

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

#### UNANIMOUS-CONSENT AGREEMENTS

Mr. DOMENICI. Mr. President, I want to put several unanimous-consent requests which will finish out the day and set the amendments in order for today and early morning.

I ask unanimous consent that all the time be yielded back on the Thurmond amendment and that the Senate proceed to a vote on that amendment without any intervening action or debate after the disposition of the Exon amendment.

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

Mr. DOMENICI. Mr. President, further, I ask unanimous consent that immediately following the disposition of the Thurmond amendment, Senator HARKIN be recognized to offer an amendment on which there be 15 minutes under the control of Senator HARKIN and 5 minutes under the control of Senator DOMENICI; that no amendments be in order to that amendment; and that following the conclusion of the time on that amendment, it be laid aside.

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

Mr. DOMENICI. Mr. President, I further ask unanimous consent that following the debate on the Harkin amendment, Senator FEINGOLD be recognized to offer an amendment on which there be 20 minutes under the control of Senator FEINGOLD, 20 minutes under Senator DOMENICI's control, 10 of which will belong to the Senator from Alaska, Senator MURKOWSKI; that no amendments be in order to the Feingold amendment; and that following the conclusion of time it be laid aside.

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

Mr. DOMENICI. Mr. President, I ask unanimous consent that the first vote on the Harkin amendment be limited to 20 minutes, followed by a 10-minute vote on the Feingold amendment, to occur Wednesday at a time to be determined by the two leaders.

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

Mr. DOMENICI. Mr. President, I ask unanimous consent that following the conclusion of the debate on the Feingold amendment this evening, Senator SNOWE be recognized to offer an amendment.

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

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The motion to waive the Budget Act for the

consideration of the amendment by the Senator from Nebraska [Mr. EXON].

Mr. DOLE. Following that, there will be a vote on the amendment by the Senator from South Carolina [Mr. THURMOND] and the Senator from Arizona [Mr. MCCAIN].

The PRESIDING OFFICER. The next vote would be a vote on the Thurmond amendment, debate on which is not yet concluded.

Mr. DOLE. As I understand, time has been yielded back.

The PRESIDING OFFICER. Time has been yielded back by consent.

#### ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I advise my colleagues, that will be the last vote today. We will continue to work on the measure until we are down to 4 hours remaining, but there will be no more votes.

Mr. HARKIN. Mr. President, is it still in order to reserve the right to object? We could not hear the unanimous-consent requests.

Mr. DOMENICI. It says "on the amendment." It means up or down. We had agreed to that and that was in the unanimous-consent request.

#### VOTE ON MOTION TO WAIVE THE BUDGET ACT FOR CONSIDERATION OF AMENDMENT NO. 1124

The PRESIDING OFFICER. The question occurs on agreeing to the motion to waive the Budget Act for the consideration of amendment No. 1124, offered by the Senator from Nebraska [Mr. Exon]. The yeas and nays have been ordered. The clerk will call the roll.

The yeas and nays resulted—yeas 47, nays 53, as follows:

[Rollcall Vote No. 179 Leg.]

#### YEAS—47

Akaka	Feinstein	Levin
Baucus	Ford	Lieberman
Biden	Glenn	Mikulski
Bingaman	Graham	Moseley-Braun
Boxer	Harkin	Moynihan
Bradley	Heflin	Murray
Breaux	Hollings	Nunn
Bryan	Inouye	Pell
Bumpers	Jeffords	Pryor
Byrd	Johnston	Reid
Conrad	Kennedy	Robb
Daschle	Kerrey	Rockefeller
Dodd	Kerry	Sarbanes
Dorgan	Kohl	Simon
Exon	Lautenberg	Wellstone
Feingold	Leahy	

#### NAYS—53

Abraham	Frist	McConnell
Ashcroft	Gorton	Murkowski
Bennett	Gramm	Nickles
Bond	Grams	Packwood
Brown	Grassley	Pressler
Burns	Gregg	Roth
Campbell	Hatch	Santorum
Chafee	Hatfield	Shelby
Coats	Helms	Simpson
Cochran	Hutchison	Smith
Cohen	Inhofe	Snowe
Coverdell	Kassebaum	Specter
Craig	Kempthorne	Stevens
D'Amato	Kyl	Thomas
DeWine	Lott	Thompson
Dole	Lugar	Thurmond
Domenici	Mack	Warner
Faircloth	McCain	

The PRESIDING OFFICER. The point of order is sustained and the amendment falls because it is not germane to the underlying resolution.

#### VOTE ON AMENDMENT NO. 1125

The PRESIDING OFFICER. The question is on agreeing to the Thurmond amendment, numbered 1125.

Mr. THURMOND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER (Mr. BROWN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 40, nays 60, as follows:

[Rollcall Vote No. 180 Leg.]

#### YEAS—40

Abraham	Gramm	Murkowski
Ashcroft	Grams	Nickles
Bennett	Hatch	Nunn
Burns	Heflin	Santorum
Campbell	Helms	Shelby
Chafee	Hutchison	Smith
Coats	Inhofe	Snowe
Cochran	Kempthorne	Stevens
Cohen	Kyl	Thomas
Coverdell	Lieberman	Thompson
Craig	Lott	Thurmond
Dole	Mack	Warner
Faircloth	McCain	
Frist	McConnell	

#### NAYS—60

Akaka	Feingold	Leahy
Baucus	Feinstein	Levin
Biden	Ford	Lugar
Bingaman	Glenn	Mikulski
Bond	Gorton	Moseley-Braun
Boxer	Graham	Moynihan
Bradley	Grassley	Murray
Breaux	Gregg	Packwood
Brown	Harkin	Pell
Bryan	Hatfield	Pressler
Bumpers	Hollings	Pryor
Byrd	Inouye	Reid
Conrad	Jeffords	Robb
D'Amato	Johnston	Rockefeller
Daschle	Kassebaum	Roth
DeWine	Kennedy	Sarbanes
Dodd	Kerrey	Simon
Domenici	Kerry	Simpson
Dorgan	Kohl	Specter
Exon	Lautenberg	Wellstone

So the amendment (No. 1125) was rejected.

The PRESIDING OFFICER. Under the previous order of the Senate, the Senator from Iowa is recognized to offer an amendment. The time is divided, according to that agreement, 15 minutes for the Senator from Iowa and 5 minutes for the Senator from New Mexico.

#### CHANGE OF VOTE

Mr. MURKOWSKI. Mr. President, I wonder if the Senator from Iowa would yield for a unanimous-consent request in regard to a vote.

Mr. HARKIN. Yes.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. MURKOWSKI. I thank the Chair.

Mr. President, on rollcall vote No. 178, I am embarrassed to say that I voted yes. It was my intention to vote no. I have been a proponent of the position of no. Therefore, I would ask unanimous consent that I be permitted to change my vote. This will in no way change the outcome of the vote.

The PRESIDING OFFICER. Is there objection to the request?

The Chair hears none, and it is so ordered.

Mr. MURKOWSKI. I thank the Chair. I apologize to my colleagues.

(The foregoing tally has been changed to reflect the above order.)

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. I thank the Chair. I understand I have 15 minutes, is that right?

AMENDMENT NO. 1126

(Purpose: To reduce unnecessary military spending, holding military spending to a freeze in overall spending over 7 years protecting readiness and modernization activities and shifting the savings to education and job training, restoring a portion of the reductions proposed for those programs in the resolution)

Mr. HARKIN. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself and Mr. BUMPERS, proposes an amendment numbered 1126.

Mr. HARKIN. 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 12, line 3, decrease the amount by \$4,800,000,000.

On page 12, line 4, decrease the amount by \$1,000,000,000.

On page 12, line 10, decrease the amount by \$10,000,000,000.

On page 12, line 11, decrease the amount by \$3,400,000,000.

On page 12, line 17, decrease the amount by \$10,000,000,000.

On page 12, line 18, decrease the amount by \$6,200,000,000.

On page 12, line 24, decrease the amount by \$10,000,000,000.

On page 12, line 25, decrease the amount by \$6,200,000,000.

On page 32, line 11, increase the amount by \$4,800,000,000.

On page 32, line 12, increase the amount by \$1,000,000,000.

On page 32, line 19, increase the amount by \$10,000,000,000.

On page 32, line 20, increase the amount by \$3,400,000,000.

On page 33, line 2, increase the amount by \$10,000,000,000.

On page 33, line 3, increase the amount by \$6,200,000,000.

On page 33, line 10, increase the amount by \$10,000,000,000.

On page 33, line 11, increase the amount by \$6,200,000,000.

On page 66, line 10, decrease the amount by \$4,800,000,000.

On page 66, line 11, decrease the amount by \$1,000,000,000.

On page 66, line 13, increase the amount by \$4,800,000,000.

On page 66, line 14, increase the amount by \$1,000,000,000.

On page 66, line 17, decrease the amount by \$10,000,000,000.

On page 66, line 18, decrease the amount by \$3,400,000,000.

On page 66, line 20, increase the amount by \$10,000,000,000.

On page 66, line 21, increase the amount by \$3,400,000,000.

On page 66, line 24, decrease the amount by \$10,000,000,000.

On page 66, line 25, decrease the amount by \$6,200,000,000.

On page 67, line 2, increase the amount by \$10,000,000,000.

On page 67, line 3, increase the amount by \$6,200,000,000.

On page 67, line 6, decrease the amount by \$10,000,000,000.

On page 67, line 7, decrease the amount by \$6,200,000,000.

On page 67, line 9, increase the amount by \$10,000,000,000.

On page 67, line 10, increase the amount by \$6,200,000,000.

Mr. HARKIN. Mr. President, we have before us a proposed budget that cuts over \$1 trillion in Federal spending. It cuts health, education, training, veterans, and virtually everything else but for one item. The Pentagon is increased by \$34.5 billion over what a hard freeze would be over the 7 years. Simply put, this budget jeopardizes our long-term national security by failing to invest in education, training, and infrastructure in order to preserve a bloated Pentagon budget and its cold war relics.

Mr. President, the cold war is over, I would like to inform everyone. And guess what? We won.

First let me explain exactly what my amendment does. My amendment will provide over the next 7 years for a hard freeze for Pentagon spending.

Now, for the next 3 years, my amendment would track exactly what the Budget Committee does—exactly. For 1996, 1997, and 1998, my amendment would provide the same funding for the Pentagon as does the Republicans' budget proposal.

Beginning then in 1999, 2000, 2001, and 2002, I increase spending for defense but not as much as the Budget Committee.

For example, in 1999, the Budget Committee provides \$266.2 billion for defense. My amendment would provide \$261.4, less than \$5 billion less. So I track it, but what happens is over the 7 years my amendment freezes it—over the 7 years—and thus saves \$34.8 billion.

My amendment would take that \$34.8 billion and put it into function 500, which is education and job training. Education and job training is way below a hard freeze in the committee bill. The Defense Department, the Pentagon is above a hard freeze. I am bringing the Pentagon down to a hard freeze, taking that money, putting it into education and job training to bring it up to just under a hard freeze. It still would be below a hard freeze level of funding for education and job training, but at least it brings it up close to a hard freeze.

But I wanted to make the point very clear, that for the first 3 years my amendment spends the same thing on defense as does the Budget Committee. And so those who would like to just kind of freeze everything, well, this is a freeze amendment. It freezes Pentagon spending for the next 7 years.

Mr. President, I keep picking up these articles. I know Senator BYRD earlier talked about the articles that were in the Washington Post: Billions go astray often without a trace in the Defense Department is the headline in this recent story on Pentagon waste. It says the Department has spent \$15 billion it cannot account for over the past decade. And Pentagon purchasing agents appear to have overdrawn Government checking accounts by at least \$7 billion in payment for goods and services with little or no accountability.

You want to talk about waste and inefficiency, start reading some of these articles about waste and inefficiency in the Defense Department. It boggles the mind and it picks taxpayers' pockets.

I also want to point to a scandal that happened last December in the Air Force, and to my knowledge it still has not been resolved—a scandal. Gen. Joseph W. Ashy was in Italy. He wanted to get to the U.S. Space Command in Denver, CO. He could have flown commercially, could have gotten on a United Airlines flight. No, he got an Air Force C-141 transport jet that flew empty from here to Italy, picked him up and flew him to Colorado at an estimated cost of \$120,000.

Did he fly alone? No, he took his cat with him. I guess he paid \$85 for his cat. But he listed on the manifest that his wife was going to be with him, that she was traveling with him. His wife was already in Colorado, and it turned out that there was a young Air Force aide, a 21-year-old senior airman Christa Hart, a young woman traveling with him, and she was not even listed on the manifest but his wife was.

You wonder why she was on that flight with him, at a cost of \$120,000 to fly this general. And the Air Force tried covering it up, and as far as I know they still have not explained it except to say that no regulations were broken.

Well, I might just say that one-way, first-class fare from Rome to Colorado Springs is \$1,617. But, no, General Ashy had to fly himself and his young female aide and his cat in a C-141 for \$120,000, and they still have not fessed up to it. And I will bet you General Ashy will not even get his wrist slapped for wasting taxpayers' dollars like that.

So there is a lot of waste in that Pentagon that we can clamp down on, and I think if they have a hard freeze over 7 years, then maybe they will start doing a little bit better accounting and they will start knocking out these luxury flights for generals and their cats and their 21-year-old female aides.

The real story is here in the chart I have here as to why we do not need to continue to increase Pentagon spending. This chart illustrates how much the United States is spending this year on the military. It says \$260 billion. Actually, it is \$261 billion. Our NATO and other allies will spend \$250.9 billion. So

total U.S., NATO, and our allies spending, \$510 billion this year, fiscal year 1995 on defense.

