator from Washington for an excellent presentation on two very important subjects. I ask unanimous consent to be added as a cosponsor to both of the amendments that have been offered and discussed this morning.

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

Mr. EXON. I appreciate very much the vivid presentation centering on something that is very fundamental to those of us on this side of the aisle, and I hope and urge my colleagues to support these two amendments because they are absolutely vital to the future of America, and that is what it is all about.

This amendment simply raises the function totals in the Republican budget up to those included in the President's budget for education and training programs.

While the Republicans cite an increase in education spending compared to their freeze baseline, they admit a cut of $3.2 billion over 6 years to a 1996 freeze. How could that be? The answer is simple. Their so-called ''freeze baseline'' for the education Function only freezes for 1 year and then dips down in the outyears. They do not extend the appropriators' hard-fought compromise agreement on education spending through the whole budget window.

The lesson of the long, drawn out, saga of the 1996 appropriations process was that the American people, the majority of Congress, and the President consider it a top priority to adequately fund education programs. The Republicans seem to need to be knocked over the head to learn that lesson.

Let me say in closing that I strongly support the Kerry-Murray-Levin-Kennedy amendment and urge its adoption by the Senate.

I thank my friend and I yield back any time remaining that has been yielded to me.

Mr. KERRY. Mr. President, I thank the distinguished manager of the bill very much.

I yield 5 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. SIMON. Mr. President, I rise in strong support of the Kerry amendment. I thank Senator KERRY for his leadership as well as Senator MURRAY from Washington for her leadership.

I first had the chance to meet JOHN KERRY many years before we served in the Senate together. I was impressed by him then, and the contribution and sense of vision and understanding he had, and I have been impressed in my years in the Senate.

Every study that any economic group makes of where we ought to go, what we ought to do, I do not care whether

it is conservative, liberal, what it is, they all come back and say one thing: we have to invest more in education.

In the area of higher education, we are still preeminent in the world, though others are catching up. In the area of primary and secondary education, we are now among the developed nations in what we spend per person about 14th. In preschool education, we are way behind. We ought to be doing more. This is where we set the priorities.

Let me just give you an historic analogy that my friend from Nebraska is old enough to remember along with me, if he will forgive me, and that is the GI bill after World War II. It was an interesting thing; there was a fight among veterans groups as to what should happen. The American Legion, of which I am a member—and I have sometimes differed with my friends in the American Legion—after World War II said we ought to have an education program for veterans, and they pushed it. And some of the other veterans groups said no, we should have a cash bonus for veterans. Fortunately, for the United States of America, the American Legion prevailed, and the GI bill was a huge step forward for this Nation. We then had in comparative terms about one-third of the income, even accounting for inflation, that we do today. The average grant, if you were to add inflation, from the GI bill today would be $9,400, regardless of income. We struggle for $2,300 in a PELL grant today for those of extremely limited income.

However, in a sense we are going through the same fight. And here I differ with some of my friends on both sides. We do not call it a cash bonus today. We call if a tax cut. And instead of investing in education, we are being asked to cut back on education. It is shortsighted. We ought to be looking at our children and our grandchildren and saying, how do we build a better future for them? I have to believe we do not do it by giving tax cuts that, frankly, I do not think are wise. We are saying we are going to balance the budget in 7 years, and it is kind of like a New Year's resolution. We are proclaiming a New Year's resolution to diet and starting with a huge dessert.

And then we have the wrong priorities—$11 billion more for defense than the Defense Department requests but cutting back on education.

So I strongly support my colleague from Massachusetts in this effort. I think he is right, and I applaud his leadership on this amendment.

I yield back the remainder of my time.

Mr. KENNEDY. Mr. President, we have been talking about the amounts of money which effectively will be authorized in the budget that has been proposed to us by the majority of the Republicans in the House of Representatives and the Senate. There are important differences in the priorities of Democrats and Republicans. The budget should reflect the Nation's priorities. And I want to just follow up and continue what I know was an excellent presentation by my friend and colleague from Massachusetts, Senator KERRY, talking about the priorities of education and to try and clarify what the proposed Republican budget would mean to parents, families, and school systems across this country.

First, all of us know that money in and of itself does not solve problems. How we allocate resources is a pretty clear indication what a nation's priorities are. Education is among their highest priorities. It ranks above crime, the economy, health care, and the deficit for the first time in history. 82 percent of Americans oppose cutting education to balance the budget.

The American people need to understand that there are significant cuts in K–12 and higher education in the Republican budget. American people do not support real reductions in funding of education programs or the elimination of some programs, to pay for tax breaks for wealthy individuals and corporations. I do not think that is a choice most Americans would make, yet that is before us in this budget proposed by our Republican friends.

There are significant cuts in Head Start, which helps young people get on the first rung of the ladder of the education process and develop their self-esteem so they are better prepared to enter the school. The Republican budget freezes Head Start below current levels, denying at least 20,000 children this preschool experience in 1997 alone. Our Democratic amendment increases Head Start by 10 percent in 1997, allowing 796,500 children to benefit from this comprehensive education, nutrition, and health services program.

There are real cuts in title I, which improves the math and reading skills of children who come from disadvantaged backgrounds. Republican cuts to title I will deny reading and math assistance to 550,000 disadvantaged children next year. Our Democratic amendment increases title I by 7 percent for 1997, providing instruction to 7 million disadvantaged children.

There are significant cuts in Goals 2000, which funds the efforts of local schools to enhance academic achievement. Republicans cut Goals 2000 funding in 800 schools. Our Democratic amendment permits an increase in funding of $176 million in 1997, in order to respond to the high level of requests for Goals 2000 funds in States and localities trying to improve the achievement levels of their students.

The Republican budget will also deny needed opportunities for job training to over 130,000 youths and adults in 1997. The House budget is even more extreme. It cuts job training programs by 43 percent below the 1995 level. The number of participants in this program will drop from 1.8 million this year to 1.1 million in 2002, a loss of 750,000 participants. These programs now serve only 3.6 percent of eligible workers. The Republican cut would reduce that level to 2.2 percent.

There are reductions in the support for Safe and Drug Free Schools. We hear a lot of statements about how we are going to deal with the problems of substance abuse. It is a complex issue. Safe and Drug Free Schools helps reduce violence and substance abuse in the schools of this country. This program is being seriously cut back.

In higher education, Pell grants will be cut by $6.2 billion over 6 years. As a result, 1.3 million students will lose Pell grants, and the value of the maximum grant will decline by $400 per student by 2002.

Pell grants have already lost 25 percent of their purchasing power over the last 15 years. In 1979, a Pell grant provided three-fourths of the cost of attending a public college. Now it provides less than a third of that cost.

Our Democratic amendment tries to ease the difficulties that students and working families face in struggling to pay for college. It allows Pell grants to keep pace with inflation, with the maximum Pell grant reaching $3,130 by the year 2002.

Our amendment will also increase the investment in work study by 10 percent in 1997. It will expand the number of students who gain work experience while they earn money for college from 700,000 to 1 million by 2002. By contrast, under the Republican budget 800,000 students will lose work study assistance by 2002.

The Republican budget also dismantles the direct loan program, which has been overwhelmingly endorsed by students and colleges across the country. Under the direct loan program, students get their loans to pay for college faster and more easily than under the guaranteed loan program. Direct lending also offers income-contingent repayment, so that the size of a student's loan payment is determined by his or her income. Direct lending is an enormous success, an incredible success. If I have the time, I will read into the RECORD some of the various reports and assessments, where young people and colleges overwhelmingly endorse it.

The House of Representatives effectively eliminates the direct loan program. The Senate caps it at 20 percent, which will still undermine it in a very significant way. Only 4 weeks ago Republicans and the administration agreed to let colleges choose a student loan program. That was only 4 weeks ago. But now, they come right back and say, ''No, we are going to go back on that agreement, not build on it.''

The Republican budget denies colleges the opportunity to choose the loan program that provides the best service and lowest cost to their students. The Republicans say, ''Oh, no, we know best. We know best. We here in Washington, DC, know best. We here in the Senate know best.''

You know better than what the students and colleges in my State of Massachusetts want? Schools and colleges

should make their own choice. My colleges will not be permitted that. My students in Massachusetts will not be permitted that. Their option is effectively closed out by the arbitrary position which has been taken by the Republican majority.

There is one group that will benefit from the Republican cap on direct lending. The guaranty agencies and banks in the guaranteed loan program will gain $100 billion in new loan volume, which will provide them $5 or $6 billion in new profits. That money ought to remain in the pockets of hard-working Americans.

In the fiscal year 1995 Rescissions, we voted to cut education funding to $39.5 billion. Then, the next year, the 1996 Republican budget came in at $36.2 billion—a $3.3 billion shortfall. Many of us fought in the U.S. Senate and said, let us at least protect education—by keeping funding at the fiscal year 1995 level.

Eventually the Republicans ran into a brick wall because the President said the American people believe in investing in the children of this country and we are not going to backstep in education. We had to close down the Government. That was perpetrated by the unwillingness of Republicans to protect education and the environment.

Then, only a few weeks ago, here in the U.S. Senate we voted 84 to 16 to restore $2.7 billion to education, to get us back to where we were in 1995. The final passage of that bill was 88 to 12. Republicans and Democrats were saying, ''We support this. We are all for it.'' The victory was brief. Only a few weeks later, from April 25 to May 9, the Republicans propose a significant cut to education again by $3.2 billion—$3.2 billion. The 1997 Republican budget is a thinly-disguised rehash of the harsh anti-education plan we defeated a few months ago.

Now, what do our Republican friends say? We are going to use that cut that we were not able to get last year as the baseline for appropriations over the next 6 years. When they made their proposal on the budget, they cut $3.2 billion and used that as the baseline over the future years.

Mr. President, this is the fundamental point. When you use that lower baseline and project it out over the period of the next 6 years, effectively it reduces funding for education by 20 percent, by one-fifth.

That is bad enough, but let us look at what is happening to the school-age population during that time. Over the next 6 years, we are going to see a significant expansion in the number of children that are going to public schools; enrollment is going to increase 7 percent. 50,000 more teachers are needed just to avoid overcrowded classrooms.

Mr. President, we face the same problem in higher education. There is going to be a 12 percent increase in the total students that enroll in postsecondary education as well. That is not figured in. So when we talk about a 20 percent reduction in education spending, we must remember that this decrease comes at a time when increased funding is needed just to keep up with the flood of new students.

This is no time to cut education. Education is a priority for national investment. To prepare children for the future we need to spend more on education, not less.

Our Democratic amendment gets these priorities right. It permits an investment in education that keeps pace with rising enrollments and the demand for a better trained work force. I urge my colleagues to vote for this amendment. This is a vote for education and for the wise priorities that will guide America sensibly to the future.

Mr. KOHL. Mr. President, I rise as a cosponsor of the education amendment offered by Senators MURRAY and KERRY.

This amendment would restore the overall funding level for critical education and training programs jeopardized under this budget proposal. The amendment is fully paid for by closing corporate tax loopholes.

Students, parents, and teachers taught us a valuable lesson this past year. The budget we are considering today seems to have missed the main tenet of that lesson—this Nation can not afford large education cuts.

Mr. President, over the next 6 years, funding for education programs under this budget would be reduced by 17 percent in real dollars, a cut of $7.4 billion. Such a weak commitment to education ignores profound challenges facing students, schools, and families.

School violence is more and more prevalent; yet this budget jeopardizes the Safe and Drug Free Schools Program.

The cost of obtaining a college education is going through the roof; yet this budget restricts opportunities for college aid.

Math and reading scores of children are stagnant; yet Title I funding to help the most disadvantaged children build basic skills is weakened.

And technology is racing past the classroom door; yet this budget leaves education technology programs behind.

How can we make such assumptions? Because those programs were targeted for devastating cuts under the partisan budget plan last year—the same cuts which were so soundly rejected by the American people.

It is true that the bulk of education funding comes from States and localities, but school administrators are the first to admit that the Federal contribution is critical. Cutting our investment in education is foolhardy. In the struggle to meet the challenges of educating today's students, schools and communities need more help, not less.

We clearly must to be willing to make difficult decisions to reign in government spending. But it makes no sense to cut corners on education. There is a simple reason for this. In the next century, the world's strongest Nation will be the one which has the best educated people. If we abandon schools and students today, we will not be prepared for the economic challenges tomorrow.

Reducing our investment in education will have painful results. Students with special needs will not get the individual attention they must have to succeed in school. Drugs and violence will threaten the safety of even more students and teachers. Students will not have the skills to make the connection to jobs after graduation. And ambitious, intelligent students will not go to college, because they will not be able to afford the tuition.

Mr. President, according to the College Board, college tuition costs last year increased at a rate of 6 percent nationally, which is more than twice the rate of inflation. Only a decade ago, student debt levels were $9 billion. This year student loans may reach $29 billion, which is up from $27 billion last year and $24 billion in 1994.

Facing the realities of skyrocketing tuition costs, parents are finding it harder than ever to help their children reach a higher standard of living. Families are falling deeper and deeper in debt trying to send their kids to college today.

Are we prepared to turn our backs on those seeking to succeed through a good education? I should hope not. We confronted these same concerns last year, and we came to the right conclusion then. This year we are forced down the same road, and the answer must be the same now.

I urge my colleagues to support education and vote for the Kerry-Murray amendment.

Mr. EXON. Mr. President, will the Senator from Massachusetts yield to me for 1 minute?

Mr. KERRY. Mr. President, I yield 1 minute.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I inquire of the Senator from Massachusetts, since he had indicated a few moments ago that he was retaining the remainder of his time later on, have we come to an end then at this particular period of time or does someone else wish to talk on this?

Mr. KERRY. I know the Senator from Nevada wishes to speak with respect to the environmental amendment but I would ask unanimous consent—I think it is in order anyway—the remainder of time on both amendments be managed by the distinguished manager of the bill.

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

Mr. EXON. How much time does the Senator from Nevada seek?

Mr. REID. Mr. President, if the manager of this bill could allow me, I would like 20 minutes.

Mrs. MURRAY addressed the Chair.

Mr. EXON. I yield 20 minutes off of the time—

Mrs. MURRAY. Mr. President, since I have been waiting here, I have a sense-of-the-Senate amendment that I wanted to send to the desk. If the Senator from Nevada would allow me, it would only take me about 2 minutes. Will he let me do that ahead of his 20 minutes?

Mr. EXON. I inquire of the Presiding Officer, how much time is remaining on these two amendments, on the support side?

The PRESIDING OFFICER. The Senator has used 48 minutes in the aggregate on these two amendments.

Mr. EXON. Forty-eight in the aggregate.

The PRESIDING OFFICER. Have been used.

Mr. EXON. The Senator from Nevada has asked for 20 minutes and I yield that. The Senator from Washington asked for how much?

Mrs. MURRAY. Three minutes.

Mr. DOMENICI addressed the Chair.

Mr. EXON. I would simply say that the Senator from Washington is not seeking any additional time, as I understand it, on these two amendments. She is following with an amendment. She would like to go next under the order. I am wondering if possibly, to move things along, the Senator from Nevada could maybe shorten his remarks and then maybe come back later on this afternoon, if he is going to be available. We are trying to accommodate a whole group of people, as the Senator knows.

All that I am saying is we thought we were about ready to proceed under the schedule with the amendment to be offered and remarks by the Senator from Washington. I am wondering if the Senator from Nevada might be able to accommodate us some on this.

Mr. REID. I say to my friend and the manager of the bill that I, of course, have no problem yielding to my friend from Washington. But I say to the two managers of this bill, I am trying to cooperate. I had an amendment that I was going to offer that is on the list. I decided not to do that because this amendment is pending. Therefore I feel, in the spirit of cooperation, that I have complied with that spirit.

Mr. EXON. I see. In other words, basically what the Senator is saying, trying to expedite this, he will not be offering the amendment that we had scheduled for him to talk on this afternoon?

Mr. REID. That is right. What I say to the two managers is that I am going to speak on the Kerry amendment that is an umbrella environmental amendment, and that way I will not offer my amendment, which is more specific. Theirs is more broad than mine.

Mr. EXON. We appreciate everybody's cooperation. Sometimes cooperation—the Senator from Washington, as I understood it, was scheduled to talk around noon. Has that been moved up?

Mrs. MURRAY. I believe it was 1:30 or 2. I am willing to do it now.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I say to Senator EXON, I think we are doing great. It looks like this is going to be a day filled with good utilization of our time. But I will just state as these amendments have been offered, we have not yielded back our time in opposition. It would seem to me Senator REID needs some time, but I think we also have to work in this time to rebut the Kerry amendment and the previous one.

I do not want to do that now because you would rather use the time to accommodate a Senator, but clearly we are not going to be without a few words, although we have heard most of the arguments last year. We do not have to take a lot of time. But we do want to rebut the two amendments, so I would appreciate it if you did not go much beyond Senator MURRAY and then see if we want to use time in rebuttal. We are entitled to that right now, as I understand it. I will say I do not want to use that now.

If the Senator has an important commitment to Senator MURRAY, let us do that, and then I would very much like to use some time on our side in rebuttal to the three that have been offered.

Mr. EXON. I guess what you are saying is you do not object to remarks by the Senator from Nevada or the amendment to be offered by the Senator from Washington, in that order, is that right?

Mr. DOMENICI. Actually I did not say that, but if that is what you want now, that will put us up another 30 or 40 minutes? That is fine.

Mr. REID. The Senator from Washington wants 3 minutes, and I will try to do mine in 15, no more than 20.

Mr. DOMENICI. I have no objection.

Mr. EXON. I suggest, Mr. President, then to accommodate everybody as well as we can, the Senator from Washington be recognized at this time as per previous agreement and then the Senator from Nevada would follow in that order.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mrs. MURRAY. Mr. President, I thank my colleagues for their accommodation and ask unanimous consent the pending amendment be set aside in order that I may introduce an amendment.

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

AMENDMENT NO. 3992

(Purpose: To express the sense of the Senate that the General Services Administration should place a high priority on facilitating direct transfer of excess Federal Government computers to public schools and community-based educational organizations)

Mrs. MURRAY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Washington [Mrs. MURRAY] proposes an amendment numbered 3992.

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

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

The amendment is as follows:

At the end of title III, insert the following:

SEC. . SENSE OF THE SENATE.

(a) ASSUMPTIONS.—The figures contained in this resolution are based on the following assumptions:

(1) America's children must obtain the necessary skills and tools needed to succeed in the technologically advanced 21st century;

(2) Executive Order 12999 outlines the need to make modern computer technology an integral part of every classroom, provide teachers with the professional development they need to use new technologies effectively, connect classrooms to the National Information Infrastructure, and encourage the creation of excellent education software;

(3) many private corporations have donated educational software to schools, which are lacking the necessary computer hardware to utilize this equipment;

(4) current inventories of excess Federal Government computers are being conducted in each Federal agency; and

(5) there is no current communication being made between Federal agencies with this excess equipment and the schools in need of these computers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals and reconciliation instructions in this budget resolution assume that the General Services Administration should place a high priority on facilitating direct transfer of excess Federal Government computers to public schools and community-based educational organizations.

Mrs. MURRAY. Mr. President, the amendment I sent forward is simply a sense-of-the-Senate resolution that I believe most of my colleagues will support. I hope it can be accepted by voice vote later today or next week.

This amendment simply directs the General Services Administration to facilitate the process of getting excess Government computers to schools or nonprofit school organizations. This amendment is following a Presidential Executive order that was to make modern computer technology an integral part of every classroom, provide teachers with professional development that they need to use new technologies effectively, and connects classrooms to the national information infrastructure and encourages the creation of educational software. I have heard many of my colleagues talk about the need to put computers and technologies into the classroom, but the reality is that many school districts cannot afford this expensive equipment.

The President's Executive order now has all Federal agencies documenting their excess computer equipment. My amendment will direct GSA to facilitate this process so the excess computers that are in Government service can be gotten into the schools where they are needed.

I urge my colleagues to support this. Again, I hope it can be done quickly and efficiently on a voice vote.

I thank my colleagues and yield back my time.

The PRESIDING OFFICER. The Senator from Nevada is now recognized.

AMENDMENT NO. 3990

Mr. REID. Mr. President, I am speaking on the KERRY amendment dealing with the environment. I have here a publication on the Great Basin National Park. It is called ''The Story Behind the Scenery.'' It is a new publication, one of which I am very proud, because it showcases a national park that we have in the State of Nevada.

Mr. EXON. Could I interrupt the Senator from Nevada for just a moment? I wonder if he will yield to the two leaders of the bill without losing his right to the floor. We are making some good progress. We have two amendments, one from the Republican side and one from the Democratic side, that we are prepared to accept at this time, if we could interrupt the Senator?

Mr. REID. Fine.

Mr. EXON. I thank my colleague.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, at the present time I have talked with the chairman of the committee. There are two amendments that we are prepared to accept, one from that side and one from this side. At the present time the staff is presenting those amendments to the Senator from New Mexico.

I believe he has them now. I believe the chairman of the committee is prepared to offer these two amendments, one from each side, sense-of-the-Senate amendments that we are ready to accept.

AMENDMENT NO. 3993

(Purpose: To express the sense of the Senate on funding to assist youth at risk)

Mr. DOMENICI. Mr. President, I send an amendment to the desk on behalf of Senator CAMPBELL with respect to at-risk youth. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. CAMPBELL, for himself and Mr. KOHL, proposes an amendment numbered 3993.

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

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

The amendment is as follows:

At the end of title III insert the following:

SEC. . SENSE OF THE SENATE ON FUNDING TO ASSIST YOUTH AT RISK.

(a) FINDINGS.—The Senate finds that—

(1) there is an increasing prevalence of violence and drug use among this country's youth;

(2) recognizing the magnitude of this problem the Federal Government must continue to maximize efforts in addressing the increasing prevalence of violence and drug use among this country's youth, with necessary adherence to budget guidelines;

(3) the Federal Bureau of Investigation reports that between 1985 and 1994, juvenile arrests for violent crime increased by 75 percent nationwide.

(4) the United States Attorney General reports that 20 years ago, fewer than half our cities reported gang activity and now, a generation later, reasonable estimates indicate that there are more than 500,000 gang members in more than 16,000 gangs on the streets of our cities resulting in more than 580,000 gang-related crimes in 1993;

(5) the Justice Department's Office of Juvenile Justice and Delinquency Prevention reports that in 1994, law enforcement agencies made over 2,700,000 arrests of persons under age 18, with juveniles accounting for 19 percent of all violent crime arrests across the country;

(6) the Congressional Task Force on National Drug Policy recently set forth a series of recommendations for strengthening the criminal justice and law enforcement effort, including domestic prevention effort reinforcing the idea that prevention begins at home;

(7) the Office of National Drug Control Policy reports that between 1991 and 1995, marijuana use among 8th, 10th, and 12th graders has increased and is continuing to spiral upward; and

(8) the Center for Substance Abuse Prevention reports that in 1993, substance abuse played a role in over 70 percent of rapes, over 60 percent of incidents of child abuse, and almost 60 percent of murders nationwide.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals underlying this concurrent resolution on the budget assume that—

(1) sufficient funding should be provided to programs which assist youth at risk to reduce illegal drug use and the incidence of youth crime and violence;

(2) priority should be given to determine ''what works'' through scientifically recognized, independent evaluations of existing programs to maximize the Federal investment; and

(3) efforts should be made to ensure coordination and eliminate duplication among federally supported at-risk youth programs.

Mr. CAMPBELL. Mr. President, I take this opportunity to speak to my sense-of-the-Senate amendment to Senate Concurrent Resolution 57, the budget resolution for fiscal year 1997. I am pleased to be joined in this initiative by my colleague from Wisconsin, Senator KOHL. This amendment expresses the sense of the Senate to help young people at risk in three ways:

First, the amendment calls for sufficient funding within existing fiscal constraints for programs to assist youth at risk by reducing illegal drug use, crime, and violence.

Second, the amendment places a priority on supporting program evaluations which are scientific and independent to determine what works and to ensure the limited Federal dollars are invested wisely.

And, third, the amendment calls for efforts to coordinate and eliminate duplication among federally supported at-risk youth programs.

Mr. President, let me briefly address each of these points in the amendment.

First, there are many programs funded by various Federal agencies, including the Departments of Justice, Education, Labor, and Health and Human Services. These programs help keep troubled kids out of gangs and off drugs. They give many kids a second chance to get their lives on the right track. And they should get the support of Senators within the fiscal constraints we all face with the Fiscal Year 1997 budget.

Second, the amendment recognizes the importance of maximizing the Federal investment by ensuring these programs work. When Federal dollars are limited and we are working hard to balance the budget, it is important that we know what works. My colleague from Tennessee, Senator THOMPSON, is pursuing this matter in the Youth Violence Subcommittee, which he chairs. Therefore, this amendment places a priority on supporting scientifically recognized, independent evaluations of existing at-risk youth programs.

And finally, the Federal Government supports over 100 youth programs through many agencies. A March 1996 report from the General Accounting Office [GAO] indicates that currently 16 different Federal departments and agencies are administering 131 programs to help delinquent or at-risk youth. My colleagues Senator KASSEBAUM and Senator COHEN have been working on this important issue. The pending amendment calls for efforts to eliminate bureaucratic duplication and ensure coordination of these federally supported youth programs.

Mr. President, I hope that my colleagues, during this busy and critical time of debate on the budget resolution, will join with me in making a formal statement to the American people that we have not forgotten our troubled youth, nor the impact they are having on our society. By agreeing to this amendment, my colleagues and I will be accepting the cold, hard statistics about the criminal behavior, drug use and violence among a segment of today's youth. But, we also will recognize the importance of helping these children in whom our future rests.

This amendment is not about arguing over dollar amounts for different agencies' programs. This amendment is not about pointing the finger. Rather, this amendment is about taking responsibility for our youth; taking responsibility for the current overlap in programs and determining how this is affecting the children these programs are intended to help; and, about taking responsibility for the budget allocations we make regarding troubled kids. In short, this sense-of-the-Senate amendment is about taking responsibility for our future and our children's future.

Mr. President, we are experiencing an unprecedented wave of gang formation and gang activity in my home State of Colorado, and throughout the country, that is so menacing that society all but surrenders certain neighborhoods to gun-toting teens.

According to the Federal Bureau of Investigation [FBI], a comparison of arrests nationally between 1984 and 1994 reveals that juvenile arrests for violent crime had increased 68 percent. Murder arrests increased 168 percent and aggravated assault increased 98 percent over that period.

In Colorado Springs, for example, statistics reflect this national trend of increased juvenile arrests for violent crimes. Between 1985 and 1994, juvenile violent crime arrests in Colorado Springs increased from 59 to 211, an increase of 258 percent. While the juvenile involvement in murder and rape in Colorado Springs, based on arrest data, is infrequent, significant increases are seen in the categories of robbery and aggravated assault.

According to the Colorado Springs Police Department, they have seen the emergence of youth gangs, and police have identified a small but extremely active number of habitual juvenile criminals. One study reveals that as many as 15 percent of local adolescents may be involved directly or indirectly with gangs.

Police departments have been tracking serious juvenile offenders for many years, and from what we have learned it is clear the criminal justice system alone cannot impact the problem of juvenile crime. Prevailing social conditions, including family stability, education, and societal institutions all have impacts on the behavior of juveniles that are well-ingrained before they come to the attention of law enforcement. In addition, the FBI points out that the population group aged 10 to 17 years, which account for 98 percent of juvenile violent crime arrests, is projected to increase significantly by the year 2000. This development will almost certainly lead to further escalation of juvenile crimes and arrests.

Colorado is not alone. Experts say most urban areas will see a rise in youth violence, stemming from poverty, lack of educational opportunities, the growing number of single-parent families and the illegal use of firearms.

Add to that a profound demographic change. Current trends indicate there will be a dramatic increase in the population of 10- to 17-year-olds over the next several years. According to the Department of Justice, murders by kids in this age group rose 124 percent from 1986 to 1991.

In Denver alone, it is estimated that there are currently 7,000 gang members, up from about 700 3 years ago.

In 1994, I took to the streets in the gang-infested areas of Denver to meet with and listen to several gang members to find out why they got involved in gangs and how hard it is to leave. They told me that the biggest part of the problem is kids who are looking for some kind of identity, companionship, and affiliation they are not getting elsewhere.

Also, these kids realize the solution to gangs and violence can only come through self-help. But getting through to these kids is a problem. After listening to them, I shared with them my experiences as a kid who frequently found himself in trouble with the law and also as a young man employed as a counselor to work with inmates confined at both San Quentin and Folsom prisons. Their response was ''how do they move from their current situation to becoming a productive member of society''? They can see both points, but haven't figured out a strategy for bridging that gap.

I feel that putting offenders in jail is a priority, but equally important is the ability to take a broader approach, focusing on kids and families, court diversion programs and prison alternatives.

Recently, members of my staff met with the Chief of the Denver Police Department, all of his Division Chiefs, the Executive Director of the Colorado Department of Public Safety, and the Director of the Youthful Offender System.

All of these leaders agree that prevention efforts must begin at an early age—before the first stolen car or the first drive by shooting. Colorado spends an estimated $50,000 per juvenile on incarceration. Some of those funds need to go toward prevention.

In Denver, there are 10 high schools and 18 middle schools that have frequent police calls to the school itself or the surrounding area. There is one exception. . .Lake Middle School, which has one uniformed Denver police officer on duty during school hours. This is not a McGruff or an officer friendly. This is a real officer that makes sure that the school is not disrupted by negative activity. This initiative has tangible results and it would be nice to see one officer in the other 27 schools.

That is just one example of how prevention efforts that focus on youth are having a positive effect in my State. There are many more in Colorado and nationwide that deserve our support.

In closing, Mr. President, I know there are no easy answers, but I think that if we take the time to listen, we very well may begin to understand the problem. I am committed to finding solutions to gangs and youth violence, and look forward to working with my colleagues on these problems. One step is to provide sufficient support during the fiscal year 1997 budget process. Therefore, I urge my colleagues to support passage of this amendment.

