to be imposing very serious financial obligations on the States.

I think that as we enter into this debate on turning responsibility back to the States, we have an obligation to also ask the question, what are we going to do to assure that the States have the fiscal capacity to accept those responsibilities that we are imposing?

I believe the Senator from Arkansas has certainly pointed to what ought to be at the head of the line as we begin to ask that question of fiscal responsibility. Here is the program for which there is no rationale as to why the Federal Government should deny the States the authority to impose this tax. There is every reason in terms of tax fairness that they should, in fact, treat mail order sales in parity with sales from the local Main Street store, and the States are going to need the revenue this will provide.

In my State of Florida, the estimate is that in 1974 had the sales tax been applied on mail order sales to the same extent it was on Main Street sales it would have produced $168.9 million. That will not close all the gap that our States are going to be faced with as they are asked to take on these new responsibilities, but it will be a worthy beginning.

So, Mr. President, I believe for all of the reasons that the Senator from Arkansas has cited with such force and eloquence, as well as the time in history in which we find ourselves, in which we are about to ask the States to do more, that we should also have a concern about how our brethren in the Federal system are going to have the capacity to accept those responsibilities.

We say that it is not our purpose to have a dramatic fraying of the safety net. The safety net in my State for hundreds of thousands of older Americans who are in need of long-term care and who have spent all of their life savings as their health condition deteriorated, I do not think we as a nation want to turn those people out of the kind of institutions that they need in order for their well-being.

We are asking the States now to pick up a much larger share of the cost of providing for those Americans. This is a beginning of a demonstration of the Federal Government's commitment to see that there are adequate resources available at the State level to meet the additional responsibilities that we are proposing to impose.

So, in closing, I want to thank my friend from Arkansas for his leadership in this effort. I hope his leadership will be rewarded by successful passage of this legislation and passage in 1995. Thank you, Mr. President.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, let me, first of all, thank my very distinguished colleague from Florida, a former Governor, as was I, who fully understands the problem the States are going to have with unfunded mandates, but also for his very perceptive comments about the legislation.

Now, Mr. President, let me make just a couple of observations. I see the Senator from Michigan awaits recognition, so I will not be long. But the Senator from Florida has just told you about some of the budget constraints on them because of the Medicaid Program, but there are a whole host of others.

This bill has the potential for $169 million a year for the State of Florida. That is not beanbag either. And I promise you the Governor of Florida favors this legislation. I promise you the Governor of virtually every State in this Nation favors this legislation. As I said, every mayor, every county executive favors it. But the point that must not be lost sight of is we are not imposing anything. We are simply saying to the States, if you choose to do this, it is your prerogative. If you do not, that is also your prerogative. But we are also saying that if you do not have a sales tax in your State, you cannot charge it.

There are five States in this country that have no sales tax. This bill would not apply to them. They would not be able to charge this because they do not have a tax that they tax their own citizens with, and therefore they could not tax citizens of other States.

How many times have you heard in this body that the reason for the big revolution on November 8 was people are tired of being told what to do. They want somebody to listen to them. They want to have some discretion over their own lives and what they want to do.

Now, here is a classic case of doing precisely that. We are saying to the States we are going to enable you to help yourself if you choose. But that is your discretion, not ours. So how can anybody quarrel with that? If you vote for this and you do not personally approve of it, go tell your Governor I voted for it to give you the discretion. But if you do not want to do it, that is OK with me.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Michigan.

Mr. ABRAHAM. Thank you, Mr. President.

TAX CUTS IN MICHIGAN

Mr. ABRAHAM. Mr. President, I rise today to congratulate John Engler, Governor of my State of Michigan, for signing into law last week his 12th, 13th, 14th, and 15th tax cuts since taking office.

Governor Engler has increased the personal exemption in our State to at least $2,400, saving Michigan taxpayers $69 million on their income taxes in fiscal year 1995. The exemption also will be indexed for inflation starting in 1998.