Well, what is the rest of the world doing? How about our potential adversaries? Here is Russia, \$12 billion this year.

In fact, last year the sum in Russia was \$79 billion. This year, Russia cut military spending from \$79 billion to \$12 billion this year.

Mr. President, I will ask consent to have an article printed in the RECORD about the Russian budget. The military defense officials in Russia have called it a disaster, but the Parliament did not listen to them. They went ahead and cut it to \$12 billion.

I ask unanimous consent to have that printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RUSSIAN MOD LABELS BUDGET A CATASTROPHE

(By Anton Zhigulsky)

MOSCOW.—Members of Russia's parliament, failing to heed the military's call for increased funding, set defense spending for 1995 at 46.5 trillion rubles (\$12 billion).

Defense Ministry officials have lobbied the government during the past several months for a budget more than twice as large—up to 110 trillion rubles (\$29 billion).

Defense Minister Pavel Grachev called the budget "a total catastrophe for the Army." The spending plan as passed put the future of the armed forces "under threat," he said after the March 15 vote. "It is a sin to keep an army in poverty and half-starved."

On March 15 parliament's lower house, the Duma, passed the fourth and final draft of

the government budget, which will take effect April 1. That budget saddles Russia with a deficit of about 73 trillion rubles (\$18 billion), or 8 percent of gross national product.

The argument over the Russian defense budget has been particularly contentious, especially since the costly invasion of the separatist region of Chechnya in December.

Grachev has argued that a defense spending level of 46 trillion rubles will affect readiness, equipment maintenance and troop morale, all of which have been in a downward spiral since the collapse of the Soviet Union.

In a front-page appeal to parliament in the Defense Ministry daily *Krasnaya Zvezda* on March 10, the ministry warned that "parliament has one last chance to prove that the armed forces is not a stepchild."

In the past several weeks *Krasnaya Zvezda* has warned that a demoralized armed forces, without the resources to train or even house troops, may not be politically reliable if the government is forced to quash a coup as it did in October 1993.

On March 15, Russian soldiers suffered an additional setback when the Duma voted to spend 1 trillion rubles (\$250 million) to purchase weapons from the ailing defense industry.

The money had been earmarked earlier for the Army's day-to-day needs, such as housing and provisions, but deputies decided to aid the cash-strapped defense factories instead.

Finance Minister Vladimir Pankov acknowledged that the 1995 military budget is "tough and even cruel," but said the state could provide no more.

"There are matters of principle on which there can be no concessions," he told the deputies.

*Krasnaya Zvezda* blasted the vote, stating the following day that it would be easier to disband the Army completely than to subject it to the budget.

"This Duma has never understood the problems of the Army. It is absolutely indifferent to the defense capacity of Russia," the newspaper said.

The Russian Defense Ministry also is under fire for its handling of the crisis in Chechnya, and President Boris Yeltsin has promised to pursue long-overdue changes in the Army, which suffered humiliating losses to partisan fighters in Chechnya.

"Chechnya has convinced us once again that we are too late in conducting military reform. We must not delay any more. The Army is starting to disintegrate," Yeltsin said Feb. 23.

But military officials, complaining of a lack of money, said reform can be carried out only if it is properly funded. "Without funding, there will be no reform," Grachev said in the parliament March 16.

According to Pavel Felgenhauer, a military analyst with the daily newspaper *Sevodnya*, Russia's armed forces must be reorganized quickly to avoid more combat deaths in the war-torn northern Caucasus region and in Tadjikistan, where Russian soldiers are bolstering the government in a civil war.

"The situation in the Army is beginning to get out of control. The new budget doesn't allow Russia to keep the Army as it is. A combat-ready professional army will have to be started urgently, within 12 to 18 months," Felgenhauer said.

Mr. HARKIN. I also ask unanimous consent to have printed in the RECORD a table that indicates what my amendment would do in terms of budget authority and budget outlays.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Fiscal year—								Total
	1995	1996	1997	1998	1999	2000	2001	2002	
<b>Budget authority:</b>									
Committee .....	261.4	257.7	253.4	259.6	266.2	276.0	275.9	275.9	1864.6
Harkin .....	261.4	257.7	253.4	259.6	261.4	266.0	265.9	265.9	1829.8
Savings .....	0	0	0	0	4.8	10.0	10.0	10.0	34.8
<b>Budget outlays:</b>									
Committee .....	269.6	261.1	257.0	254.5	259.6	267.8	267.7	269.2	1836.9
Harkin .....	269.6	261.1	257.0	254.5	258.6	264.4	261.1	263.0	1820.1
Savings .....	0	0	0	0	1.0	3.4	6.2	6.2	16.8

Mr. HARKIN. Mr. President, what this chart says is that the United States and its allies are spending almost 10 times more than all of our potential adversaries put together. Here is Russia at \$12 billion; China, 27.4 billion; North Korea, \$5.3 billion; Iraq, \$2.6 billion; Iran, \$2.3 billion. Libya, Syria, and Cuba spend even less.

You total up all of our potential adversaries—and I put Russia in there even though Russia is not a potential adversary at this time; and we have diplomatic relations with China—you add them all up and it comes to \$54.37 billion. That is in the whole world what our adversaries are spending. We are spending \$510 billion total; for the United States, \$260 billion.

If you just look at the United States, we are spending almost five times more than all of our adversaries put together. And yet the budget before us says it is not enough. We are going to increase it in the next 7 years, while we

cut education, cut job training, cut Head Start, cut Pell grants. That simply defies common sense.

We had this other chart yesterday when we talked about education. Look at what is happening. Here is the line that shows the cost of going to State universities per year, rising by the year 2002 to about \$8,000 a year. Here is line for Pell grants that student rely on, going from \$2,590 down to \$1,500, almost a 40 percent cut in Pell grants over the same year—a 40 percent cut in Pell grants. That is what we are being asked to do. But, at the same time, we are being asked to increase military spending.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes remaining of his time.

Mr. HARKIN. Mr. President, I ask to be notified when I have 3 minutes remaining.

Mr. President, I am sure you are going to hear from the opponents of this modest amendment Senator BUMPERS and I are offering the argument, "Well, if we freeze it, it is going to cut into readiness, our ability to respond."

That is simply not true. This amendment would fully protect readiness and modernization. Believe me, there are places we can cut that have nothing to do with readiness or modernization. We can cut out some of this high-flying stuff that General Ashy was doing.

Mr. President, I ask unanimous consent to have printed in the RECORD an article regarding General Ashy and his \$120,000 flight last December.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Dec. 9, 1994]  
AIR FARE, ROME TO COLORADO: \$120,000; GENERAL'S COSTLY FLIGHT RUNS INTO FLAK ON HILL (BUT THE CAT PAID)

(By John F. Harris)

A commercial flight was leaving the next day, but that was not soon enough for Air Force Gen. Joseph W. Ashy.

Instead, the new leader of the U.S. Space Command traveled on an Air Force C-141 transport jet, which flew him, one aide and the Ashy family cat from Italy to Colorado at an estimated cost of at least \$120,000.

Ashy's Sept. 9 flight on a 200-passenger plane specially equipped with a luxury cabin and carrying a steward on its crew of 13 was more convenient at the time, but it is causing big trouble now.

After a complaint from Capitol Hill, Defense Department Acting Inspector General Derek J. Vander Schaaf agreed this week to investigate the propriety of the flight and whether Air Force public affairs personnel were truthful in answering reporters' inquiries.

Ashy, who followed Pentagon regulations by paying \$85 fare for the cat, declined to comment.

A spokesman at the Space Command in Colorado Springs, Lt. Col. Dennis Gauci, said Ashy and his aide considered flying a commercial flight out of Rome on Sept. 10, but worried the schedule would not give him enough time in Colorado the next day to take an eight-hour training course on procedures for alerting the president in event of an air attack.

He was sworn in as head of the Space Command Sept. 13.

Ashy, 54, a 32-year Air Force veteran and fighter pilot, could not leave earlier, the Air Force said, because he was still commander of the 16th Air Force in Italy, a job that included directing air missions over Bosnia.

Air Force officials in Washington acknowledge Ashy's flight looks bad, but said no regulations were broken. Ashy, they said, was on an especially tight schedule to get to his new posting, and asked an aide to see if any government planes were heading his way.

Subordinates went overboard in accommodating his request, according to an Air Force official at the Pentagon familiar with the case, and an empty C-141 was ordered across the Atlantic and back again to ferry Ashy to his new home.

United Airlines is quoting a one-way, first-class fare from Rome to Colorado Springs of \$1,617.

The C-141, which costs about \$3,400 an hour to operate, was dispatched from McGuire Air Force Base in New Jersey to Italy and on to Colorado.

Total flight time was 31 hours, Air Force officials said, and two mid-air refuelings were required that added to the cost.

The price tag gave Sen. Charles E. Grassley (R-Iowa) a case of sticker shock, and he asked Vander Schaaf to investigate.

In a letter to the inspector general, Grassley said he learned about the incident from Newsweek military affairs columnist David Hackworth, a highly decorated retired Army colonel who is planning a story about the flight in next week's issue of the magazine.

Hackworth is "disturbed by the arrogance that General Ashy's behavior appears to represent," and believes "Air Force officials have 'repeatedly lied' to him" and an ABC News producer who collaborated with him in investigating the episode, Grassley wrote.

The inspector general's office will "determine whether the travel was proper and reasonable, and address a number of related matters, the most important of which appears to be whether Air Force personnel were truthful in answering press inquiries about

the flight," Vander Schaaf said in a memorandum Tuesday to Defense Secretary William J. Perry.

Ashy had no idea until he got on the flight, according to Gauci, that a C-141 had been dispatched especially for him.

When an aide contacted the Air Mobility Command to ask about transport, Gauci said, Ashy assumed he would be on a flight that was already traveling from Europe to the United States.

"General Ashy didn't specifically request that plane," Gauci said, "and he had no idea where that plane originated."

The spokesman said Ashy also did not know the C-141, ordinarily used for carrying troops and equipment, would be equipped with a special "comfort pallet," which includes such amenities as first-class seating, a kitchen and a sleeping area.

The plane had recently been carrying U.S. Ambassador to the United Nations Madeleine K. Albright on a flight to Russia, the Air Force reported.

Ashy's flight might not have been publicized, except for a coincidence before taking off in Naples. Two retired military officers and their wives, who are allowed to travel on military planes on a space-available basis, asked the crew if they could tag along.

Even though the flight was flying nearly empty, Air Force officials said the crew told them no, because they believed Peterson Air Force Base in Colorado was not an allowed port of entry into the United States for travelers not on Air Force business. An Air Force official in Washington said the crew was mistaken, and that accommodations for the foursome could have been made.

Vowing revenge, the spurned retirees took their grievances to Hackworth, who began investigating. ABC's "20-20" is also planning a piece on the incident for tonight's broadcast.

Air Force officials said the crew made other mistakes. The manifest on the plane said Ashy's wife was with him on the flight. In fact, the Air Force said, Ashy's wife was already in Colorado, and the woman traveling with him was his 21-year-old aide, Senior Airman Christa Hart.

"Why did a young female enlisted aide . . . accompany General Ashy on this flight?" Grassley asked in his letter. "Why is Hart's name not listed on the flight manifest? Was Hart performing normal official duties, or was there some other reason for her presence?"

Hart was on the flight because she is joining Ashy in his new assignment, an Air Force official said. She serves as a valet to Ashy and performs some protocol functions.

Mr. HARKIN. We can cut that out. We can start having better accounting procedures. We can reduce the Milstar, for example, this relic that is no longer needed. If we cancel that, we save \$3 billion over 7 years.

Stopping production of the Trident D-5 missiles after 1996. After 1996, we will have enough to equip all of our nuclear subs at START II levels. So why buy more D-5's? This would save \$3.7 billion over 7 years. And we could, for example, reinstate the fees on commercial arms sales to pay the U.S. Government for R&D costs, that again gives us about \$500 million over this period of time.

So, Mr. President, there are a lot of things we can do. We do not have to cut into readiness or modernization. I would not want to cut into readiness or modernization. But there is a lot of

waste and a lot of inefficiency in the Pentagon that can and should be eliminated.

Quite frankly, when you look at the defense budget, what it is now is a jobs program. That is what we are spending money in the Pentagon for. It is a jobs program. But I submit to you, Mr. President, there are more effective and efficient ways to invest in jobs programs than throwing it at the Pentagon.

The PRESIDING OFFICER. The Senator is advised that he has 3 minutes remaining on his time.

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

The PRESIDING OFFICER. The Senator reserves the remainder of his time.

The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I yield myself 3 minutes of my time.

First of all, let me say to every Senator around, the argument that the U.S. Defense Department does not manage its business with perfection should come as no surprise. But should it surprise anyone that the Department of Education does not manage its business very well? Might that be a shock? I would assume there is as much waste and inefficiency in the Department of Education of the United States as there is in the Defense Department.

Mr. President, I would say that HUD has more waste than the Defense Department.

To talk about the fact that the Defense Department has made some mistakes is no argument at all to take \$40 billion out of defense now on this budget resolution.

Actually, this amendment should be turned down. I am hoping it will be turned down by a large number, by a large vote. But I think there are some who will say "Well, let's just take it out of defense and put it on education."

Well, Mr. President, fellow Americans, the argument can be made on every single domestic need. Think of one: the National Institutes of Health. We are not able to fund them fully. A tremendous program. Take it out of defense. Defense is getting too much.

We could have an array of amendments here and, by the time we were through, saying, pay for all these things we need, guess what would happen, Mr. President? The United States of America would have no military left.