I yield the floor.

Mr. KOHL. Mr. President, this amendment puts the Senate on record in support of funding for programs that help young people stay off drugs and avoid crime and violence. It also commits the Senate to evaluating all crime prevention and eliminating duplication of services among these programs. In short, this is a clear, concise statement that we support doing what works in preventing crime and we oppose bureaucratic duplication. This is a sensible approach to prevention that we think all Senators can support.

While we work toward a balanced budget this week—a goal that I strongly support—we must not neglect our obligations to protect our citizens from crime. And as any law enforcement official will tell you, part of that fight must include efforts to help at-risk youth avoid a life of crime. It makes sense to support prisons and police because we must protect our communities. But we have clear evidence that many prevention efforts can and do turn young people around, reduce juvenile crime and delinquency, and stop crime in the first place. We should be supporting those efforts, too.

While we should fund these effective measures, we should also gather more information on what works, so this amendment commits the Senate to supporting rigorous evaluation of existing prevention programs. And finally, we must do a better job of coordinating prevention programs, eliminating duplication, and streamlining the Federal bureaucracy.

A bipartisan Senate has repeatedly supported crime prevention funding, yet funding has then been cut during House-Senate conferences. As we begin our efforts for fiscal year 1997, I am hopeful that the full Senate will once again speak out on behalf of America's at-risk youth, and commit to giving them the help they need to steer clear of crime and delinquency.

Finally, I would like to thank Senator CAMPBELL for his leadership and hard work on behalf of America's young people and in support of crime prevention—not only on this amendment, but throughout his tenure in the Senate. I look forward to working with him to see that the Senate follows through on the commitments contained in this amendment.

Mr. DOMENICI. We have no objection to the amendment. We are willing to accept it.

Mr. EXON. We are willing to accept the amendment, Mr. President.

THE PRESIDING OFFICER. All time is yielded back. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 3993) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3994

(Purpose: To express the sense of the Senate regarding the use of budgetary savings in the mandatory spending area)

Mr. DOMENICI. Mr. President, I send an amendment to the desk. This has to do with a sense of the Senate regarding the use of budgetary savings.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Ms. MOSELEY-BRAUN, for herself and Mr. SIMON, proposes an amendment numbered 3994.

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

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

The amendment is as follows:

At the end of title III, add the following new section:

SEC. . SENSE OF THE SENATE REGARDING THE USE OF BUDGETARY SAVINGS.

(a) FINDINGS.—The Senate finds that—

(1) in August of 1994, the Bipartisan Commission on Entitlement and Tax Reform issued an Interim Report to the President, which found that, ''To ensure that today's debt and spending commitments do not unfairly burden America's children, the Government must act now. A bipartisan coalition of Congress, led by the President, must resolve the long-term imbalance between the Government's entitlement promises and the funds it will have available to pay for them'';

(2) unless the Congress and the President act together in a bipartisan way, overall Federal spending is projected by the Commission to rise from the current level of slightly over 22 percent of the Gross Domestic Product of the United States (hereafter in this section referred as ''GDP'') to over 37 percent of GDP by the year 2030;

(3) the source of that growth is not domestic discretionary spending, which is approximately the same portion of GDP now as it was in 1969, the last time at which the Federal budget was in balance;

(4) mandatory spending was only 29.6 percent of the Federal budget in 1963, but is estimated to account for 72 percent of the Federal budget in the year 2003;

(5) social security, medicare and medicaid, together with interest on the national debt, are the largest sources of the growth of mandatory spending;

(6) ensuring the long-term future of the social security system is essential to protecting the retirement security of the American people;

(7) the Social Security Trust Fund is projected to begin spending more than it takes in by approximately the year 2013, with Federal budget deficits rising rapidly thereafter unless appropriate policy changes are made;

(8) ensuring the future of medicare and medicaid is essential to protecting access to high-quality health care for senior citizens and poor women and children;

(9) Federal health care expenses have been rising at double digit rates, and are projected to triple to 11 percent of GDP by the year 2030 unless appropriate policy changes are made; and

(10) due to demographic factors, Federal health care expenses are projected to double by the year 2030, even if health care cost inflation is restrained after 1999, so that costs for each person of a given age grow no faster than the economy.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that budget savings in the mandatory spending area should be used—

(1) to protect and enhance the retirement security of the American people by ensuring the long-term future of the social security system;

(2) to protect and enhance the health care security of senior citizens and poor Americans by ensuring the long-term future of medicare and medicaid; and

(3) to restore and maintain Federal budget discipline, to ensure that the level of private investment necessary for long-term economic growth and prosperity is available.

Ms. MOSELEY-BRAUN. Mr. President, both Democrats and Republicans agree that the Federal budget should be balanced by the year 2002. There is complete bipartisan agreement on that point, and there is complete agreement between the Congress and the President. Unfortunately for the American people, however, that is where the agreement ends. There is no agreement on how to balance the budget.

I urge my colleagues on both sides of the aisle not to repeat the mistakes both sides have made in the last few years. Given what is at stake, both for our country's future generally, and for individual Americans and American families all across this country, we have a responsibility and an obligation to work together to address these core issues.

There should be no doubt what is at stake, and why addressing our budget problems is so important. One measure that demonstrates just how fundamentally important these budget issues are is our national savings rate. Private savings in America as a percentage of our gross domestic product has been declining for decades. In the 1960–69 period, it was 8.3 percent. By the 1990–93 period, however, it declined to only 5.2 percent.

What is even worse is the huge increase in the percentage of our national savings being consumed by Government deficit. In the 1960–69 period, only two-tenths of 1 percent of our total national savings went to finance Government deficits. By the 1990–93 period, however, fully 3.5 percent of our national GDP went to fund Government deficits, leaving only 1.7 percent to fund new jobs, and the growth in productivity upon which the wealth and standard of living of every American ultimately depends.

And the impact of our failure to come to grips with our deficits is not just a macro-economic issue. It is not something to be left to economists and policymakers. The daily life of every American is directly affected by this set of issues. There are no other issues that will have a larger impact on the kind of life each and every one of us lives than this one.

The cover story in this month's the Atlantic Monthly by Peter Peterson entitled ''Social Insecurity: Unless We Act Now, the Aging of America Will Become an Economic Problem that Dwarfs All Other National Issues'' makes that point very well, and it also illustrates the problem we have to overcome. The article's preface states, in part, that ''the long gray wave of Baby Boomers retiring could lead to an all-engulfing economic crisis * * * Yet politicians of both parties say that most of the urgently necessary reforms are 'off the table.' ''

It seems to me, however, that every option has to be on the table, and that Democrats and Republicans, and the Congress and the President, have to work together—first to tell the truth to the American people about the causes of our long-term budget problem, and second, to come together to solve that problem in a way that makes sense for America. I don't suggest that this issue is above politics. What I do believe, however, is that this issue is so important that the only way to solve it is to invoke an old Chicago adage—good Government is good politics.

During the last Congress, I served on the Bipartisan Commission on Entitlement and Tax Reform, the so-called Kerrey-Danforth Commission. Unfortunately, last year's budget battle did not begin to come to grips with the implications of the work of that Commission, even though an overwhelming bipartisan majority of the Commissioners were in complete agreement on the long-term budget threats we face, and the causes of those threats.

The basic problem identified by the Commission was a simple one. The current budget trend the Federal government is on is completely unsustainable. Unless we act—soon—we face a future where the size of Government explodes. The portion of the gross domestic product of the United States consumed by the Federal Government will rise from approximately 21.4 percent of GDP in 1995 to over 37 percent of GDP by the year 2030.

Looking at percentages of GDP may seem somewhat abstract to some. It might be useful, therefore, to think about what that figure might mean for the Federal Government and Federal deficits if we translate those percentages into the fiscal year 1995 Federal budget.

In fiscal 1995, the Federal Government spent approximately $1.5 trillion. If that year's budget took up 37 percent of GDP, as the Commission forecast for 2030, total fiscal year 1995 spending for the Federal Government would have been over $1.15 trillion higher, or $2.65 trillion. The Federal deficit would explode from the $163 billion actually reported in fiscal 1995 to over $1.3 trillion.

Think about that. The Federal deficit, under this scenario, would amount to almost 87 percent of the total amount the Federal Government actually spent in fiscal 1995.

Of course, the budget could never actually get to that point; the Federal Government would go bankrupt long before then. That, however, is where current trends take us. The question is what drives those trends; what are the underlying problems we have to face.

Looking at Senate Concurrent Resolution 57, one might think that domestic discretionary spending—programs like education, and transportation, and environment—are responsible for those trends. After all, over 50 percent of the net deficit reduction proposed in the budget resolution comes from domestic discretionary spending.

Domestic discretionary spending, however is not the force driving budget deficits—either now or in the future. In fact, as a percentage of GDP, domestic discretionary spending is lower now than it was in the 1970's and only slightly higher than it was in the 1960's. What is responsible is mandatory spending. Mandatory spending—principally Social Security, Medicare, Medicaid, Federal retirement, and interest on the national debt—has increased from about 6 percent of GDP in 1962 to well over 11 percent now. And it is projected to almost triple to about 32 percent of GDP by the year 2030.

Mandatory spending is steadily squeezing out discretionary spending,

rising from about 29.6 percent of the total Federal budget in 1963 to about 61.4 percent of the budget in 1993. And it is projected to account for fully 72 percent of the overall budget by the year 2003.

It is mandatory spending and the factors driving it upward, therefore, not discretionary spending—not the programs Congress appropriates every year—that must be the focus of our attention. And that means we have to look at two core issues: rising health care costs, and demographics.

Federal health care costs, principally Medicare and Medicaid, are projected to more than triple as a percentage of GDP by 2030. By that year, Medicare and Medicaid alone would consume more than $11 out of every $100 our economy generates.

Even more devastating than health care cost inflation, however, is demographics. Health care expenses also illustrate that point. The Entitlement Commission found that even if Congress and the President can bring health care cost inflation under control, health care costs will double as a percentage of GDP by the year 2030.

The simple fact is America is getting older. In 1980, there were five working Americans for every Social Security beneficiary. By the year 2030, there will be less than two. Americans are now living much longer than they did in 1935 when Social Security began. The average life expectancy was 61.4 years then. It is 75.8 years now, and it is projected to be 78.4 years by 2025. In 1935, the life expectancy of a person reaching the age of 65 was 12.6 years. Now it is 17.5 years, and by 2025, it will be 18.8 years.

The most fundamental budget issue, therefore, is this issue of demographics. When the baby boom generation begins to hit retirement age in a little more than a decade from now, Federal entitlement costs—the demands on Social Security and Medicare—will really begin to explode.

Unless we begin to act now, by 2030, when all the boomers will have reached 65, Social Security alone will be running an annual cash deficit of $766 billion. If Medicare HI is included; the combined cash deficit of these two programs, in other words their spending minus the payroll taxes supporting them, will be $1.7 trillion by 2030.

The Federal Government has essentially promised to pay today's adults $8.3 trillion in future Social Security benefits over and above the contributions they and their employers have made—a figure more than 250 times as great as all the unfunded liabilities of all private sector pension plans in the United States.

Unless we begin to face this looming challenge now, the taxes required to support Medicare and Medicaid would be in the range of 35 to 55 per cent of every worker's paycheck by 2040.

Mr. President, the budget problems I have discussed are a threat to the retirement and health security of virtually every American. The need for action now is compelling, for reasons related to Government finance, for reasons related to our economic prosperity generally, and most importantly, for reasons related to the lives of the American people, and the kind of retirement they will enjoy.

We need to face our budget problems, and we need to act in ways that will enhance the retirement security of Americans. Most Americans do not currently have the resources to provide for their own retirement security through savings. In fact, in 1993, half of all American families had less than $1,000 in net financial assets, and that figure has not changed in the past decade.

What we need, therefore, is a bipartisan approach to the budget, one based on these underlying budget realities. We need to tell the truth to the American people about what the Government needs to do, and what they need to do, to protect their retirement and health security. And we need a budget that is focused on retirement security, on health security, and on rebuilding our national savings rate.

That is what the amendment I am offering today attempts to do. By adopting this amendment, the Senate will be saying that it believes that budget savings in the mandatory part of the budget should be used:

First, to promote and enhance the retirement security of the American people by ensuring the long-term future of the Social Security system;

Second, to promote and enhance the health care security of senior citizens and poor Americans by ensuring the long term future of Medicare and Medicaid; and

Third, to restore and maintain Federal budget discipline to ensure that the level of private investment necessary for long term economic growth and prosperity is available.

What this amendment is all about is the connections between issues. We cannot deal with retirement and health security if we do not tell the American people the truth about our entitlement problems, and tell them early enough so that they can act to help themselves. We cannot protect Social Security and Medicare if we do not ensure that Americans understand the linkages between tax policy and their health and retirement security. We cannot invest in other priorities of Americans, like education, if discretionary spending is squeezed out of the budget altogether by mandatory spending. And we cannot raise the national savings rate if we do not focus on restoring long-term, not just temporary, budget discipline.

The time to start is now. The time to tell the American people is now. The time to come together in a bipartisan attempt to face these problems and to address them is now.

This amendment is in no way an answer to the budget problems we face. It is, however, a demonstration of our understanding of our core budget problems, and our understanding of the impact these problems will have on the lives of the American people unless we act based on their priorities. I believe their priorities Americans want us to focus on are protecting retirement and health security, and raising our national savings rate by restoring real, long-term budget discipline. Those are my priorities. I hope all of my colleagues share those priorities, and will demonstrate that support by voting for this amendment.

Mr. DOMENICI. I yield all time we have in opposition to the amendment.

Mr. EXON. I yield our time on this side.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 3994) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. EXON. I thank my friend from New Mexico, and I certainly appreciate and thank my friend from Nevada for his patience.

The PRESIDING OFFICER. The time of the Senator from Nevada is charged against the time of the Senator from Nebraska.

Mr. REID. Mr. President, I say to the two managers of the bill, I appreciate their moving this legislation along. I spoke on the floor yesterday about my concern about not having ample opportunity in normal working hours to debate this. That has been worked out. I extend my appreciation to the leadership on both sides of the aisle for that.

Mr. EXON. I thank my friend.

AMENDMENT NO. 3990

Mr. REID. Mr. President, I ask the Chair to advise the Senator from Nevada when he has spoken 18 minutes.

Mr. President, as I indicated, this is a beautiful publication about the Great Basin National Park. It has wonderful pictures, color pictures of a wonderful national resource. The oldest living things in the world are in the Great Basin National Park, it has bristlecone pines that are over 5,000 years old. This park has a glacier, it has the Lehman Caves, which are subterranean caves with stalactites and other features that are found only in caves throughout the United States. It is a wonderful park.

But, for the beautiful pictures that you see and the description I gave, it does not portray what is behind the scenes, the story behind the scenes.

Our national parks have become deplorable. The Presiding Officer is from a wonderful, beautiful sister State, a border State of the State of Nevada. I had the opportunity last year, for the first time in my life, to float down the beautiful Colorado River through the Grand Canyon. The scenery on that trip was beautiful, however, the other

part of the trip was seeing the other conditions they have in the park.

I have to say, the average visitor does not see the deplorable conditions at Great Basin National Park or the Grand Canyon National Park where the park rangers must live. In many of these parks, and Grand Canyon is no different, the conditions in those parks where the employees live are unbelievable and embarrassing. More than half the National Park Service housing units are currently rated substandard.

Why do I talk about this? I talk about this because the underlying budget that we are being asked to approve decimates environmental programs.

What this amendment of Senator KERRY's does is restore $7.3 billion for environmental programs, providing full funding at levels requested by the President for the EPA, the National Park Service, and other environmental agencies of the Federal Government.

I am going to speak today about the National Park Service. That does not take away the importance of restoring moneys to other units, but the National Park Service is in deplorable condition. In many cases, Park Service employees and their spouses and children are at physical risk in the substandard housing they have. This poor state of housing is considered, without question, a serious morale problem in many of the parks. How can we expect these hard-working—and they have become even harder working in recent years because we are so understaffed—these hard-working men and women of the National Park Service to take care of the land if we do not, in effect, take care of them?

These men and women love their jobs. They are park rangers because they have chosen that for their life's occupation, and they put up with these substandard conditions and substandard housing units, working in these beautiful outdoor areas. But they should not have to.

The current National Park Service maintenance backlog is $4.5 billion and continues to grow each day that goes by. With the reduction proposed in this budget, our National Park Service will simply decay more. The infrastructure will deteriorate, and the ability to conserve these precious natural resources will decrease.

Managers of the park systems have already closed various areas of the parks around the country, and they are contemplating closing more, because they do not have money to keep them up. Maintenance will fall further and further behind as our parks continue to deteriorate.

In fiscal year 1996, the Interior Subcommittee took the largest percentage hit of any subcommittee in the entire Senate. This budget proposes to exacerbate the damage done by last year's cut. We should be working on a bipartisan basis to protect our environment. We should come here and talk about what is happening to the environment. The environment is being hit too hard. The environmental programs, in years gone by, have been bipartisan programs, going back many, many years to one of the leading environmentalists of our day, Theodore Roosevelt.

President Roosevelt, the father of our national parks, once said, ''To waste, to destroy, our natural resources, to skin and exhaust the land instead of using it so as to increase its usefulness, will result in undermining in the days of our children the very prosperity which we ought by right to hand down to them amplified and developed.''

The spending cuts proposed in this budget would, instead of amplifying and developing, as President Roosevelt, the father of our National Park System, said, would result in the erosion of conditions in our National Park System. This underlying budget will not help. It will hurt our National Park System. This proposed budget strays from President Roosevelt's passion for the grandeur of our environment by attempting to gut national park funding. It would reverse the longstanding support by the citizens of this Nation to the continued preservation and protection of the national parks.

Mr. President, I worked to get a national park in the State of Nevada and was able to do so. We were so proud as a State to have a national park. We were on the map for national parks. When people travel to national parks, they have a route they take. Nevada became part of that. It became a bridge from the States of Arizona and Utah which have all kinds of national parks. We have one in Nevada.

Certainly, we have not been able to build a visitors center, and I can understand that, but certain things that need to be done for the people who visit that park should be done.

Underlying all that is where the people at Great Basin National Park work, where they have to live. It is in a remote area. They live in places that I would not recommend. But there are other examples. In the State of Nevada, there are examples. We have not only a national park, but we have the National Park Service which takes care of the Lake Mead Recreational Area.

The busiest entity in our National Park System is Lake Mead. Over 10 million people visited last year at Lake Mead. We have many problems at Lake Mead. We have an antiquated water treatment system. The State of Nevada inspected the park's water treatment facilities and notified the park that because of surface water facility deficiencies, that the water supplied to areas of the park ''pose an acute risk to human health.''

This occurred at the busiest park entity we have. As a result, the park had to post signs that visitors should boil the water before drinking. This is a national travesty for a park that received over 10 million visitors last year. As a result of the current budget proposals, it may take longer than 10 years before this problem is corrected. I am going to try as a member of the Appropriations Committee to get some money in that system to take care of this embarrassing problem.

There are other examples in Lake Mead. If the current budget proposals are enacted, we have been told we are going to eliminate air, boat and vehicular patrols, resulting in increased resource degradation, reduced emergency response and increased risk of injuries and fatalities.

Mr. President, Lake Mead is located about 15 miles, at most, from Las Vegas. It is a 24-hour city. Lake Mead has become a 24-hour resource. People go down there all times of the night and day. We need law enforcement, which is being eliminated or reduced. We need vehicle patrols, both by land and water.

If this budget proposal goes through, we have been told we are going to eliminate park ambulance services, we are going to reduce water-quality monitoring, we are going to reduce daytime and weekend patrols, eliminate night shifts. I have already indicated we cannot do this. This is a 24-hour park. This will result, of course, if this budget reduction goes forward, in reduced visitor safety and an increase in crimes and vandalism in this park. That is wrong.

Reduction in the number of toilets and campgrounds open to the public is being talked about, and I worked very hard to have those increased. We have a number of areas where we have toilets that can be taken to impacted areas on special tourist traffic weekends. They are talking about reducing them. They are talking about closing areas of the park.

This is happening all over the United States. I am more familiar, of course, with Lake Mead. At Independence National Historic Park, they are talking about the same thing as Lake Mead, and the same thing at Yosemite.

From Nevada we are close to Yosemite. We consider it, even though it is in California, part ours. But for Yosemite, Mr. President, they are talking about closing some of those campgrounds, resulting in a reduction in overnight stays of more than a million visitor nights. They are talking about a reduction in regular maintenance, resulting in the accelerated collapse of infrastructure.

OSHA and other compliance citations will be inevitable. Visitor protection services will be reduced, resulting in increased visitor fatigue, resource damage and employee injury due to fatigue. We are talking about a cutback in snow removal, and at Yosemite, a reduction in cultural staff.

Mr. President, these parks—and that is all I am talking about today is our National Park System—they are a national treasure. These parks belong to all Americans. We, as stewards of these parks, have no right to take these treasures from them.

In the short term, this proposal would save money. It is penny-wise and

pound-foolish and in the long run it will cost us money. The result in this budget will be to increase maintenance costs in the future. Over the long run it would lead to irreversible consequences and irrevocably damage the Nation's heritage.

The effect of this budget will result in outcomes immediately visible to the public, Mr. President, such as deferred maintenance, extensive closing of campgrounds and other visitor facilities, it would reduce visitor protection services, and cut back in the number of and types of tours, all over the United States. We can and we must find other savings in our quest to reduce the Federal deficit. We have done that.

What this underlying amendment will do is reduce corporate welfare in exchange for putting this money back into environmental programs. It defies common sense to think that Congress will fund a tax cut at the expense of our national parks.

Mr. President, we cannot allow that to happen. The amendment that we are offering would increase funding for the National Park Service by about $1.1 billion, the amendment that is included in the Kerry amendment. This is important. It would restore the National Park Service funding to the level of the President's budget. It would be offset, as I have indicated, by a reduction in tax loopholes. The national parks are one of the great legacies which we leave to our children.

Let us make sure that we do not leave them a legacy in disrepair and decay. We owe them, Mr. President, better than that. The natural wonders of these national parks are a gift from powers higher than Congress. What we do with them is our gift to our children. In the early part of this century, President Teddy Roosevelt galvanized this Nation's efforts to preserve America's heritage by setting aside thousands of acres as national parks. The time has come for this body to galvanize support again for continuing to preserve this natural legacy.

Mr. President, I say to my friends on the other side of the aisle, this is something we should work together on. This is important. The people—the people—want this. We just cannot let this embarrassment continue, the degradation of our National Park System. I have talked about how it impacts Nevada.

We have one park in Nevada, and a few entities within the park system. The States of Utah, New Mexico, California, States all over the eastern and western seaboards have national parks. They are falling apart just like that one park in the State of Nevada. We are a new park. Some of the parks are suffering even more than we are. There are other parks, there are entities in the park system like Lake Mead.

Mr. President, I repeat, over 10 million people visited that park last year. It is overutilized and we certainly do not give it enough help with the resources to maintain it in a way that we should be proud of.

So I hope that we in a bipartisan effort can support this amendment. We were in the environmental battles last year, some of which led to the closure of the Government. We do not need that again. This is something we should do in the spirit of bipartisanship and a spirit of taking care of these great natural wonders that were originally developed, conceptually by a Republican President, Teddy Roosevelt.

PRIVILEGE OF THE FLOOR

Mr. REID. Mr. President, before the Senator from Arizona takes the floor, I ask unanimous consent that Amy Lueders, a congressional fellow, be allowed the privilege of the floor during the remainder of the debate on this budget resolution.

The PRESIDING OFFICER (Mr. SMITH). Without objection, so ordered.

Mr. REID. Mr. President, I yield the floor.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 3995

(Purpose: To express the sense of the Senate regarding a supermajority requirement for raising taxes)

Mr. KYL. Mr. President, I ask unanimous consent to lay aside the pending amendment and send an amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

The Senator from Arizona [Mr. KYL] proposes amendment numbered 3995.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING A SUPERMAJORITY REQUIREMENT FOR RAISING TAXES.

(a) FINDINGS.—The Senate finds that—

(1) the Nation's current tax system is indefensible, being overly complex, burdensome, and severely limiting to economic opportunity for all Americans;

(2) fundamental tax reform should be undertaken as soon as practicable to produce a tax system that is fairer, flatter, and simpler; that promotes, rather than punishes, job creation; that eliminates unnecessary paperwork burdens on America's businesses; that recognizes the fact that families are performing the most important work of our society; that provides incentives for Americans who save for the future in order to build a better life for themselves and their families; that allows Americans, especially the middle class, to keep more of what they earn, but that raises enough money to fund a leaner, more efficient Federal Government; and that allows Americans to compute their taxes easily; and

(3) the stability and longevity of any new tax system designed to achieve these goals should be guaranteed with a supermajority vote requirement so that Congress cannot easily raise tax rates, impose new taxes, or otherwise increase the amount of a taxpayer's income that is subject to tax.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that this concurrent resolution on the budget assumes fundamental tax reform should be accompanied by a proposal to amend the Constitution of the United States to require a supermajority vote in each House of Congress to approve tax increases.

Mr. KYL. Mr. President, I rise to offer this amendment which expresses the sense of the Senate regarding a supermajority for the raising of taxes. It essentially says that once the Congress has achieved fundamental tax reform we would then move to the adoption of a resolution proposing to the States a constitutional amendment that would require a supermajority to raise taxes.

The budget resolution that is before us now projects that revenues to the Treasury will rise from $1.42 trillion in 1996 to $1.85 trillion in the year 2002. That is an increase of $430 billion or about 30 percent by the end of that 6-year period, an increase that is attributable primarily to economic growth since the budget resolution assumes no new taxes.

In fact, the increasing revenue figures actually factor in the effect of the $500 per child tax credit for families. Even taking into account the tax changes, revenues to the Treasury will continue to grow. What all of this means is that we can achieve a balanced budget without new taxes. We can do it by limiting spending, and pursuing tax policies that promote economic growth and opportunity.

Mr. President, the budget resolution recommends the kind of change that people have been demanding: more responsible spending, tax relief, and progress toward a balanced budget. And yet it represents only part of the change that the people have been seeking. Fundamental tax reform represents the second part of the equation.

By the time that Americans had filed their income tax returns on April 15, they had spent about 1.7 billion hours on tax-related paperwork. That is according to Internal Revenue Service estimates, and they should know. Business spent another 3.4 billion hours. According to the Tax Foundation, the cost of compliance will approach $200 billion.

If that is not evidence that our Tax Code is one of the most inefficient and wasteful ever created, I do not know what is. Money and effort that could have been put to productive use solving problems in our communities, putting Americans to work, putting food on the table, or investing in the Nation's future are instead devoted to wasteful paperwork.

It is no wonder that the American people are frustrated and angry and that they are demanding real change in the way that Washington taxes and spends.

Mr. President, I am offering this amendment today with two objectives in mind. First, to put the Senate on record with regard to the need for fundamental tax reform and, second, and perhaps even more important, to put Senators on record with regard to the

concept of a supermajority requirement for raising taxes.

Last month the House of Representatives considered the tax limitation amendment, a proposed amendment to the Constitution to require a two-thirds vote to raise taxes. The measure was similar, though not identical, to Senate Joint Resolution 49 which I introduced earlier this year.

The Constitution Subcommittee of the Judiciary Committee held a hearing on my proposal on Tax Day, April 15. I hope it will be scheduled for action by the full Senate later this year.

The amendment I am offering today, however, merely deals with the concept of a tax limitation, something that is important whether fundamental tax reform succeeds or not, but which takes on added significance and importance if tax reform results in the elimination of most of the deductions, exemptions, and credits in which taxpayers find some refuge from high tax rates today.

Deductions, exemptions, and credits have less significance if one low rate is applied to income. But without a supermajority requirement for raising taxes, people would be particularly vulnerable to any changes that Congress might make in a new single rate income tax or sales tax. A supermajority requirement for raising taxes would make it much harder for Congress to increase the burden on taxpayers after fundamental tax reform has been accomplished. That is, I believe, both appropriate and necessary.

In fact, Mr. President, a supermajority requirement for raising taxes was recommended by the National Commission on Economic Growth and Tax Reform appointed by Majority Leader DOLE and Speaker GINGRICH. The commission, which was chaired by former HUD Secretary Jack Kemp, advocated a supermajority requirement in its recent report on how to achieve a simpler single rate tax to replace the existing maze of tax rates, deductions, exemptions, and credits that makes up the Federal income tax as we know it today.

Here is what the Kemp commission report said:

> The roller-coaster ride of tax policy in the past few decades has fed citizens' cynicism about the possibility of real, long-term reform, while fueling frustration with Washington. The initial optimism inspired by the low rates of the 1986 Tax Reform Act soured into disillusionment and anger when taxes subsequently were hiked two times in less than 7 years. The commission believes that a two-thirds supermajority vote of Congress will earn Americans' confidence in the longevity, predictability and the stability of any new tax system.

Mr. President, ideally, a tax limitation should be put into place after this comprehensive tax reform that is recommended by the Kemp Commission is accomplished. That is because tax reform necessarily aims to broaden the tax base and then apply one low rate to whatever amount of income is left. Because base broadening would be subject to a supermajority vote under the proposed constitutional amendment, some are concerned it could make comprehensive tax reform more difficult to achieve. In fact, that is correct.

The sense-of-the-Senate amendment which I am offering today takes into consideration that particular concern, recommending that a supermajority requirement would occur in the context of fundamental tax reform. In other words, only after fundamental tax reform had been achieved.

As I said before, however, a tax limit is needed whether tax reform succeeds or not. There is no small irony in the fact it will take a two-thirds majority vote of both the House and the Senate to overcome President Clinton's veto and enact last year's Balanced Budget Act with its tax relief provisions. By contrast, the President's record-setting tax increase of 1993 was enacted with only a simple majority—and not even a majority of elected Senators at that. The Vice President had to break a tie of 50–50 to secure passage of the tax increase bill in the Senate.