He has created a new refundable income tax credit for college tuition that will help individuals and families struggling to get an education.

He has reduced the single business tax by removing unemployment and workers' compensation funds and Social Security payments from the tax base.

He has begun phasing out Michigan's intangibles tax, raising the filing threshold and providing for its total repeal, effective January 1, 1998.

Mr. President, 70 percent of these tax cuts will benefit individuals, with 30 percent benefiting the State's job creators. Taken together with the other 11 tax cuts he already has implemented, these cuts will save Michigan taxpayers $1.2 billion this year alone.

We here in Congress would do well to look at Governor Engler's performance in setting out our program of fiscal reform from the Nation. When he took over as Governor in 1991, John Engler inherited a $1.8 billion deficit. That means that in 1991 Michigan was running a deficit that equaled 10 percent of its total State spending—almost as large a deficit in proportion to total spending as the one run here in Washington.

Governor Engler had a tough choice to make. He could maintain Michigan's current spending levels and increase taxes, or cut spending and hold the line on taxes. But he decided to choose neither course of action, instead boldly cutting both spending and taxes.

And the results have been remarkable. Through aggressive use of his line-item veto he brought about an 11-percent cut in real, after-inflation spending. In addition, he made Michigan our Nation's top State in creating manufacturing jobs, more than 40,000 in the last year alone, second in the Nation in personal income growth, and a leader in lowering unemployment rates. All this while increasing State funding to educate Michigan's children.

Mr. President, Michigan can serve as an example to the Nation of how aggressive budget and tax cutting can go together to spur economic growth and better the lives of our citizens.

We too can get our spending under control, without cutting essential programs; we need only the courage to put in place and utilized the tools Governor Engler and the Michigan State Legislature used to bring their State back from the brink of economic disaster.

Michigan's constitution required a balanced budget; it also provides the Governor with a line-item veto. Both of these tools were essential to Governor Engler's efforts to bring spending under control.

We have the power to do for America what Governor Engler and his partners in the State legislature have done for Michigan, if we are willing to enact a line-item veto and add a balanced budget amendment to our Constitution. These tools will help us order our priorities and discipline our spending.

Most important, we must recognize that by taxing the American people less we can help our economy and our budget more. This week the House Ways and Means Committee will report a tax reduction bill that creates a $500-per-child tax credit for families and cuts the capital gains tax in half. In all likelihood, the House will approve these important tax reductions.

Some of our colleagues here in the Senate have suggested that we abandon tax cuts—and focus exclusively on reducing the budget deficit. Having lost the vote on the balanced budget amendment, I can understand their desire to put spending cuts first in order to produce a balanced budget plan.

But as Governor Engler has demonstrated, cutting spending and taxes is the best way to reduce the deficit and encourage economic growth. We must have confidence that the American people, if allowed to keep their own money and spend it as they choose, will fuel the engine that runs our economy, producing more jobs, greater prosperity, and a balanced budget.

Mr. President, I yield the floor. I also suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMPSON). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

MORNING BUSINESS

(During the session of the Senate, the following morning business was transacted.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents which were referred as indicated:

EC–497. A communication from the Chairman of the U.S. Merit Systems Protection Board, transmitting, pursuant to law, the annual report of the Board for fiscal year 1994; to the Committee on Governmental Affairs.

EC–498. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report relative to the escheated estate fund; to the Committee on Governmental Affairs.

EC–499. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report relative to the District's Emergency Assistance Services; to the Committee on Governmental Affairs.

EC–500. A communication from the Chief Financial Officer of the Export-Import, transmitting, pursuant to law, the annual management report for 1994; to the Committee on Governmental Affairs.

EC–501. A communication from the Officer of the Nuclear Waste Negotiator, transmitting, pursuant to law, a report relative to the Federal Managers' Financial Integrity Act; to the Committee on Governmental Affairs.

EC–502. A communication from the Chairman of the Board of the National Credit Union Administration, transmitting, pursuant to law, a report relative to schedules of compensation; to the Committee on Governmental Affairs.