Now it seems to me that everybody knows we have put defense on a downward path over the last 8 years. This budget resolution still has to go to conference with the House. In this resolution, we have assumed the President's numbers. I am the first one to suggest I have not been very happy with the President's numbers. I did not vote on the last amendment to add some \$80 or \$90 billion in budget authority to defense.

But I am here to say we ought to leave it alone. It is probably about as low as it ought to get.

That does not mean that every American program on the other domestic side, from health to education, is fully funded either. There are many who would say defense is not fully funded either. The Chiefs of Staff of the United States military could tell us some things we ought to be doing that we are not doing.

Mr. President, when we need the defense of the United States, when we need those men and women, we are not going to be arguing about some general using an airplane that he ought not use. We are going to say, "We hope they take care of that."

But let us take care of the men and women and our needs. And we know what they are.

I only reserved 5 minutes on this amendment. I hope nobody assumes that I do not think it is a serious amendment. I do. And I hope no one gets the idea that all we have to do the rest of this debate is to bring amendments down here and offer to take money out of defense.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. I yield myself one additional minute.

After all, the point of it is that it is a big department of Government. It is the evidence of America's strength in the world. It ought to be big. It ought to be powerful. It ought to be strong.

We have an all-volunteer Army. Nobody compares with that. When people say we spend more than everyone, of course we do. We pay our men and women in the military. They are not drafted. They are paid good salaries and have a good retirement because we decided that is how we wanted keep a strong military. This will begin the demise of the military and everybody will think it is for a good purpose. It will actually have a very serious, bad effect on America's future.

I reserve whatever time I have.

The PRESIDING OFFICER. The Senator reserves 1 minute and 17 seconds.

The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, to hear the comments by my friend from New Mexico, you would think the amendment I am offering would totally gut the Department of Defense.

As I pointed out, my amendment keeps the same spending for the Department of Defense as the Budget Committee does over the next 3 years. That is my amendment. It continues the same spending. And then, for the next 4 years, it provides for just slightly less growth than what the Budget Committee has, slightly less growth.

I am not cutting defense spending. I am just growing it a little bit less than what the Budget Committee does in the out years.

Well, for example, as I said, for the next 3 years, spending under my amendment is the same as the Budget Committee. In 1999, the Budget Com-

mittee would spend \$266.2 billion. I spend \$261.4 billion. Over the total of the 7 years we would spend \$34.8 billion less, bringing the Pentagon to a freeze level.

Do you know what the difference is, Mr. President? Do you know what the difference between my amendment and the Budget Committee is? Two percent.

You mean to tell me that someone can stand here with a straight face and say, "Over the next 7 years, the Department of Defense cannot contribute 2 percent?" What a joke.

Then we hear people in the military, military officers, saying, "Oh, we have to have more money."

Here is what Defense Minister Pavel Grachev called the Russian budget. He said it is "a catastrophe for the Army."

Of course, military people are going to say that.

But back to my chart, back to my chart, Mr. President. The United States is spending \$260 billion this year.

All of our adversaries combined only spend \$54 billion—one-tenth of what we alone spend. Yes, we have to remain strong in the world. Yes, we have to pay our military people. Yes, we have to keep a strong presence around the globe. But at what expense? By wastefully throwing this kind of money at it?

I am sorry, it is simply ridiculous to think that our modest amendment would even cause a disturbance for the Pentagon. It will not hurt readiness or modernization one iota. It will not cut one paycheck from the military. Two percent? We are cutting education. We are cutting everything a lot more than 2 percent. My amendment is just 2 percent less than the committee's level for defense, a freeze, and we are told the Pentagon cannot even do that to help balance the budget.

We are asking for sacrifice from our senior citizens, sacrifice from our students to make them pay more for their college loans, sacrifice from our poor to give up the earned-income tax credit, but we cannot ask the Pentagon to live with a freeze at a time when our enemies are spending only one-fifth as much as us combined? Two percent less than the recommended increase. It is not even a cut. And yet some argue we cannot even ask them to do that.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARKIN. I will close by saying 2 percent is not too much to ask to help balance the budget of the future.

Mr. LOTT. Mr. President, the world is not a utopia. There are dangers all over the world and there are growing questions as to whether we will be able to meet these challenges in the future.

Must we repeat history and not be ready when the next major threat occurs? The readiness of our military is slipping. We are not procuring the equipment we need to meet a growing and unpredictable threat. The morale of the men and women who serve in uniform is declining.

Mr. President, we are not even providing sufficient ammunition for proper training. We have already cut defense spending by over 35 percent. Must we be doomed to repeat history—again?

We need to take a look at where we are, and what we have done to our defense spending levels over the last 11 years. Since 1985:

Ship purchases are down 80 percent; aircraft purchases are down 86 percent; tank purchases have dropped to zero—a 100 percent reduction; and strategic missile purchases have dropped 95 percent.

In 1993, the President proposed a 5-year defense spending plan which added \$126.9 billion in cuts to defense spending—over and above the reductions previously made by President Bush. Now we need to understand, the cold war ended during the Bush Administration—and significant realignment of defense priorities occurred immediately following the fall of the Berlin Wall.

Prior to 1993, defense spending was already cut—and cut deeply. Before the Members vote on the amendment by the Senator from Iowa, it is important to know what was cut prior to 1993.

Military personnel were reduced by more than 350,000; overall defense spending declined by about 20 percent; our Navy dropped from 536 ships to 448 ships in the fleet; three aircraft carriers were eliminated from the fleet; eight Fighter Wings were cut from the Air Force; we slashed our strategic bomber fleet to 181 planes; and we terminated dozens of weapon systems.

All of this was cut from our defense forces prior to 1993.

The budget request this year, cuts defense spending even further. The procurement budget this year is at its lowest level in 50 years—and is \$6 billion less this year, than last. Procurement spending under this budget is only 39 percent of the total defense budget.

Now, I completely agree that we should only spend what is necessary for our national security needs. The question raised by this amendment is: Do we need to spend more for defense—or less? In order to answer this important question, you need to review the facts.

Fact No. 1: The Defense Planning Guidance calls for a Navy fleet of 346 ships in order to meet our national security requirements.

But this budget does not provide funding sufficient to achieve and maintain a fleet level of 346 ships. Only by not retiring older, less capable ships are we able to even come close to the ship numbers we require.

Fact No. 2: The Defense Planning Guidance calls for 184 heavy bombers in order to meet our security requirements.

But this budget barely provides more than 55 percent of the required heavy bombers to meet our security requirements. The bomber plan is so bad, in fact, we will be forced—under this budget—to keep the B-52 in service until the year 2030. In 2030, the B-52 will be over 60 years of age.

Fact No. 3: Before the budget was submitted to the Congress, the Secretary of Defense, on November 15, 1994 reported that fully one-fourth of our Army Divisions were far below peak preparedness.

But this budget does not aggressively increase funding to solve this problem until the year 2000 and after.

This century, America has failed to be prepared to protect her interests on three occasions. We failed to be ready in 1942 at Pearl Harbor, We failed to be prepared in Korea in the 1950's. Just over two decades later, we failed to be prepared to deal with the military challenges facing us in the deserts of Iran.

Failure to prepare leads to a certain outcome—preparation for failure. Loss of military capability does not announce itself—except by failure.

No Member of this body can predict when or where America will next be challenged. But just as the mighty Mississippi flows southward with lumbering power, on this you can be certain:

American will again be challenged.

America will again be forced to defend her interests.

The only question yet to be answered is—will we be ready to meet these future challenges? If you believe American will not be challenged again, you should vote for Senator HARKIN's amendment.

If you believe however, that preparation is essential for victory and vigilance is our strength—then you should oppose this amendment. I urge my colleagues to oppose this amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, in 1996 dollars, the Department of Defense has been reduced from \$402 to \$246 billion. Now, is there anyone that would like the American military and American defense to be like the Soviet Union? Of course they do not pay anything. They hardly pay their military. Would we like to do that? Would we like to say we do not need any new technology or innovation, or do we want to remain the strongest Nation on Earth? We have cut defense enough. If there is more money needed for education, we ought to take it out of some other program, not out of the Defense Department and the men and women who serve us there.

I believe my time has expired. If not, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from New Mexico yields back the balance of his time. All time has expired on this amendment.

Under the previous order, the amendment will be laid aside at this moment.

Under the previous order, we will go to the amendment of the Senator from Wisconsin. On the amendment of the Senator from Wisconsin, Senator FEINGOLD has 20 minutes and the Senator from New Mexico has 20 minutes; 10 minutes of the time of the Senator from New Mexico is granted to the Senator from Alaska.

The Senator from Wisconsin is recognized.

AMENDMENT NO. 1127

(Purpose: To strike provisions providing for a tax cut)

Mr. FEINGOLD. Mr. President, on behalf of myself and the Senator from South Carolina, Senator HOLLINGS, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD], for himself, Mr. HOLLINGS, Mr. BYRD, Mr. NUNN, Mr. BUMPERS, Mr. KERREY, Mr. ROBB, Mr. DORGAN, Mr. SIMON, Mrs. MURRAY, and Ms. MOSELEY-BRAUN, proposes an amendment numbered 1127.

Mr. FEINGOLD. 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 74, strike beginning with line 8 through page 75, line 22.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, this amendment, in addition to being jointly offered by Senator HOLLINGS and myself, is also cosponsored by Senator BYRD, Senator NUNN, Senator BUMPERS, Senator KERREY, of Nebraska, Senator ROBB, Senator DORGAN, Senator SIMON, Senator MURRAY, and Senator MOSELEY-BRAUN.

Senator HOLLINGS will speak in a moment or two about this, but let me just say, first of all, this is really the moment when the Members of this body can convey to the American people whether they believe tax cuts are a priority or not. It is a clean vote.

We can ensure the focus of this budget resolution stays on deficit reduction and deficit reduction alone by adopting this amendment. Other amendments before us that have been rejected have suggested we use the \$170 billion tax cut fund for restoring Medicare cuts or education, earned-income tax credit. I think those were all worthy priority choices. They are all more important than a tax cut at this point. Mr. President, none of those amendments were adopted, and we stand here with there still being the \$170 billion kitty, or cookie jar, existing in the budget resolution that came out of the Budget Committee.

My amendment simply strikes the section of the resolution which establishes a special budget surplus account. The result will be that any additional savings that would have accrued to this account will instead simply go toward the purpose of deficit reduction. By striking the budget surplus allowance, any fiscal dividend that flowed to the Federal Treasury as a result of the deficit reduction contemplated in the resolution would reduce the amount the Government would otherwise have to borrow.

It would eliminate the indebtedness of this country to the tune of \$170 billion. Eliminating this cookie jar also

brings us that much closer to really balancing the Federal budget without using Social Security, and this point has to be stressed and stressed again. It is my understanding that even under this budget resolution, we will still be using \$113 billion of Social Security funds to balance our books in fiscal year 2002. Mr. President, this is not a balanced budget by the year 2002 unless you raid the Social Security funds.

CBO estimates that in 2002, the so-called fiscal dividend might be \$50 billion for that year by adopting this amendment. So instead of the \$113 billion bite out of Social Security, we will reduce it by \$50 billion.

This tax cut that is hidden in the budget resolution is the loose thread that threatens to unravel the budget, the potential tax cut funded from the so-called budget surplus allowance. This is the symbol of irresponsibility that remains in the budget resolution, and it is not just a little bit of money. It is three times the total that President Clinton proposed in terms of tax cuts earlier this year. He proposed about \$60 billion. This is almost three times greater than that, Mr. President, and people did not think that was an insignificant amount either. It is a giant tax cut.

At best, the budget that passes this body and finally the one that is agreed upon by both Houses will be unpopular. It cannot help but be unpopular. Some feel that adding a tax cut will sugar coat the medicine and make it politically a little bit less risky to balance the budget. But it will not. In fact, it will do just the opposite. A tax cut will only undercut any work that will be accomplished by Congress.

First, it will make those tough cuts we do make suspect. Those whom we ask to sacrifice for the cause of deficit reduction will not be persuaded that their own sacrifice will not instead go to provide tax cuts to someone else, someone who may well be a lot wealthier than they are. The Senator from South Carolina and I think that is a formula for trouble. We simply cannot pass what may be a \$1 trillion package of spending cuts, including massive cuts in Medicare, Medicaid and education and other programs, and then ask the Nation to support that package while promising tax cuts to everyone. It will not wash. Beyond that, the potential in this budget resolution for a tax cut is just too great of a temptation.

What this \$170 billion fund does, Mr. President, is essentially lay out a series of low-calorie menus for a dieter, asking them to eat only celery, carrots, some cottage cheese, maybe a little water, but at the same time we put right next to them a big piece of banana cream pie. That is what this tax cut is. We are not going to put the Federal budget deficit on a diet by providing for a tax cut. Nor will we assure the Federal Reserve and the financial markets by claiming we can do both.

It is possible, the prospects of lower interest rates that might flow from really lowering the deficit will be lost, and if we do not act responsibly in this matter some will reject the claims we can have it all. By every measure I know, the Nation has expressed an overwhelming preference for deficit reduction over a tax cut. The mail and phone calls I have received from Wisconsin since November on this have been absolutely clear, because the people of the United States know what is at stake. They know there is no free lunch here. We can reduce the deficit and help ensure their children and grandchildren will have a Government that is financially sound or we can give a nice big tax break now and stick future generations with the tab. By significant majorities, people want the former. They want us to start paying off the bills that have been run up, and they want us to do it now. This is not a partisan issue. For my own part, I have opposed the tax cut plans of both parties because I believe it is the fiscally responsible thing to do.