The idea of a tax limitation is based on a simple premise: It ought to be at least as hard to raise people's taxes as it is to cut them. What we are attempting to do here is to force Members of Congress to think of tax increases not as a first resort but as a last resort. A tax limitation will make it harder to raise taxes, of course. But perhaps more than that, it will force Congress to fundamentally assess the ways it goes about raising revenues.

Mr. President, this is perhaps the most important thing I have to say this morning. We should remember that the amendment does not limit revenues to the Treasury; it merely precludes tax rate increases without a supermajority vote. There is a reason for this. Most of us would agree that lower tax rates stimulate the economy, resulting in more taxable income, more taxable transactions and, therefore, more revenue to the Treasury. Lower tax rates, within limits, end up producing more revenue to the Treasury. So it matters how we raise revenues. Do we do it by trying to raise taxes or do we do it paradoxically, by lowering taxes? The latter is obviously preferable.

The tax cuts of the early 1980's are a case in point. They spawned the longest peacetime expansion of our economy in the Nation's history. Revenues to the Treasury increased as a result, from $599.3 billion in fiscal year 1981 to $990.7 billion in fiscal year 1989, up 65 percent. Revenues to the Treasury during those Reagan years increased substantially with tax rate reductions. That is the way we should raise the revenues that fund Federal programs.

High tax rates, on the other hand, discourage work and production and savings and investment. So there is ultimately less activity, less economic activity, to tax. That is precisely what Martin Feldstein, the former chair of the President's Council on Economic Advisers, found when he looked at the effect of President Clinton's 1993 tax increase. He found that taxpayers responded to the sharply higher marginal tax rates imposed by the Clinton tax bill by reducing their taxable incomes by nearly $25 billion. They did that by saving less, investing less, and creating fewer jobs. The economy eventually paid the price in terms of slower growth.

It is interesting to note that revenues, as a percentage of the gross domestic product, have actually fluctuated around a very narrow band: 18 to 20 percent of the GDP for the last 40 years. In fact, revenues amounted to about 19 percent of GDP when the top marginal income tax rate was in the 90 percent range in the 1950's, and they also amounted to just under 19 percent when the top marginal rate was in the 28 percent range in the 1980's.

Now, why the consistency? Mr. President, this is the most important point I want to make. Why do revenues to the Federal Treasury stay constant at about 19 percent of the GDP, whether tax rates are 90 percent or 28 percent? It seems counterintuitive. Why is it so? It is because tax rate changes have a greater effect on how well or how poor the economy performs than they do on the amount of revenue that flows to the Treasury relative to the GDP. In other words, how Congress taxes is more important than how much it taxes. The key is whether tax policy fosters economic growth and opportunity, measured in GDP, or results in a smaller and weaker economy.

The point is this: 19 percent of a larger GDP represents far more revenue to the Treasury and is, therefore, preferable to 19 percent of a smaller GDP. We raise revenues for the Federal Government not by raising marginal tax rates, but by reducing them. It is a paradox, but it is true.

Requiring a supermajority vote for tax increases is, I think, sound policy. It is not a new idea. It is an idea this has already been tried and tested in a dozen States across the country. In 1992, an overwhelming majority of the voters of my home State of Arizona, 72 percent, approved an amendment to the State's constitution requiring a two-thirds majority vote for tax increases. There is a reason that the idea has been so popular in Arizona and other States. Tax limits work. According to a 1994 study by the Cato Institute, a family of four in States with tax and expenditure limits faces a State tax burden that was $650 lower, on average, 5 years after implementation than it would have been if the State tax growth had not been slowed.

Tax limitation works. It will force Congress to be smarter about how it raises revenue. It will force Congress to look to economic growth to raise revenue instead of simply increasing tax rates, which does not work, anyway. It will protect taxpayers from additional rate increases.

I encourage my colleagues when we have the opportunity, I presume on

Tuesday, to support this simple sense-of-the-Senate amendment, to support the concept of tax limitation, to in effect, say, when we have achieved fundamental tax reform, then we should require a supermajority to raise the taxes.

Mr. President, I want to conclude this part of the discussion on the more general subject of the budget that is before the Senate. As I said, relative to the amendment I am proposing here, revenues to the Treasury depend more on whether we have a healthy economy, whether we are conducting Government in a way to encourage growth, investment and savings, than it does on whether we are raising tax rates. What the budget that has been presented by the Republican Budget Committee has done here is to work in several ways toward that goal, to foster economic growth and investment, and, therefore, opportunity.

I want to begin by commending the chairman of the Budget Committee, the Senator from New Mexico, and the members of his committee, for producing a budget which balances and, as I will note later, as a result of which quickly puts more money into the pockets of Americans, helping to stimulate this economic growth that I have been speaking of. It not only achieves balance, but it adheres to the schedule that we established last year for eliminating the budget deficit by the year 2002. And I would also note that the progress that we have made since last year is really quite extraordinary. It might be assumed by the general public, watching the machinations in the Congress and the President's vetoes and gridlock reported by the media, that nothing has been accomplished. But the fact of the matter is, a lot of money has been saved, and $23 billion, or 9 percent, has been cut from domestic spending levels. And even more could have been saved had Congress not been forced to add back $5 billion to satisfy President Clinton's demands for more spending, and to ensure that he would sign the final budget for 1996 into law.

But the point is that, with our efforts of last year, as controversial as they were, as contentious as they were, as much as the President made us put back money because he wanted to spend more, we still saved $23 billion last year.

In last year's budget, the Congress eliminated about 200 Government programs. That is 200 programs that have been eliminated before we even start this year's budget cycle. It is really the great untold story of last year, that savings were achieved—not with President Clinton's help, but in spite of it. We made progress on taxes as well, Mr. President. Again, this came in spite of President Clinton's objections. We raised the Social Security earnings limitation to ease the burden on nearly 1 million seniors. We passed tax relief for our troops serving in Bosnia. We permanently increased the health insurance deduction for the self-employed from 25 to 30 percent. We would have liked to have done much more, of course. And we prohibited States from taxing the pension income of former residents who retired and moved to other States, the so-called source tax repeal.

So we provided a lot of tax relief for Americans. There would have been additional tax relief for the American people if President Clinton had not vetoed the bill that we passed last November—vetoed it on December 6 of last year. When he vetoed that bill, he precluded an extension of the exclusion for employer-provided education assistance. He precluded a $500 per child tax credit. He prevented us from instituting a marriage penalty tax relief provision. He prevented us from implementing capital gains tax reform, and also a tax deduction for the first $2,500 in interest on a student loan. These are all tax relief provisions that we passed but the President vetoed.

We would have provided Americans with enhanced opportunities to save in their individual retirement accounts. And we would have given them more choice in obtaining affordable health care through the medical savings accounts that were, again, in the bill we passed but that the President vetoed.

The President said ''no'' to tax relief. In fact, it seems to me, Mr. President, that there is no tax that the President is willing to part with. Even the gasoline tax debate that we have had—it has obviously been grinding on the President, and he suggested that maybe he would approve it because it is very popular. But he will not commit to it. He admitted that he raised taxes too much back in 1993. But when it came time to roll the tax increases back, he has said ''no.''

Now, the committee-reported budget before us today again challenges President Clinton to do some of the things that he has promised for so long. I am going to be offering another amendment, in a moment, which will really put this, I think, to the test. But the budget that we have produced here, which Senator DOMENICI and his committee presented to us, includes real welfare reform and middle-class tax relief. It ensures the solvency of Medicare and reforms Medicaid—all the things the President has said he wants to do. It balances the budget honestly, without the kind of gimmicks and triggers recommended by President Clinton, which, by the way, are gimmicks that will require deep cuts in domestic discretionary programs, including the environment, scientific research and education, if balance is to be achieved at all.

In fact, despite the claims to the contrary, President Clinton's budget does not balance. I am going to repeat that. Despite the claims of some of our friends on the other side of the aisle, the President's budget is not in balance. The director of the Congressional Budget Office, June O'Neill, in her testimony on April 17, said, ''Under CBO's more cautious economic and technical assumptions, the basic policies outlined in the President's budget would bring down the deficit to about $80 billion by 2002, instead of producing the budget surplus that the administration estimates.'' In other words, even though the administration estimates that it will be in balance at the end of 6 more years, the CBO says, in fact, it will be in deficit by $80 billion. In contrast, the budget proposed by Senator DOMENICI, called the Republican budget, is, of course, in balance.

The bottom line here is that, for all the President's proclamations that he is now a true believer in a balanced budget, he still has yet to offer an honest plan to achieve balance by any certain date. As I said, the Senate Budget Committee's proposal does exactly what we promised. We promised not to cut Medicare. This budget does not. Medicare spending would be allowed to grow at twice the rate of inflation. In fact, per beneficiary spending would grow from $5,200 in 1996 to $7,000 in 2002, a 35-percent increase. We allow it to grow, but at a sustainable level. We provide a $500 per child tax credit for every child under 18. We protect Social Security. We reform Medicaid. And we continue progress toward more market-oriented farm policies.

There are very good reasons for us to be proposing this honest balanced budget, Mr. President. One is, of course, that it protects priorities, like Social Security and Medicare, and, importantly, it accommodates tax relief for middle-income families. First and foremost, it is the right thing to do. In fact, Mr. President, no generation before us has spent so lavishly on itself, only to leave the bills to future generations to repay. House Speaker NEWT GINGRICH said recently:

> There is great delight in working hard and living within our means so our children could be better off than we have been. Only in the last generation has this bias toward the future been reversed. Now we are borrowing against the farm to pay today's living expenses, and leaving our children to pay off that debt.

Mr. President, the Speaker is right. But balancing the budget is not just about the future. A balanced budget would produce substantial benefits for today's generations as well. The Congressional Budget Office predicts that a balanced budget would facilitate a reduction in long-term interest rates of between 1 and 2 percent—some say as high as 2.7 percent. Among other things, that means that Americans will have the chance to live the American dream and to own their own homes.

A 2-percent reduction in the typical 30-year mortgage in Arizona would save homeowners over $220 a month. That is $2,655 a year. Let me repeat this. By balancing the budget now, interest rates will come down, and a 2-percent drop in interest rates would save the average family with a home mortgage in Arizona $2,655 each year.

That is money in our pockets, Mr. President.

So it is not just about the future, though the future is critical. It is about today, helping the working families of today keep more of what they earn, just as a result of making a commitment that we will have the Federal budget balanced in another 6 years.

A couple of other examples. A 2-percent reduction in interest rates on a typical $15,000 car loan would save buyers $676. That is real money. The savings would also accrue on student loans, credit cards, and loans to businesses who want to expand and create new jobs. Reducing interest rates is, perhaps, one of the most important things we could do for people all over the country today.

So the point I want to make in relation not only to the amendment that I have just proposed, which would commit the Senate to the proposition that economic growth is important and that we can achieve it more by reducing tax rates than by increasing them, is that the budget that we have proposed promotes that kind of growth, that kind of opportunity as a result. It is a good budget, a responsible budget. It accepts the challenge to rein in Government spending and to ensure that we leave our children and grandchildren with a legacy of more than debt and despair. So I urge my colleagues, when the time comes, to support this budget.

Mr. President, I would like to reserve the remainder of the time on the amendment which I have just been discussing. I ask unanimous consent to lay this amendment aside and to send another amendment to the desk.

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

AMENDMENT NO. 3996

(Purpose: To adopt the President's budget for the Low Income Home Energy Assistance Program through fiscal year 2000 and freeze funding for the program thereafter)

Mr. KYL. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant bill clerk read as follows:

The Senator from Arizona [Mr. KYL] proposes an amendment numbered 3996.

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

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

The amendment is as follows:

On page 4, line 10, decrease the amount by $90,000,000.

On page 4, line 11, decrease the amount by $181,000,000.

On page 4, line 12, decrease the amount by $181,000,000.

On page 4, line 13, decrease the amount by $181,000,000.

On page 4, line 19, decrease the amount by $85,000,000.

On page 4, line 20, decrease the amount by $174,000,000.

On page 4, line 21, decrease the amount by $181,000,000.

On page 4, line 22, decrease the amount by $181,000,000.

On page 5, line 3, decrease the amount by $85,000,000.

On page 5, line 4, decrease the amount by $174,000,000.

On page 5, line 5, decrease the amount by $181,000,000.

On page 5, line 6, decrease the amount by $181,000,000.

On page 31, line 17, decrease the amount by $90,000,000.

On page 31, line 18, decrease the amount by $85,000,000.

On page 31, line 24, decrease the amount by $181,000,000.

On page 31, line 25, decrease the amount by $174,000,000.

On page 32, line 6, decrease the amount by $181,000,000.

On page 32, line 7, decrease the amount by $181,000,000.

On page 32, line 13, decrease the amount by $181,000,000.

On page 32, line 14, decrease the amount by $181,000,000.

Mr. KYL. Mr. President, I am going to speak on this amendment for a little while and then again reserve the remainder of my time.

Mr. BYRD. Mr. President, will the Senator yield for a question?

Mr. KYL. I am happy to yield.

Mr. BYRD. How long does the Senator expect to speak on this amendment?

Mr. KYL. I would say to the Senator from West Virginia, probably about 10 minutes, but certainly no longer than 15.

Mr. BYRD. I thank the Senator.

Mr. KYL. I thank the Senator.

Mr. President, this amendment is very modest, but I think it will provide a real test of whether everyone who likes to call themselves sensible about fiscal policy really means it. It is a test of whether we are really serious about holding the line on spending, or whether we are even unwilling to make a small step to balance the budget.

This amendment deals with the so-called LIHEAP program, the Low-Income Home Energy Assistance Program. It accepts the President's spending figures, his budget, for this program for the next 4 years. This is a forward-funded program, but it accepts the President's figures through the year 2000, and then for the last 2 years of the program it continues spending at exactly that level. By contrast, the President would allow spending on that program to dramatically escalate in the last 2 years, which just happens to be the campaign year.

So what I am proposing here is a very slight reduction in spending in the last 2 years of the 6-year program and spending at the administration's request for the first 4 years. This, therefore, is a good test.

Will big spenders even vote against this modest cut? I am reminded of what happened about 3 years ago when the Senator who occupies the Chair and I both served in the House of Representatives and we were engaged in a similar debate. We had failed to cut 15 percent from a program. We then failed to cut 12 percent, and then 10 percent, and then 5, and then 3 percent. Finally, our colleague from Pennsylvania, Representative WALKER, got up and said, ''All right. Then would you at least cut $19.93?''—that being 1993. Again, there was a vote taken. And, no, the House of Representatives would not even reduce the program by $19.93.

This is a little more than $19.93. This will provide some real savings—a few hundred million dollars, which I know in Washington does not seem like much, but to Americans it is real money.

So we will see whether we are even willing to cut a little bit in the last 2 years of a program by continuing the spending levels that the President has deemed sufficient for the next 4 years for the full 6 years of the program.

Let us talk about the actual numbers involved here. The budget resolution assumes that funding for LIHEAP will be constant at about $1 billion for each of fiscal years 1997 through fiscal year 2002. But the President recommends LIHEAP funding of $1 billion for fiscal years 1997 and 1998, declining to $910 million in fiscal year 1999 and $819 million in the year 2000. What this amendment would do is to take that level of funding, $819 million, as I said, and have it be constant for the remainder of this period of time. So that under the amendment, LIHEAP would be funded at $1 billion in year 1, $1 billion in year 2, under the President's recommendation would decline to $910 million in fiscal 1999, $819 million in the year 2000, and then stay at $819 million for the year 2001, and the year 2002.

It adopts the President's figures, as I said, and then keeps the spending constant for the last 2 years. The President otherwise would allow LIHEAP spending to increase to $934 million in fiscal year 2001 and $1.064 billion in fiscal year 2002. As I said, curiously enough, the high years are the election years.

Here is what the Office of Management and Budget has said. The Office of Management and Budget, which is the President's office for calculating budget matters and working on budget matters, has said that the declining figures for those middle years—1999 and 2000—are due to standard percentage reductions applied to programs that are not a top priority—that are not a top priority. The President's own Office of Management and Budget has taken all of the items in the President's budget and has weighed them, has prioritized them, and has said that for those that are not a top priority, we are going to apply a standard rate of reduction. That is why even though it is $1 billion this year and $1 billion next year, it is going to go down to $910 million in 1999 and then $819 million in the year 2000.

The President's 1995 budget request, I would note, proposed to reduce LIHEAP's funding by half—by over $700 million. His 1995 budget proposal would have left $730 million in LIHEAP.

So you see, Mr. President, while the Office of Management and Budget and

the President of the United States have said that the appropriate level was $730 million, in the last 2 years of the program they increase it to ultimately being over $1 billion a year. All we are doing is taking the Office of Management and Budget at its word, we are taking the President at his word that these programs really are a little lesser priority than some of the more important programs. But instead of taking the spending down to $730 million where the President would have taken it, we leave it at $819 million, almost $100 million more in the last 3 years of this 6-year period of time.

So we would provide more for LIHEAP every year compared to what the President proposed just 2 years ago.

I hope this will preclude anybody from arguing we are savaging the LIHEAP budget. We are spending more than the President proposed, and we are spending the same amount in the last 3 years of the program, the amount the President recommended in year 4, and then we are continuing that spending in year 5 and 6.

Here is the reason for my amendment. The President's outyear figures are, obviously, unrealistic. They are not going to be obtained. You cannot backload all of the money into the last 2 years of the program, and this is because the President has relied on gimmicks to get to balance by the year 2002.

Again, remember what I said before. Without those gimmicks, his budget would be $84 million in deficit according to the Congressional Budget Office. So the additional spending in these years cannot really be justified. It is not going to happen. I am simply saying, let us recognize that now and ensure that the budget that we pass will be an honest budget.

Let me conclude with some statements and thoughts about LIHEAP that help demonstrate why this is not a top-priority program and, therefore, the President is right in suggesting that the spending be reduced somewhat.

Remember that this program was initiated in 1981 to temporarily—temporarily—supplement existing cash assistance programs and to help low-income individuals pay for escalating home fuel costs which resulted from the energy crisis of 15 years ago. Around Washington, every temporary spending program and every temporary tax seems to become permanent, and this one has, too. But it does not have to bankrupt us as well.

Let me just mention that one of the major utilities in Arizona—Arizona Public Service—has advised that average residential rates have declined 10 percent in real terms between 1980 and 1995 in constant 1980 dollars. These real lower prices mean that it is time to reconsider the LIHEAP program, which assumed continuously escalating prices back in the days of high inflation. The Clinton administration informed the House Appropriations Committee in 1994 that low-income families now spend one-third less of their income on home energy than they did when LIHEAP was initiated.

So they have confirmed this reality. And according to CBO's February 1995 report, ''Reducing the Deficit: Spending and Revenue Options,'' 26 States—this is the real test, Mr. President—transferred up to 10 percent of their LIHEAP funds, which was then legal to do—it is not any more, but they transferred up to 10 percent of their LIHEAP funds during 1993 to supplement spending for five other social and community services block grant programs which obviously had a higher priority to them. The transfers obviously indicate that some States believe that spending for energy assistance does not have as high a priority as other spending does—the same thing that the President himself confirmed.

The point is this. LIHEAP has evolved from a temporary energy crisis assistance program to a broad income supplement which the Clinton administration in its 1995 budget request said, and I am quoting, ''does not target well those low-income households with exceptionally high energy costs in relation to income and which does little to help assisted households achieve independence from the program.''

So the Clinton administration has been quite honest about this. It has acknowledged it is not the best program to help the low-income families. It has acknowledged that the original purpose, to temporarily help people in an escalating time of fuel bills, is no longer a high priority because, as I noted, the fuel bills are going down, and therefore in its own budget request has assigned the LIHEAP program a lower budget priority applying an across-the-board reduction. It has, therefore, recommended that from the $1 billion we are going to spend next year and the year after, it be reduced to $934 million—fine—down to $819 million—fine—and my amendment simply says and hold it at $819 million for the last 2 years of this 6-year period.

What could be more reasonable? And yet I suspect this will put some of our colleagues to the test. I would just offer a challenge to those members particularly who come from the States that utilize LIHEAP significantly. This is an opportunity, an opportunity to do something that does not occur very often and that is to be able to say I voted to cut a program that is used by people in my own State quite a bit because I knew it was wrong, I knew that in effect because of changed circumstances this had become fat, not muscle, this had become almost a pork-type project. Of course, we know that we all have to pay for these spending programs, and we are willing to do our part to bring the budget deficit down. Members even from States that utilize this program can say that now because we are spending all we need to spend on the program, according to the administration. And so by holding the figure at the administration's level, we will be helping to reduce the budget and we will be also demonstrating in at least one small way that we really mean it when we say we can achieve deficit reduction. So not only for those States that do not particularly rely upon it but for the Members who come from those States that do, it is a real opportunity that does not come along very often. As I said, it will really help us to determine whether or not we are serious about achieving balancing our budget by the year 2002 or whether it is just rhetoric and we are leaving it to our children to pay the bills.

I hope that when this LIHEAP modest reduction by in effect having level spending in the last 3 years of the program comes to a vote on Tuesday, all of our colleagues will join in supporting the amendment.

Mr. President, I reserve the remainder of my time.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from West Virginia.

Mr. BYRD. Mr. President, I understand that the Senator from Massachusetts wishes to speak for, say, 15 minutes.

Mr. President, I have an amendment which I will offer, and it may be that the Senator from Massachusetts has an amendment or amendments.

Mr. KENNEDY. The Senator is correct. I would like to offer some amendments dealing with Medicare-Medicaid. I will not speak on those measures now. I would like to get them in order.

I do not want to interfere with the orderly procedure which is being followed here about submitting amendments and setting them aside. And so I would inquire if that is an agreeable process with the Senator from West Virginia.

Mr. BYRD. Mr. President, I ask unanimous consent that I may be recognized at this point and I may yield to the Senator from Massachusetts for 15 minutes without losing my right to the floor, and that the time he utilizes be charged either against his amendments or against the time on the resolution itself; that I then be recognized to call up my amendment. We will not be alternating as the Senators I think would like to do, but the distinguished Senator from Arizona, [Mr. KYL], just offered two amendments. I did not raise any objection to that. So if Senators will give me consent, I make that request.

The PRESIDING OFFICER. Without objection——

Mr. DOMENICI. Mr. President, reserving the right to object and I will not object.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. We have not set aside the Kyl amendments. We will do that first.

Mr. BYRD. Yes.

Mr. DOMENICI. I ask unanimous consent that the Kyl amendments be temporarily set aside.

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

Mr. DOMENICI. Mr. President, I am surely not going to object. Did the Senator inform the Senate in my absence how long he was going to take on his amendment?

Mr. BYRD. I will take the full hour. I will probably use 50 minutes of it and then charge some time against the resolution.

Mr. DOMENICI. And Senator KENNEDY is going to need 15 minutes?

Mr. KENNEDY. Fifteen minutes and then offer amendments but will not speak on them out here because others want to address the Senate. I will address the Senate at another time on those measures but I will file them.

Mr. DOMENICI. So we know on our side, how long is the Senator proposing that you use the time of the Senate between the two of you before one of us can be—is it an hour and 15 minutes that we are talking about?

Mr. BYRD. No, I was going to use 50 minutes of my hour, reserve the remainder of the time and complete my speech on the time from the resolution.

Mr. DOMENICI. Before we get back on our side, so we will know who should be here, is it an hour and a half or what do you think?

Mr. BYRD. I would think that would be about it.

Mr. DOMENICI. About an hour and a half.

Mr. KENNEDY. I will be 15 minutes. The Senator has indicated 50.

Mr. DOMENICI. I have no objection.

The PRESIDING OFFICER. Without objection, the request of the Senator from West Virginia is granted.

Mr. BYRD. Mr. President, I thank the Chair. I thank all Members.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I again thank the Senator from West Virginia for his typical courtesy and I appreciate all of us are trying to have an opportunity to address the Senate on a number of the items that are included in the budget and adjusting schedules.

Mr. President, I ask unanimous consent that the Senator from Rhode Island Mr. [PELL] be added as an original cosponsor of amendment No. 3991, the Kerry-Murray amendment.

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

AMENDMENTS NOS. 3997, 3998, 3999, AND 4000

Mr. KENNEDY. Mr. President, I send four amendments to the desk, and I ask unanimous consent that they be considered individually. I further ask unanimous consent that they be laid aside. I hope to discuss them further during the course of the afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendments.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes amendments numbered 3997, 3998, 3999, and 4000.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 3997

(Purpose: To express the sense of the Congress that the reconciliation bill should maintain the existing prohibitions against additional charges by providers under the medicare program)

At the appropriate place insert the following new section:

SEC. . SENSE OF THE CONGRESS REGARDING ADDITIONAL CHARGES UNDER THE MEDICARE PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) senior citizens must spend more than 1 dollar in 5 of their limited incomes to purchase the health care they need;

(2) ⅔ of spending under the medicare program under title XVIII of the Social Security Act is for senior citizens with annual incomes of less than $15,000;

(3) senior citizens cannot afford physician fee mark-ups that are not covered under the medicare program or premium overcharges; and

(4) senior citizens enrolling in private insurance plans receiving medicare capitation payments are currently protected against excess charges by health providers and additional premium charges by the plan for services covered under the medicare program.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that any reconciliation bill considered during the second session of the 104th Congress should maintain the existing prohibitions against additional charges by providers under the medicare program under title XVIII of the Social Security Act (''balance billing''), and any premium surcharges for services covered under such program that are levied on senior citizens enrolled in private insurance plans in lieu of conventional medicare.

Mr. KENNEDY. Mr. President, the Republican budget plan is designed to make Medicare ''wither on the vine,'' in the words of Speaker GINGRICH. Under the guise of greater choice, it is rigged to force seniors to give up their family doctor and join private insurance plans. If the Republican plan had been enacted last year, private insurers would have reaped a bonanza. If only half of all seniors had left conventional Medicare, private insurers would have reaped windfall revenues of $625 billion over the next 7 years.

Not only does the Republican plan force senior citizens to join private insurance plans, it strips away existing protections against additional, uncovered provider charges—so-called balance billing—once they have enrolled. It eliminates current protections against premium surcharges for basic Medicare services. It puts every senior at financial risk.

Unlimited balanced billing would be allowed under at least three circumstances under the Republican plan. Charges for any service—except emergency services—supplied by a provider not having a contract with the private insurance company would not be limited. Charges for services provided through a Medicare medical savings account would be unlimited. And services provided by an unrestricted fee-for-service plan would be unlimited.

Currently, private insurance plans receiving Medicare capitation contracts may not charge enrollees any additional premium for coverage of Medicare basic services. Under the Republican plan, that protection, too, is eliminated.

Because of gaps in Medicare and high health care costs, senior citizens have a difficult time affording the health care they need. Eighty-three percent of all Medicare spending is for older Americans with annual incomes below $25,000. Two-thirds is for those with incomes below $15,000. Senior citizens typically spend more than $1 in $5 of their limited income to purchase the health care they need. It is wrong to expose them to higher medical bills and higher premiums so that doctors and insurance companies can reap greater profits.

The President vetoed these unfair proposals last year, and the Democrats in Congress upheld his veto. The amendment I am offering today gives every Member of the Senate the opportunity to go on record as rejecting this new budget's proposals to allow balance billing and premiums surcharges in private insurance plans receiving Medicare capitation payments. I hope the Senate will adopt it.

AMENDMENT NO. 3998

(Purpose: To express the sense of the Congress that the reconciliation bill should not include any changes in Federal nursing home quality standards or the Federal enforcement of such standards)

At the appropriate place insert the following new section:

SEC. . SENSE OF THE CONGRESS REGARDING NURSING HOME STANDARDS.

(a) FINDINGS.—Congress finds that—

(1) prior to the enactment of subtitle C of title IV of the Omnibus Budget Reconciliation Act of 1987, deplorable conditions and shocking abuse of senior citizens and the disabled in nursing homes was widespread; and

(2) the enactment and implementation of such subtitle has brought major improvements in nursing home conditions and substantially reduced abuse of senior citizens.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that any reconciliation bill considered during the second session of the 104th Congress should not include any changes in Federal nursing home quality standards or the Federal enforcement of such standards.

Mr. KENNEDY. Mr. President, strong Federal quality standards for nursing homes were enacted by Congress with solid bipartisan support in 1987, after a series of investigations revealed appalling conditions in nursing homes throughout the Nation and shocking abuse of senior citizens and the disabled.

Elderly patients were often allowed to go uncleaned for days, lying in their own excrement. They were tied to wheelchairs and beds under conditions that would not be tolerated in any prison in America. Deliberate abuse and violence were used against helpless senior citizens by callous or sadistic attendants. Painful, untreated, and completely avoidable bedsores were found widespread.

Patients had been scalded to death in hot baths and showers, or sedated to

the point of unconsciousness, or isolated from all aspects of normal life by fly-by-night nursing home operators bent on profiteering from the misery of their patients.

These conditions, once revealed, shocked the conscience of the Nation. The Federal standards enacted by Congress ended much of this unconscionable abuse and achieved substantial improvement in the quality of care for nursing home residents.

Last year, the Republican budget programs included a frontal assault on these standards. The first House reconciliation bill repealed them entirely. The Senate bill reported from Committee did the same. As public outrage mounted, the Republican Congress was forced to modify their program—but each time the fine print left major loopholes. Fortunately, the President vetoed this harsh program, and the Democrats in Congress sustained his veto.

It is difficult to believe that anyone, no matter how extreme their ideology, would take us back to the shameful conditions before 1987. But this is exactly what the Republican plan will do. The American people will never accept such a program, so the Republican program, once again, buries the assault on nursing home quality in fine print. This time, the House Commerce Committee has announced that it will maintain current standards—but the fine print says that enforcement responsibility will be taken from the Federal Government and turned over to the States. Yet it was because States failed to adequately protect nursing home residents that the Federal law was enacted in the first place.