EC–503. A communication from the Chairman of the Commission on Intergovernmental Relations, transmitting, pursuant to law, a report relative to unfunded mandates; to the Committee on Governmental Affairs.

EC–504. A communication from the Acting Inspector General of the National Aeronautics and Space Administration, transmitting, pursuant to law, a report entitled ''Limitation on Use of Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions;'' to the Committee on Governmental Affairs.

EC–505. A communication from the Secretary of Energy, transmitting, pursuant to law, a report relative Federal Managers' Financial Integrity Act; to the Committee on Governmental Affairs.

EC–506. A communication from the Chair of the Administrative Conference of the United States, transmitting, pursuant to law, a report relative to the Inspector General Act Amendments; to the Committee on Governmental Affairs.

EC–507. A communication from the Director of the Federal Emergency Management Agency, transmitting, pursuant to law, the semiannual report of the Inspector General and the Director's Report on Audit Resolution and Management for the period April 1, 1994 through September 30, 1994; to the Committee on Governmental Affairs.

EC–508. A communication from the Director of the Office of Management and Budget, transmitting, a draft of proposed legislation to revise and streamline the acquisition laws of the Federal Government, and for other purposes; to the Committee on Governmental Affairs.

EC–509. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report relative to the assignment or detail of General Accounting Office employees; to the Committee on Governmental Affairs.

EC–511. A communication from the Comptroller General of the United States, transmitting, pursuant to law, an overview report of the high risk areas of the General Accounting Office; to the Committee on Governmental Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CONRAD:

S. 542. A bill to amend the Solid Waste Disposal Act to allow States to regulate the disposal of municipal solid waste generated outside of the State, and for other purposes; to the Committee on Environment and Public Works.

By Mr. HATFIELD:

S. 543. A bill to extend the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in Oregon, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BRYAN (for himself and Mr. REID):

S. 544. A bill to establish a Presidential commission on nuclear waste, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BUMPERS (for himself and Mr. GRAHAM):

S. 545. A bill to authorize collection of certain State and local taxes with respect to the sale, delivery, and use of tangible personal property; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CONRAD:

S. 542. A bill to amend the Solid Waste Disposal Act to allow States to regulate the disposal of municipal solid waste generated outside of the State, and for other purposes; to the Committee on Environment and Public Works.

INTERSTATE SHIPMENTS OF MUNICIPAL SOLID WASTE

Mr. CONRAD. Mr. President, today I am introducing legislation that would give States and local governments the power to regulate and, if they choose, reject interstate shipments of municipal solid waste.

This is a problem Congress has grappled with now for years and it only grows more and more serious. An estimated 18 million tons of municipal solid waste travels across State lines each year. Landfills are filling up around the country and communities are searching for new places to send their trash.

Where are they searching? Mr. President, they are searching in rural areas like my home State of North Dakota and, no doubt, they are looking in the State of the distinguished occupant of the chair, the State of Idaho.

Mr. President, rural States like ours, where pollution has not spoiled the land, where small communities may be willing to take large amounts of money from a waste company in exchange for landfill space, are the places they are looking. Whether they want this imported waste or not, States are almost powerless to stop the flow of garbage across their borders.

Mr. President, I can remember very well being involved in a debate on this matter a number of years ago, and the trash merchants had their lobbyists lining the Halls. I have never seen so many people off the Chamber of the Senate. The trash merchants want to ship this stuff someplace, and they are looking for States that are willing to take it.

Mr. President, States ought to have an ability to say ''no.'' Waste is already coming to my State of North Dakota. We take industrial waste from General Motors plants from all around the country. We take municipal solid waste incinerator ash from Minnesota. A waste company continues its efforts to open a superdump in my State that would take garbage from Minneapolis-St. Paul. This one landfill, Mr. President, would receive almost twice as much garbage as is produced in my entire State. This situation is not unique. It is happening all over the country.

States should be able to do something about it. They should be able to