Mr. President, I hope that both sides come together in a bipartisan fashion. I have heard Members of both parties make absolutely unequivocal statements on the floor that they do not believe tax cuts can be a priority at this time. This is an opportunity to come together and say we can have a balanced budget by the year 2002 but only if we resist the temptation to go for-

ward with a tax cut we all would like to vote for but cannot afford.

With that, Mr. President, I yield 5 minutes to the distinguished Senator from South Carolina.

Mr. HOLLINGS. I thank my colleague.

Mr. President, this is the same amendment that I presented in the Budget Committee which was defeated by a 12 to 10 vote. At the markup in the Budget Committee markup, Democrats were characterized as wanting to take the surplus, and spend it, whether for Medicare, education or whatever; Republicans were criticized for taking the surplus to give tax cuts.

The truth of the matter is that there will be no \$170 billion surplus. But if part of it does materialize, it ought to go to reducing the deficit. That was the amendment I offered in committee, and that is the amendment that should today be adopted by the Senate if we are really sincere. But rather than have any light shed on the subject, we have been bombarded by irresponsible reporting on the budget in the last several weeks. Specifically, I refer to Time magazine's cover which said, "This time it's serious. Budget resolution . . . for the first time in decades, Congress is committed to balancing the budget." Absolutely false. Turn to page 7 in the budget resolution itself. What word appears? "Deficit" by the year 2002. It does not appear "balanced."

On page 7, line 21, for fiscal year 2002 a deficit of \$113.500 billion, or, more accurately, on page 9, you can see how much the debt actually increases by the year 2002 over just 1 year—2001. It is \$177.7 billion. That is the real deficit. We are all rhetoric and no reality. Republicans are already giving themselves credit and claiming to have done a wonderful thing which to some on the other side justifies a tax cut. But Mr. President, the American people know what is going to happen. Under this proposal, the tax cuts in stone and the spending cuts are going to slip by the board.

Specifically, on this idea of committing to balancing the budget for the first time in decades, I submitted when I was chairman of the Budget Committee—and again in 1985. Everyone remembers Gramm-Rudman-Hollings. That was a balanced budget—not in 7 but in 5 years. In 1991, we were treated to the budget summit. I remember at that time that members were slapping each other on the back and congratulating themselves on really getting the budget under control.

I ask unanimous consent that the 1991 budget resolution deficit surplus figures appearing on page 21 of the budget report be printed in the RECORD at this particular time.

There being no objection, the figures were ordered to be printed in the RECORD, as follows:

CONFERENCE AGREEMENT TOTAL BUDGET

(In billions of dollars)

	1991	1992	1993	1994	1995
Budget authority .....	1,485.6	1,562.6	1,582.4	1,593.4	1,668.4
Outlays .....	1,236.9	1,269.3	1,305.0	1,324.8	1,355.5
Revenues .....	1,172.9	1,260.8	1,349.8	1,433.3	1,511.7
Deficit (-) / surplus (+) .....	-64.0	-8.5	44.8	108.5	158.2

Mr. HOLLINGS. So, Mr. President, yes, they had a deficit for 1991 and 1992. But at that time, their estimates projected a surplus in 1995 of \$156.2 billion. The reality was much different. Instead of \$156.2 billion surplus, we have a \$317 billion deficit—a swing of some \$474 billion off in the 3 or 4 years.

There is no education in the second kick of a mule. We have been through this gamesmanship. Let us cut out the nonsense and get serious here and report accurately that we are not balancing the budget. You cannot do it without a balanced approach of spending cuts and tax increases.

If there is any surplus, heavens above, let us allocate it to the deficit, because by 2002, we will have a \$6.6 trillion debt with interest costs growing at the rate of almost \$500 billion a year. That is, one-third of the budget is automatically going to interest costs, just the carrying charges, not to reduce the debt but just to open up the doors early every morning up here in Washington in the Government.

So we cannot engage in this nonsense and gamesmanship. We have to get real.

The PRESIDING OFFICER. The time allocated to the Senator has expired.

Eight minutes remain of the Senator from Wisconsin's time.

Mr. FEINGOLD. Mr. President, if a Senator on the other side wishes to speak, we can go forward.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. MURKOWSKI. Mr. President, let me commend my good friend from Wisconsin, Senator FEINGOLD, for offering this amendment. I certainly support the idea that we can do more in deficit reduction and that a tax cut is ill-advised. However, I must reluctantly oppose the pending amendment.

Mr. President, the Senate Budget Committee, I think we agree, has performed a very remarkable job in putting this budget resolution together. Senator DOMENICI and the staff of the majority and the staff of the minority have worked in good faith, and I think they have fulfilled the commitment that everyone of us in this body has made when he or she voted for the balanced budget amendment earlier this year.

We have demonstrated that we can balance the budget and put our Nation's fiscal house on the road to solvency.

Now, in addition to the savings that will occur under this budget resolution, the Congressional Budget Office has projected that a credible reduction in the deficit by the year 2002 would produce a fiscal dividend for the Federal treasury. We are all in agreement on that. CBO estimates that interest rates would be 1 to 2 percent lower, and real GNP would be nearly 1 percent higher by the year 2002 if we achieve a balanced budget.

Now, because of these two factors, CBO estimates that we would reap a fiscal dividend of some \$170 billion over a 7-year period, and as much as a \$356 billion dividend over 10 years.

The issue that has divided many Members on both sides of the aisle, and is the subject of this debate, is what should we do with this financial windfall if indeed there is one? During the debate we have been confronted with two specific choices. One, using the dividend to increase Federal spending, or, two, using the dividend to provide

tax cuts. So far, we have not been able to reach an accord on either proposal.

The amendment being offered by my friend from Wisconsin would use the fiscal dividend to further reduce the deficit and, as a consequence of that—and this is the discomfort I have—it would absolutely preclude any possibility of a tax cut for this year.

I really believe that this is the wrong time for the Senate to completely close off the tax reduction option—I emphasize option—at this time. Despite what many Members on the other side have said, this budget resolution—and I emphasize this—does not mandate a tax cut. In fact, there is no specific tax cut in this plan. What this budget resolution says is that if all of the committees in Congress adopt reconciliation legislation that produces a balanced budget in the year 2002 and if—I emphasize “if”—that reconciliation legislation makes it through a conference committee—and that is a big “if”—and then is signed into law by the President, then and only then may Congress consider reducing taxes.

The CBO will have to certify that the reconciliation legislation does, in fact, produce a balanced budget. That is, CBO must certify that the budget is balanced in the year 2002. CBO will have to provide an estimate of how much additional savings will be achieved through lower interest rates and increased economic growth. CBO may determine that the savings are as projected, \$170 billion; on the other hand, they may be lower or higher.

Once CBO has provided that savings estimate, only then can Congress consider cutting taxes. Obviously, we do not necessarily know what interest rates might be.

In any event, in the Senate, the decision whether to cut taxes is going to be first made by one committee. That is the Finance Committee, and that is a committee that I serve on. As a consequence, in the Finance Committee, I intend to make every effort to convince my colleagues on the committee that the CBO economic dividend should be used for further deficit reduction rather than tax cuts.

Mr. President, if this amendment by my good friend from Wisconsin is adopted, and if we completely foreclose the future option of reducing taxes, this Senator, the Senator from Alaska, is concerned that this balanced budget resolution may not receive a sufficient number of votes to pass this body.

I believe it would be far worse for our Nation's economic health if we fail at this effort to bring the deficit to zero than it would be if we merely retained the longer-term option of reducing taxes. It is for that reason, Mr. President, that I must reluctantly oppose the amendment of the Senator from Wisconsin.

Mr. President, how much time is remaining on this side?

The PRESIDING OFFICER. The Senator retains 3 minutes 35 seconds of his time; Senator DOMENICI of New Mexico has 10 minutes of his time.

Mr. MURKOWSKI. I yield the balance of my time to the Senator from New Mexico.

Mr. DOMENICI. How much time does the other side have?

The PRESIDING OFFICER. The Senator from Wisconsin has 8 minutes 1 second.

Mr. DOMENICI. Mr. President, I yield myself about 3 or 4 minutes and then will have to absent myself from the floor, and I will be back. Perhaps the other side can use part of their time.

Mr. President, the budget that we crafted that is currently before the U.S. Senate, I believe, is a fair way to handle the American people and to say to them, “Once you get a balanced budget, for all the sacrifice that goes into that, there is some positive to come out of it.”

We all understand that when we get a balanced budget and we no longer are borrowing money, when those out there that set interest rates based upon money supply see that America is for real, interest rates come down. There is no question.

Americans should not think we are going through this event in our history, one of the most significant in modern times, of putting our fiscal house in order, deciding that we finally want to pay our bills ourselves as adults instead of having our children and grandchildren pay them—there ought to be a bonus for that. We ought to get something out of that.

Incidentally, in this case, the major economists that look at fiscal policy of this Nation—perhaps they are just startled by the fact that we are finally going to live within our means and be rational and talk about what we can afford and what we cannot afford—they say there will be an economic bonus, an economic dividend. There will be a change sufficiently large in interest rates that when we get to balance, we get an economic dividend of somewhere between \$150 to \$200 billion if it is done in the manner prescribed in this budget resolution.

So what did we say? We said simply, we are not going to have tax cuts until the event is completed—the balancing of the budget. So we say, when all of these laws are changed by the Congress, that is finished, then we can ask the CBO, the real number estimators for our land, are we there? Have we reached that point, that event? Is it real? When they say, “Yes,” they will then say there is an economic dividend. We will say then and only then is that released to the Finance Committee of our U.S. Senate to be used for tax cuts.

Now, Mr. President, there are many people in this body and many American people who think we ought to have a tax cut for the American people. Especially one that focuses in on the American family.

Frankly, I agree with that. I said my first priority as the chairman of the Budget Committee would be to get a balanced budget. I believe we got one. I

believe that this is historic, and if carried out, the economy will get better, interest rates will come down, and I believe we have a brighter future if we stay there for about 10 years, in balance, paying bills, reducing the debt, instead of borrowing more and more every year.

Now, I think the Senator from New Mexico thinks at that point in time when we finish that work, we ought to give the American people at least an opportunity to get a tax cut, to get some relief, especially for families. That is what this budget resolution does.

Now, frankly, there are some who would like to spend that dividend. We have heard from them. I do not know that there will be any more opportunities on the Senate floor to spend that dividend again or to use it differently. We have been through that.

Now we have reached the point in time where those who are not for this budget resolution—and I assume the Senator who offers this amendment is not for this budget resolution. Perhaps that is a false assumption. If it is, he might tell the American people he will vote for this budget resolution. That would be interesting. I surmise he will not say that. If he does, I would say, “Wonderful.”

From that side of the aisle there will be a huge number of votes saying after we get there, we want to say what to do with it, and we do not want to give the American people a tax cut even after the balanced budget when the economic dividend is available and we are still in balance.

I do not believe that amendment ought to pass. I do not believe the motion to strike that part of the budget should pass. That is why I am speaking tonight. I have spoken enough, perhaps, today and I am not sure I will speak much more. Maybe another 3 or 4 minutes before this amendment is finished.

Essentially, while I compliment the Senator who offered the amendment, he obviously is really interested in fiscal prudence, in making sure that we use common sense, as he says. I believe the common sense was all exercised before he ever got to the floor, before this amendment ever arrived, when Republican Senators decided to balance the budget. We hope when we are finished that some Democrat Senators will join Republicans.

That event was completed. Now we come to the floor and say, “No dividends to America. Just strike it out of this budget resolution.”

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

The PRESIDING OFFICER (Mr. THOMPSON). The Senator has a little over 7 minutes remaining on his time. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. I yield 3 minutes to the Senator from Virginia.

Mr. ROBB. Thank you, Mr. President. I thank the Senator from Wisconsin.

While the distinguished Senator from New Mexico is still on the floor, let me tell him I fall into the latter category of one who is thinking if we do not do any more damage, that I may be one, and there are several on this side of the aisle, I might inform the Senator, who are thinking about voting for the budget that emerges—not because we think it is the perfect vehicle.

Indeed, tomorrow, some Members will have an alternative, hopefully, to that particular vehicle.

I want to compliment the Senator from New Mexico. I have known him for about 15 years. I have respected his willingness to make tough, principled decisions in attempting to bring some sense of fiscal responsibility to an otherwise undisciplined Federal Government over a long period of time. I said on this floor the other day, that I thought he deserved enormous credit for giving us a target, something that was truly important.

I support the amendment of my friend, the distinguished Senator from Wisconsin, because I believe we ought to make it clear that deficit reduction is the most important objective we are attempting to achieve at this particular time. We are not truly balancing the budget even if we stick to the numbers we are dealing with, because we continue to mask the total budget in the Social Security surplus. It will be about \$113 billion out of true balance, but it is exactly the same kind of obfuscation we have been using for years and I am certainly willing to give all the credit that is due for moving in that direction. But in this particular case, if we are serious about deficit reduction, I think the only message we can leave at this point is we are prepared to make some tough choices.

Several on this side are willing to make those tough choices with our colleagues on the other side of the aisle. One of the most difficult votes for me was one just two votes ago when I had to vote ultimately against a very substantial increase in defense spending. Not because I do not think we need it, because if we are serious about fighting two major regional conflicts and winning in the years ahead we are going to have to put more money into the defense budget, even more than the President has added back right now. I accept that responsibility and will continue to work on it. But I thought it was a discordant message with respect to deficit reduction.