This amendment expresses the sense of the Congress that Federal nursing home quality standards should be maintained without any ifs, ands, or buts. This is the minimum assurance that senior citizens and their families deserve—and I hope the Senate will vote to give them that assurance.

AMENDMENT NO. 3999

(Purpose: To express the sense of the Congress that provisions of current medicaid law protecting families of nursing home residents from experiencing financial ruin as the price of needed care for their loved ones should be retained)

At the appropriate place, insert the following new section:

SEC. . SENSE OF THE CONGRESS CONCERNING NURSING HOME CARE.

(a) FINDINGS.—Congress finds that—

(1) under current Federal law—

(A) protections are provided under the medicaid program under title XIX of the Social Security Act to prevent the improverishment of spouses of nursing home residents;

(B) prohibitions exist under such program to prevent the charging of adult children of nursing home residents for the cost of the care of such residents;

(C) prohibitions exist under such program to prevent a State from placing a lien against the home of a nursing home resident, if that home was occupied by a spouse or dependent child; and

(D) prohibitions exist under such program to prevent a nursing home from charging amounts above the medicaid recognized charge for medicaid patients or requiring a commitment to make private payments prior to receiving medicaid coverage as a condition of admission; and

(2) family members of nursing home residents are generally unable to afford the high cost of nursing home care, which ranges between $30,000 and $60,000 a year.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that provisions of the medicaid program under title XIX of the Social Security Act that protect families of nursing home residents from experiencing financial ruin as the price of securing needed care for their loved ones should be retained, including—

(1) spousal impoverishment rules;

(2) prohibitions against charging adult children of nursing home patients for the cost of their care;

(3) prohibitions against liens on the homes of nursing home residents occupied by a spouse or dependent child; and

(4) prohibitions against nursing homes requiring private payments prior to medicaid coverage as a condition of admission or allowing charges in addition to medicaid payments for covered patients.

Mr. KENNEDY. Mr. President, one of the cruellest aspects of the Republican proposals have been their failure to protect nursing home patients and their relatives from financial abuse. Last year, both the House and Senate Republican bills initially eliminated the protections in current law—enacted with broad bipartisan support in 1987—assuring that a spouse remaining in the community would be able to keep at least a modest amount of income and savings, so that she would not be reduced to abject poverty in order for a loved one to get the nursing home care he needed.

Once the public became aware of these harsh proposals, the Republicans rushed to repair their public relations problem, but as in the case of nursing home quality standards, the provisions they claimed restored the current protections were as full of holes as a Swiss cheese.

Their bills allowed nursing homes to charge patients more than Medicaid will pay, so that spouses could still be forced to sell their home or wipe out all their savings to give their loved ones the care they need. What kind of a spousal protection program is it that says, ''The State can't take away all your savings and your home so that your loved one can get the care he needs, but the nursing home operator can?''

Their bills continued to wipe out protections that have been included in Medicaid since 1965 against a State forcing adult children to be responsible for the cost of care for a nursing home patient. Twenty-nine states have these laws on the books. Only the Federal law prevents them from being enforced—and the Republican bill would have repealed those protections. What kind of family values say that it is perfectly all right to tell adult children, struggling to raise a family and meet the needs of their own children, that the State can take away all your savings and hopes as a condition of their parents getting the nursing home care they need?

And finally, their bills provided no protection against a State placing a lien on the home of a nursing home resident, even if a spouse or a child is still living there. That protection has been a part of current law for decades—but the Republican plan would have repealed it.

The President vetoed these harsh bills, and the Democrats in Congress sustained his veto. The amendment I am offering today gives the Senate a chance to go on record as repudiating those Republican policies and directing that they not be included in this year's reconciliation bills.

AMENDMENT NO. 4000

(Purpose: To protect the wages of construction workers)

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE CONCERNING THE DAVIS BACON ACT.

Notwithstanding any provisions in the report of the Committee on the Budget to accompany S. Con. Res. 57, it is the Sense of the Senate that the provisions in this Budget Resolution assume no changes to the Davis Bacon Act.

The PRESIDING OFFICER. The amendments are laid aside.

AMENDMENT NO. 3996

Mr. KENNEDY. Mr. President, I was listening to my good friend from Arizona talking about LIHEAP, which is an essential program, particularly for seniors and children, to keep warm in the winter. He was talking about how people in Arizona do not get much value out of that.

I was here when the Congress appropriated $3.4 billion to complete the central Arizona project. There is still 725 more to go. I will just say, the taxpayers of Massachusetts did not get much benefit from that program either.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. Excuse me, the Senator from West Virginia has the floor.

Mr. DOMENICI. Mr. President, will Senator BYRD yield 1 minute to the Senator from New Mexico?

Mr. BYRD. Absolutely; gladly.

Mr. DOMENICI. Mr. President, I do not remember what the last project for Boston Harbor cost——

Mr. KENNEDY. I was not the one who was complaining.

Mr. DOMENICI. It almost cost more than the Arizona project, and we did not get anything from that in New Mexico, either.

Mr. KENNEDY. I ask the Senator, was that not part of the Interstate Highway System? The completion of the top part of it was the last link and was the part that was to be completed in which Massachusetts taxpayers contributed, like others contributed for their highways in their State. We can talk about it at another time. I see my friend and colleague from West Virginia.

Mr. DOMENICI. Can I have an additional 30 seconds? This one I am talking about is known as the ''big dig.'' That is the one that is going to cost about $10 billion. At one point, it was kind of known as the ''great Tip O'Neill project.'' Everybody seemed glad to do that for Tip O'Neill.

Mr. KENNEDY. It is called the Central Artery, which next time you go up, you will see the interstate signs on it. We hope you will enjoy your trips to New England.

Mr. DOMENICI. I do not get there very often, and when it is finally built, there will not be such big traffic jams, and I will enjoy Boston then.

I want to make sure for the RECORD it is understood that we are not in any way waiving the hour we have to rebut each of these amendments. We are accommodating by letting the Senators who are the proponents get them done today. That is a mutual request of both sides. I do not think we can take all the time on each amendment, but clearly by not answering them today does not mean we are not going to answer them, either in the presence of the proponent or not. At some point before final passage, we will answer most of them.

I thank Senator BYRD for yielding.

The PRESIDING OFFICER. The Senator from West Virginia.

AMENDMENT NO. 4001

(Purpose: This amendment increases overall discretionary spending to the levels proposed by the President. This increase is fully offset by the extension of expired tax provisions or corporate and business tax reforms)

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendments be set aside and that I may offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for himself, Mr. DASCHLE, Mr. KENNEDY, Mr. BUMPERS, Mr. LAUTENBERG, Mr. LEVIN, Mr. KOHL, Ms. MOSELEY-BRAUN, Ms. MIKULSKI, Mr. JOHNSTON, Mr. MOYNIHAN, and Mr. DORGAN, proposes an amendment numbered 4001.

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

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

The amendment is as follows:

On page 3, line 5, increase the amount by $6,300,000,000.

On page 3, line 6, increase the amount by $12,700,000,000.

On page 3, line 7, increase the amount by $10,600,000,000.

On page 3, line 8, increase the amount by $11,700,000,000.

On page 3, line 9, increase the amount by $9,700,000,000.

On page 3, line 10, increase the amount by $13,8,00,000,000.

On page 3, line 14, increase the amount by $6,300,000,000.

On page 3, line 15, increase the amount by $12,700,000,000.

On page 3, line 16, increase the amount by $10,600,000,000.

On page 3, line 17, increase the amount by $11,700,000,000.

On page 3, line 18, increase the amount by $9,700,000,000.

On page 3, line 19, increase the amount by $13,800,000,000.

On page 4, line 8, increase the amount by $7,400,000,000.

On page 4, line 9, increase the amount by $12,400,000,000.

On page 4, line 10, increase the amount by $17,100,000,000.

On page 4, line 11, increase the amount by $15,300,000,000.

On page 4, line 12, increase the amount by $31,200,000,000.

On page 4, line 13, increase the amount by $22,300,000,000.

On page 4, line 17, increase the amount by $6,300,000,000.

On page 4, line 18, increase the amount by $12,700,000,000.

On page 4, line 19, increase the amount by $10,600,000,000.

On page 4, line 20, increase the amount by $11,700,000,000.

On page 4, line 21, increase the amount by $9,700,000,000.

On page 4, line 22, increase the amount by $13,800,000,000.

On page 42, line 2, increase the amount by $7,400,000,000.

On page 42, line 3, increase the amount by $6,300,000,000.

On page 42, line 8, increase the amount by $12,400,000,000.

On page 42, line 9, increase the amount by $12,700,000,000.

On page 42, line 15, increase the amount by $17,100,000,000.

On page 42, line 16, increase the amount by $10,600,000,000.

On page 42, line 22, increase the amount by $15,300,000,000.

On page 42, line 23, increase the amount by $11,700,000,000.

On page 43, line 5, increase the amount by $31,200,000,000.

On page 43, line 6, increase the amount by $9,700,000,000.

On page 43, line 12, increase the amount by $22,300,000,000.

On page 43, line 13, increase the amount by $13,800,000,000.

On page 52, strike line 9 through line 25; and

On page 53 strike line 1 through line 9 and insert the following:

''(1) with respect to fiscal year 1997, for the discretionary category $496,600,000,000 in new budget authority and $539,200,000,000 in outlays;

''(2) with respect to fiscal year 1998, for the discretionary category $501,600,000,000 in new budget authority and $534,800,000,000 in outlays;

''(3) with respect to fiscal year 1999, for the discretionary category $504,100,000,000 in new budget authority and $531,100,000,000 in outlays;

''(4) with respect to fiscal year 2000, for the discretionary category $509,100,000,000 in new budget authority and $530,900,000,000 in outlays;

''(5) with respect to fiscal year 2001, for the discretionary category $519,000,000,000 in new budget authority and $521,700,000,000 in outlays;

''(6) with respect to fiscal year 2002, for the discretionary category $520,300,000,000 in new budget authority and $525,600,000,000 in outlays.''

Mr. BYRD. Mr. President, I am offering an amendment on behalf of myself and the following Senators: Mr. DASCHLE, Mr. KENNEDY, Mr. BUMPERS, Mr. LAUTENBERG, Mr. LEVIN, Mr. KOHL, Ms. MOSELEY-BRAUN, Ms. MIKULSKI, Mr. JOHNSTON, Mr. MOYNIHAN, and Mr. DORGAN. I welcome further cosponsors, Mr. President.

Now, Mr. President, I yield myself 50 minutes of my 60 minutes, and I hope that the Chair will let me know when my 50 minutes have been concluded.

Mr. President, I am deeply concerned by the offering of yet another budget resolution which shortchanges our country's future. The cuts in nondefense discretionary spending that would be necessary over the next 6 years in order to meet the reduced levels of budget authority and outlays provided in this budget resolution are truly extraordinary.

One has only to turn to page 211 of the committee report accompanying this budget resolution to see what I mean. On that page, one finds a table entitled ''Comparison of Budget Plans: Six-Year Totals.'' That table compares the deficit reduction that would take place over fiscal years 1997 through 2002 under President Clinton's budget proposals versus those under the Republican budget resolution that is now before the Senate.

According to that table, in that committee report, over that 6-year period, fiscal years 1997–2002, discretionary spending will be cut under the Republican budget resolution by $296 billion. This amounts to $66 billion more in cuts to discretionary spending than the President's budget proposals, which would cut $230 billion over the same period.

That is one of the reasons why I voted against the President's budget last night. I preferred it to the Republican budget that is before us. But the President's budget cut discretionary funding badly, even though the Republican resolution cuts it worse.

Mr. President, look at the cumulative effect of the cuts in buying power that will have to be made over the next 6 years under either the budget resolution or the President's budget. They are mind-boggling—mind-boggling. We are talking about cuts proposed by the President totaling $230 billion below the rate of inflation. And we are talking about cuts under the Republican budget resolution totaling $296 billion below inflation over the next 6 years for discretionary programs.

When we pile real reductions of that severity, one on top of another, year after year after year after year, how can any thinking person expect this Nation to sustain any financial ability to meet the minimum needs of the American people in all of the critical areas that are funded by discretionary appropriations. Those needs are not frozen. We do not have a freeze on crime in America. We do not have a freeze on bridge repairs. We do not have a freeze on potholes in the roads or a freeze on the dirty water supply or a freeze on aging sewers or on environmental pollution. Those needs still

press and tax our financial resources. And it all adds up to hundreds of billions of dollars in backlogs—backlogs.

What has been our response? Our response has been to budget less and less money to deal with the ever-increasing backlogs. If we continue to eviscerate our own Nation with this unwise and careless way of budgeting, I fear for the ultimate consequences. What will be affected? Nearly everything in the daily lives of the American people will be affected. For instance, two-thirds of the domestic discretionary budget goes to fund our Nation's infrastructure.

About 13 percent of all domestic discretionary spending is for transportation programs—including the maintenance and improvement of our National Highway System, our airport and airway system, and all safety-related facilities and equipment, including our public transportation systems. In all areas of transportation there are glaring, unmet needs which not only affect the safety of the American people, but also cost our economy billions of dollars each year because of delays in getting our products to their markets and in getting workers to and from their jobs.

According to the Department of Transportation, there are currently more than 234,000 miles of the nearly 1.2 million miles of paved nonlocal roads which are in such bad condition that they require capital improvements either immediately—just travel down the streets of Washington—or within the next few years. The Nation's backlog in the rehabilitation and maintenance of our Nation's bridges currently stands at $78 billion. That is the backlog as of now. And it is getting worse and it is getting bigger, the Nation's backlog.

According to the Federal Highway Administration, 118,000 of the Nation's 575,000 bridges—more than one out of five—are structurally deficient. Heavier trucks are prohibited from using them—an action that has an immediate, adverse impact on the Nation's productivity. Another 14 percent of the Nation's bridges are functionally obsolete, meaning they do not have the land and shoulder widths or vertical clearance to handle the traffic they bear.

Fully 70 percent of the Nation's interstate highways in metropolitan areas are congested during peak travel times. Such traffic congestion costs the economy $39 billion a year in wasted fuel and lower productivity for both passengers and commercial traffic. Congestion also undermines our ability to clean up the Nation's air, since more than 70 percent of the carbon monoxide emitted into the atmosphere comes from motor vehicles.

To make matters worse, the Department of Transportation continues to estimate increased growth in vehicle use that will put us in even worse shape. Things are not getting better. Things are getting worse by the day. It has been estimated that the number of vehicles on our Nation's highways will grow by about 8 percent by the year 2000. However, over the same period, freight tonnage, carried by our Nation's trucks, will grow by more than 30 percent. Yet, under this proposed budget resolution and for several years to come, it can be anticipated that we will be required to cut, rather than increase, our investment in maintaining our Nation's highway system. How can we even consider not addressing these problems? This budget resolution totally ignores those needs.

No area of infrastructure investment is as critical as our Nation's highway system. The system carries nearly 80 percent of U.S. interstate commerce and more than 80 percent of intercity passenger and tourist traffic. And yet, just 7 months ago the Department of Transportation published its annual status report on the Nation's surface transportation system. That report estimated that it would require additional annual investments of roughly $15 billion to adequately maintain our existing surface transportation infrastructure—$15 billion annually just to maintain our existing surface transportation infrastructure. Unfortunately, we simply are not making the necessary investments to ensure a prosperous future for our children, especially when compared to the investments that are being made by our economic competitors throughout the world.

Just as our Federal funding patterns have ignored the anticipated growth in highway use, so, too, are we ignoring the anticipated growth in airport use. According to the Federal Aviation Administration, the number of passengers expected at our Nation's airports will grow almost 60 percent over the next decade. That will not include me because I do not like to fly. My name is BYRD, but I do not like to fly. And what has happened in recent days has made me even more fearful.

If no new runways are added, the number of severely congested major airports will grow by 250 percent. The Federal Aviation Administration estimates that in order to bring existing airports up to current design standards, as well as to provide sufficient capacity to meet the projected demand, it will cost no less than $30 billion over the next several years. What is this blatant neglect doing to safety standards? What is this blatant neglect doing to safety standards? Safety for whom? Safety for the American people? Safety for the traveling public?

Mr. President, we do the American people no favor by ignoring these trends and by balancing the Federal budget on the back of critical domestic investments.

Fully another 14 percent of domestic discretionary spending is for education, training, and employment programs—including Head Start, elementary and secondary education, Pell grants, and other college student financial aid.

Tremendous unmet needs have also been identified in this portion of the budget. Over the past number of years, we have managed to substantially increase funding for Head Start, special education grants, and Pell Grants. But we clearly will be unable to sustain these increased levels of spending in the future under this budget resolution.

Senators should not go home and beat their chests about how strongly they support education when they vote for the cuts in discretionary spending contained in this budget resolution. They will be saying one thing, while actually doing quite another. And there is too much of that in politics already.

This Republican budget cuts $24.4 billion in budget authority in inflation-adjusted dollars from this portion of the budget over the next 6 years. This amounts to a cut of 25 percent in real terms.

Another 12 percent of domestic discretionary spending is for environmental improvement and energy efficiency programs—ranging from sewage treatment grants to toxic clean-up to energy R&D programs.

This Republican budget resolution appears to assume reductions for the Environmental Protection Agency totaling $5 billion over 7 years. These reductions are assumed to be applied to each EPA program account, including Superfund, State and Tribal Assistance grants, Science and Technology, and EPA operating programs. The impact of these proposed reductions would be devastating to EPA's ability to address protection of public health and the environment.

It should be noted that while the annual request for wastewater treatment infrastructure programs is $1.35 billion, there are documented wastewater infrastructure needs of $137 billion throughout the United States. While the Federal funding for this infrastructure program leverages additional matching funds from States and localities, the administration's proposed budget assumes a level that enables States to provide $2 billion. With requirements totaling $137 billion today—and continuing to grow with the population—clearly the need is for more infrastructure funding for clean water facilities, not less.

In the area of infrastructure requirements for States to meet the requirements of the Safe Drinking Water Act, the total requirements are unknown. A needs survey is now being conducted, and will be completed in June. No preliminary estimates are available, but it is safe to assume that the annual budget request of $550 million will be insufficient to address the needs of local communities in upgrading both publicly and privately owned drinking water systems. In my own State of West Virginia, a recent Federal study reports that it would take $162 million dollars to clean up and provide potable water to approximately 79,000 West Virginians. It would take another $405.7 million to meet the worsening

drinking water supply situation of some 476,000 West Virginians. There you have it. We have an annual budget request for the whole country of $550 million and yet in West Virginia we have a total need for $568 million—$568 million in West Virginia alone—as against $550 million for the whole country that is being requested in the budget. It does not make sense.

We are becoming like a Third World country in many parts of the Nation. West Virginia is not alone. West Virginia is a rural State. What kind of a budget ignores the most basic, most basic need, clean drinking water, of people? Safe drinking water seems to me to be pretty basic stuff. What good is the environment that ignores that kind of need?

Additionally, under this budget resolution, funding for watershed projects and flood prevention will be drastically reduced. Furthermore, water and wastewater treatment programs for rural areas will be cut more than one-third.

Funding for the Nation's existing water resource infrastructure—its system of dams, locks, harbors, irrigation systems, reservoirs, and recreation sites—will suffer serious cuts. In the area of flood control and storm damage prevention projects, where cost-benefit ratios exceed 20 to 1, there will be insufficient funds to meet the needs. Already, there is a serious backlog of deferred operations and maintenance requirements on existing projects. Our ports and harbors, through which the bulk of our Nation's commerce and trade with the rest of the world moves, will be seriously affected by declining investments such as dredging and channel improvements.

Under this budget resolution, the Nation's critical disposal of nuclear waste generated at electricity-producing power plants will be further set back. Over the next 30 to 40 years, estimates are that nuclear waste cleanup costs for both defense and civilian sites will total between $200 and $250 billion. What are we doing to the environment? What horrors are we unleashing with this type of neglect? Doesn't anybody in this town care?

The question is, Mr. President, under the constraints of this budget resolution, how can we possibly meet the needs of the American people across the broad spectrum of our national life—from crime control, to job retraining, to better and safer highways and bridges and aviation, to drug treatment and prevention, to education, to research, to environmental cleanup, to clean water, and to programs which assist those in our society who are unable to care for themselves and their children through no fault of their own?

How long—how long—will we continue to slash and burn these discretionary spending programs, while letting automatic entitlements and corporate welfare and tax expenditures grow and eat away at the foundation of our national economy? Where is the basic common sense and decency in this budget? Where is the basic common sense and decency in this budget?

The amendment I am offering today will add $106 billion in discretionary budget authority and $65 billion in discretionary outlays over the 6-year period of this budget resolution. And if it is adopted, we will still be $230 billion below inflation over the period of 6 years. For fiscal year 1997, budget authority, under my amendment, would be increased by $7.4 billion and outlays would be increased by $6.3 billion. Similar increases above the amounts included in this resolution are provided for in each of the remaining years through fiscal year 2002. In other words, my amendment would provide for the same level of discretionary spending as the Clinton budget over that 6-year period—and that Clinton budget was $230 billion too low.

My amendment will bring that figure for outlays and budget authority at least up to the Clinton budget—namely, $106 billion more in budget authority, and $65 billion more in discretionary outlays than this Republican budget resolution would provide. We need more—much more—but at least this amount will give us some little chance of meeting our minimum needs.

Furthermore, my amendment will eliminate the so-called defense walls for the period of this budget resolution. But so did the Clinton budget that was voted on last night. And every Democrat here voted for that budget—other than this Democrat. It was better than the Republican budget, but it cuts discretionary funding and cuts taxes—not as much as the Republican budget, but it still cuts taxes, which is utter folly at this time in our history. In other words, my amendment combines defense and nondefense discretionary budget authority and outlays into one figure for each of the fiscal years 1997–2002. Now, if any Democrats here oppose my elimination of the walls, they voted to do that last night in the Clinton budget, so they should not have any hesitancy in supporting my amendment. This will return us to the normal situation under which the Appropriations Committees are given one discretionary figure for budget authority and one figure for discretionary outlays each year. The committee will then determine how much budget authority and outlays should be allocated to defense and how much of the budget should go to nondefense spending each fiscal year. That is the way the system is supposed to work. There is not supposed to be an artificial gimmick to protect a sacred cow in the budget.

In order to pay for its increase in spending, my amendment provides for a corresponding increase in revenue over the 6-year period of the budget resolution, and this increase in revenues is brought about from a combination of closing corporate loopholes, extension of expiring excise tax provisions, and/or elimination or modifications of the so-called tax expenditures. As shown on page 211 of the committee report, the President's budget proposes $40 billion in savings from ''corporate reform,'' together with an additional $43 billion from extension of expiring tax provisions. The Republican budget resolution proposes $21 billion and $36 billion, respectively, in those same areas. It, therefore, should be possible for the appropriate committees—Finance and Ways and Means—to find the additional revenues that I have proposed from some combination of those corporate reforms and extension of expiring tax provisions. However, if they are unable to do so, I strongly recommend that the Finance and Ways and Means Committees turn to the issue of tax expenditures as another excellent source for achieving the increase in Federal revenues over the next 6 years, called for in my amendment. That area of the Federal budget has miraculously—if you do not believe in miracles, here is one, in our own day and time—escaped the attention of the so-called deficit reduction hawks.

Few Americans are familiar with the term ''tax expenditure.'' Simply put, tax expenditures are tax dollars lost to the Federal Treasury due to special provisions in the Tax Code, which allow deductions, exemptions, credits, or a deferral of tax payments. The word ''expenditure'' is used to highlight the fact that these tax breaks are, in many respects, no different than if the Government simply wrote a check to the individuals or businesses concerned.

The plain truth is, Mr. President, that tax expenditures are nothing more than another form of Government spending—back-door spending. But these checks are written to those with special interests and with special influence in Washington. And they go out of the Treasury first. They do not spend out over a year or 6 months like normal expenditures from the Treasury. They are gone—out the door right away every year to benefit the special interests, before anybody else gets one thin dime.

Also, unlike the spending that is reviewed annually by the Appropriations Committee, once tax expenditures are enacted into law, very rarely do they again come under congressional scrutiny, certainly not with the frequency and the intensity of those programs which make up discretionary funding. As Dr. Paul McDaniel, of the University of Florida, testified before the Senate Budget Committee, over 80 percent of current tax expenditures were also in effect in 1986—10 years ago—the last time Congress gave these programs a thorough review. Just like entitlements, then, tax expenditures continue indefinitely, largely overlooked by even the most determined budget cutters.

According to the latest information available, tax expenditures for fiscal year 1995 totaled $453 billion, and are projected to grow to $480.4 billion for fiscal year 1996, $509.7 billion for fiscal year 1997, $537.3 billion for fiscal year

1998, and $568.5 billion for fiscal year 1999. Just for those 5 years alone, then, these tax expenditures total more than $2.5 trillion.

How long would it take to count trillion at the rate of $1 per second? It would take 32,000 years to count trillion. Over the 6 years of this budget resolution, total tax expenditures will exceed $3 trillion. Should somebody not be taking a hard look at this huge area of back-door spending?

The problem, however, is not just in the aggregate amount of these programs. Unlike traditional forms of discretionary spending, tax expenditures circumvent the extremely important authorization and appropriations process. Because these provisions come out of the tax-writing committees of the House and Senate, those committees become, in effect, both the authorizing and appropriating authority. That fact is obviously very appealing to special interest groups seeking Federal financial support, and there are lots and lots and lots of those.

Under the normal legislative process, anyone interested in obtaining Federal support must first begin by convincing the relevant authorizing committee to actually sanction their project in law. Even then, however, there is no guarantee that the Appropriations Committee will be able to fund the project to the full extent that had been authorized. And so it is not difficult to see that if a group could bypass that two-step process, they would have a much higher probability of seeing their interest fulfilled.

Mr. President, make no mistake, some of these Tax Code spending programs are worthwhile and serve a useful public purpose. The earned-income tax credit, for instance, has lifted many Americans out of the depths of poverty—hard-working Americans, whose only ''crime'' is that the work they do does not pay enough to support their families. Or the mortgage interest deduction, which has allowed home ownership to become affordable to many Americans that would otherwise be forced to forego that part of their dreams.

However, although many of these tax expenditures are of significant benefit to a great many Americans, many tax expenditures benefit only a very select few. These expenditures should not be immune from review; our budget situation demands that we examine all spending. Whether it be done through the appropriations process or through the Tax Code, spending is spending. A dollar leaving the Federal Treasury through the backdoor of the Tax Code has just as much an impact on our budget, and on our deficit, as does a dollar going out the front door—appropriated by Congress. That is the front door. It goes out the appropriations door. We simply cannot continue to ignore these tax expenditures in our budget debates. It seems to me that the very least we can do is to require regular reauthorizations of all tax expenditures so that we can be certain that longstanding provisions, which may have been justified years ago when they were enacted, are still justified in light of current budgetary constraints.

Take, for example, the mortgage interest deduction. This tax subsidy has, as I just noted, helped millions of families across our country achieve what many would describe as one of the most tangible aspects of the American dream—owning one's own home. It is, without question, one of the most valuable and worthwhile tax expenditures in our Tax Code. Yet, in tight budget times, does it make sense to subsidize the purchase of vacation homes? That is what we are doing today. Current law allows taxpayers to deduct the interest paid on up to $1 million in debt used to acquire and improve first and second homes, as well as the interest on up to $100,000 of other loans secured with a home, regardless of the purpose for which that money is borrowed. Because of the current tax rules on second homes, millions of Americans struggling to buy their first homes are, in effect, helping subsidize the vacation homes of the wealthy. Worse yet, to the extent that the revenue loss associated with the deductibility of mortgage interest on second homes adds to our budget deficit, the cost of helping wealthy Americans buy their vacation homes is simply being dumped on future generations of Americans, rich and poor.

I say to my friends on the committee with the responsibility to bring forth the legislation to make cuts in entitlements and tax expenditures—come on in, the water's fine. We on the Appropriations Committee have already been exposed to public scrutiny in each appropriation bill every year. We have had tough, enforceable caps on discretionary spending for a number of years. We have always made the cuts to stay beneath those caps, and we will continue to do so. But, the discretionary well has dried up as far as contributing further to deficit reduction. Let us get on with tapping the more than $500 billion that is spent each year on tax expenditures.

Since 1980, investment in physical infrastructure—that means investment in our own communities—that means investment in the communities of every individual who is watching this Senate Chamber through that electronic eye; that is your community—investment in your community and in things that matter in the daily lives of our people—that investment in physical infrastructure has declined, both as a percentage of all Federal spending and as a percentage of our Nation's gross domestic product. The cuts embodied in this budget—the here and now budget—resolution only exacerbate, only make worse, this trend—a trend that is both shortsighted and unwise.

Any businessman will tell you that a business cannot prosper for very long if the necessary investments are not continually made in the tools and machinery that provide the engine for that prosperity.

The owner of a small manufacturing plant can, perhaps, delay investments in new tools and machinery for a brief period of time. He may be able to continually piece that machinery together using temporary fixes. But over the long haul, more often than not, the failure to adequately invest in that machinery and equipment will prove to be a very expensive and costly mistake. In the end, that machinery must be replaced, often at a cost that proves to be considerably higher than the cost of continued and steady maintenance and investment. If it is not, then the plant will fall further and further behind and eventually go bankrupt.

The same is true for our Nation's investment and maintenance of its infrastructure. People need to understand that. Increasingly, in recent years, we have embodied this penny-wise, pound-foolish frugality when it comes to our Nation's basic GNP generator, our infrastructure.

For the last several months, we have heard much debate on the Senate Floor regarding the tragic maladies that are brought about by the Federal budget deficit, maladies that we threaten to pass on to our grandchildren. That is all true, but it is equally true that a less than robust economy only exacerbates our national deficit problem.

I would like to take a moment to recount some of the maladies that we will also pass on to the next generation for our failure to adequately invest in our transportation infrastructure. How can we hope to ensure a prosperous future for our children's children, if we leave the next generation with a transportation network so dilapidated, unsafe, and inefficient that it is a national embarrassment rather than a source of national pride as has been the case in the past. How can we hold up our heads if we continue to let our national parks fall into disrepair, our sewers deteriorate, our air become filthy, our drinking water become polluted, our schools and our bridges become dilapidated and our highways become pitted, potholed nightmares? How can we be so blind as not to see the relationship of that kind of neglect to our national economy?

We heard a great deal about building the country's infrastructure in the Presidential campaign 4 years ago. We never hear anything about it anymore. We do not hear anything about building our Nation's physical infrastructure. We are going to wake up, though, at the end of this 6 years when we find that we have let our country down, let the infrastructure deteriorate, and then we will see what it costs to replace it.

The American people are going to get tired of this so-called ''Contract With America''—cut, slash, burn—and all of the tears that are shed for our children and grandchildren, if we do not balance this budget. Yet, those same Senators

who are shedding tears for our children and grandchildren and saying that we need to balance the budget, vote for tax cuts. It is all right to load that burden on our children and grandchildren, and they vote to see our infrastructure waste away.

I am reminded of a parable in the Scriptures when Jesus was meeting with his disciples in the Mount of Olives. In chapter 25 of the Book of Matthew, the King James version, we read this:

14 For *the kingdom of heaven is* as a man travelling into a far country, *who* called his own servants, and delivered unto them his goods.

15 And unto one he gave five talents, to another two, and to another one; to every man according to his several ability; and straightway took his journey.

16 Then he that had received the five talents went and traded with the same, and made *them* other five talents.

17 And likewise he that *had received* two, he also gained other two.

18 But he that had received one went and digged in the earth, and hid his lord's money.

19 After a long time the lord of those servants cometh, and reckoneth with them.

The American people are going to reckon with us. They are going to reckon with us one day.

20 And so he that had received five talents came and brought other five talents, saying, Lord, thou deliveredst unto me five talents: behold, I have gained beside them five talents more.

21 His lord said unto him, Well done, *thou* good and faithful servant: thou hast been faithful over a few things, I will make thee ruler over many things: enter thou into the joy of thy lord.

22 He also that had received two talents came and said, Lord, thou deliveredst unto me two talents: behold I have gained two other talents beside them.

23 His lord said unto him, Well done, good and faithful servant; thou hast been faithful over a few things, I will make thee ruler over many things: enter thou into the joy of thy lord.

24 Then he which had received the one talent came and said, Lord, I knew thee that thou art an hard man, reaping where thou hast not sown, and gathering where thou hast not strawed:

25 And I was afraid, and went and hid thy talent in the earth: lo, *there* thou hast *that is* thine.

26 His lord answered and said unto him, *Thou* wicked and slothful servant, thou knewest that I reap where I sowed not, and gather where I have not strawed:

27 Thou oughtest therefore to have put my money to the exchangers, and *then* at my coming I should have received mine own with usury.

28 Take therefore the talent from him, and give *it* unto him which hath ten talents.

29 For unto every one that hath shall be given, and he shall have abundance: but from him that hath not shall be taken away even that which he hath.

30 And cast ye the unprofitable servant into outer darkness: there shall be weeping and gnashing of teeth.

Mr. President, there will come a day of reckoning for us. People are going to ask about our stewardship, and they are going to find that we have been lacking. They will find that we hid our talent in the Earth. We did not provide for the upkeep of their bridges and their highways and their sewer systems and their water systems, their parks, their forests. We did not continue the research that would enable us to stay ahead of our competitors. We will have proved to be poor stewards. And they are going to say, ''Throw them out.'' Take from him that hath not and give it to him which hath. We are going to come to that day of reckoning. The American people are going to get tired of this slash and burn philosophy. They are going to say, ''What has Government been doing for us? What have you done for us? What have you done for our highways and our bridges, our water systems?''

So how can we be so blind as not to see the relationship of that kind of neglect to our national economy? We are not increasing the talents that have been entrusted to us. We are not investing so that we will be improving on our country's lot, so that we will be rendering a profitable stewardship. No, we are going to put our talents in the ground.

Increased productivity means increased economic growth. Increased economic growth means more jobs and, thus more income for the U.S. Treasury. Increased economic growth means increased national security. It also means an enhanced competitive position for a nation. It means a higher standard of living, and increased public investment also encourages increased private investment. Why not?

The PRESIDING OFFICER (Mr. GRAMS). Just a reminder to the Senator. He has used 50 minutes; 10 minutes remains of the time requested.

Mr. BYRD. I thank the Chair. Mr. President, I yield as much time as I may use off the budget resolution.

The PRESIDING OFFICER. The Senator is recognized.

Mr. BYRD. Mr. President, if you had a company, let us say, and you would like to buy a brand-spanking new fleet of trucks, all outfitted in bright red paint and chrome, how would you like to put that fleet of new trucks out on roads that are filled with potholes and on bridges in need of repairs? How would you like to have your trucks detour 18 miles around a bridge which was closed because it was unsafe? How much would that cost? How much would that lower your productivity? How much would that cut into your profits? You probably would be reluctant to invest in the new trucks at all. Hence, public investment encourages private investment and is conducive to the profit making of the private sector.

A sound economy will require continued capital investment in our Nation's physical plant that not only replaces existing infrastructure but also expands capacity to accommodate growth. Reducing the Federal budget deficit on the back of critical capital investments will only undermine our national prosperity, productivity, and competitiveness.

And those chickens are going to come home to roost one day, one day. Nobody talks about infrastructure anymore. People are going to wake up one morning and say, ''Where have you been? Where were you?'' That was the first question that the Lord asked in the book of Genesis when He came into the garden looking for Adam: ''Where art thou?'' And our constituents are going to say, ''Where were you? Where were you when they voted for that budget?'' I am not going to vote for it. Folly of follies. It cuts taxes. And so did the President's budget. That is why I voted against his budget. It is folly to cut taxes at this time. We ought to be increasing our revenues and building up our infrastructure, building our Nation's roads and bridges, funding our research needs, improving our parks and forests, and cleaning up our Nation's water supply.

We are on our way down a very slippery slope. Budgets are the basic blueprints for our Nation's future. If we continue to write budgets that sap our vital domestic strength, we will shortly be on our way to Third World status. Then our people will ask, ''Where were you? Where were you?''

The insanity in investing in everything but our infrastructure will become painfully apparent. When the backlogs are so huge that we cannot meet them, we will rue the day that we demagoged and pandered.

Oh, you Republicans are going to cut taxes. We Democrats will also cut taxes. Pandering. That is pandering. The American people are not asking for a tax cut. We all say, balance the budget. Well, let us increase revenues and pay for the Nation's needs. Pay as we go so that our country can be competitive in world markets.

We will rue the day that we demagoged and pandered and labeled all investments in our own country's basic infrastructure as ''pork.'' Is it pork to spend $10 billion on the Washington Metropolitan Transit System? No, that is not pork. This is the Nation's Capital. That is infrastructure. That is not pork, that is infrastructure.

We have a deficit all right. And it is serious. But there is another deficit looming on the horizon which is in many ways far more serious. Once we allow America to fall into total disrepair, 6 years from now, 8 years from now, 10 years from now, people are going to look around them and say: What has happened? What has happened to America? America's needs have not been met, its infrastructure needs have gone to pot, and the politicians squandered our rights.

Once we allow America to fall into total disrepair, how will we ever afford the trillions of dollars it will take to put it right? Then there will be a big cry. All the politicians then will be for building infrastructure, because the people will be saying: Where were you? Where were you when this happened? Why did you allow this to happen?

So, I ask my colleagues to begin to turn this disastrous trend around today

and support this modest attempt to answer America's most basic domestic needs, and invest at least President Clinton's level of funding in our own Nation and in our own people. And he was $230 billion lower than inflation over a period of 6 years.

We are running out of time.

In conclusion, let me briefly describe my amendment once again. It would add $106 billion in budget authority and $65 billion in outlays over the 6-year period of this budget resolution to discretionary spending. Total discretionary spending would then be the same as proposed by President Clinton. Too low, but at least that much. In addition, the amendment would do away with the defense wall for fiscal years 1997 and 1998 as proposed by the Senate Budget Committee and instead allow the Appropriations Committees each year to determine the appropriate level for defense and for non-defense spending. Finally, in order to pay for these spending increases, my amendment would close some corporate loopholes, and do tax extenders as proposed by the Senate Budget Committee and by President Clinton. I would also recommend an additional source of funds for consideration by the Finance and Ways and Means Committees—namely, tax expenditures.

I welcome additional sponsors of my amendment, Mr. President, and I urge all Members to support the amendment. I reserve the remainder of my time.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. 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. BYRD. Mr. President, I ask unanimous consent that time consumed in the quorum call be equally divided against both sides.

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

Mr. BYRD. 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. LOTT. 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. LOTT. Mr. President, I ask unanimous consent that the pending amendment be set aside so that I may offer an amendment.

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

AMENDMENT NO. 4002

(Purpose: To express the sense of Congress regarding reimbursement of the United States for the costs of Operations Southern Watch and Provide Comfort)

Mr. LOTT. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for himself and Mr. SMITH, proposes an amendment numbered 4002.

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

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

The amendment is as follows:

At the end of title III, add the following new section:

SEC. . SENSE OF CONGRESS ON REIMBURSEMENT OF THE UNITED STATES FOR OPERATIONS SOUTHERN WATCH AND PROVIDE COMFORT.

(a) FINDINGS.—The Congress finds that—

(1) as of May 1996, the United States has spent $2,937,000,000 of United States taxpayer funds since the conclusion of the Gulf War in 1991 for the singular purpose of protecting the Kurdish and Sunni population from Iraqi aggression;

(2) the President's defense budget request for 1997 includes an additional $590,100,000 for Operations Southern Watch and Provide Comfort, both of which are designed to restrict Iraqi military aggression against Kurdish and Sunni people of Iraq.

(3) costs for these military operations constitute part of the continued budget deficit of the United States; and

(4) United Nations Security Council Resolution 986 (1995) would allow Iraq to sell up to $1,000,000,000 in petroleum and petroleum products every 90 days, for an initial period of 180 days.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the assumptions underlying the functional totals in this resolution assume that—

(1) the President should instruct the United States Permanent Representative to the United Nations to seek modification of Security Council Resolution 986 (1995), to specifically mandate and authorize the reimbursement of the United States for costs associated with Operations Southern Watch and Provide Comfort out of revenues generated by any sale of petroleum or petroleum-related products originating from Iraq.

(2) in the event that the United States Permanent Representative to the United Nations fails to modify the terms of Resolution 986 (1995) as called for in paragraph (1), the President should reject any United Nations-negotiated agreement to implement Security Council Resolution 986 (1995);

(3) the President should take the necessary steps to ensure that—

(A) any effort by the United Nations to temporarily lift the trade embargo for humanitarian purposes, specifically the sale of petroleum or petroleum products, restricts all revenues from such sale from being diverted to benefit the Iraqi military, and

(B) the temporary lifting of the trade embargo does not encourage other countries to take steps to begin promoting commercial relations with the Iraqi military in expectation that sanctions will be permanently lifted; and

(4) revenues reimbursed to the United States from the oil sale authorized by the United Nations Security Council Resolution 986 should be used to reduce the Federal budget deficit.

Mr. LOTT. Mr. President, on April 7, 1991, United States led coalition forces and Iraq agreed to a cease-fire which ended Operation Desert Storm. Several days prior to agreeing to the terms of the cease-fire, Iraq initiated military action against the Kurdish population in northern Iraq and a Sunni Moslem population in southern Iraq.

Saddam Hussein's repressive actions against these Iraqi peoples included the use of helicopters flying strapping missions against the Kurds on the ground. In southern Iraq, Saddam's Republican Guard chased the Sunnis into the marshes along the Euphrates and Tigris Rivers. After chasing the Sunnis into the marshes, the Republican Guard actually set fire to the marshes, burning many Sunnis alive.

Saddam's barbarism against these forces did not go unnoticed by the coalition forces. General Schwarzkopf directly linked Iraq's repressive actions against the Kurds and the Sunnis to the cease-fire discussions.

On April 5, 1991, 2 days prior to concluding the cease-fire agreement, the United Nations passed Security Council Resolution No. 687 and No. 688. These resolutions condemned Iraq for its repressive actions against the Kurds and Sunnis.

After adoption of these two resolutions, the Secretary General of the United Nations enlisted the support of the United States to engage in military operations to protect these Iraqi civilian populations against Saddam's aggression.

These military operations became known, as we all learned over the next few days and weeks, as Operation Southern Watch and Operation Provide Comfort.

Mr. President, that was in 1991, over 5 years ago. Since starting these military operations, the United States has paid and paid greatly to provide this watch and comfort. The cost of these military operations has been tremendous, both in terms of money and in lives. On April 14, 1994, the United States lost 15 American lives in a terrible accident, the result of conducting a dangerous and difficult military mission.

In addition to the 15 American and 11 foreign national lives lost, the United States has spent $2.9 billion to conduct these military operations. But the cost continues to go up. The President's 1997 defense budget request includes an additional $590.1 million to continue these military operations.

On April 14 of last year, the U.N. adopted another security council resolution, No. 986. This resolution provides Iraq the opportunity to sell as much as $2 billion in oil and oil-related products every 6 months for the purpose of providing food and medical relief to the people of Iraq. The revenues are to be placed in an escrow account with the United Nations.

Paragraphs (8)(b), (8)(d), (8)(e), and (8)(g) of resolution No. 986—1995—specifically authorize the use of revenues from the sale of Iraqi petroleum and petroleum-related products as reimbursement for costs associated with the implementation of resolution No. 986—1995—or previously passed Security Council Resolutions.

Iraq and the United Nations have begun a fourth round of talks to continue negotiations related to acceptable terms for implementation of resolution No. 986. One of the primary issues of disagreement is over who would distribute the humanitarian aid. I must say I question the wisdom of handing fungible goods over to the Iraqi military and trusting them to distribute them to the needy.

The amendment I offer today does not seek in any way to prevent this sale, nor does it seek to prevent efforts to relieve the humanitarian problems of Iraq. My amendment is very simple. If we are going to allow Iraq to sell oil to pay for humanitarian costs, the United States should recover the moneys our taxpayers are spending for the ultimate in humanitarian assistance: military protection!

We are working on a budget resolution. We are working on a budget resolution that seeks to eliminate annual deficits, and, hopefully, someday even begin to reduce the debt. It is going to be very difficult to accomplish this if we have to continue to pay for these protections, these military actions, to provide comfort. We pay the bill for it, but others take the credit and get the benefit. It is the American taxpayers that are paying this bill. I would like to see if we cannot find some way to get a little help with these costs.

The Members need to understand that the U.N. resolution that has been considered specifically authorizes the revenues from the oil sale to pay for U.N.-related costs for humanitarian assistance. If it is a good idea for the United Nations to be able to recover their costs, why not the United States as well and the American taxpayers?

Frankly, it looks like the administration dropped the ball. Prior to the adoption of resolution No. 986, the administration, I believe, should have insisted that the American taxpayer be reimbursed for our bills from the sale of this oil.

Again, Members need to understand that the United Nations is seeking to use money from the oil sale to recover moneys spent for humanitarian assistance in Iraq. I do not understand why the President was not aggressively protecting the American taxpayers the same way the United Nations was trying to protect their costs.

There is one other thing that Members need to know prior to voting on this amendment: None of the $2.9 billion the United States has spent for these military operations has been counted toward our contributions to the United Nations. That is unbelievable.

Even though these military operations exist solely because of the United Nations request for assistance, the United Nations does not count this $2.9 billion toward our contribution to the operation of the United Nations Numerous Members this past week have talked about how bad it is that the United States has not been fulfilling its payments to the U.N., that we are in arrears. They have been worrying about that.

Some of my colleagues have complained that we are not paying our past due bills to the United Nations But the State Department ledger—as well as the United Nations ledger—does not account for all the financial support and support in kind that the United Nations receives from the Pentagon, for which the American taxpayer is having to foot the bill.

I think this really is an outrage. If we are going to allow Saddam Hussein, with all of his oppression and treachery, to sell oil, risking diversion of the funds for more military modernization, more military aggression, more development of weapons of mass destruction, and more violations of international sanctions requiring weapons destruction and cessation of international oppression, I think we have to stand up and raise some serious questions about this.

We should, at the very least, recover moneys from the sale of this oil to reimburse the American taxpayer, who is being forced to pay actually twice. We pay for the military operations to protect the Kurds and the Sunnis, and we do not get credit for this tremendous cost when the State Department tallies our dues to the United Nations.

Mr. President, I urge my colleagues to consider this amendment. It seems the fair thing to do. I understand the U.N. and Iraqi negotiators have been considering how to distribute the proceeds from the oil sales. It seems like this is a time to move in there and say we are entitled to some recovery from these oil sales to help offset the costs of doing what we think is the right thing to do, which we are doing in conjunction with the United Nations. I urge the President to ensure the American taxpayers interests are protected by rejecting any oil sale agreement which does not reimburse the United States for the cost of Operation Southern Watch and Operation Provide Comfort.

I urge at the appropriate time that this amendment be adopted. It is a sense-of-the-Senate resolution, and I think that the American people would support this effort very strongly.

Mr. President, I yield the floor.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 3991

Mr. BINGAMAN. Mr. President, how much time remains on amendment 3991 offered by Senators KERRY and MURRAY?

The PRESIDING OFFICER. Approximately 45 minutes remains.

Mr. BINGAMAN. I ask unanimous consent that I be allowed to proceed for up to 10 minutes off of the time allotted for that amendment.

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

Mr. BINGAMAN. Mr. President, in 1989, 6 years ago, President Bush and the Nation's Governors recognized the critical need to raise education standards in this country. They sought to raise standards that we hold our students to and that we try to adhere to in our schools throughout the country. They met in Charlottesville, VA, in the first education summit in our Nation's history.

They set ambitious goals to improve education by the year 2000. They agreed to measure their progress and to report their success to the American people every year.

In 1995, last year, we reached the halfway point. The 1995 annual ''National Education Goals Report,'' which came out last November, told us what had improved and also what got worse.

Some things were better: 4th and 8th grade math achievement had improved; preschoolers were read to and told stories more than they used to be; according to the statistics we have, threats and injuries to students in schools had declined somewhat.

Some things, however, had become worse. For example, 12th grade reading achievement had declined; fewer teachers had degrees in the subjects they were teaching; student drug use and the sale of drugs in our schools had increased.

The overall conclusion of that report last year was—this is a quote from the report—it says:

> On the whole, our progress toward the National Education Goals has been modest. Even in areas where we have made significant progress from where we started, our current rate of progress simply will not be sufficient to reach the ambitious levels specified in the National Education Goals * * * [Therefore, we need] to pull together as communities and states to provide our children with an education that is truly world-class.

Mr. President, 13 years ago, early in President Reagan's term, in April 1983, President Reagan's Commission on Excellence in Education issued a famous report, a report that has become famous, entitled ''A Nation at Risk.'' The commissioners wrote that:

> * * * the educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a nation and a people.

They went on to say:

> [That the commission] deeply believes that the problems we have discerned in American education can be both understood and corrected if the people of our country, together with those that have public responsibility in the matter, care enough and are courageous enough to do what is required.

Mr. President, the responsibility to improve education in this country is a joint responsibility. We in Congress are among those who have a public responsibility in this matter. Every year since the goals were set, we in Congress

supported progress toward reaching those goals by providing some increased level of funding each year until fiscal year 1996.

Mr. President, let me just call my colleagues' attention to this chart to make the point I have been trying to make. This is entitled ''A Break With Bipartisan Support for Education.'' It shows fiscal year 1990, 1991, 1992, 1993, 1994, and 1995, and in each year it shows some level of increase, in billions of dollars—some absolute increase in the total dollars the Federal Government has been willing to provide to assist States and local school districts with education.

Last year, in 1996, for the first time since the summit in Charlottesville with President Bush, we saw an actual decrease proposed for funding in education. Now, I am proud to say that before the final chapter was written on the appropriations for 1996, most of that funding was restored. I do think the President deserves great credit for having insisted that we do better by education than was proposed in last year's budget bill.

Now we are faced with a very similar circumstance, Mr. President. The amendment that is offered by Senator KERRY and Senator MURRAY would allow us to once again get on with bipartisan support for education. This amendment restores essential education funds. It restores $56 billion in funding over 6 years for the function 500 in the Federal deficit—that is the education and training function. That is the amount needed to get to the level that the President requested.

These funds are essential if we are to both maintain important, ongoing educational programs such as Head Start and title I, and also help schools enter the information age by buying computers, connecting those computers to the Internet, training teachers, and developing and purchasing sound instructional software.

The Republican budget, if this amendment is not adopted, would have the effect of either cutting existing education programs or postponing any significant funding increase for technology until the year 2002. In my view, schools cannot wait until the year 2002 to train their students to be computer literate.

The Republican budget proposal over 6 years would cut spending for education and training by $25 billion below the level spent in fiscal year 1995. The effective cut will be even greater because the level of funding provides no money for either inflation or the rising enrollments now occurring in the schools. The $56 billion proposed to be added back in this amendment is essential in order to maintain current program services, to accommodate inflation, to accommodate the increased numbers of students who are arriving at our schools, and who will be arriving at our schools during these 6 years, and to provide a modest investment in priority areas where we do have bipartisan support such as increased access to educational technology.

Mr. President, let me talk a little bit about educational technology as it applies to my home State of New Mexico. In a State like New Mexico, this Federal support for better use and more access to educational technology will be crucial. We have some small rural schools in New Mexico that are already doing a good job of integrating the use of technology into the way they teach their students. One example is an elementary school in Tusuque, NM, where every classroom has four computers that are both connected to each other by a local area network, and are connected to the Internet. In Cuba, NM, there is a fiber network connection to every school in the district.

But most New Mexico schools are not connected to the Internet. Most schools are not able to train their students to be computer literate today.

A 1995 Office of Technology Assessment report identified New Mexico as one of the four most deficient States as far as the availability of educational technology is concerned. My State ranked 49th in the country in the availability of connections for technology use in schools.

Our Department of Education in New Mexico has estimated the costs of investing in the simple steps that are needed to put a computer in each classroom. Their estimates give one a sense of the size of the problem that is faced in a State like mine. Their estimate is that something in the range of $53 million would be needed to put one workstation in every classroom and principal's office throughout our State. Mr. President, $87 million would be needed to include a workstation for each administrator and classroom projection system, $156 million would be needed to connect the computers and give them software and printers, as well as $22 million annually thereafter for the ongoing costs of phone lines and maintaining their connection to the Internet. Of course, even more would be required to train the teachers to use this equipment. The reality is this year our State legislature appropriated $3.5 million for equipment and professional development combined. That is a step in the right direction but it is far, far less than our schools need.

This amendment that Senator KERRY and Senator MURRAY are offering is essential if we are to install educational technology now rather than waiting until the year 2002. The Federal Government has a responsibility to ensure a basic level of equity in our schools and in our students' access to the new tools for learning. Technology can be a great equalizer. It can also be a great divider. If we allow our schools to be organized in such a way that many of our students do not have access to that technology, then we are allowing technology to divide us rather than to bring us together.

The workplace will demand some level of computer literacy from its workers. Students from poor schools and poor districts should not be put at risk because their schools could not afford to train them to use computers.

This amendment is needed to allow a modest increase in the national investment in technology. The President's Technology Literacy Program would increase the funds available to schools for educational technology very substantially this next year. Without such help, richer States will supply their students with computer access to this computer literacy, but States like mine, States like New Mexico, will not be able to do so.

Mr. President, I am persuaded that technology does hold real and realistic promise for leveling the playing field between rich and poor schools, between rich and poor States, as far as education is concerned. But to realize this promise we need to create a budget and pass a budget resolution that permits us to both maintain essential educational programs which we all support, such as Head Start and title I, and also to invest in some of these new needs such as educational technology.

This amendment is needed to make our children computer literate for the 21st century, to connect them to the information highway. I urge adoption of the Kerry-Murray amendment when it comes to a vote this next Tuesday. I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, the status of the matter is that the Lott amendment is pending?

The PRESIDING OFFICER. The Senator is correct.

Mr. SIMPSON. I ask unanimous consent that that amendment be temporarily laid aside.

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

Mr. SIMPSON. Mr. President, I want to commend the distinguished chairman of the Budget Committee, Senator PETE DOMENICI, for the outstanding work that he has done, and always does, on this budget resolution. He acts with integrity, with a rich understanding of the issues, and with extreme fairness to all of us.

I am in somewhat a rare position in this budget debate because usually around here, we find it easy to oppose the best-laid plans of mice and men, especially in this area of the budget, where one cannot get the job done without making some extremely unpopular choices. But I am proud to have been a supporter of the efforts spearheaded by the Budget Committee chairman and by our distinguished majority leader.

While also a participant in the bipartisan Chafee-Breaux budget group, with two trains leaving the station, it is my fond hope that more of our colleagues will get aboard. But I will not count on it to a great degree. I see nothing conflicting between these two efforts. In fact, we ought to make every change in Medicare originally envisioned by the

first Republican plan of last year, plus we ought to also make every additional restraint on spending, as proposed by the Chafee-Breaux group, such as making adjustments in the CPI. That amendment will come before us, and it is a fine bipartisan effort. We hear a lot about that here, but nobody ever does it.

Mark my words, this Congress will have to do all of the above before we claw our way out of this deficit mess and a debt that, even if we did it all right, at the end of 7 years would be a debt of $6.4 trillion. This is not an either/or situation.

The one singular way to err in this process is to repeat last year's exercise and experience and get nothing done in terms of restraining mandatory spending growth. We presented the President with a balanced budget reconciliation bill last year and he vetoed it. Did he veto it because there was something else waiting in the wings, something that would be enacted into law and would get the job done? No, you bet not—nothing, nothing.

A perfectly workable balanced budget reconciliation bill was vetoed, and the resulting burden will be placed on the backs of the future taxpayers. As a consequence, billions more are going sailing out the door on auto pilot. I hope we will do better this year, and one way to do it is to enact into law one of the balanced budget plans before us.

Debate time is limited on this resolution, so I will make just a few points that I believe are of importance. First, I call the attention of the Senate to an amendment that was attached in the Budget Committee by the occupant of the chair, Senator ROD GRAMS of Minnesota. It is worthy of our attention and commendation.

That amendment gives the sense of the Senate that our budget resolution should include an analysis prepared in consultation with CBO, which would show the impact on entitlement spending for the next 30 years. That is one of the most important things we will do here. This country is facing a ticking fiscal time bomb in the form of a demographic explosion coming in the early 21st century—the retirement of the baby-boom generation. The real crisis faced by this country does not occur within the budget window that we see here envisioned in this or any other budget resolution. It starts happening in a very severe sense around the year 2012, and it will mean disaster.

This is the work of the entitlements commission. We presented it to you; 30 of the 32 of us signed it. You have neglected it totally, and the President neglected it totally. But BOB KERREY and JACK DANFORTH did tremendous work. So it will mean fiscal meltdown if we do not change our course.

We have had a number of hearings on this subject, and every expert who has come before us has said we cannot wait to deal with this problem; we must address it now. Every year we wait means more severe benefit cuts in Social Security and Medicare, more drastic tax hikes in the years ahead, and payroll tax increases.

But we are not making those tough choices in this budget. The reason is that we are simply not looking far enough ahead. If this Congress would raise its sights above the short-term horizon, beyond the next 7 years, it would see a disaster looming approximately two decades away. The amendment of my friend, Senator GRAMS, is vitally important because it will force us to confront this reality.

Further, the amendment says that the President should include generational accounting information each year in his proposed budget. This is a favored cause of mine. I think this is so important. My colleagues may recall that when the President submitted his first budget after his inauguration, it had a generational accounting chapter, which contained the alarming information that future generations stood to face 82 percent lifetime tax rates if present trends are sustained. Some political advisers in the White House must have dispensed with that one when they realized what it said that first year when the President was seeking the support of the American people, because we have not seen that data in any subsequent budget.

I have asked this administration time after time, ''What happened to the generational accounting in your first budget?'' No one in the White House has ever given me an adequate explanation as to why this information should remain concealed from the American taxpayers. They have even asserted that the information now really is not all that bad, is not quite as alarming as before. But, still, they will not publish it for reasons that are vague and mysterious. Perhaps not so mysterious—it would have been difficult for the President to criticize our balanced budget plan last year if his own budget were to admit that these confiscatory tax rates awaited future generations if we did not get the job done.

This is vital information, information about one of the greatest inequities ever foisted by the U.S. Government upon a generation of Americans. And we ought to see it revealed. I commend the Senator from Minnesota for adding the language in committee, and I do hope that the administration will heed it.

Finally, I want to advise my colleagues that it is now my intention to offer a sense of the Senate, which I hope would be uncontroversial. I ask unanimous consent that the pending amendment be temporarily set aside.

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

AMENDMENT NO. 4003

(Purpose: To express the sense of the Senate that all Federal spending and revenues which are indexed for inflation should be calibrated by the most accurate inflation indices which are available to the Federal Government)

Mr. SIMPSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. SIMPSON], for himself and Mr. MOYNIHAN, proposes an amendment numbered 4003.

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

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

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . ACCURATE INDEX FOR INFLATION.

(a) FINDINGS.—The Senate finds that—

(1) a significant portion of Federal expenditures and revenues are indexed to measurements of inflation; and

(2) a variety of inflation indices exist which vary according to the accuracy with which such indices measure increases in the cost of living; and

(3) Federal government usage of inflation indices which overstate true inflation has the demonstrated effect of accelerating Federal spending, increasing the Federal budget deficit, increasing Federal borrowing, and thereby enlarging the projected burden on future American taxpayers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying this budget resolution include that all Federal spending and revenues which are indexed for inflation should be calibrated by the most accurate inflation indices which are available to the Federal government.