That is why I am prepared, with several colleagues, I believe, to support the ultimate product of this debate. I hope we will find ways to amend that particular end product so we can have something that has the kind of balance that many of us want to achieve. But I think the most important thing we can do is keep our eye ultimately fixed on the target, which is to bring it into what is balance using the \$113 billion that will be available from the Social Security surplus.

With that I yield whatever time I have remaining and I thank the Sen-

ator from Wisconsin for offering this particular amendment.

The PRESIDING OFFICER. Who yields time? The Senator from Wisconsin.

Mr. FEINGOLD. First of all let me thank the Senator from Virginia for his tremendous support on this issue all along.

Now I would like to yield to the Senator from Illinois, who has also been as solid as can be in trying to impose these tax cuts.

Mr. SIMON. Mr. President, I want to commend Senator FEINGOLD who, from day one, when both parties were talking about tax cuts, said, "This does not make sense. Our priority has to be to get this budget balanced."

As I have said half a dozen times on the floor, and I said it in the Budget Committee, I commend Senator DOMENICI for moving toward a balanced budget. I disagree with how we get there. But the question is right now on a tax cut. The next best thing to passing this amendment is to do what Senator MURKOWSKI said on the floor just a few minutes ago. He said, as a member of the Finance Committee he is not going to vote for a tax cut. And I commend him for that statement.

When my friend from New Mexico says there ought to be a bonus, we ought to get something out of it, I think the bonus is to have this budget in balance to get our fiscal house in order. When he says we ought to get something out of it—I know he has more children, and more grandchildren I believe, than I do. If my three grandchildren can have a better future, that is what we ought to be interested in. I think, frankly, passage of the Feingold amendment moves us in that direction.

I know the Senator from New Mexico well enough to know he will not be heartbroken if the amendment of the Senator from Wisconsin is agreed to. I hope it will be agreed to. I am certainly going to vote for it.

The PRESIDING OFFICER. Who yields time? The Senator from New Mexico.

Mr. DOMENICI. Mr. President, might I just take 30 seconds and say to my good friend, Senator SIMON, I think you know a lot. But you do not know whether I will be heartbroken or not. That is pure speculation. I spoke rather vigorously against it. All my instincts and all my abilities are to speak against it. I have done the very best I can.

You draw your conclusion. I draw my own.

Mr. SIMON. All right.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I yield 1 minute to the distinguished Senator from Nebraska, who has also been extremely helpful on this issue.

Mr. EXON. Mr. President, I thank my friend for yielding for 1 minute. I find myself very much in the position just articulated by my friend and colleague from the State of Virginia. We have to

make hard choices here. I felt about that amendment that he referenced about like he did. But if we are going to make the hard choices then I think we should make them. Therefore I endorse thoroughly the amendment offered by my friend from Wisconsin and my friend from South Carolina.

Certainly, in times like these, when we are talking about the concern for the defense needs and all the other needs we have been talking about all during this debate, it seems to me we have no way or reason to be talking about a tax cut. If there is any money left over after doing what we think is obviously necessary for national defense and these other programs we would be talking about, then that is where the money should be spent. If not there, to reduce the deficit.

I hope the Senator accepts the amendment that is being offered and debated at this moment.

I yield any remaining time I might have.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I thank the ranking member and ask how much time we have left on our side?

The PRESIDING OFFICER. The Senator has 1 minute and 10 seconds.

Mr. FEINGOLD. Mr. President, let me use the last brief period of time to say in response to the Senator from New Mexico that one thing has been accomplished even if we do not win on this vote. That is, the early effort to pretend there was not a tax cut in the Senate budget resolution is over. They are admitting it now, that there is this fund and they are not willing to eliminate it. That is progress. Because that was the first attempt.

Why are we not able to support the resolution in this form? It is because the proposal of the Senator from New Mexico is out of balance in the year 2002 because of this very problem of this \$170 billion. In fact, what it is, is what is left of the crown jewel of the Republican contract. It is basically lying on the floor now after the vote earlier today; 69 to 31 the U.S. Senate rejected the Gramm amendment which was the crown jewel of the Republican contract. This is all that is left of it.

This amendment is an opportunity to say what all the American people really know, which is we cannot afford this. As the Senator from Nebraska said, we are either going to do deficit reduction or we are not. This amendment is the one that allows both parties to come together and strike the iron while it is hot.

I hope the Senator from Alaska is right and we get it done in the Finance Committee but we should do it now on the budget resolution.

The PRESIDING OFFICER. The Senator from Colorado controls 6 minutes and 36 seconds.

The Senator from Colorado.

Mr. BROWN. Mr. President, I am an admirer of the Senator from Wisconsin.

He has, I think, forthrightly brought forth before the Senate a number of proposals that are meant to save money. So I rise out of concern over his amendment, not over concern over the Senator himself but concern over the implication. Let me simply go directly to the point.

He made what I thought was a very interesting analogy. He talked about this amendment as a proposal to go on a diet, to eat carrots and celery and other such things. But then to put at the end of the diet a large piece of pie.

I do not think that is an appropriate analogy. Let me tell you why. What this budget resolution is is a diet. I think the Senator from Wisconsin is right about that. There is no question the Federal budget is overweight and this is a diet. This is carrots and celery. As a matter of fact, I think it is so good there might be some lean beef in here, too, all of which is very helpful to lose weight. But the potential at the end of the rainbow here is not a piece of pie. What it is, is the question of whether or not, when you have gone on the diet, you can have your suit altered. What it is is a question of whether or not you can put a swimming suit on.

If the Senator from Wisconsin wins, what he is going to say is you can go on your diet, which is the first time you have done it in many, many years. You can lose the weight, you can eat that celery, you can eat those carrots. But at the end of the period we are not going to let you take your suit off. You are going to have to walk around in the same baggy suit. There is no reward.

You can do your job. You can make the tough decisions. But, by golly, you cannot put on a swimming suit and let other people see how trim and attractive you are. Believe me, America is trim and attractive, if ever it gets its budget in balance.

Now, that is what the issue is. It is not a piece of pie. It is whether or not you can enjoy the fruits of your efforts.

Mr. President, we have had lots of inflated rhetoric about budgets. Everyone knows it. Everyone knows every time we promise to get the budget in line, it has not worked. And the reason it has not worked is because this Congress continuously overspends its own budget. So we need some help. There is no question about it. And is the promise that if we mind our P's and Q's, if we eat our carrots and celery, that we will get some reward at the end, some help? I think so. We need some help. I do not think anybody can seriously suggest that this Congress does not need help in sticking with its budget resolution.

Now, there is a unique aspect of this. This budget resolution does not commit to a tax cut. What it says is if you pass the budget resolution, if it all scores out and if you come back and fully reconcile it and fully pass that reconciliation—and I think everybody knows that is going to be tough and is perhaps unlikely—and if you reconcile

in a way that the President signs—and that is an even more difficult question because the President has not been enthusiastic about signing things that cut spending—if you get all that, then you may be able to talk about this.

So what we are talking about is a little incentive for a Congress that I believe is desperately in need of some incentive, is desperately in need. What happens here is if you eliminate any incentive and you have a Congress that goes back to its old ways of overspending its own budget, you make it much less likely that we will ever get to the promised land, that we will ever keep on our diet.

Mr. President, what is the impact of going to someone who is on a diet and saying if you make the diet, there is going to be no reward at the end? Well, it is pretty clear. You diminish the incentive to get it done.

It is my judgment, Mr. President, and I think one of the American people, that we ought to be talking about more incentives to get this Congress to stay on its diet, not less. I hope the Members will reject this amendment.

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

Mr. President, I believe the Senator from Maine wishes to speak on this subject. How much time do I have remaining?

The PRESIDING OFFICER. Two minutes.

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

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I would like to yield 5 minutes off the resolution to the Senator from Georgia on the subject at hand.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I thank the Senator from Nebraska.

Mr. President, I rise in support of the Feingold amendment of which I am a coauthor, to apply the \$170 billion fiscal dividend to deficit reduction. The \$170 billion set aside in this resolution for a later possible tax cut is certainly more responsible than the House approach beginning with a \$1.2 trillion deficit exercise by cutting taxes. The House approach to me is like going on the wagon and beginning with chugalugging a bottle of whiskey. To me that is the analogy.

The Senate approach is to set the money aside until after a reconciliation bill is enacted and then making it available for a tax cut at the discretion of the Budget and Finance Committees and, of course, Congress' later approval.

Mr. President, I believe this fiscal dividend brought about by lower interest rates and higher economic growth will exist if we balance the budget by 2002. I do not think it is funny money, but I think it is very fragile. If we touch it by using it either for increased spending or tax cuts, I am afraid it may break. There is a strong prob-

ability that the spending slowdown in Medicaid, Medicare, education, agriculture, and other areas will generate more and more opposition from substantial segments of America before the cuts are passed by the Congress and certainly before they are fully implemented over a period of years.

There is also a probability that in cutting projected spending by over \$1 trillion in a 7-year period Congress will inadvertently make some serious errors which cause extreme hardship and which will have to be corrected.

Mr. President, if my choice is to use the dividend, the \$170 billion, for tax cuts or for easing the most severe impacts on Medicare, education and low-income working Americans, I believe the priority should be on easing the impact, and my votes reflect this.

However, those are not the only two choices. In effect, until this amendment is voted on, we will have been choosing between either spending the \$170 billion or refunding it. In either case, we will be spending and refunding before we have earned the dividend, in my view. If I have a choice, as we do on this amendment, however, of using the \$170 billion, which has not yet been earned because we passed no reconciliation bill—and even when we pass one, we all know, looking at catastrophic insurance and others, when the public rises up in arms over some action by the Congress, it does not take us long to step back, and that may happen. I hope it does not, but it may happen in some of these cuts. I think the Feingold amendment is the responsible way to go because we will be putting this \$170 billion on the deficit from the very beginning, and it will in effect be a contingency fund so that if we have to back up or some of the cuts do not work out as projected, we can still work on the goal in the year designated.

If this amendment passes, there will be a small cushion, a small margin for error in economic assumptions or other assumptions in this plan to achieve a balanced budget by 2002.

I would also remind all of my colleagues who believe, as I do, that we should be balancing the budget without using the Social Security surplus, leaving the fiscal dividend alone and applying it to deficit reduction, as we will do if this amendment passes, would help us move toward the goal of a real balanced budget in the operating accounts rather than simply a unified balance which we all know simply postpones the day of pain when the general fund has to start reimbursing the Social Security fund for the billions and billions of dollars owed. In fact, it will be trillions by the 2010–2013 range.

Mr. President, I understand the analogy my friend from Colorado used about going on a diet and eating celery and carrots and getting thin. But I would remind my colleagues that when we get to 2002, if everything works out in this budget as planned, we will still have to borrow the Social Security

trust fund of \$107 billion. And if we keep adding to the deficit, we will, under this resolution, at the time we get to 2002, instead of being slim and trim in a swimsuit, we are going to still owe to the people holding bonds and notes and Treasury bills all over this country something to the tune of about \$6 trillion to \$7 trillion. I believe the number is now about \$4.9 trillion that is the national debt.

So we will not be slim and trim. We will be bulging over our bathing suits, but we will simply stop in that year adding to the fat and the bulge. So I am not sure we are going to all want to put on our bathing suits in 2002 and show the bulges that have been building up for the last 40 years. Nevertheless, that would be a rather optimistic view.

While the exact estimate would depend on what savings and enforcement provisions were enacted in the reconciliation bill, CBO's previous estimate of the fiscal dividend was about \$350 billion in 2002. If we applied that to the deficit reduction, we could cut the real deficit, excluding Social Security, in half from about \$100 billion to \$50 billion in that year.

The PRESIDING OFFICER. The Senator has used the 5 minutes yielded to him.

Mr. NUNN. Will the Senator yield me 1 more minute? I think I can complete in 1 more minute.

Mr. EXON. If the Senator could complete in 1 minute. We are in a real crunch tomorrow for time, much more than most people realize.

Mr. NUNN. I will complete in 30 seconds.

Mr. EXON. One more minute.

Mr. NUNN. Thirty seconds.

We all know that someone has to face up to the Social Security problem. We all know the Social Security system is not going to be the same for those in their 20's, 30's, and 40's today. It cannot be. And the longer we avoid facing up to that problem, the worse the problem is going to be. Balancing the budget without the continued use of the Social Security surplus to finance other Government spending is an absolute necessary first step in that effort. I urge my colleagues to strike the reserve fund in this resolution and thereby apply these funds to the deficit. We must focus all of our efforts on creating a fiscal dividend before we refund it or consume it.

I thank the Senator from Nebraska. I thank my colleagues.

Ms. SNOWE addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Maine is recognized.

AMENDMENT NO. 1128

(Purpose: To increase funding for mandatory spending in Function 500)

Ms. SNOWE. Mr. President, I have an amendment to offer.

Mr. DOMENICI. Mr. President, while that amendment is en route, might I ask, did I yield back the remainder of my time?

The PRESIDING OFFICER. That time was yielded back.

Mr. DOMENICI. I thank the Chair.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Maine [Ms. SNOWE], for herself, Mr. ABRAHAM, Mr. GRASSLEY, Mr. BROWN, Mrs. KASSEBAUM, Mr. COHEN, Mr. LOTT, Mr. CHAFFEE, and Mr. SIMPSON, proposes an amendment numbered 1128.

Ms. SNOWE. 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 26, decrease the amount on line 20 by \$200,000,000.

On page 26, decrease the amount on line 21 by \$100,000,000.

On page 27, decrease the amount on line 3 by \$200,000,000.

On page 27, decrease the amount on line 4 by \$300,000,000.

On page 27, decrease the amount on line 11 by \$200,000,000.

On page 27, decrease the amount on line 12 by \$300,000,000.

On page 27, decrease the amount on line 19 by \$200,000,000.

On page 27, decrease the amount on line 20 by \$300,000,000.

On page 28, decrease the amount on line 2 by \$200,000,000.

On page 28, decrease the amount on line 3 by \$300,000,000.

On page 28, decrease the amount on line 10 by \$200,000,000.

On page 28, decrease the amount on line 11 by \$300,000,000.

On page 28, decrease the amount on line 18 by \$200,000,000.

On page 28, decrease the amount on line 19 by \$300,000,000.

On page 31, increase the amount on line 12 by \$900,000,000.

On page 31, increase the amount on line 13 by \$500,000,000.

On page 31, increase the amount on line 20 by \$1,000,000,000.

On page 31, increase the amount on line 21 by \$800,000,000.

On page 32, increase the amount on line 3 by \$1,000,000,000.

On page 32, increase the amount on line 4 by \$900,000,000.

On page 32, increase the amount on line 11 by \$1,000,000,000.

On page 32, increase the amount on line 12 by \$1,000,000,000.

On page 32, increase the amount on line 19 by \$1,000,000,000.

On page 32, increase the amount on line 20 by \$1,100,000,000.

On page 33, increase the amount on line 2 by \$1,000,000,000.

On page 33, increase the amount on line 3 by \$1,100,000,000.

On page 33, increase the amount on line 10 by \$1,000,000,000.

On page 33, increase the amount on line 11 by \$1,100,000,000.

On page 48, decrease the amount on line 10 by \$300,000,000.

On page 48, decrease the amount on line 17 by \$300,000,000.

On page 48, decrease the amount on line 24 by \$300,000,000.

On page 48, decrease the amount on line 25 by \$100,000,000.

On page 49, decrease the amount on line 6 by \$300,000,000.

On page 49, decrease the amount on line 7 by \$200,000,000.

On page 49, decrease the amount on line 13 by \$300,000,000.

On page 49, decrease the amount on line 14 by \$300,000,000.

On page 49, decrease the amount on line 20 by \$300,000,000.

On page 49, decrease the amount on line 21 by \$300,000,000.

On page 50, decrease the amount on line 2 by \$300,000,000.

On page 50, decrease the amount on line 3 by \$300,000,000.

On page 54, decrease the amount on line 20 by \$400,000,000.

On page 54, decrease the amount on line 21 by \$400,000,000.

On page 55, decrease the amount on line 2 by \$500,000,000.

On page 55, decrease the amount on line 3 by \$500,000,000.

On page 55, decrease the amount on line 9 by \$500,000,000.

On page 55, decrease the amount on line 10 by \$500,000,000.

On page 55, decrease the amount on line 16 by \$500,000,000.

On page 55, decrease the amount on line 17 by \$500,000,000.

On page 55, decrease the amount on line 23 by \$500,000,000.

On page 55, decrease the amount on line 24 by \$500,000,000.

On page 56, decrease the amount on line 5 by \$500,000,000.

On page 56, decrease the amount on line 6 by \$500,000,000.

On page 56, decrease the amount on line 12 by \$500,000,000.

On page 56, decrease the amount on line 13 by \$500,000,000.

On page 64, decrease the amount on line 9 by \$500,000,000.

On page 64, decrease the amount on line 10 by \$4,300,000,000.

On page 64, decrease the amount on line 11 by \$6,500,000,000.

On page 65, decrease the amount on line 17 by \$900,000,000.

On page 65, decrease the amount on line 18 by \$500,000,000.

On page 65, decrease the amount on line 24 by \$1,000,000,000.

On page 65, decrease the amount on line 25 by \$800,000,000.

On page 66, decrease the amount on line 6 by \$1,000,000,000.

On page 66, decrease the amount on line 7 by \$900,000,000.

On page 66, decrease the amount on line 13 by \$1,000,000,000.

On page 66, decrease the amount on line 14 by \$1,000,000,000.

On page 66, decrease the amount on line 20 by \$1,000,000,000.

On page 66, decrease the amount on line 21 by \$1,100,000,000.

On page 67, decrease the amount on line 2 by \$1,000,000,000.

On page 67, decrease the amount on line 3 by \$1,100,000,000.

On page 67, decrease the amount on line 9 by \$1,000,000,000.

On page 67, decrease the amount on line 10 by \$1,100,000,000.

Ms. SNOWE. Mr. President, I think that there is no question that education is one of the highest priorities that we can give in this budget resolution, and certainly we should do everything that we can to ensure that it receives our greatest attention.

So I am very pleased to be able to offer an amendment in conjunction with many of my colleagues—Senator ABRAHAM, Senator GRASSLEY, Senator COHEN, Senator BROWN, Senator KASSEBAUM, Senator LOTT, Senator CHAFFEE, and Senator SIMPSON—to restore \$6.3

billion in the education account. While education will play a key part in the future of America's children, let us not also forget the goal of this entire process of this budget resolution and the debate we are engaged in to balance the budget by the year 2000 is the greatest gift we could possibly bequeath to future generations of Americans.

I know there have been various efforts to restore funding towards education, but the amendments that have been offered have certainly contained fundamentally flawed funding mechanisms. There has been much talk and discussion here in the Senate about the dividend that the Congressional Budget Office may provide to score the budget if we put in place a balanced budget by the year 2002, and that we may achieve a savings of up to \$170 billion.

But that may or may not materialize at the end of 7 years and, obviously, as each year goes by, it will be determined whether or not the targets have been met under this balanced budget resolution that hopefully will be enacted into law, as well as reconciliation.

But I do not think that on an issue as important as education that we can premise the restoration of funding through an illusory estimate that, as I said, may or may not be there at the end of this budgetary process.

But furthermore, the purpose of the budget resolution is to provide instructions to the Appropriate Committees, both the authorizations as well as the Appropriations Committees, as to what funding levels they can rely upon in which to conduct their work.

So they need to know what the bottom line is, and that is what the budget resolution is all about, to tell them how much they can spend and they, accordingly, make the determinations as to how they will proceed within the aggregate numbers that have been provided to them in the respective functions within the Federal budget.

I think we are playing a dangerous numbers game if we think we are going to just restore funding based on this dividend that, again, may not materialize. I do not think that we can be fiscally presumptuous in basing these numbers on such a funding mechanism. I think that we have the obligation to provide reliable, straightforward, factual estimates and data to the appropriations committees and the other committees which will be engaged in the work in trying to determine how they reach these funding levels that will be contained in this budget resolution.

But the amendment that I am offering today with my colleagues, as I said earlier, takes a fiscally responsible approach but, at the same time, helps to address the educational needs of the next generation.

Mr. President, we restore \$6.3 billion in additional funding, but at the same time we provide for specific offsets. Now, of course, the appropriate com-

mittees may not follow those recommendations. They have the option of pursuing other categories for specific reductions in spending. But we have provided the offsets by reductions in funding for the intelligent vehicle program, NASA R&D for commercial aircraft, new Federal building construction, reducing the executive branch air carrier fleet from 1,500 planes to 1,350 planes and capping employee bonuses, Federal employee bonuses at \$100 million from the present \$300 million.

We think that there are certain priorities that we should target in any budget resolution and throughout the budgetary process of this year, one of which certainly should be to help provide very critical and important assistance to low- and middle-income families who depend upon Federal assistance to provide the educational assistance for their children.

Our amendment ensures adequate funding to protect several very important policies regarding student financial aid. What we want to do and accomplish as a result of this amendment is to ensure that the Labor and Education Committee is enforced to make changes in the student loan programs that affect home and farm equity, in the determination of eligibility for student loans, increasing the student loan origination fee or eliminating the grace period for beginning payments upon graduation.

Our aim and goal is to ensure that there are sufficient funds within this account to preclude the Labor and Education Committee from taking these steps, and our amendment is intended to provide enough money to protect those policies.

The impact of including home and farm equity in the calculations of eligibility for Federal assistance would be enormous on so many families all across this country. All we need to do is to examine the situation which occurred prior to the enactment and the reauthorization of the Higher Education Act of 1992, when home and farm equity was considered in determining income eligibility for student assistance.

The inclusion of the value of family home or farm in the need calculation meant that many hard-working middle-income families were not able to qualify for student aid. These hard-working families, for whom their home or farm was their only real asset, were punished by being shut out of Federal student aid programs.

So in 1992, Congress recognized what a serious problem this had become for many families in America. So, consequently, the 1992 higher education amendments exempted a family's farm or principal resident from the student aid program in the calculations of their need. This made it possible for low- to middle-income families to receive help from the Federal Government to send their children to college, rather than requiring them to try to mortgage

their home or farms in order to pay for their education.

We want to make sure that Congress does not change the present law, which has made college more affordable for thousands of low- and middle-income families, and that is why we worked so hard to provide reasonable offsets which will hopefully guarantee the continuation of present law which eliminates consideration of the home and the farm from the needs analysis for student aid programs. We think that these offsets are a fair trade.

As I said earlier, the committees may determine that they can use other offsets, and that is certainly within our purview and the prerogatives of the committee.

Our amendment is intended to ensure that those individuals and families living off limited incomes will continue to have access to Federal student aid to send their children to college. The fact is that farms and homes should not be included in the calculation of a student's eligibility for student grant or loan assistance because those assets are not liquid and cannot be easily converted to cash for students to use toward their college education.

The second aspect of our amendment is student loan original fees which, I think, is also a critically important issue in terms of costs regarding education. OBRA 1993 reduced the original fee for both subsidized and unsubsidized loans from 5 percent to 3 percent. We believe that that is an important change and would like to see the Labor and Human Resources Committee maintain this policy. Increasing the loan origination fee increases the principal amount that borrowers must repay to the Federal Government and the amount of interest the student must pay.

Our amendment would provide enough money to hopefully protect the present origination fee formula. Finally, our amendment would also ensure there is an adequate grace period for those students after they graduate from college. We know that certainly in these difficult economic times, students upon graduation do not easily find employment, and the current grace period is up to 6 months.

We think it makes sense for us to continue to provide a grace period because students do not often find gainful employment immediately, and we do not want to force them into a situation where they end up defaulting on their student loan almost immediately upon graduation. So this grace period gives them a chance not only to find employment but also to begin planning so that they can eventually make the payments on their monthly loans.

As we know from the cost of college education and postsecondary education, it has become a very, very expensive proposition for the students, as well as their families.

We are offering this amendment because we recognize that productivity and the performance of our economy is

intertwined with the investments that we make as a Nation in education.

The structural changes in the American economy, the revolution technology, have made it necessary for students to attain training beyond high school for the work force of the future.

While nearly 40 percent of today's jobs are in low-skill occupations, only 27 percent will fall into that category by the year 2000. At the same time, jobs in high-skill occupations will rise from 24 percent to 41 percent of the work force.

Looking at the new jobs that are being created, and will be created in this decade, more than half of the new jobs created presently between now as well as the year 2000, will require education beyond high school.

In fact, the median year of education required by the new jobs is 13.5. This is a year and a half beyond high school. Therefore, every worker is going to have to recognize that they will require not only high school education but certainly a postsecondary education of some kind, whether it is a 4-year college degree or technical education. Whatever it will be, it will require not only postsecondary education but schooling beyond that, as well.

Men and women who continue their education beyond high school, as we have seen in study after study, have consistently earned more money on average each year than those who do not.

In 1990, for example, the average income for high school graduates was almost \$18,000. For those who had 1 to 3 years of a college education, earned on the average \$24,000. Those who graduated from college and received a college diploma received an average salary of \$31,000. These statistics are from the Census Bureau.

The entire country benefits, as well. For every \$1 we invest in education we get enormous returns as a result. Back in 1990, another study was conducted that analyzed the school assistance that was provided to high school students back in 1972. For every \$1 that the Federal Government invested in the student loan programs at that time, the Government received \$4.3 in return in tax revenues.

According to a study by the Brookings Institute, over the last 60 years, education and advancements in knowledge have accounted for 37 percent of our Nation's economic growth.

At a time in which education is becoming paramount in this global arena, where it is going to make the difference for an individual and the kind of living that can be enjoying for themselves and their families, education puts them on the cutting edge. It puts our Nation on the threshold of competition for the future.

If we deny individuals the opportunity to receive an education because they lack the financial assistance or the access to financial assistance, clearly, we as a Nation, are going to suffer.

Costs of education have increased significantly, two to three times faster

than the growth of median incomes. Without student aid, increasing costs make higher education out of reach for millions of Americans.

At a time when college costs are increasing dramatically, in fact, since 1988 college costs have risen by 54 percent. We know salaries and income for families have not increased 54 percent.

We have to make sure that we carefully retain policies that will make higher education accessible to millions of low- and middle-income families.

I also would like to read part of a letter from the American Council of Education which supports this amendment, saying "It will help millions of low- and moderate-income students fulfill their goal of a college education. Passage of your amendment is essential if the fundamental promise of the Federal student loan program is to remain available to future generations of college students. We are grateful to you for offering it, and we urge all Members to vote in favor of it."

I know this amendment will make a significant contribution to students pursuing a higher education. I am pleased to be joined by several of my colleagues who have cosponsored this legislation.

I would now like to yield to the Chair of the Labor and Human Resources Committee who is a cosponsor of this amendment.

Mrs. KASSEBAUM. Mr. President, I appreciate the Senator from Maine yielding. I am very pleased to offer my support to the amendment that has been offered by Senator SNOWE and Senator ABRAHAM.

As Senator SNOWE has pointed out, this amendment would soften the impact of the budget resolution on Federal student loan programs by reducing the reconciliation instruction to the Committee on Labor and Human Resources by \$6.3 billion over 7 years.