Mr. SIMPSON. Mr. President, please note that Senator MOYNIHAN is an original cosponsor of that amendment. It is simply a sense of the Senate that our budget choices should make use of the most accurate measures of inflation that are available to the Federal Government. Simply that, a proposition that I believe no Senator should disagree with.

I believe it will be acceptable to the managers of the budget resolution, but I think a rollcall vote may be appropriate on this at the appropriate time, simply because I believe it is so important that each Senator is on record as recognizing that we have an obligation to use the most accurate data that we have, when billions are at stake.

We know that if we overstate inflation, it means that we erroneously pay out extra billions in terms of cost-of-living allowances, COLA's, we fail to properly index our tax brackets, and the deficit is increased by billions—indeed, hundreds of billions, when counting over a decade or more—as a result. This is not a matter of dispute.

This amendment, I hasten to say, does not condemn, nor does it enforce, any particular measure of inflation for any particular purpose of the Government. Because of this, I believe it must

be approved. It is my hope that by recognizing our obligation to use the most accurate information available to the Government, the Senate can subsequently proceed to best determine how to properly meet that obligation.

I thank my colleagues and yield the floor.

Mr. DOMENICI. Mr. President, I yield myself 5 minutes, and I ask the Chair to please tell me when I have used that time. I take this time off of the bill.

Mr. President, it has been interesting to watch the discussion here on the floor this morning with reference to amendments from that side of the aisle. Normally, I would say tax, tax, tax, spend, spend, spend. But I choose to tell it like it is today. It is: Tax, ROCKEFELLER; tax, BOXER; tax, WYDEN; tax, KERRY; tax, KERRY; tax, BYRD. So it is tax, tax, tax, tax, tax, tax. Do you know how much in new taxes the Democrats have recommended yesterday and today? The total is $188 billion in additional taxes that is desired by those six amendments. For what? To spend, spend, spend, spend, spend, spend. Most of them provide for new spending—not in the budget—and for that new spending, they tax, tax, tax, tax, tax, tax—six times.

What are tax expenditures and corporate loopholes? Frankly, there are two ways to look at it. One way to think about it is they were taxes that the Government owned, and we said we are not going to collect them. That is a Democrat version of a tax expenditure. The other version is they belong to the taxpayer and not the Government.

Let me suggest that it is not easy even in our budget to find $188 billion in tax expenditures and loopholes to pay for these amendments. In fact, I do not believe that any Senator on that side would like to use some of the tax expenditures that I am going to list. They don't want to take it away from the American people. Remember? You take it away from them because you believe it is theirs or it is not the Government that should have had that tax and we did not want it, so we left it with somebody.

Let me just give you some of the very interesting ones and put some numbers up alongside them. We could eliminate, Mr. President, the deduction for property taxes permitted under the Tax Code for all of the people who deduct property taxes on property they own. Most of them own homes. That would be a tax increase of $79 billion. So we could wipe out that property tax deduction and still have to find $110 billion more to pay for the Democrat amendments. Let us go through a few more.

We could take away the one-time rollover of a gain on a personal residence for people over 55 years of age. That could be one of these. But that will not even come close to finding all the taxes the Democrats want. It is worth $27 billion, not $188 billion. Let us go to a few more.

We could take away—here is a little one. This might be one that is called a loophole. We could make it more difficult for startup businesses to get started. That is a $1 billion loophole. We could make it more expensive for communities to attract new plants and jobs to their communities. That is $3 billion.

Now, we could also take away all of the charitable deductions to colleges, Mr. President; no more charitable deductions to colleges to pay for this new list of spend, spend, spend. That would only bring in $13.5 billion.

So it seems to me that one man's loophole is another man's necessity. Is it necessary that we permit charitable deductions for colleges? I believe so. I believe it is very, very important. That is a necessity. That is for education.

So that is what I have been hearing on the floor—close the loopholes to pay for the Government's programs on education.

How would the Democrats feel about repealing the deduction for charitable contributions for education?

We could take away this deduction for property taxes—$79 billion.

Maybe one man's exclusion or one man's exemption is very important. For others it is throwaway. What would the millions of property owners think about that one? What would people with homes think of that one? Would they think that tax deduction is a necessity? I believe they would.

I want to put it in perspective with one of the largest of all tax expenditures so people can put this into perspective. Let me talk about the big one.

The home mortgage deduction is one of the largest tax loopholes that we have. Since we are using the word ''loophole,'' let us use it. I do not think it is a loophole. I think it is a necessity. By allowing a deduction for mortgage interest, the Government foregoes $330 billion in revenue collection over 6 years.

These amendments, 188 billion dollars' worth of increase in taxes over 6 years—all of these numbers I have spoken of are over 6 years—would be well over half the home mortgage deductions for Americans.

So, Mr. President, I did not answer each amendment in detail. We will take a few minutes on each of the six amendments that I have just alluded to in detail. I will answer on Monday or Tuesday the attack on education. We will have some other Senators talk about it. But I just thought, since it was interesting, that there was one trend which went through all of them, and it was, let us pay for them by raising taxes, not by restraining the spending. So, if you have a priority, maybe you can find in this huge budget something you could restrain and pay for it. That is generally what people think we are doing up here. They do not think we are restraining a program and imposing a new tax. The way to get around it is to say we are not imposing a new tax because it is a loophole.

Mr. President, later on I will discuss the education situation from the broader standpoint of how much we spend on education, how much the Federal Government spends, and how much all of the States and localities pay. So the public, if they are interested in this debate, can see in perspective what these budgets are relative to the total amount being spent on education.

I believe those who watch it later on will be absolutely amazed to have heard arguments that these changes in education are going to make us less able to compete in the world markets and that millions of our children will not get educated. When we put it in perspective—how much the States, cities, and counties pay versus the changes at the Federal level—they are all going to be able to see that it is a very, very small portion of the education dollar.

Having said that, I ask unanimous consent that Senator SIMPSON's amendment be laid aside temporarily.

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

AMENDMENT NO. 4004

(Purpose: To express the sense of the Senate on the costs of training sessions off of Federal property.)

Mr. DOMENICI. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), for Mr. COVERDELL, proposes an amendment numbered 4004.

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

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

The amendment is as follows:

At the end of title III, add the following:

SEC .SENSE OF THE SENATE ON FEDERAL RETREATS.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume that all Federal agencies will refrain from using Federal funds for expenses incurred during training sessions or retreats off of Federal property, unless Federal property is not available.

Mr. COVERDELL. Mr. President, I am pleased to offer today a sense-of-the-Senate amendment regarding Government travel. My amendment is simple—it says that it is the Senate's view that all Federal agencies should refrain from Government training sessions or retreats whenever Government property or facilities are not available.

These are times of economic stress for our Government and businesses alike, Mr. President. However, like the business community, our Government should respond to the current economic situations. If a private business ran over $100 billion budget deficits each year, it would certainly not fly its employees to Disney World or Jekyll Island, GA, as we have seen from Government agencies in recent months. However laudable the goals of these training sessions, and I note that many are,

indeed, helpful, we simply cannot afford to do it.

It is difficult to explain to Georgians that our Government must cut jobs at places like Savannah River site, where we have lost over 8,000 employees in the last 4 years, when they read of elaborate business trips abroad and conferences held at resort locations. We must all tighten our belts—the Federal Government included. This amendment is not intended to halt Government travel or interrupt necessary functions of our Government agencies. It is merely intended as a directive from the Senate as to the Government's future travel decisions in lieu of our budgetary restraints. I hope that my colleagues will concur with this commonsense approach and support this amendment.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, to accommodate the Senator from Rhode Island, I ask unanimous consent that, at the conclusion of my remarks, which will not be extensive, I be allowed to yield 5 minutes off of the time in opposition to the amendment No. 4002, the Lott amendment, to the Senator from Rhode Island, which would be only 5 minutes.

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

Mr. EXON. Mr. President, I have just listened with keen interest to my colleague from New Mexico. I simply say that the remarks that he has just made is a typical case, if I have ever heard one, of constructing an imaginary, illusionary strawman and then tearing it to pieces.

No one has advocated eliminating the mortgage interest deduction. No one that I know of has advocated elimination of the rollover or personal residence proposition that was alluded to by the Senator from New Mexico. No one has advocated eliminating charitable deductions. No, Mr. President. And I do not believe it contributes a great deal to the legitimate discussion of the budget with those kinds of gimmicks.

I simply say that what we are doing here is trying to repair serious faults in the Republican budget. We did that last year in the Republican budget. The American people said, ''You are right.'' We are doing it in this budget, and I believe that the American people will say again that the Republicans are overdoing it. There is nothing wrong with various amendments that are being offered here that have been voted or will be voted down. There is nothing wrong with using the same proposition to finance some selective improvements in the Republican budget that we maintain are particularly demoralizing for education, of which we have heard a great deal about today from various Senators—help for the needy of this country.

So for the Senator from New Mexico to come in and cite a whole list of billions of dollars, then set up a strawman to what we are trying to do and indicate that we are going to have to eliminate deductions of home mortgages, and so forth and so on, is just not accurate. I want to make sure everyone understands that is not the intended result of any of the amendments that have been offered for our side.

Mr. President, to emphasize this a little bit more, let me simply say that there is a great deal of confusion today that has us very much concerned on this side as to the traps that are being laid down the line.

It has been interesting to note that during the debate the Republicans have said time and time again that they have $122 billion in tax cuts in their budget. Yet, if one listens to the chairman of the Budget Committee on the House side, Congressman KASICH, he maintains that it is not $122 billion in tax cuts, primarily to benefit the wealthy, it is going to be $180 billion.

Now, even people who throw big numbers around understand very clearly that there is a difference between a tax cut of $122 billion—only $122 billion, I say facetiously, in the discussion that the Republicans are carrying on here on the Senate floor—there is a lot of difference between $122 and $180 billion that the Republican chairman of the Budget Committee on the House side says is included in this budget.

We are confident that there are some traps being laid. We are confident that we are going to be back eventually into a debate not unlike the one we had last year that the American people agreed with the Democrats on, and that is to balance the budget by the year 2002 but do not complicate that problem by a massive tax cut that basically is designed to benefit the wealthiest among us.

I simply say, Mr. President, on page 3 of this year's budget resolution report it states that, in addition to the child tax credit, ''The committee's recommendation would accommodate further tax reform or tax reductions to be offset by the extension of expired tax provisions or corporate and business tax reforms.''

Let me read that again. In the Republican budget, it says, and I quote, there could be ''further tax reform * * * to be offset by extension of expired tax provisions or corporate and business tax reforms.'' That ''corporate and business tax reforms'' is just another way of talking about the tax loopholes, as we call them, for businesses.

Certainly I think that changes in some of the tax loopholes are entirely in order, certainly not the ones cited in tearing down the strawman by the Senator from New Mexico. But I certainly say that I think all Americans would realize and recognize and salute us if we could do more to tear down the tax loopholes or corporate giveaways that are clearly in the Tax Code today that encourage corporations and businesses in America to locate jobs in Mexico or elsewhere and get a tax break for doing it. Those are the kinds of loopholes that we think demand closing.

The part of the Republican budget that I have just referenced goes on to say, ''Such receipts''—corporate receipts, tax loopholes, call them what you will—''Such receipts should be used to offset other tax reform proposals such as estate tax reform, economic growth, fuel excise taxes, or other policies on a deficit neutral basis.''

That is a pretty typical case where the pot appears to be calling the kettle black.

Last year's vetoed reconciliation bill, supported by virtually every Senate Republican, included approximately $26 billion in revenue increases for corporate and other reforms. President Clinton has proposed nearly $40 billion for corporate reforms in his balanced budget submission to the Congress. Although the proposals are not identical, the Republicans and the Democrats agree that significant revenue can be raised in these areas without touching all of the strawman that has been built up and torn down in what we have heard in the Chamber this afternoon.

The committee report to this budget, on pages 63–67, describes expenditures in our Tax Code that would lose hundreds of billions of dollars in revenue over a 5-year period. In that context, the Republican proposals, as well, I might add in all honesty, as those of President Clinton, are modest efforts to reduce tax loopholes to eliminate corporate welfare and to make our own tax laws more fair for all Americans.

Mr. President, our amendment ensures that these additional receipts will be used to lessen the cuts that otherwise would be viewed as fair by some and unfair by others. But in any event, to use that means rather than help pay for additional tax breaks for the wealthy, which I think we will eventually see emerge with great interest.

I now suggest that we yield to the Senator from Rhode Island under the previous unanimous-consent agreement.

The PRESIDING OFFICER (Mr. LOTT). The Senator from Rhode Island is recognized.

AMENDMENT NO. 4002

Mr. PELL. Mr. President, I oppose amendment 4002. Not only does it demand that the President do something that is not within his power, but it also encourages a course of action that would undermine United States interests with regard to Iraq.

Some time ago, the U.N. Security Council passed resolution 986 to enable the sale of Iraqi oil and to use the proceeds for specific purposes—mostly to provide humanitarian assistance to the people of Iraq. Some of the funds would also be channeled to the U.N. Special Commission on Iraq—also known as UNSCOM—which is charged with monitoring and dismantling Iraq's special weapons programs, and to the Compensation Committee—which is settling international claims against Iraq.

This resolution would urge that the President renegotiate the terms of the deal so that the proceeds would go to the United States Department of Defense in order to fund Operation Southern Watch—the no-fly zone in southern Iraq, and Operation Provide Comfort—the no-fly zone in Iraqi Kurdistan.

The President does not have the power to renegotiate the deal. Resolution 986 was passed some time ago by the Security Council and cannot be altered. The United States voted for the resolution because it was concerned about the welfare of the Iraqi people, who were suffering under Saddam Hussein's authoritarian regime. At the time the U.N. resolution passed, it was becoming increasingly clear that the anti-Iraq coalition was beginning to fracture, and some of our allies were beginning to call for the lifting of sanctions against Iraq. The Security Council resolution offered a rock-solid compromise: Iraqi oil could be sold, the proceeds used for humanitarian and security purposes, and strict monitoring procedures would be put in place such that Iraq could in no way benefit from the arrangements. If we were to reopen the compromise to discussion now, we may well be opening the door for erosion of the sanctions regime against Iraq. I doubt very much that the Senate would wish to do this.

Furthermore, if the President were to try to do what is contemplated in the amendment—and I repeat, he has no standing to do so—then we would put other important objectives toward Iraq in doubt. We would suggest that we do not support the work of UNSCOM, which has done invaluable work in seeing that Iraq will no longer be able to threaten the world with weapons of mass destruction. We would suggest that the international community—including United States businesspersons—does not have the right to be compensated for claims against Iraq. We would suggest that Kuwait—the unfortunate object of Saddam Hussein's obsessions—does not have a right to be compensated for war damage. And worst of all, we would suggest to innocent Iraqis that we oppose them as a people and do not care about their treatment by Saddam Hussein.

I well recall the many times that President Bush said during the Persian Gulf war that we have no quarrel with the Iraqi people, and called upon them to oppose Saddam Hussein. If we cavalierly suspend efforts to provide humanitarian assistance, the Iraqi people will only draw the conclusion that the United States is against them and wants to punish them for the sins of Saddam. I can think of no more effective way to bolster Saddam's standing in the eyes of the Iraqi people than to follow the course of action recommended in this amendment.

I do not quarrel with the thought that the President should seek compensation wherever possible for U.S. operations that support U.N. missions. But in the case of Provide Comfort and Southern Watch, both operations clearly serve U.S. interests. We shouldn't insist on U.N. compensation for operations that are so important to our own country—and jeopardize other humanitarian and security objectives in the process.

Mr. President, I defer to none when it comes to Iraq. I introduced the first-ever sanctions bill against Iraq in 1988, well before it was popular or politic to oppose the Saddam Hussein regime. I am certain, however, the U.N. Security Council Resolution 986 is well-crafted and, if implemented, will serve U.S. foreign policy and national security interests. We should not try to tinker with it now, particularly for reasons that are as suspect as those put forth in the amendment.

I strongly oppose this resolution, and urge my colleagues to vote against it.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Nebraska.

Mr. EXON. Mr. President, I yield myself such time as I may need off the resolution.

The PRESIDING OFFICER. The Senator is recognized.

AMENDMENT NO. 4003

Mr. EXON. Mr. President, there are two or three things I would like to, maybe, attempt to clear up. We have looked through the amendment offered by the Senator from Wyoming. It appears to me that the amendment, as we read it, from the Senator from Wyoming is, in effect, a sense-of-the-Senate resolution that urges Government to use the most accurate possible information index available, as far as CPI allowances are concerned.

We have surveyed our Members on this side, and there is generally wide agreement in this proposition, because it basically says we should do what is right and fair on this CPI matter. So if we can move things along, we are prepared, when someone is here, to agree, to offer to accept the amendment by the Senator from Wyoming.

I just make that announcement.

AMENDMENT NO. 4004

The second thing I would like to bring up a little bit now, just so we have a basic understanding on these things, is yesterday we made an agreement that all amendments had to be filed with the managers of the bill at a time certain last night. We received a unanimous consent agreement that be done. I certainly do not wish to be hard-nosed on this matter, but it appears to this side that the amendment recently sent to the desk by the Senator from Georgia was not on the list of amendments, at least not the one that we had, that was included in the unanimous consent last night.

Under that situation, it would take unanimous consent for the Senator from Georgia to have his amendment considered. I would say, in all probability we might not object to a unanimous consent request in that regard, because we do not want to just arbitrarily shut people out, because sometime tomorrow we may have a situation where some Democrat inadvertently was overlooked with regard to a slot to offer what they consider to be a very important amendment.

So I hope the majority will show us the same courtesy that we are now showing them, to recognize and realize that there may be times when it only makes good, common sense—and maybe to enhance the comity around here a little bit—we should realize and recognize that the best of man's plans sometimes go astray.

I do not oppose the amendment offered by the Senator from Georgia. I have not made a decision on how I would vote on that, but I would simply say maybe we can work out some kind of an accommodation. At the proper time, we would like an explanation of how the Senator from Georgia made and obtained the right to offer his amendment without consultation with us, because it appears, at least, to be a violation of what we agreed to. But maybe we can work something out.

So, simply saying, going back to the matter of the amendment offered by the Senator from Wyoming, we are prepared to accept that amendment if we can move things along this afternoon, which we are trying to do.

I reserve the remainder of my time.

Since I see no other Senators on the floor seeking recognition to speak at this time or to offer an amendment, I suggest the absence of a quorum and ask unanimous consent the time of the quorum call be charged equally to both sides.

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

A quorum is not present. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COVERDELL. 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. COVERDELL. Mr. President, I ask unanimous consent that we set aside the pending amendment.

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

AMENDMENTS NOS. 3992 AND 4004

Mr. COVERDELL. Mr. President, I ask that we call up amendment No. 4004, and I call for its adoption. It is my understanding that this was not on the original list. It is just an administrative error in its submission. But I understand we have reached agreement on this. This amendment will be accepted, and one of the other amendments on the other side will be accepted.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I agree with the statement made by the Senator from Georgia. We have agreed to accept his amendment, and, in turn, we have reached an agreement on the

amendment that is at the desk that was discussed earlier today by Senator MURRAY from Washington, amendment No. 3992, which I call up at this time. If we can adopt both of these amendments, which I think have been cleared on both sides, then we are one step closer to being successful in finishing this debate, hopefully, sometime by Tuesday.

So I call up the Murray amendment No. 3992.

All time has been yielded back on both sides.

The PRESIDING OFFICER. Is there objection to adoption of both amendment No. 3992 and amendment No. 4004?

Without objection, it is so ordered.

The amendments (Nos. 3992 and 4004) were agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

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

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, there are two additional amendments that I understand have been cleared. I thought they had been cleared. I have just been notified they have not necessarily been cleared.

I yield the floor and suggest the absence of a quorum, and I ask unanimous consent that the quorum call be charged equally to each side.

The PRESIDING OFFICER (Mr. COVERDELL). Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. 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. EXON. Mr. President, we have two additional amendments that have been cleared on both sides. I believe that the Senator from Washington is on his way to the floor to clear both of these. I will just simply state that the two amendments that we have agreed to clear are one offered by Senator SNOWE and Senator FEINSTEIN to Senate Concurrent Resolution 57, and the other offered by the two Senators from the State of Montana, Senator BAUCUS and Senator BURNS, to Senate Concurrent Resolution 57. Both of these have been cleared on both sides. When the Senator from Washington arrives, I believe it will be for him to ask for the unanimous consent. When that happens, we will get these passed.

Following that, I hope that, with the usual procedures of moving from one side to the other, that the Senator from North Dakota will be recognized for the purpose of making a statement and/or the possibility of offering an amendment, as soon as we have cleared these two amendments.

Mr. President, in view of the fact that we are temporarily held up on clearing these two amendments, I yield 5 minutes off the bill to the Senator from North Dakota.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. DORGAN. Mr. President, thank you very much.

I observe that I admire the work of the Senator from Nebraska, Senator EXON, on this budget legislation. I also admire the work of the Senator from New Mexico. I know they come to the floor, and it is not an easy job to try to steer these pieces of legislation through the Senate. As I indicated, even though we have some disagreements from time to time on some of these things, I equally admire their commitment and their work.

The budget that is brought to the floor of the Senate truly establishes what this country perceives to be its priorities. The one thing that is certain about all of this is 100 years from now, none of us will be here. No one. Not anyone within the sound of my voice will be here 100 years from now. If those living 100 years from now wanted to look back and understand a little bit about what we were about, what we treasured, what we valued, what we thought was important to our country, one way for them to evaluate that would be to look at the Federal budget. What choices did this group of Americans make about how to educate their children? How did we provide for their health care needs? What kind of a defense system did they need, and at what cost? How did they respond to the issues of poverty and hunger? You could look at the Federal budget and make some judgments about what priorities did this particular Senate or did this Congress think were important and were dear to it.

There are common goals, it seems to me, notwithstanding the disagreements we have heard on the floor of the Senate in recent days. The common goal is to balance the Federal budget. I know some can point across one side of the aisle or the other and say, ''You didn't care. You are spenders,'' or ''You are taxers.'' The fact is, everybody here wants to see a budget that is in some reasonable balance.

The other objective I think most of us would agree on is, we must meet the needs this country has. We must address the issue of defense, yes, education, health care, crime, and poverty. We must address those issues.

I have heard a lot of discussion in recent days about the record of the current administration, the record of Congress. I think it is important to understand that the Government is smaller now than at any time since John F. Kennedy was President.

This President, President Clinton, and Vice President GORE have developed a ''reinventing Government'' strategy that has cut 200,000 Federal workers from the work force; 200,000 people who used to work in the Federal Government do not work in the Federal Government now. It is a Government that is 200,000 people smaller than when this President took office.

It is the lowest number of employees working on the Federal payroll since John F. Kennedy was President, the lowest percent of Federal spending related to the gross domestic product since 1979. Back when President Reagan was President, we were up around 24 percent of GDP being spent by the Federal Government. It has decreased down to about 22 percent, slightly over 22 percent.

The deficit: The deficit has been cut very substantially, almost in half. The fact is, we have made some progress in some of these areas. Part of it was because of the 1993 act which we passed, which was kind of a tough thing to do, and cut spending in a significant way. It also increased some taxes. I voted for that. It was not a popular vote. I am pleased I did because it was the right thing to do. The economy has increased. We have had more economic activity. I think it was the right thing to do.

As we discuss the priorities out here and talk about what is important and what is not, one thing that is obvious to all of us—it takes no skill to tear things down. That is a job for unskilled people, to tear things down. If you are going to tear a building down, who are you going to hire? A person with skills? You do not need people with skills. You hire unskilled people to tear things down. You hire skilled workers to build things.

I am pleased to be a part of a group of people who have been builders. We said this country would benefit by a program called Head Start. It works. It invests in the lives of the young children ages 3 and 4 and 5. It invests in young children's lives who are coming from families of disadvantage and low income and have suffered some difficulty. We know that it saves an enormous amount of money, and it helps these young children.

I just use Head Start as an example, but there are others, plenty of others. We know that research at the National Institutes of Health works. What about this breathtaking miracle of giving people eyesight through removing cataracts, new knees, new hips, open-heart surgery? What about all of the research that is going on down at the National Institutes of Health that saves people's lives?

At the turn of this century, people lived to be 48 years of age. Now it is 78. Is that an accident? I do not think so. It is because some people in these Chambers decided, let us invest some money in health research through the National Institutes of Health. It has been remarkably successful.

We are talking about a whole range of issues that are very important to the future of this country: teachers, education, health care research, Head Start. I can go on—the WIC Program, investment in cops on the beat, an investment to try to deal with crime, a whole range of similar issues.

As we work our way through it, we have disagreements about what is important. Some are going to bring to the floor of the Senate in a week or so a national missile defense program, $40 to $60 billion to spend to create an astrodome over America, apparently, to protect us against incoming missiles—$40 to $60 billion. When we talk about those programs, the sky's the limit.

In fact, in this budget on defense, it is $11 billion more than the Defense Department said it wanted. It asks to build trucks that are not needed.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DORGAN. Mr. President, I ask for 1 additional minute.

Mr. EXON. I yield 1 additional minute.

Mr. DORGAN. In the military, they asked for trucks that were not needed, for planes that were not requested, for submarines that no one wanted, because they say, ''It's the defense. We'll stick $11 billion more to that even though the admirals and generals said they don't want it.''

I hope, as we sift through these priorities, that we will decide there is a difference in spending. Some spending is investment. Some spending advances this country's interests. It invests in human potential. It improves this country.

Other spending is wasteful. We should get rid of it. An agency that has 16 pages of regulations to buy cream-filled cookies—that is dumb spending. An agency that has 1.2 million bottles of nasal spray in inventory—there are not enough armies in 10 years to need 1.2 million bottles of nasal spray. We should get rid of the dumb areas of spending but invest in the things that are important for this country's future.

That is what this debate is about: education, health care, help the environment, things that make this a good place to live. I am proud to be one of the people who I think have been builders to try to advance this country's interests by investing in the right things, but by making sure that Government works, not wastes.

I will come to the floor at some greater length to talk about this issue of the Social Security trust fund, because this bill, I might say, the budget bill that balances the budget, on page 5 says in the year 2002 the budget is in fact not in balance at all, it has a $108 billion deficit. How, you ask, did that happen? A $108 billion deficit in a bill they say is balanced? Because they will take $108 billion from Social Security so they can reach zero on page 1, and on page 5 it tells what we are doing.

I fundamentally disagree with the presentation made earlier today in the Senate, and I hope we will have time in the next couple of days to have a lengthy discussion about whether we will collect the hundreds of billions of dollars in the Social Security trust fund to, in fact, save the Social Security system, or whether they will be used as offsets so someone can say they have balanced the budget when they have not. I yield the floor.

AMENDMENTS NOS. 4005 AND 4006

Mr. EXON. Mr. President, we are now prepared to move ahead. I send two amendments to the desk that I earlier talked about and said they had been cleared. The first amendment is on behalf of Senator BAUCUS and Senator BURNS of Montana. The second amendment is known as Senate Concurrent Resolution 57 and is introduced by Senator HUTCHISON, Senator SNOWE, Senator FEINSTEIN, Senator MIKULSKI, Senator DOLE, and Senator ROTH.

I send these amendments to the desk and I ask for their immediate consideration. When the Chair asks for adoption of these amendments, I ask that the motions to reconsider be laid upon the table. I send the two amendments to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON] proposes amendments, en bloc, numbered 4005 and 4006.

Mr. EXON. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

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

The amendments, en bloc, are as follows:

AMENDMENT NO. 4005

(Purpose: To express the sense of the Senate regarding the essential air service program of the Department of Transportation)

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE REGARDING THE ESSENTIAL AIR SERVICE PROGRAM OF THE DEPARTMENT OF TRANSPORTATION.

(a) FINDINGS.—The Senate finds that—

(1) the essential air service program of the Department of Transportation under subchapter II of chapter 417 of title 49, United States Code—

(A) provides essential airline access to isolated rural communities across the United States;

(B) is necessary for the economic growth and development of rural communities;

(C) connects small rural communities to the national air transportation system of the United States;

(D) is a critical component of the national transportation system of the United States; and

(E) provides air service to 108 communities in 30 States; and

(2) the National Commission to Ensure a Strong Competitive Airline Industry established under section 204 of the Airport and Airway Safety, Capacity, Noise Improvement, and Intermodal Transportation Act of 1992 recommended maintaining the essential air service program with a sufficient level of funding to continue to provide air service to small communities.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the essential air service program of the Department of Transportation under subchapter II of chapter 417 of title 49, United States Code, should receive a sufficient level of funding to continue to provide air service to small rural communities that qualify for assistance under the program.

Mr. BAUCUS. Mr. President, let me start by thanking the Senators from New Mexico and Nebraska for their assistance in moving this amendment.

The amendment I am offering today is a sense-of-the-Senate amendment regarding the Essential Air Service or EAS program. It highlights the continued importance of the EAS program and provides that sufficient funding levels be provided to eligible communities in the future.

Mr. President, rural America faces many challenges. I do not have to tell you that people in rural areas of this country are struggling. They are struggling to make ends meet. And they are struggling with their transportation system.

In recent years, funding for transportation programs that people in rural areas rely on have been dramatically cut. Amtrak service has been reduced. Rural transit programs are disappearing. Highway funds are threatened. And the Essential Air Service program is constantly under attack.

Without an adequate transportation system, economic development, and job creation in these areas cannot take place. Just as urban areas depend upon transportation programs, so do those folks who live in rural areas.

When Congress voted to deregulate the airline industry, there was clear recognition that some communities would be left without air service. The EAS program was intended to be the safety net for rural America. In order to protect those communities from losing air service altogether, carriers would receive a Federal subsidy as an incentive to continue operating in rural markets.

In Montana, we have seven communities in the EAS program—the most communities in the program outside of Alaska. It is a vital program and it is essential to many people.

The EAS program provides access. It connects the most rural areas of my State to the rest of the country. I do not know if most Members are aware of this, but Montana is as large as the area between Washington, DC and Chicago. That puts things into context. We are a big rural State.

That is why continuation of the EAS program is so important. Many people in Montana rely on the EAS program. If they need to get to Billings or elsewhere to see the doctor or a specialist, they need to know that air service is available.

And in order to attract new businesses to an area, there needs to be adequate air service. Many companies look at the transportation system available to an area before deciding to locate. Without access to air service, companies and the well-paying jobs they bring with them, will go elsewhere.

I was very disappointed that this Congress cut the EAS program by 30 percent last year. The result of these huge cuts in the EAS program has meant reduced service to our smallest communities. And the air carriers that

provide this service have had to struggle to make ends meet because of these cuts.

I fought hard against a reduction in the EAS funding. The EAS program is such a small program, yet it has been dramatically and unfairly targeted. This goes against the intent of Congress when it recognized that our smallest communities deserve continued air service. You can be assured that I will fight this year to make sure this Congress and the Appropriations Committees do not make the same mistake again. This resolution is the first step.

Again, I thank the Senators for their support.

Mr. BURNS. Mr. President, this Chamber has been treading a difficult path in the last year. We want a balanced budget in the year 2002. We want a balanced budget for the next generation.

I believe that as we set the budget for the coming years, we can find plenty of room for responsible cuts. This is also the chance to prioritize programs to get the best money can buy.

One important priority is accessible air service to all communities, rural and urban, across the country. The benefits of airline deregulation did not apply evenly to every community. In other words, fears that unconditional deregulation would compromise the quantity, affordability, and quality of air service to small, rural communities have come true.

That's the very reason that Essential Air Service was created. It was developed in response to fears that deregulation would leave holes in service throughout the country. And although EAS does not fill the holes completely, it does help connect many of our small towns.

Air service is too important to our communities and their future to ignore. In a time when communication is instant through computers, faxes, and cellular telephones, people need to move around quickly and efficiently. Community growth through economic promotion and employment opportunities is hinged on adequate and accessible air service. Air service is vital not only as a dependable mode of transportation, but as a way to pull communities together and promote economic development.

In my home State of Montana, where there are a great many miles between the dots on the map, there are few transportation alternatives. Amtrak serves the High-Line, and there is some bus service in the southern and western parts of the State, but for the most part there aren't many ways to get from here to there. Add to it the unpredictable weather and you get a mix that makes travel often difficult and occasionally impossible.

Small, rural communities across Montana and America rely on air service for transportation, economic development, delivery of merchandise and services, and medical purposes. Every year Essential Air Service comes under fire, but it is still what the name implies: Essential. It is essential to the national transportation system; it is essential to the development and growth of small communities.

AMENDMENT NO. 4006

(Purpose: To express the sense of the Senate that the Congress and the President should immediately approve legislation providing homemakers with equal retirement savings opportunity)

Insert at the appropriate place:

(a) FINDINGS.—The Senate finds that the assumptions of this budget resolution take into account that—

(1) by teaching and feeding our children and caring for our elderly, American homemakers are an important, vital part of our society;

(2) homemakers' retirement needs are the same as all Americans, and thus they need every opportunity to save and invest for retirement;

(3) because they are living on a single income, homemakers and their spouses often have less income for savings;

(4) individual retirement accounts are provided by the Congress in the Internal Revenue Code to assist Americans for retirement savings;

(5) currently, individual retirement accounts permit workers other than homemakers to make deductible contributions of $2,000 a year, but limit homemakers to deductible contributions of $250 a year; and

(6) limiting homemakers individual retirement accounts contributions to an amount less than the contributions of other workers discriminates against homemakers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the revenue level assumed in this budget resolution provides for legislation to make individual retirement accounts deductible contribution limits for homemakers equal to the individual retirement accounts deductible contribution limits for all other American workers, and that the Congress and the President should immediately approve such legislation in the appropriate reconciliation vehicle.

Mr. JEFFORDS. Mr. President, we yield back all time on our side.

Mr. EXON. Mr. President, we yield back time on our side.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments (Nos. 4005 and 4006) en bloc, are agreed to.

Mr. JEFFORDS. Mr. President I allocate myself 5 minutes on the budget.

Mr. President, as we consider the budget at this time, I think it is critically important that we remind ourselves what the very key problem to the budget at the Federal level is and what ought to and can be done to correct the problem. I think it is important that we concentrate on what the basic problem is—Federal health care costs.

I am reminded of the words of George Marshall after World War II when he was attempting to devise the Marshall plan. There were all sorts of problems that were created and discussed and kicked around. Finally, he held a meeting and said, ''Don't fight the problem; decide it.'' That is what I believe we ought to do here with respect to health care.

We have kicked around with changes to Medicaid. We have fought over Medicare costs. But the deficit continues to increase. About one-half of the deficit is related to the health care costs of the Medicare and Medicaid Programs. Thus, as we go forward, it is clear if we do not get the increasing costs of these programs down, the hope of having a rational budget in the years ahead becomes very difficult, if not impossible. If these costs continue to increase at the current levels soon it will result in about half a trillion dollars in the Federal deficit. If we could take that half a trillion and use it for other matters, whether it is education or whatever, then the cuts in discretionary spending we are dealing with now which are creating all of the consternation would be pretty much a thing of the past.

It is clear the most effective and most painless way to solve the budget problem is to solve the health care cost problem. If we analyze the problem and also look at the public's concerns and desires, it becomes clear we can solve it by both looking to conventional insurance concepts, combined with health care reform already under way in this country.

People perceive the most difficult health care threat they face is a catastrophic medical event. I have a chart here which shows that what people want the most out of health care reform is catastrophic health care coverage. I emphasize the words ''coverage.'' Catastrophic coverage is not a mandated benefit. You might remember last month I made an attempt here to raise the lifetime caps in private health plans in order to ensure that people did not find themselves forced into the unfortunate situation of having to go bankrupt in order to qualify for the Medicaid Program in order to have health care coverage. Mr. President, according to a recent survey conducted by the Aragon Consulting Group out of St. Louis, MO, 82 percent of the people fear most that some day they will end up in bankruptcy and on a Federal health care program because they do not have catastrophic health care coverage.

Let us take a look at what the present situation is, and, more important than that, see what we can do to solve the problem. Unless we get coverage to people—I point out that coverage is the important thing here. Right now we have millions of people who have no coverage at all because they work for an employer who does not provide coverage, or because individual health insurance coverage is too expensive and since they are not wealthy citizens they cannot afford health care.

On the other hand, we have millions and millions of people who have coverage but not adequate coverage. They can have interim caps and annual caps on coverage. As I talked about before, they can have the overall lifetime cap on coverage, which means after an arbitrary amount of money is paid out by

the insurance company or employer, then they have to look to their own private resources to finance their health care needs.

The best way to solve the health care cost problem is to use the basics of insurance. As I will point out later this is not something new. In the 1950's, the Eisenhower administration designed a reinsurance program that provided incentives in the market, very much like the one I will outline, to provide private health insurance to everyone.

In 1993, the Clinton administration came forward with a plan. That plan would have, in the final analysis, provided health coverage for everyone. Eventually, the Federal Government would phase ourselves out of the Medicare and Medicaid Programs and we could end up with a system that would bring the costs under control. However, that was thrown out because it was too complicated. So we moved away from that.

Around that same time, I had a plan I called MediCore which would have similarly solved the problems—I am goal oriented—and would have solved the problems by placing the States in a position where they could ensure everyone had coverage and the Federal Government would be out of it.

Now, since that time, we have moved toward incremental reform. That is fine. The Health Insurance Reform Act, that we passed unanimously, was a good first step. But this bill does not address how we expect to get our Federal health costs under control.

One of the most important issues we will be addressing this year is changes in the way we finance health care for senior citizens, persons with disabilities, the underinsured and uninsured. I wholeheartedly support reducing the deficit as well as moving the Government out of the role of running a health plan for the elderly and the disabled.

The reason the Government's health care spending is out of control is really twofold. First, is the way we have chosen to pay for purchase services. When Medicare was designed in the 1960's it was modeled after private Blue Cross fee-for-service plans. The Government paid providers directly for each procedure performed. Paying for services rendered at a distance without any effective utilization control has been a disaster. Our failed attempts to control costs by continuing to cut payments to providers is a major reason our Federal deficit is so exorbitant.

How can reducing provider payments have the effect of actually increasing our Federal deficit? The answer is the cost-shift this creates between insurance provided by the public sector with that provided by the private sector. Cost-shifting has only distorted the true costs of services and hides the inefficiencies in our overall health care delivery system.

Second, the private market's failure to provide affordable coverage on reasonable terms to the elderly, disabled, and the poor led to the political demand for the Congress to create Medicare and Medicaid.

The major design flaw of these entitlement programs was segregating the highest insurance risks into Government run plans.

This segmentation has not provided any incentives for the private sector to find innovative ways to manage the highest cost cases in our health care delivery system. As a matter of fact, this segmentation is how people are shifted from private health plans to Government run health plans.

The key to getting health care costs under control and to reduce our deficit is to utilize the most basic insurance principle of spreading risk of aberrational cases over a large number of people.

This cost-shift from private insurance plans to the public insurance plans was the main argument I made during the debate we had on this floor last month when we unanimously passed the Health Insurance Reform Act. You might remember an amendment I brought to the floor regarding lifetime caps in private insurance plans. The cold dollar facts proved over and over again were that by removing these caps we would save billions of dollars in our entitlement programs.

The accounting firm of Price Waterhouse estimated the savings to Medicaid would be $7 billion over 7 years. The National Taxpayers Union estimated that the Federal Government would save $3 billion and the State and local government would save $2 billion over 5 years. In addition, CBO scored the increase cost to businesses already providing coverage to their employees at 0.16 percent. Again the reason this cost to business is small is because we are spreading high-cost cases over about 165 million privately insured individuals.

By the way, since the FEHB plans already have no lifetime caps there is no additional cost to the Federal Government as employer. This small change in lifting coverage limits would provide the American public with the same peace of mind we, U.S. Senators, have in the event a catastrophic illness or injury hits one of our family members.

Central to any restructuring of the health insurance system is the understanding that what changes are made in the Government programs affect the private sector and visversa. The key is to find a mechanism that can act as a bridge between the public and private sectors.

The solution that I have developed is a Federal Health Care Reinsurance Corporation. The mission of this agency is to provide for a true public private partnership in providing affordable private health insurance to all Americans The operating functions of the Corporation will be contracted out to the private market, therefore the principle function of the Corporation will be policymaking.

The Reinsurance Corporation provides the market incentives for plans to compete and manage the care of people who have, in the past, been ''dumped'' into the public entitlement programs because of high cost medical conditions. All health plans will participate in the financing of high-cost cases and, therefore, all health plans may draw on the fund for assistance in covering expenses for qualifying high-cost individuals.

Payments would be made to health plans on behalf of an individual who becomes a high-cost case because of a particular medical condition. It is not a ''special'' health insurance for pool for individuals with high medical expenses.

The Reinsurance Corporation would make it possible for private sector health plans to compete for the chronically ill and disabled population since plans would be protected against large aberrational costs associated with insuring these individuals. In order to make it feasible for private health plans to accept all comers it will be necessary to decouple the reinsurance payment from the level of risk that the health plans has accepted.

Once the fund is operational, it would no longer be necessary for a health plan to exclude a high-cost person: The correct market response would be to apply to the fund for a payment on the person's behalf. Since the payment would follow the consumer, the consumer is always free to change plans if he or she is not satisfied with the quality of service in any particular health plan.

As we tackle one of the biggest problems for the Federal Government, our deficit, we must keep in mind a goal we all agreed to a couple of years ago—the goal of moving toward universal coverage for all Americans.

We must keep in mind that any changes we make to the public programs of Medicare and Medicaid must not add to the rolls of the uninsured, especially if it is due to unintended consequences of our changes to these programs. More uninsured Americans will only increase total costs to the health care system.

We must develop a mechanism that provides the private health insurance market the incentive to cover higher cost individuals at reasonable prices rather than continue to allow the private sector to shift high-cost individuals into our public programs.

Prior to the enactment of Medicare and Medicaid, the Eisenhower administration proposed to deal with the private sector's risk averse behavior in health insurance by creating a Government-sponsored reinsurance program. The idea was to create a Government program that would demonstrate to the private sector that private insurance of higher risk clientele was feasible.

If designed correctly, the Federal Health Reinsurance Corporation might be able to accomplish what President Eisenhower suggested over 40 years ago, have a well-functioning private

sector health insurance system that competes for all members of society simply on quality and price.

Mr. PELL. Mr. President, now is not the time to make the largest cuts in education in U.S. history. There is simply no growth in this budget for our Nation's many important education programs. To my mind, if we jeopardize the education of our Nation's children we are jeopardizing the economic well-being of our country. A commitment to education is a strong Federal investment that will ensure that America's children and families are prepared to meet the challenges of the 21st century.

Programs like Safe and Drug Free Schools, Head Start, Goals 2000, and title I are oftentimes the only hope for so many of the children growing up in disadvantaged communities. At this time, when student enrollments are at an alltime high, and expected to be at their highest level since 1971, we should be increasing the support that we send to States so that they may further their own initiatives in key areas of education. By making such drastic cuts in funding to these invaluable elementary and secondary education programs, the future of millions of children will be threatened.

Over the last 30 years, the dream of a college education has been brought within reach of almost every American. As the population of traditional college age students will rise by 12 percent over the next decade, we as a nation must help keep the doors open to college and other postsecondary education opportunities. This budget would turn our backs on the college-bound students of America. By cutting $6.2 billion over the next 6 years, 1.3 million students will lose Pell grants, while 800,000 students would lose work-study opportunities by the year 2002. In the span of a little more than a decade, we have gone from a situation where grants were 75 percent of a student's aid package and loan's only 25 percent to one where loans make up 75 percent of the package and grants only 25 percent. To my mind, this is not the direction which we should be moving. Now is the time to continue to assist college students in their quest for a brighter future.

I am gravely concerned about the direction this budget resolution would takes us. I firmly believe that the drastic education cuts proposed would not guarantee that we as a nation are prepared to meet the challenges of the next century. Our commitment to education cannot stop here, therefore, I ask my colleague to carefully look at the implications of this budget resolution.

Mr. ROTH. Mr. President, today the Senate continues debate on the fiscal year 1997 budget resolution. This budget resolution would balance the Federal budget by 2002 using realistic economic assumptions.

Let me be clear, however, that it would have been my preference if the budget resolution had retained the flexibility in the first reconciliation bill to allow the Finance Committee to develop a tax relief bill for working families. However, I was assured by the chairman of the Budget Committee that the conference report on the budget resolution will resolve the differences between the reconciliation instructions to the Ways and Means Committee and the Senate Finance Committee. I, therefore, urge the Senate conferees to ensure that the conference report contain the option for some tax relief in the first reconciliation bill.

Our Nation's working families are in need of tax relief so that they may more easily provide for their children. I believe it is our duty to respond to their need and give them a tax cut coupled with our efforts to balance the Federal budget.

Let me just say a few words about the first reconciliation bill that will be moving through the Finance Committee next month. It is my intention to mark up the welfare and Medicaid reform proposals as outlined by our Nation's Governors.

This package will meet the savings goals outlined in the budget resolution with $72 billion in savings in the Medicaid area, and $53 billion in the welfare reform package. The Governors' bipartisan plan provides States with flexibility and incentives for moving ahead with fundamental reforms in both of these programs. I remain hopeful that their resounding support and unanimous vote in favor of these reforms will help move this necessary legislation through the Senate in a timely fashion, and that President Clinton will sign this bill—having already vetoed two welfare reform bills.

Mr. President, today's budget resolution clearly demonstrates that the debate over Medicaid and welfare is not about spending levels, but instead about who will control the funds? Washington, or the States? This Senator agrees with the Governors. Give the flexibility to the States.

Mr. President, last year Republicans proposed to preserve, protect and strengthen the Medicare Program. We worked hard to put together a balanced proposal that did not cut Medicare but slowed the rate the cost of the program was expected to grow. The budget resolution before us would also provide continued increased growth in Medicare spending.

This 1997 budget resolution increases annual per beneficiary Medicare spending from the current average spending of $5,300 in 1996 to $7,000 in 2002. This translates to 43 percent of the total program spending growth from 1996 to 2002.

Mr. President, the time has come to put an end to out of control Federal spending that has taken money from the private sector—the very sector that creates jobs and economic opportunity for all Americans.

The American people are crying out for a smaller, more efficient government. They are concerned about the trends that for too long have put the interests of big government before the interest of our job-creating private sector. They are irritated by the double standard that exists between how our families are required to balance their checkbooks and how government is allowed to continue spending despite its deficit accounts.

I believe the outcome of spending restraint for our Nation is one of the most important steps we can take to ensure the economic opportunities for prosperity for our children and for our children's children.

As a nation—and as individuals—we are morally bound to pass opportunity and security to the next generation.

The Federal bureaucracy must be reformed to meet the needs of all taxpayers for the 21st century. I am convinced that it is through a smaller, smarter government we will be able to serve Americans into the next century.

The President's recent budget proposals for next year offer clear evidence of the lack of political will to make the hard choices when it comes to cutting Government spending. His budget does not take seriously the need for spending restraint. In fact, the only path that the President proposes is one that leads to higher Government spending, higher taxes, and ever-increasing burdens for our children.

Deficit spending cannot continue. We can no longer allow waste, inefficiency, and overbearing government to consume the potential of America's future. I am committed to spending restraint as we move to balance the budget.

Mr. President, the Republican-led Congress has acted to restrain Federal spending many times over the past year and a half. After the President vetoed the balanced budget last fall, we moved ahead with other legislation that would help cut Federal spending. In fact, earlier this year, the Republican-led Congress passed the line-item-veto legislation, a tool that will to help trim Federal spending. We all know that we need every possible tool to help reduce Federal spending.

Mr. President, I thank my colleagues for their attention, and I urge that they join me in supporting the budget resolution later this week.

STUDENT LOAN BUDGET SCORING

Mr. DOMENICI. I would like to call attention to an issue that the Senator from Illinois brought up at markup of the budget resolution last week. He was concerned that a provision included in the fiscal year 1996 resolution tilted the budget scoring of student loans in favor of the government-guarantee program. Our intent was to conform the treatment of administrative expenses of direct student loans to that of guaranteed student loans and I have been assured by the Congressional Budget Office [CBO] that they understood and implemented that intent. The Department of Education has interpreted the language differently than

CBO and therefore I can understand how this might lead some observers to question the actual effect of the change. Therefore, in response to a request from the Senator from Illinois, I directed my staff to look more closely at the issue to make sure that the language in the budget resolution fulfills our intent.

This is not the first time this concern has been raised by the Senator from Illinois. During debate on the budget resolution last year he offered an amendment to strike the language. The amendment failed. Following that discussion, I directed my staff on the Budget Committee to draft a letter to CBO in order to ensure that our budget resolution language did not bias scoring of administrative expenses in favor of guaranteed student loans. Their response was placed in the RECORD during debate on the budget reconciliation bill and I again ask unanimous consent that it be printed in the RECORD.

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 26, 1995.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: In your letter of September 5, 1995, you asked the Congressional Budget Office (CBO) to respond to several questions regarding the Credit Reform Act and section 207 of the 1996 budget resolution related to the treatment of administrative expenses in the student loan programs. Attached are CBO's responses to your questions.

If you wish further details, we will be pleased to provide them. The CBO staff contact is Deborah Kalcevic, who can be reached at 226–2820.

Sincerely,

JUNE E. O'NEILL.

Attachment.

RESPONSES TO QUESTIONS FROM CHAIRMAN DOMENICI

The Credit Reform Act of 1990 provided that the federal budget would record the cost of direct loans and guaranteed loans on a subsidy basis rather than a cash basis. The act defined the subsidy cost of a loan to equal the present discounted value of all loan disbursements, repayments, default costs, interest subsidies, and other payments associated with the loan, excluding federal administrative costs. Federal administrative costs of loan programs continued to be accorded a cash-accounting treatment. Estimates of proposals affecting student loans made from 1992 through early 1995 used the accounting rules established in the Credit Reform Act.

The budget resolution for fiscal year 1996, adopted in June 1995, specified that the direct administrative costs of direct student loans should be included in the subsidy estimates of that program for purposes of Congressional scorekeeping. Since June, for estimating legislation under the 1996 budget resolution, the Congressional Budget Office (CBO) has used this alternative definition of subsidy costs. In addition, changes in economic and technical estimating assumptions complicate the comparison of estimates made at different times. The following questions and answers explore the implications of the change in accounting for direct student loans.

Question 1. The President proposed, and signed into law in 1993, the Federal Direct Student Loan Program to replace the guaranteed lending program. What was the time frame adopted for the phase-in of that program when it was initially enacted and what savings estimated was provided by CBO?

Answer. The President's fiscal 1994 budget proposed expanding the direct student loan program from a pilot program (which was about 4 percent of loan volume) to a program that would provide 100 percent of all student loans by the 1997–1998 academic year. As part of the request, the President proposed to lower interest rates to borrowers as of July 1997, substantially increase the annual capped entitlement levels for direct loan administrative costs, and subsidize schools for loan origination. The budget proposed no changes in the guaranteed loan program except to phase it out. CBO estimated that the proposal would save $4.3 billion over the 1994–1998 period. These estimates were completed using the CBO February 1993 baseline economic and technical assumptions. The President's proposal became the policy assumed in that year's budget resolution.

The legislation passed by the Congress differed significantly from the policies assumed in the budget resolution. The bill met the requirement to save $4.3 billion by limiting the volume in the direct lending program to 60 percent of the total and substantially cutting subsidies in the guaranteed loan program. Specifically, direct loans were to represent 5 percent of total volume for academic year 1994–1995, 40 percent for 1995–1996, 50 percent for 1996–1997 and 1997–1998, and 60 percent for 1998–1999. The legislation also provided that the ceiling could be exceeded if demand required it.

Question 2. In his FY 96 budget, the President proposed an acceleration of that plan so that all student loans would be provided directly from the government no later than July 1, 1997. What ''additional'' savings did CBO estimate for the accelerated phase-in under the Credit Reform Act?

Answer. The President's fiscal year 1996 budget request included a proposal to expand the direct student loan program to cover 100 percent of loan volume by July 1997. This proposed change was estimated to save $4.1 billion from the CBO baseline over the 1996–2002 period. That baseline incorporated CBO's February 1995 economic and technical assumptions and the direct loan phase-in schedule provided under current law. This baseline reflected the rules that are currently in law for estimating the cost of credit programs.

The 1996 budget resolution specified that the direct administrative costs of direct student loans should be included in the subsidy estimates for that program for purposes of Congressional scorekeeping. This change conformed the treatment of the administrative costs of direct student loans with that for guaranteed student loans. For purposes of Congressional budget scorekeeping, the change overrides the Credit Reform Act, which requires that the federal administrative costs for direct loan programs be accorded a cash-accounting treatment.

For estimating legislation under the 1996 budget resolution, CBO modified its baseline for direct student loans to include in the subsidy calculations the present value of direct federal administrative costs, including the loans' servicing costs. The change means that direct loans issued in a given year have their administrative costs calculated over the life of the loan portfolio, with adjustments for the time value of the funds. Therefore, the subsidy costs of any year's direct loans will include the discounted future administrative costs of servicing loans which may be in repayment (or collection) for as long as 25 to 30 years. The inclusion of these administrative costs in the subsidy calculations for direct loans increases the subsidy rates for these loans by about 7 percentage points. Consequently, the resolution baseline for student loans is higher than the current CBO baseline. Under the assumptions of the budget resolution baseline, the President's 100 percent direct lending proposal would save $115 million over the 1996–2002 period.

Question 3. What would be the long term costs, under scoring rules in effect prior to the 1995 budget resolution, for the above proposal? How would those savings be affected over the life of the loan? How would those costs be compared with the same volume of loans made under the guaranteed program?

Answer. The response to the first part of this question is addressed in the previous answer. Compared to the CBO baseline, the President's 1996 budget proposal was estimated to save $4.1 billion over the next seven years. In order to provide an estimate of a proposal to return to 100 percent guaranteed lending by July 1997 under either the CBO or the resolution baseline, we would need more detail than has been provided on how the program would be restructured.

Question 4. Did the credit reform amendment adopted as part of the budget resolution direct the Congressional Budget Office to exclude any costs for guaranteed loans?

Answer. This year's budget resolution addressed only the budgetary treatment of the administrative costs of direct student loans. By defining the direct administrative costs of direct loans and requiring these costs be calculated over the life of the loan portfolio, the resolution allowed for the costs of direct and guaranteed loans to be evaluated on a similar basis. Thus, all of the program costs for both programs are included in the resolution baseline and are accounted for in the same way, whether they are calculated on the basis of subsidy or cash-based accounting.

Question 5. Are there any expenses of direct or guaranteed loans that are currently excluded from the government subsidy costs that would be more appropriately be included in that subsidy? If so, what are they and why have they been excluded from the subsidy cost? For example, some have argued that the credit reform amendment did not include the administrative cost allowance which is paid to guarantee agencies.

Answer. Indirect administrative costs—those not directly tied to loan servicing and collection—are included in the budget on a cash basis for both programs. Some have asked whether these costs would be more appropriately included in the loan subsidy calculations. Although it might be appropriate to include some or all of these costs in the subsidy calculation, as a practical matter it is not straightforward to determine which costs to account for in this manner. For the most part the costs of government oversight, regulation writing, Pell grant certification, and other similar expenditures are personnel costs of the Department of Education or contracted services. In addition, many of the costs, such as program oversight, are not tied to a single loan portfolio but affect many portfolios and both programs. Allocating these costs to specific portfolios and programs for specific fiscal years would be difficult.

The Omnibus Budget Reconciliation Act of 1993 (OBRA–93) eliminated administrative cost allowance (ACA) payments to guaranty agencies. Until that time, the volume-based payments were always included in the subsidy costs of guaranteed student loans. However, OBRA–93 gave the Secretary of Education authority to make such payments out of the $2.5 billion capped entitlement fund for the direct loan program. Any expenditures from this fund would be accounted for

on a cash basis. If the Secretary chose not to allocate any funds for this purpose, then there would be no payments to guaranty agencies.

As part of its current services budget estimates, the Department of Education announced plans to use funds available under the capped entitlement to pay administrative cost allowances to guaranty agencies at one percent of new loan volume for the next five years. Both the CBO baseline and the budget resolution baseline include these planned administrative expenses on a cash basis under the capped entitlement account at the Department's current services levels.

It makes little budgetary difference whether these payments are computed on a cash or subsidy basis. Because the payments are made at the time of loan disbursement, their estimated costs on a cash basis or subsidy basis would be essentially the same. As a result, over the 1996–2002 period the cost of the student loan programs and the budget totals would be changed only marginally by accounting for these payments on a subsidy basis.

Question 6. What possible mechanisms exist to reclassify these costs as part of the Federal subsidy, to be scored on a present value basis?

Answer. The guaranty agency cost allowance could again be made an automatic government payment under the guaranteed student loan law. Including the current cash-based indirect administrative expenses for both the direct and guaranteed loans in the subsidy estimates would require amending the Credit Reform Act, but it would be difficult to estimate a wide range of Federal personnel-related expenses over a 25- to 30-year period. Determining whether some types of expenditures that are now accounted for on a cash basis should be included in the subsidy calculation would require a more thorough review of the current expenditures of the Department of Education than has been conducted to date.

Question 7. Does the credit reform rule adopted as part of the budget resolution provide the proper framework to fairly assess all direct Federal expenses of guaranteed and direct loans?

Answer. In general, the Credit Reform Act amendment allows direct comparisons between the costs of the guaranteed and direct loan programs.

Question 8. Some have claimed that savings associated with the Goodling proposal to repeal direct lending were a result of excluding administrative costs of guaranteed loans. What is the primary reason for the $1.5 billion in savings associated with the Goodling proposal under the new scoring rule?

Answer. On July 26, 1995, CBO prepared an estimate of the original Goodling proposal. The proposal had three components: (1) eliminate the authority for new direct student and parent loans effective in academic year 1996–1997; (2) change the annual and cumulative budget authority levels under Section 458 to reflect the elimination of indirect administrative cost anticipated for new direct loans and the termination of payments of Section 458 funds to guarantee agencies and limit the funds to $24 million annually; and (3) reestablish an administrative cost allowance (ACA) for guarantee agencies at 0.85 percent of new loan volume or 0.08 percent of outstanding volume, with an annual limitation on ACA subsidies of $200 million. Assuming an enactment date of October 1995, the proposals would reduce outlays for student loans by $227 million for fiscal year 1996 and by $1.5 billion over the 1996–2002 period.

Relative to the budget resolution baseline, shifting loan volume to guaranteed loans would save $855 million over the 1996–2002 period. Administrative expenditures would be reduced by $1.97 billion over the next seven years by lowering the cap. Of this amount, $824 million reflects the elimination of the discretionary guaranty agency payments, and the remainder reflects the elimination of the indirect costs for the phased-out direct loan program. Reestablishing the ACA for a 100 percent guaranteed loan program would cost $1.3 billion over seven years.

Although the Goodling proposal would have eliminated most of the funds to oversee the phased-out direct loan program by reducing the capped entitlement level for these funds, it did not address the level of appropriated funds that would be necessary to oversee the larger guaranteed loan program.

Question 9. Did the Goodling proposal to eliminate the direct loan program and make changes to the guaranteed program you were asked to score, address all Federal administrative costs of direct and guaranteed loans? When you applied the new scoring rule, were you able to properly categorize those expenses to provide a completely fair calculation of the cost differential?