At the same time, it maintains the objective of the resolution to achieve a balanced budget by the year 2002 by making offsetting reductions in other budget functions.

During the course of the debate on this budget resolution, I have listened to my colleagues speak about the significance of restoring sound fiscal policy. Many have spoken to the fact that the true beneficiaries of this effort will be future generations—our children. I strongly agree.

I was privileged, and it was certainly a lesson in learning about the works of the budget and the Senate and the operations of Government, to serve on the Budget Committee for a number of years. I would like to at this time, Mr. President, particularly commend Senator DOMENICI, as chairman of the Budget Committee, who has for years, labored in the vineyards of budgetary policy and has put forward for the Senate, at this time, I think, an extraordinary budget. All who served on the Budget Committee should be commended because it is not an easy task.

This amendment that is being put forward by Senator SNOWE and Senator

ABRAHAM does not compromise the resolve to put our fiscal house in order. Nor does it impair the budget resolution. What it does is revise and realign our priorities just slightly in the context of the entire budget, but significantly in our ability to fulfill what I think most agree is an appropriate and valuable role for the Federal Government.

I recognize that as chairman of the Labor and Human Resources Committee I might be accused of having adopted a "not in my backyard" attitude toward the budget resolution. Let me assure my colleagues that this is not the case.

The committee will do its fair share toward reducing the size and scope and expense of Government. In fact, we started early making a 25-percent reduction in the committee's own budget, which was the largest cut in any of the Senate committee budgets.

This is an amendment that should pass. It has offsets that keep the budget on course toward balance. It makes no overly optimistic assumptions. It does not touch taxes. It is a serious attempt to stay within the parameters which a majority of the Senate Committee on the Budget endorsed in reporting this resolution.

I think it is also important to remember what the budget resolution is. It is a resolution that makes no reference to any specific program; rather, it divides spending into broad overall categories.

I understand this amendment assumes some specific offsets. There are many other assumptions that could have been used to specifically define those offsets.

However, at this stage they are just that—assumptions—and nothing more. They are not mandates on authorizers and appropriators. In the ends, authorizers and appropriators will make the decisions on individual programs.

Some of my colleagues may have objections to any specific offsets that may have been delineated and discussed in relation to this amendment.

While I am concerned about some of the assumptions, one which may be regarding the NASA aviation research program, aviation research is vital not only to industry but also to public safety and the environment.

However, Mr. President, it is important to remember that the amendment itself does not refer to the advanced subsonic technology program or high-speed research, or NASA, for that matter.

It refers only to a slight reduction in the overall transportation function. Less than one-half of 1 percent, in fact.

I would like to ask Senator SNOWE, is that not correct?

Ms. SNOWE. I would like to answer the Senator from Kansas. The Senator is absolutely correct. We recommend offsets so that we determine the credibility of our numbers and ensuring the committee can reach those funding levels, but certainly it is within the prerogative of the respective committees

to determine how they reach those numbers.

They may choose to arrive at them in a different way and make different reductions and offsets than the ones we recommended. The specific offsets are not included in the legislation. We want to make sure they understand that we have some credible numbers that have been scored by the CBO.

Mrs. KASSEBAUM. Mr. President, I thank the Senator from Maine.

I am confident, Mr. President, that the authorizers and appropriators will evaluate programs under their jurisdiction and set their own priorities. That has always been the case. It will continue to be the case.

This amendment leaves them more than enough room to preserve a vital NASA function, for instance, aviation function, and meet the country's pressing transportation infrastructure needs.

Likewise, the budget resolution makes no specific assumptions about how the Senate Committee and Labor and Human Resources will meet its instruction on mandatory spending. Yet, the range of options available to the committee on mandatory programs is much more limited.

Even the adoption of this amendment will not leave the committee with an easy task—as we still must produce over \$7 billion in savings among a rather limited number of options. I would like to go further, but I do not believe it would be realistic to do so.

I share the goal of assuring that our Nation's young people do not face a future in which the burden of public debt smothers their capacity to benefit from the fruits of their own labor.

I thought Senator SNOWE, in her comments, very eloquently laid out exactly why it was very important to be able to add this money back to assist with the student loan program in ways that I think we all recognize would be very beneficial.

I believe the Snowe-Abraham amendment strikes a reasonable balance between these two important objectives. I urge its adoption by the Senate when this amendment comes to a vote.

Thank you, Mr. President, I yield the floor.

Ms. SNOWE. Mr. President, I yield 5 minutes to the Senator from Iowa, Senator GRASSLEY.

Mr. Grassley. Mr. President, I want to speak briefly in support of the amendment offered by Senators SNOWE, ABRAHAM, and myself.

Let me just say that as the 2d ranking Republican on the Budget Committee, and having served on the Budget Committee for over 14 years, how much the committee has benefited from the infusion of knowledge, ideas, and energy from these two Senators, Senator SNOWE and Senator ABRAHAM, as well as Senator FRIST, the other newcomer to the committee.

I am pleased to be joining these two Senators as an original cosponsor of this amendment which lessens the debt

our undergraduate students will face and also ensures that students will not be denied eligibility for loans because of the value of their family's home or farm.

I commend the Senators for offering this amendment.

It should not be forgotten though that it is this budget resolution and the tremendous work of Chairman DOMENICI that will do so much to benefit our students, both undergraduate and graduate.

The lower interest rates that will be achieved by getting to balance by 2002, will translate into hundreds of millions in savings for students who are paying off their student loans.

It is important to note that this amendment offers real offsets for the programs it wants to fund. This amendment doesn't do across-the-board cuts, or worse, tries to pay for it by assuming funds from the economic dividend. This amendment provides real offsets from other discretionary spending.

I would like to comment briefly on one of the offsets—cutting back part of the Government's private airlines.

I have asked the GAO to review the number of planes that are owned by the Federal Government. Incredibly, the Federal Government, not including DoD, has over 1500 planes—most of which are owned.

Agencies like the Panama Canal Commission, the Resolution Trust Corporation, and the General Services Administration all have planes.

Now many of these planes are necessary, and do have important missions. However, GAO has found that a significant number of these planes have as their primary mission ferrying senior Government officials around.

Similarly, the President's Commission on Integrity and Efficiency has found that many of these aircraft are not necessary.

When we are asking others to tighten their belts we cannot continue to fund a private airfleet for Government officials.

A good example of the wastefulness of these Government-owned aircraft is highlighted in a recent report by the NASA inspector general:

Several NASA aircraft were used by NASA employees, other Government employees, and non-Federal travelers for official travel at higher costs than using commercial airlines.

An analysis of fiscal year 1992 and fiscal year 1993 travel, comparing the cost of travel using seven of the eight aircraft—NASA owned aircraft—with the cost of using commercial air flights, showed \$5.9 million could be saved annually by using the commercial flights.

This amendment assumes the selling of only a small number of planes, 150, approximately the number that GAO believes are being used for travel purposes. The amendment still allows the Government to retain over 1,400 planes to achieve their missions.

This is a good amendment, I am proud to be a cosponsor of this amendment that will help young people to attend college.

I yield the remainder of my time.

Ms. SNOWE. Mr. President, it gives me a great deal of pleasure to yield as much time as he may consume to Senator ABRAHAM of Michigan, who helped in developing this amendment. I was pleased to work with him because we share the goal in advancing the needs for our families in this country with respect to education.

Mr. ABRAHAM. Mr. President, today I join Senator SNOWE in offering an amendment to restore \$6.3 billion in mandatory education spending through offsetting cuts to corporate welfare and general Government.

Before I discuss the details of the amendment, let me make clear that my sponsorship in no way detracts from the chairman of the Budget Committee or his resolution. Senator DOMENICI and his staff have done a Herculean task of putting this budget together and they should be applauded. In the area of education, however, I have some concerns.

Mr. President, going to college has been an integral part of the American dream ever since Harvard University was established by the General Court of Massachusetts in 1636. For millions of young Americans from lower and middle-class families, a college education is the first step towards a brighter and more productive future. For many of these families, however, that dream is out of reach without some form of assistance. The student loan program makes it possible for children from families of modest means to attend college and get their degree.

Because of the important role the student loan program plays in so many lives, I am concerned that the spending reductions included in the education, training, employment, and social services function will result in decreased access for low- and middle-income students to a college education. While it should be noted that the reductions in this function will not necessarily come out of the student loan program, the size of the reconciliation instructions included for the Labor and Human Resources Committee make such cuts possible.

By reducing these instructions by \$6.3 billion, I hope to relieve pressure on the authorizing committee so that in reaching their target, they don't have to resort to some of the cuts listed in the CBO "Spending and Revenue Options" book for mandatory education spending.

Options like increasing the student origination fee, including home and farm equity for when calculating financial need, and eliminating the 6-month grace period between graduation and when the loan payments begin hit students and then families hard when they can afford it the least. The goal of this amendment is to protect undergraduate students from higher out-pocket-costs when they apply for Federal loans.

To pay for this restoration of funding, we are offering the offsets from the

transportation, general government, and allowances function. Speaking generally, I am certain a good case could be made for each of these spending areas. With the goal of balancing the budget, however, the Senate must set priorities, and trading corporate welfare for the dream of a college education is a good bargain.

In conclusion, Mr. President, let me just say that the Federal Government has been helping students gain access to higher education for over 40 years. This partnership has enabled millions of men and women to go to college, get their degree, and go on to live more productive and creative lives. This amendment would protect that tradition and ensure that student loans continue to be available to all Americans. It is a good amendment, and I hope the Senate will support it.

I yield back the balance of my time.

Ms. SNOWE addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Mr. President, I would like to inquire as to how much time is remaining?

The PRESIDING OFFICER. The Senator has 27 minutes 50 seconds.

Ms. SNOWE. I would now yield 5 minutes to the Senator from Rhode Island, Senator CHAFEE.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I thank the distinguished Senator from Maine for yielding me some time and congratulate her and Senator ABRAHAM for the amendment which they have presented and of which I am a cosponsor.

I believe they are on the right track. Any time you make substitutions, as the Senator from Kansas pointed out, it is difficult. But I think the selection of the substitutions that Senators SNOWE and ABRAHAM made are good ones. So that is a fine amendment and I am glad to be a cosponsor of it.

I would just like to say, if I might, a few words about this budget we are considering here today and will vote on tomorrow. It seems to me tremendously important that we bear in mind that for 33 straight years this Nation of ours, through wars and recessions, through good economic times and through bad economic times, the Federal Government has continually had to borrow money each year to pay its bills. Why is this so bad? What it means is that each year we continue to finance the Government with debt, and in doing so we steal the economic prosperity of our children and our grandchildren. Interest expenses this year totaled \$235 billion. Not a penny of that for principal—\$235 billion; 15 percent of the total budget of the United States now is being spent on interest on the debt. That amount of \$235 billion will increase to \$400 billion in just 10 years unless we do something about this budget.

With the problem so clearly defined, you would think the President would have addressed it when he sent up a

budget this year. But he did not. Instead, the President sent us a budget that had \$200 billion of deficit this year, and over the next 7 years he continued with deficits of the same nature.

I do not think that continuing on the path of deficit spending is acceptable. To me it is morally wrong to be sending these bills on to our children and future generations. Some Members on the other side of the aisle have suggested that selecting 7 years from now, the year 2002 is arbitrary. I mean why do you select 2002? How about 2005? There is nothing magic about 2002. But let us get on with the job. Once you start down the slippery slope of saying how about 2005, how about 2015 or 2020? I do not go with the thinking of postponing it beyond 7 years. Seven years provides us with enough time to implement the cuts in a manner that does not jeopardize our economy.

Like every Senator, I have heard from people who come up to me, as every Senator here has had the experience, and they say, "I am for balancing the budget, but"—the next word is always "but"—"but please protect this particular program I am interested in," whether it is education or the environment or health care or doing something about law enforcement. You always hear that word "but," but do something about greater research at the NIH—whatever it might be.

If we are going to balance this budget, we have to have hits right across the board, in a whole series of attractive programs. Is this the perfect budget? I do not think it is. I suppose, if they had asked me to draw up a budget, I could have done a better job, probably. That is what I think. And every single Senator here thinks the same thing. But this budget is the first one in three decades that puts us on a path of fiscal responsibility. I congratulate the chairman of the Budget Committee, Senator DOMENICI, for the extraordinary work he has done. Not only Senator DOMENICI, but the members of his committee likewise deserve congratulations.

We have a choice. We can stick with the status quo. We can do nothing. And we can just go on with \$200 billion of deficit this year going up to \$400 billion in a few years. Or we can end these deficits and do it now. The budget before us leads America away from the red ink and toward a better future for our children.

If we succeed in balancing this budget, as we are on the path to doing now, we will reap the benefits of lower interest rates, stronger economic growth, and the feeling, that wonderful feeling that we are passing this Nation on to our children in better condition than we found it. What could be more worthwhile than that? What more worthy goal than to say we are not going to continue passing these bills on to our children and grandchildren?

Mr. President, I just hope this budget before us will receive the support from every single Senator when we vote on

it tomorrow afternoon. Again, I congratulate the distinguished Senator from Maine and the distinguished Senator from Michigan for the excellent amendment which they have submitted.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Mr. President, I would now yield 2 minutes to the Senator from Michigan.

Mr. ABRAHAM. Mr. President, I want to elaborate a little further on some of the reasons why I think this amendment is so important. As a candidate for the Senate during the 1994 campaign, I traveled throughout my State. I was struck by the extent to which young people in Michigan, college students, high school students, and others really believe that it was important that we focus on the future. They were looking to us, I think, those of us had who were running, to try to address how we could make our Nation more competitive, how we could expand opportunities, particularly opportunities in the private sector in the next century, how we could be more competitive in a global environment in which we compete no longer with just three or four other industrial nations but with virtually the whole world.