Answer. All of the cost analyses of the Goodling proposal for both the direct and guaranteed loan programs were completed using the same budgetary treatment for both programs. The Goodling proposal, however, did not address the level of discretionary appropriations necessary to oversee the larger guaranteed loan program.

Mr. DOMENICI. Mr. President, the response from CBO confirmed, in my mind, that our intent to conform the direct loan scoring of administrative expenses to the guaranteed loan scoring of administrative expenses was fulfilled. In addition, the CBO letter noted that we made no changes to the method by which guaranteed loans are scored. This too was our intent.

Mr. SIMON. I appreciate the Chairman's willingness to look more closely at this issue. I understand and respect his intent in supporting last year's budget scoring change. I moved to strike that language, during debate on the budget resolution last year, both because I questioned the change, and because other budget scoring issues were not addressed at the same time. My concern then, and now, is that the scoring change may have gone overboard, either in how it was written or how it has been implemented.

The Chairman has moved swiftly in responding to my request at mark-up last week, and already a meeting has occurred among staff from the Committee, CBO, the Office of Management and Budget, and the Education Department. I ask my colleague what his sense of that meeting is, and where we go from here.

Mr. DOMENICI. The meeting certainly confirmed that there have been conflicting interpretations of the language that was included in the fiscal year 1996 budget resolution. CBO insists that it has only added costs to the subsidy estimates of direct lending that were already implicitly or explicitly included on a net present value basis for the guarantee program. This was our intent. But according to the manner in which the Education Department has interpreted the language, they insist that CBO has added costs that are analogous to costs in the guarantee program which are not being included in the subsidy estimates of the guaranteed program. I hope that the Department of Education will share their specific concerns with CBO and that CBO will share the necessary information with the Department of Education so as to put their concerns to rest.

Mr. SIMON. I agree with my colleague. CBO and the Education Department need to share data on this issue in order to answer this question. The meeting on Tuesday was a very good first step.

Mr. DOMENICI. With regard to the intent of last year's scoring change, I wonder if my colleague would agree that prior to that change, there was a discrepancy in the Credit Reform Act with respect to how administrative costs are counted, which tends to make direct loans appear less costly?

Mr. SIMON. I would respond that there are a number of imperfections in the budget scoring of student loans, and that the chairman's point about administrative costs is one of them. But on the whole, I believe the imperfections create a bias in favor of the government-guarantee program. That is why I objected last year to addressing only the issue of administrative costs, without considering other issues. I explained some of these issues in a letter to the chairman last week, and I ask unanimous consent that it be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, May 6, 1996.

Hon. PETE DOMENICI,
Chairman, Senate Budget Committee, 621 Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: As a member of the Committee, I am writing to ask that in the fiscal year 1997 budget resolution, you delete the provision that was added to last year's resolution relating to the scoring of student loans. I explain below—with an example from your home state—why this narrow ''fix'' is not appropriate. If you allow the one-sided scoring to stand, I would urge you to at least apply the language to FFEL as well as the direct loan program.

It is not appropriate to bend scorekeeping rules just to accomplish a narrow policy objective. If scoring practices are changed, all appropriate issues should be addressed, and the corrections should be both balanced and comprehensive. This is particularly important with loan programs, where interest rate projections, the choice of discount rates, varying tax benefits, and default expectations all play an important role. As Lawrence Lindsey, a Republican member of the Federal Reserve Board, pointed out last year in a letter to Sen. Abraham:

''Making the [scoring] change the industry proposes without looking at other changes which might be necessary is problematic. For example, the use of the ten year treasury rate for estimating purposes when program costs are based on short term rates creates obvious inconsistencies. Further, the $2.3 billion in revenue loss that occurs through the use of tax exempt student loan bonds is not taken into account in estimating program costs.''

As Governor Lindsey pointed out, there are numerous problems with the way that student loan costs are scored by CBO (and in many cases by OMB). Let me discuss a few of them.

1. Current scorekeeping practices do not consider default problems that plague FFEL but are absent from direct loan program.

Three design flaws in FFEL contribute to default costs paid by taxpayers. The direct loan program does not have these flaws. However, CBO and OMB still assume that defaults in the two programs will be identical. This makes no sense.

First, GAO has pointed out that perverse financial incentives contribute to defaults in FFEL. The auditors have pointed out that ''guaranty agencies have more financial incentive to expend resources collecting on defaulted loans than working with borrowers to prevent defaults because they can earn additional revenue from default collections.'' On the other hand, because direct lending uses private sector contractors to collect on loans, competitive pressures keep them focused on the task of collecting payments. Since defaulted loans are moved to other servicers or collection procedures, direct loan contractors have no incentive to allow defaults.

Second, the enormous complexity of the guarantee system causes borrower confusion and, according to the most recent IG/GAO financial audit (February 1996), ''hampers the Department's ability to obtain reliable student loan data.'' This audit declares that ''[o]ne of the most significant problems is that the Department's student loan information system contains data that is not timely or accurate, thereby limiting its use for compliance and evaluation purposes.'' The number of lawsuits challenging default rate determinations is testament to this problem.

Third, and perhaps most dangerous, are the conflicts of interest that plague FFEL. Both the U.S. General Accounting Office and the Inspector General have pointed out how guaranty agencies risk taxpayer funds when they, or their officials, also have financial ties to lenders, secondary markets, or loan servicers. Indeed, the collapse of HEAF, which cost taxpayers an estimated $280 million according to GAO, was related to a conflict-of-interest problem. In its March 1993, report, the IG described an ''egregious'' example in which one agency, accused of not following due diligence requirements, asked the Department of Education to waive a $1 million fine ''because it would ruin its affiliated secondary market.'' The report points out that:

''The guaranty agency's appeal was clearly designed to protect the financial condition of its affiliated secondary market. It also demonstrates how the financial health of an affiliate may influence the decision-making of the guaranty agency.

''The conflict was even more apparent in June 1990, when the same guaranty agency completed a lender review of its affiliated secondary market and reported numerous areas of noncompliance, including due diligence violations. However, the guaranty agency neither required the appropriate repayments resulting from the violations nor took action to ensure future corrective action. The guaranty agency's actions were even more egregious because it had contracted with the secondary market to review the secondary market's own claims and determine whether the guaranty agency should pay them.

''About eight months later, in February 1991, OSFA [ED's Office of Student Financial Assistance] conducted a review of the same secondary market. OSFA found that the guaranty agency's prior review had not been appropriately resolved, and compelled the secondary market to formally address the findings. Only after OSFA's intervention did the guaranty agency assess liability of over $1.1 million against its affiliate. In our opinion, the guaranty agency's reluctance to enforce the Federal regulations clearly demonstrates that the interests of the taxpayers and those of its affiliate were in direct conflict.''

In the report, the IG did not identify the agencies by name. But you will be interested in knowing that the above example was the New Mexico agency, according to IG staff. These types of costly conflicts of interest do not exist in the direct loan program, according to testimony by the acting IG before the Senate Labor and Human Resources Committee on March 30, 1995.

Despite all of the design flaws of FFEL that contribute to defaults, and the simplicity and appropriate competitive pressures in the direct loan program, CBO and OMB still assume that defaults will be the same in both programs. Given the evidence, this practice clearly should be reviewed.

2. Budget scoring does not consider significant tax losses attributable to FFEL.

Your staff's analysis of President Clinton's 1997 budget criticizes OMB's scoring of direct versus guaranteed loans, and declares that FFEL and direct loan ''program costs are virtually identical. . .[but] capital for guaranteed loans comes from private sector lenders.'' This latter statement ignores the fact that (1) the capital is essentially co-signed by federal taxpayers, (2) the largest student loan secondary market, Sallie Mae, is a government-sponsored enterprise, and (3) most of the other secondary markets are state government and non-profit entities that are financed using state-sanctioned bonds that are exempt from federal income taxes.

The tax losses from these bonds—estimatedby the Joint Tax Committee at $2.3 billion over five years—are not included in the budget analysis of direct versus guaranteed loans.

These government and ''non-profit'' secondary markets and loan servicing entities also reduce federal income by not paying income taxes on activities that would otherwise be subject to corporate income taxes. Thousands of state government and ''non-profit'' employees work for banks and secondary markets collecting payments on loans. The ''profits'' from these activities are not taxed, giving these agencies an unfair advantage over risk-taking entrepreneurs and robbing the federal government of revenue. In the direct loan program, these activities are undertaken by private sector, tax-paying contractors. Again, the budget analysis ignores these millions of dollars of tax losses.

3. Budget scorekeeping conventions protect banks from interest variations and artificially reduce costs in FFEL, while inflating direct loan costs.

Through their entitlement to a ''special allowance payment,'' lenders are protected by the federal government from short-term interest fluctuations. Banks and secondary markets, therefore, can and do fund their student loans through low-interest, short-term securities. In this situation, the standard accounting practice would be to assume that the government's cost of funds is also based on short-term securities. Indeed, that is the deal that Sallie Mae got when the United States lent hundreds of millions of dollars to the company; even though they were 15-year loans, the interest rate was pegged to three-month Treasury bills (and was reset weekly). However, CBO and OMB assume that the government's cost of funds is a higher, long-term rate. This practice unfairly disadvantages the direct loan program compared to FFEL.

4. Excess payments to banks should be counted. With its forty-odd guaranty agencies and thousands of banks, the criss-crossing invoices and subsidies make the guarantee program nearly impossible to audit. GAO has found that some banks benefit from this complexity by failing to pass along student origination fees that are due the government. These types of costs should be included in the cost calculation for FFEL. Unfortunately, the guaranty agencies have prevented a real analysis of the costs of the guarantee program by refusing to provide the Department with data for a random sample of borrower records. This type of insubordination should not be tolerated.

These and other important budget scoring issues cannot be addressed by adding a few words to the budget resolution. That is why I am asking that you delete last year's change. If you will not delete it, then I urge you to at least fix it so that it is not one-sided. (This can be accomplished by simply applying the ''direct expenses'' portion of section 207 of the FY96 budget resolution to guaranteed loans made under FFEL).

Thank you for your attention to the matter. If you need any clarification of the issues that I have raised, please contact me or Bob Shireman on my staff.

Cordially,

PAUL SIMON,
U.S. Senator.

Mr. SIMON. I wonder whether the Senator from New Mexico has had an opportunity to review the letter?

Mr. DOMENICI. I have had the opportunity to look at the details in the letter, and I would agree with my friend from Illinois that the concerns he raises go beyond the scope of what I intended to be addressed by the budget resolution language last year, namely, the conforming the treatment of administrative expenses of direct student loans to that of guaranteed student loans.

I wonder if my colleague would agree that, notwithstanding the problems he has discussed, the Credit Reform Act improved the way that Congress looks at government loan programs?

Mr. SIMON. I would agree. We are engaged here in fine-tuning an important budget reform, not criticizing it. I thank my colleague for providing that perspective, and for his willingness to look at these issues.

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

Mr. BENNETT. Mr. President, I ask the distinguished Chairman, Mr. DOMINICI, to clarify an item in the budget resolution regarding the Natural Resources and Environment budget outline.

The third point under discretionary assumptions states that the chairman's mark assumes the elimination of the discretionary funding of the Colorado Salinity Control Program and not the termination of the program.

The Colorado River Basin Salinity Control Program is a very important water quality program for the seven basin States, including my own State of Utah and the chairman's great State of New Mexico. Elements of the program are found in the U.S. Department of Agriculture, and the U.S. Department of the Interior, Bureau of Reclamation, and Bureau of Land Management.

Am I to understand that the word ''elimination'' refers only to the discretionary funding, since the program is now funded on the mandatory side of the budget?

Mr. DOMENICI. the Senator is correct. Under the new farm bill legislation signed into law earlier this year, the U.S. Department of Agriculture's Colorado Salinity Control Program was folded into the new EQIP program which is a mandatory program. The 1996 farm bill authorizes the Secretary to use funds of the Commodity Credit Corporation to carry out the Colorado River Salinity Control Program.

It is not the intention of the Budget Committee to eliminate the Colorado Salinity Control Program elements conducted by the U.S. Department of the Interior nor the newly authorized authority found in the farm bill and in the Colorado River Basin Salinity Control Act. The mark is intended to state a Budget Committee assumption that there will not be discretionary funding as provided for prior to the passage of the 1996 farm bill.

Mr. BENNETT. I thank the chairman for helping to clarify this item.

Mr. THURMOND. Mr. President, I rise in support of the concurrent resolution on the budget for fiscal year 1997, the Republican budget. In this proposal, the Senate has before it a blueprint for balancing the budget and reducing the National debt. Mr. President, a budget is more than a set of numbers. It is an outline of priorities and policy decisions. What a refreshing contrast this budget resolution is to the budgets submitted by the President. It illustrates the difference in philosophy between those who wish to put Government first and those of us who believe in ''We the People.''

In his last State of the Union address, President Clinton declared the era of big government is over. While this was appealing political rhetoric, his budget actions do not support his words. The Clinton budgets implemented the largest tax increase in history, imposed the highest Federal tax burden ever, continued deficit spending, added to the national debt, substantially increased nondefense Government spending, and dangerously reduced funding for our national defense.

Mr. President, in contrast, the Republican budget proposal will eliminate the Federal budget deficit by fiscal year 2002. It does so by slowing the growth rate of Federal spending. The budget resolution cuts how much money Washington spends on itself by trimming nondefense discretionary spending and holding defense spending at current levels. The resolution slows the rate of increase of spending for entitlement programs. The budget contemplates reforms in Medicaid and welfare. It implements changes which will maintain the solvency of the Medicare trust fund. Finally, after these reforms are enacted, the budget makes room for tax relief for America's working families. As a result of these actions, the Federal deficit will be eliminated and net interest obligations will be reduced.

Mr. President, I support the overall direction of the proposed Senate budget resolution. I commend the chairman and members of the Senate Budget Committee for their efforts in bringing a resolution to the floor which controls entitlement spending, restrains the growth of Government, and eliminates annual deficits.

Mr. President, we live in the greatest Nation on Earth. It provides Americans more freedom, more justice, more opportunity, and more hope than any Nation has ever provided any people in the history of the world. However, this great country of ours will be in jeopardy unless we do at least two things. First, we must provide an adequate defense to protect ourselves against the enemies who would destroy democracy and freedom. Second, we must put our fiscal house in order.

Mr. President, regarding national defense, the President's budget proposes more reductions in defense spending. The Clinton budget fails to provide the resources necessary for readiness, modernization, or force structure. In short, the administration's defense spending plan buys an older, smaller, and less prepared defense force. In contrast, the funding for defense in the Republican budget allows the Armed Services Committee the opportunity to meet current readiness requirements, provide for improvements in the quality of life of military personnel and their families, and balance future needs of the military services for modernization. I commend Senator DOMENICI and the Members on both sides of the aisle for their support and commitment for a strong national defense.

Another part of our national defense requirement is to provide for those veterans who have served our country. Those who have fulfilled their obligation of citizenship must not be deserted. Mr. President, the treatment by the President's budget of veterans' programs illustrates some of the gimmickry used to present the appearance of a balanced budget. Recently the Committee on Veterans' Affairs held a hearing on the President's fiscal year 1997 budget proposal for veterans programs, which contemplates steep reductions in veterans funding, particularly for medical care. I was concerned to hear the Secretary testify at that hearing that there was no policy behind the budget request. He went on to state that the President assured him that all of our outyear numbers were negotiable and would probably increase.

Mr. President, I am sure the Secretary is optimistic regarding his ability to persuade the President. However, it strains the integrity of the balanced budget effort, which the President claims to support, when the administration discards its own budget before it is even submitted to the Congress.

I am satisfied that the Republican budget protects veterans benefits and health care. It increases spending authority overall, and provides modest increases for VA medical care.

Mr. President, this budget resolution is a good step in putting our fiscal house in order. It provides for restrained growth in overall Government spending. Because spending grows at a lower rate than projected revenue increases, the deficit will be reduced each year, and will be finally eliminated in fiscal year 2002.

This budget resolution provides for real deficit reduction without raising taxes. American families and businesses have carried a heavy tax burden to support the appetite of the Federal Government. Under present tax policies, Mr. President, capital investment is punished, earnings of senior citizens are penalized, consumption is favored over savings, and America's families keep less and less of their earnings. This resolution says ''No.''—I repeat, ''No.''—to balancing the budget by additional taxes.

Mr. President, the Republican budget proposal provides a clear alternative to the tax burden imposed under Clinton budgets. That burden included a $268 billion tax increase, with some provisions being retroactive. It increased the top tax rate, particularly hurting small businesses, increased tax rates on Social Security benefits, and increased the gas tax, affecting all Americans. President Clinton later admitted that he had made a mistake—that he raised taxes too much.

Mr. President, I remind my colleagues that this Congress attempted to correct that mistake by passing a number of tax relief measures. These included a child tax credit for working families, expansion of individual retirement accounts, capital gains relief, an adoption tax credit, phaseout of the marriage penalty, and an interest deduction for student loans. However, these were all vetoed by—I repeat—they were all vetoed by the President.

Mr. President, this budget resolution gives us another opportunity to provide tax relief to working families. Our tax system is not only an economic burden, but also an administrative nightmare. The aggravation level of the taxpayers of this country continues to rise. After bringing our budget into balance, we must work toward a fair and simplified tax structure.

Mr. President, the framers of our Constitution clearly established the priorities of our national government. While we have adapted to meet current needs and circumstances, the underlying principles remain constant—to provide for our common defense, establish justice, and promote the general welfare. While this budget resolution is not perfect, it puts us on a course to reap the promises of this Nation—liberty for ourselves and our posterity. As Thomas Jefferson once said, ''And to preserve their independence, we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude.'' Mr. President, the

choice for us is clear—let us choose economy and liberty. I thank the Chair and yield the floor.

Mr. SMITH. Mr. President, we are in the second year of a Republican-controlled U.S. Congress. This is the second year that an actual, real, balanced budget resolution is before the Senate for consideration. I suggest, in all humbleness, that is not a coincidence. During the years of the first 2 years of the Clinton Presidency when the other party controlled both the House, Senate and White House, all three branches, all three areas of the Government, not one balanced budget came to the attention of the Congress.

There should be no misunderstanding in the minds of the American people who watch and listen to this debate. Congress only began to consider balancing the budget after the elections of 1994. That is the truth. That alone is a significant accomplishment in a city addicted to reckless spending.

It is not enough. Good intentions alone are not going to balance the Federal Government's books. This country is $5 trillion in debt. That is with a ''t,'' Mr. President. Right now we are in the midst of the NBA playoffs, so let me give an analogy. Here is an idea of what $5 trillion really is. Shaquille O'Neal, the basketball player who plays for Orlando Magic, earns $30 million each year. That is a lot of money playing basketball. He would have to play 166,000 seasons to earn $5 trillion. That is our current national debt. He makes $30 million a year. It is almost unbelievable for anyone to even be able to fathom how much $5 trillion really is.

This is what we are passing on to our children if we do not really do the job that we are elected to do, which is to balance this budget. If you break that down to more detail, every man, woman and child in America, every baby born as I am now standing on the Senate floor for these few minutes, will be born $20,000 in debt. That is what we are doing to our children.

I think we have a moral obligation, if not a financial obligation, to solve this problem. It is not a Republican problem. It is not a Democratic problem. It is not a congressional problem. It is not a Presidential problem. It is an American problem that goes right to the heart and soul of this Nation. If we fail to get this job done, we will lose this Nation.

That is what this is all about. Balancing the budget is about doing what we know is the right thing to do, despite the political consequences. Every man, woman, and child out there, every voter, every young person, they know the consequences if this country continues to drive this debt and allow the interest and the entitlement programs to consume our budget so there is nothing left for anything else. We have a rare opportunity to work in a bipartisan manner to have this budget signed into law.

Why do I say that? This is an election year. Everybody says the place will go to pot and we will not get anything done. Let me use the President's own words. The President said, ''The era of big government is over.'' We should take him at his word. This budget ends that era, balances the budget, gets us on the track of downsizing again, making the Federal Government responsible for what it is supposed to be responsible for and not responsible for the things it is intruding into.

The President also has stated he believes he raised taxes too much in 1993. All right, this budget repeals the Clinton gas tax and it repeals $123 billion of the President's $250 billion tax increase. The President stated he supports a tax credit for families with children. All right, this budget provides a $500 per child tax credit for families struggling to make ends meet for each of their children. The President has said, ''Let's end welfare as we know it.'' All right, this budget reforms welfare, sends the power out of Washington and back to the States where it belongs. There is common ground. If the President means what he says, pick up the pen, Mr. President. Do not veto the bill; sign it. Sign it and go out to the American people, face the electorate, all of us, and say, ''We got it done. We balanced the budget.'' If the President gets credit for that, so be it; if we get credit for it, so be it. But get it done.

The balanced budget before the Senate is a bold, I grant you it is a bold document, but it is a reasonable policy document. It meets the President's stated intentions. It meets our intentions. It balances the budget in 6 years, provides tax relief for working families, and reforms our broken welfare system. It is a blueprint that will guide us as we remove power from Washington, reduce the red ink and rebuild America.

Every Senator in this Chamber knows, Mr. President, there is an important election night right around the corner on November 5. I think it is important we look past that election, look right on past it, and instead of looking to the next election, look to the next generation for a change.

Our children and our grandchildren deserve to inherit a nation as great as the one we grew up in. They have a right to live and learn in a country that balances its books and pays its debts like you have to do in your family and in your business. There is only so much credit you can get and then you go under. It is called chapter 11. That will happen to us if we do not stop it.

Children cannot vote. But if they could, I think it is pretty safe to say they would support the balanced budget before the Senate today, because we are passing the debt on to them. It is they who will have to pay for it, not us. I urge my colleagues, in closing, Mr. President, forget about November. Cast a vote for the future of your children and your grandchildren. I yield the floor.

AMENDMENT NO. 4007

(Purpose: Creates a 60-vote point of order against legislation diverting savings achieved through Medicare waste, fraud, and abuse enforcement activities for purposes other than improving the solvency of the Medicare Federal hospital insurance trust fund.)

Mr. GRAHAM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. JEFFORDS). The clerk will report.

The bill clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself and Mr. BAUCUS, proposes an amendment numbered 4007.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . PROHIBITION ON CONSIDERATION OF RECONCILIATION LEGISLATION THAT DIVERTS SAVINGS ACHIEVED THROUGH MEDICARE WASTE, FRAUD AND ABUSE ENFORCEMENT ACTIVITIES FOR PURPOSES OTHER THAN IMPROVING THE SOLVENCY OF THE MEDICARE FEDERAL HOSPITAL INSURANCE TRUST FUND.

(a) POINT OF ORDER.—It shall not be in order in the Senate to consider any reconciliation bill, conference report on a reconciliation bill, or any other legislation that would use savings achieved through medicare waste, fraud, and abuse enforcement activities as offsets for purposes other than improving the solvency of the Medicare Federal Hospital Insurance Trust Fund.

(b) WAIVER.—This section may be waived or suspended in the Senate by a ⅗ths majority vote of the Members duly chosen and sworn, or by the unanimous consent of the Senate.

(c) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to this section shall be limited to 1 hour, to be equally divided between and controlled by, the appellant and the manager of the bill or conference report, as the case may be. An affirmative ⅗ths vote of the Members duly chosen and sworn or unanimous consent of the Senate shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this provision.

Mr. GRAHAM. Mr. President, in deference to time and to my colleague from Ohio, who has generously allowed me to offer this amendment prior to his remarks on our esteemed friend, Admiral Boorda, I offer this amendment with the intention of just briefly referencing it at this point and then asking unanimous consent that it be set aside.

This amendment, Mr. President, has as its objective to assure that any savings that are achieved by the new effort that we are going to make on waste and fraud within the Medicare Program ends up benefiting the Medicare Program and, specifically, the Medicare trust fund.

We are all aware of the concern that we have had that the Medicare trust fund was becoming financially vulnerable. In fact, that concern has been exacerbated by some recent information

that the trust fund is weaker than we had thought a year ago. This would assist in strengthening the trust fund by assuring that any proceeds derived from our assault against Medicare fraud and abuse, which have the result of depleting the trust fund without providing meaningful medical services to older Americans, then any funds that are recovered as a result of this war on Medicare fraud will go back into the trust fund and, therefore, strengthen it for this and future generations of older Americans.

Mr. President, I look forward to discussing this matter in greater detail at another time. At this time, I ask unanimous consent that this amendment be temporarily laid aside.

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

Mr. GRAHAM. I thank my colleague from Ohio and commend him for his thoughtfulness on his upcoming remarks regarding Admiral Boorda.

Mr. GLENN. Mr. President, I ask unanimous consent to speak for 10 minutes as in morning business.

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

TRIBUTE TO ADM. MIKE BOORDA

Mr. GLENN. Mr. President, to say that a shockwave went across Capitol Hill yesterday when we heard about Mike Boorda's death would be an understatement. For those of us who knew him and worked with him very closely, it was not only a shock, it was an extreme shock. We thought of him as one of the most pleasant, smiling, outgoing, friendly persons that you ever dealt with across the river in the Pentagon, or anybody you ever dealt with on Capitol Hill as far as that matter goes. So we were all saddened to learn of his tragic death. He was a fine naval officer, who was doing a great job.

We talk a lot about the American dream in this country, what it can mean, and how you can advance in this country. Mike Boorda actually lived it. He literally lived it. He was a high school dropout, who went in the Navy as a seaman second class. That is as low as you get when you enter at the bottom rung of the ladder. Over the years, he had such outstanding service that he became an officer. He was the very first person to go from the lowest rank in the Navy to the highest rank in the Navy, to his everlasting credit.

I do not think there is anybody across the river that was more respected by the Members of Congress than Admiral Boorda. I worked with Mike for a number of years. I first got to know him, when I was chairman of the Personnel Subcommittee on Armed Services and he was the head of naval personnel. We dealt back and forth on personnel matters almost on a daily basis.

If I ever knew anybody who I would term as a ''people person,'' it was Mike Boorda. He was so concerned with people that he would personally follow-up calls, not only individual cases, but about all the policies that were established that dealt with people. Those were his biggest concerns in those days, and they continued to be some of his biggest concerns after he became CNO, Chief of Naval Operations.

We worked together, and he was concerned about such things as the promotion process, health matters, early-out legislation for people leaving the service, and pay and allowances for those staying in. The words he always would use repeatedly are, ''Well, are we treating these people fairly? Is this fair?'' That was a hallmark with him—to see that everybody in the Navy was treated fairly. I guess his enlisted background is what added to that concern about a sense of fairness, extending clear from the top to the bottom in the United States Navy.

Less than a year ago, I flew with Mike down to Norfolk to commission the U.S.S. *Toledo*, one of our latest submarines. I remember walking with him, as he returned salutes to officers and enlisted personnel, and him suddenly saying, ''Come with me''. He broke ranks with the group and went over to where some sailors were standing to shake their hands. They were shocked that the CNO, with me in tow, would go out of his way to shake their hands. I cannot forget their smiles and I know they appreciated it very much.

I think he did that because he had been there. He knew what it meant to them. He knew what it was like to grow up in the Navy. The Navy was more than a career to Mike Boorda, it was his home.

Not many weeks ago, he asked me to come over and have breakfast—as he did with Senators and Members of Congress from time to time—to talk about matters pertaining to the Navy. It was the two of us, each with a staff person. We talked a little about Navy hardware and what they planned to procure for the future. But we spent most of our time talking about people. He was extremely concerned about the lasting effects of the Tailhook scandal, the problems at the Naval Academy, the challenges of placing women in combat roles aboard ships, and living conditions of his sailors and their families.

Mike Boorda was always concerned about life in the military, and life in the Navy, in particular, especially for those who are required to be aboard ship and go out for extended deployments. He was concerned not only about the sailor, but also about the family at home—the wife, the children, who are left behind during those long deployments. I still do not think most people in this country realize the rigors of military service and give proper respect and consideration and appreciation for those in the military. That is particularly true in the Navy, because when we see a carrier abroad in the Adriatic, or a Navy ship deployed where there is a problem somewhere in the world, we should remember that the people manning that ship are people out away from their families, away from home. Those are the things that concerned Mike Boorda more than anything else—being fair and treating his people fairly.

I rarely have seen anyone so dedicated to the welfare of the enlisted personnel of whatever service. It was the enlisted people of the Navy that looked to him for their representation, and he gave it heartily because he believed in it. He was an inspiration to everyone who served because he was one of them. I think he still looked at himself as an enlisted sailor in the ranks. I think he had a problem seeing himself elevated above everyone else as the Chief of Naval Operations.

His concerns should not be forgotten. Those of us here will do everything to make sure they are not. We will try to represent his best wishes as he had expressed them through the years and make certain that all of his concerns for the people of the Navy are taken care of.

I think there might be a little lesson here for all of us to learn from this tragedy. Things that seem important at the moment may, in the long term, prove to be of far less importance than the big things that we do in life.

Whatever the cause of his death may have been, his memory in the Navy will be one of a person who was concerned about the people of the Navy, his loyalty to those people, and his desire to make sure that they were properly represented. That was his mission. Mike was a people person. Most of all, he was a good friend.

Annie and I wish to express our deepest sympathy to Betty and his family. Our hearts go out to them and our thoughts and prayers are with them. We will all miss him.

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

I suggest the absence of a quorum and ask that the time be equally charged against both sides.

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

The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

U.S. NAVY ADM. JEREMY M. BOORDA

Mr. DASCHLE. Mr. President, President Theodore Roosevelt once wrote, ''Death is always and under all circumstances a tragedy, for if it is not, then it meant that life itself has become one.''

The death of Adm. Jeremy M. ''Mike'' Boorda was particularly tragic. But it is important that the tragedy of his death not overshadow the inspiring accomplishments of his life.

Mike Boorda began serving his country at the age of 16, when he lied about