I think, as I talked to people, both those who might themselves be beneficiaries of student loans in this 7-year period we are discussing but also to leaders of industry in my State, it became increasingly clear to me that a top priority had to be a well-educated work force, a work force prepared to be competitive with the kind of global economy which we will encounter.

That is why I think it is important that we make our citizenry as competitive as it can be. I believe this amendment, by producing the kinds of environments in which not only the volume of student loans that are available does not decrease but the access to those loans by people of more modest means remains unchanged, is the way by which we can fulfill for many people their dreams to be able to participate fully in the kind of competitive economic environment of the future.

For that reason, I think the amendment particularly is sensible, one that I hope other Members of the Senate will join us in supporting when we cast our votes on this.

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

Mr. COHEN. Mr. President, I am pleased to join Senators SNOWE, ABRAHAM, GRASSLEY, BROWN, KASSEBAUM, and others in offering an amendment to the fiscal year 1996 budget resolution to restore funds to valuable education programs by reducing funding for Federal building projects by 50 percent.

I strongly support this amendment and believe that it represents a much better use of scarce Federal resources. I am very concerned about the cost of Federal construction projects. Last Congress, I introduced legislation to

reform the way the Federal Government manages its office space. I was concerned that the Government had billions of dollars in construction projects in the works and did not seem to be focusing enough attention on whether these projects were being constructed or renovated in the most cost-effective manner, whether the Federal Government was building in areas already glutted with commercial real estate, or even whether projects were truly needed.

Numerous General Accounting Office [GAO], and General Services Administration [GSA], Inspector General [IG] reports over the years have consistently identified problems in GSA's real estate portfolio and its chronic history of wasteful spending and mismanagement. The agency's long standing problems have significantly impaired its ability to meet the property needs of the Federal Government in a cost-effective and business-like manner. My legislation directed OMB to review Federal property management policies and implement changes to ensure better coordination among Federal agencies, focus on longer term cost-effectiveness, and achieve cost savings. While my legislation was passed by the Senate, it was amended in conference to require GAO to do a study to determine the feasibility and effectiveness of establishing a single Federal agency responsible for selling and otherwise disposing of real property owned by the Department of Housing and Urban Development [HUD], Farmers Home Administration, Department of Agriculture, Federal Deposit Insurance Corporation [FDIC], and the Resolution Trust Corporation [RTC]. This report is due out later this year.

In July 1993, I held a hearing in the Senate Subcommittee on Oversight of Government Management to examine how GSA manages its real estate. The results were quite disturbing. The hearing highlighted the fact that the Federal Government was constructing it did not need and leasing buildings it could not afford. Last May, the full Governmental Affairs Committee examined waste in the Federal courthouse construction program. The hearing illustrated that the Federal Government was wasting millions of dollars on courthouses that were padded with extravagant features such as brass doorknobs, kitchenettes, custom lighting, and expensive wood paneling.

During these hearings, R.S. Means, a Boston company that surveys construction costs, reported that the Federal Government was paying at least two to three times as much to build a Federal courthouse or office building than it cost to build a State courthouse or construct a building for the private sector.

The GAO also found major flaws in the methodology used by the Federal judiciary for estimating future court space needs. As a result, future space needs for a 10-year period were overestimated by more than 3 million

square feet which, if authorized, could result in \$1.1 billion in unneeded courthouse space. I, along with a number of my colleagues, wrote GAO to request an audit of the Federal courthouse construction program. That report is due out later this year.

Last March, Senator KERREY and I offered a sense-of-the-Senate amendment to the fiscal year 1995 budget resolution calling for a 1-year moratorium on construction of new Federal courthouses. Although it passed the Senate, the provision was dropped in conference and a number of courthouses and other Federal office buildings were subsequently funded.

More recently, I joined Senator KERREY in offering an amendment to the rescission bill that would have added over \$300 million in deficit reduction to be taken from wasteful or unnecessary GSA projects. The amendment would have scaled back projects that were not authorized or that the GSA itself has either never asked for or said are unnecessary or lavish. Senator SHELBY offered a second degree amendment which expanded the projects covered to all Federal new construction, repair and alteration projects, including those that had gone through the normal authorization process, eliminating \$1.9 billion in funding for Federal construction projects. Unfortunately, much of the \$1.9 billion cut by the Shelby amendment was restored in conference. Mr. President, at a time when we are looking at cuts in education and many valuable programs, I find it hard to believe that we cannot find the means to cut funds for Federal building projects first.

I have commended GSA Administrator Roger Johnson in the past for his efforts to reform GSA and save taxpayers' dollars. At his confirmation hearing, I asked Johnson to suspend and review all Federal construction projects to determine if the projects were truly needed. GSA Administrator Roger Johnson's time out and review looked at about 200 construction and leasing projects and recommended changes with potential savings of \$1.2 billion. While this is certainly a step in the right direction, more still needs to be done.

As Congress looks for ways to address the Federal budget deficit, we must ensure that Government programs and agencies are operating in the most cost effective manner possible. In these times of tight budgetary constraint, this amendment makes sense. I am pleased to cosponsor this amendment which will reduce funding of Federal buildings projects by 50 percent, on top of the 25 percent already assumed in the budget resolution, and target these funds to helping students go to college. This amendment represents a better use of scarce Federal dollars and puts money back into important education programs. I urge my colleagues to support the adoption of this amendment.

Mr. GLENN. Mr. President, I rise in opposition to the amendment proposed

by Senators SNOWE, ABRAHAM, GRASSLEY, BROWN, KASSEBAUM, COHEN, LOTT, and CHAFEE.

I support the goal of the amendment—to provide increased funds for higher education. My record is clear and unequivocal on education funding. These funds must be increased, but not in the way proposed by the proponents of this amendment. I would like to speak about two of the offsets that the amendment identifies and discuss the impact which these cuts would have on our economy.

First, the amendment would zero out two important NASA programs. These programs are the R&D or seed corn type programs which many of my colleagues have heard me speak about in the past. This amendment would zero out NASA's High-Speed Research Program, and NASA's Advanced Subsonic Technology Program.

Before I talk about these specific programs, I would like to observe that NASA has already absorbed more than its share of budget cuts. A couple of figures will illustrate what I am talking about: In fiscal year 1993, NASA's 5-year budget request was about \$122 billion. The fiscal year 1996 request is now \$82 billion for the next 5 years. NASA has been cut by one-third in just over 2 years.

NASA has stepped up to the plate to reduce bureaucracy and improve the way it does business. Under Dan Goldin's leadership the agency is currently going through a painful process of reducing its budget by \$5 billion over the next 5 years. Mr. Goldin believes that this can be achieved without eliminating programs. He has a tough row to hoe to achieve this. Further cuts in NASA's budget will simply result in the elimination of current programs.

Now, let me talk about the High-Speed Research Program first. The goal of this program is to help develop the technologies industry needs to design and build an environmentally compatible and economically competitive high-speed civil jet transport for the 21st century. The technology developments are to reach an appropriate stage of maturity to enable an industry decision on aircraft production by 2001.

Mr. President, the technologies currently needed to develop such a transport are beyond the state of the art. NASA estimates that industry will need to invest more than \$20 billion to bring such a transport to market.

Studies have identified a substantial market for a future supersonic airliner to meet rapidly growing demand for long-haul travel, particularly across the Pacific. Over the period from 2005 to 2015, this market could support 500 to 1,000 aircraft, creating a multibillion dollar sales opportunity for its producers. Such an aircraft will be essential for capturing the valuable long-haul Pacific rim market.

As currently envisioned an HSCT aircraft should be designed to carry 300

passengers at Mach 2.4 on transoceanic routes over distances up to 6,000 nautical miles at fares comparable to subsonic transports.

Now let me talk about the Advanced Subsonic Technology Program.

The goal of NASA's Advanced Subsonic Technology Program is to develop, in cooperation with the FAA and the U.S. aeronautics industry, high payoff technologies to enable a safe, highly productive global air transportation system that includes a new generation of environmentally compatible, economical U.S. subsonic aircraft. Some of the technologies and issues being studied and developed in this program include:

**Fly by light/power by wire:** a fully digital aircraft control system which would be substantially lighter, more reliable, and efficient than current control systems.

**Aging aircraft:** to develop new ways of inspecting aircraft to determine their airworthiness. New approaches are being developed to determine the residual strength in airframes using advanced nondestructive technologies. It might be worth thinking about this program the next time you are sitting in a 727 that is 20 years old waiting to take off on a cross-country flight.

**Noise reduction:** This program is developing technologies to reduce aircraft noise by 10 decibels or more by the year 2000.

**Terminal area productivity:** Technologies, chiefly involving air traffic control, that can improve the efficiency of operations on the ground at busy airports.

**Integrated wing design:** New concepts, design methodologies, model fabrication and test techniques are being developed to provide industry an integrated capability to achieve increased aircraft performance at lower cost.

**Propulsion:** Technologies to improve fuel efficiency of future commercial engines by at least 8 percent and reduce nitrogen oxides by 70 percent over current technology. These are only some of the technologies being developed under the program which the amendment's proponents would completely gut. It is a truly shortsighted amendment that would eliminate these important applied technology programs.

Mr. President, it is no secret that aerospace business is a Government-private sector partnership. Historically our Government has funded aeronautics R&D, and industry has taken this basic technology and developed aircraft that have dominated the world market. Over the last decade or so, other governments have gotten into the act. Currently the U.S. Market share is about 65 percent, down from about 91 percent in the 1960's.

Cutting these two important programs will not help us regain this market share—quite the opposite. We will be sending a signal that the U.S. aircraft industry will be less competitive.

In summary, the advanced subsonic technology:

Meets future technology needs for next generation aircraft.

Enables NASA to develop high-risk, high-payoff, precompetitive technology to prove feasibility so that industry may complete development and apply technology to specific products.

Will result in accomplishments in noise prediction codes for quieter engines, nondestructive evaluation techniques for detecting corrosion, cracks and disbonds; analytical tools to understand aircraft wake vortices for safe landings.

Assists in preserving 1 million U.S. high-quality jobs and \$25 to \$30 billion annual positive balance of trade for U.S. aviation.

The High-Speed Research program will:

Enable NASA to develop early, high-risk technology for future environmentally compatible, economically competitive, high-speed civil transport aircraft—technologies needed are beyond state of the art;

Industry will take NASA technology and invest \$20 billion to actually develop aircraft, and

If the United States is first to market, the U.S. market share could grow to 80 percent, achieve \$200 billion in sales, and create 140,000 new U.S. jobs.

Thank you Mr. President. I urge my colleagues to vote against the Snowe-Abraham amendment.

Ms. SNOWE. Mr. President, I would like to say in conclusion that I certainly appreciate the efforts by the Senator from Michigan, and other colleagues and cosponsors of this amendment, on a very critical and important issue in our estimation. We want to be sure that the American people understand and know that we consider education to be one of the highest priorities. That is why we are seeking to restore \$6.3 billion in the education account.

When you consider the fact that since 1988 students' education costs increased by 219 percent, it is almost difficult to comprehend, because the average family has been struggling since that time in some very difficult and unusual economic times, considering the recession that we have had, certainly in my State of Maine and in the New England area, which was the hardest hit in addition to the other parts of the country, especially California. We represented a third of all of the jobs that were lost during the course of that recession.

So when you consider the fact that education needs became more important, we have to make sure that they have access to adequate funding for financial assistance in the future. Not only is it essential for their future, but it also essential to this country's future when you consider how important the educational experience is going to be for global competition in and for the economic world we will be facing in the next century and beyond.

So I appreciate the statements that have been made by all of my colleagues.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. FRIST). Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Ms. SNOWE. I yield back the remainder of my time.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. I yield time for an inquiry by the Senator from Arkansas, or I will yield him what time he needs on his amendment. I guess what we were hoping for is to restore the balance of the time due on this side on the amendment offered by the Senator from Maine. I would make inquiry at this time, if the Senator from Maine would consider setting aside her amendment now that the yeas and nays have been ordered so that we can allow Senator BUMPERS to proceed with the offering of an amendment that he has that we will vote on tomorrow.

Several Senators addressed the Chair.

Mr. DOMENICI. Mr. President, I was not here. But essentially there is time remaining in opposition to the amendment. I have to use a little bit of that. In fact, that is what I was discussing. I told the Senator I wanted to discuss this before I asked her to set her amendment aside.

So I am willing that that time be charged in opposition, however, anybody would want to do it. If somebody wants to speak on the general budget, I will yield them time. Does the Senator from Alabama need time?

Mr. SHELBY. I need 15 minutes.

Mr. DOMENICI. I yield 15 minutes in opposition to the Snowe amendment at this point. I am trying to make arrangements.

Mr. EXON. I thank my friend.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, over the past few days Members on the other side of the aisle basically have claimed to represent the best interests of hard-working Americans. They stood up with charts and made passionate speeches, and say they know better. They criticized the Domenici budget, although they have no budget of their own.

I believe that the budget resolution debate has been demagogued to death.

This debate has been turned into an issue of who is compassionate and who is not, and rich against poor, even though the Senate budget resolution does not include \$1 yet in tax cuts. Never mind we do not touch Head Start. Never mind that we do not touch the School Lunch Program. Mr. President, never mind that we do not cut Social Security. Never mind that we preserve Medicare, which will go bankrupt unless responsible leaders take action.

I believe we need tonight to discuss the real issues, like our tremendous national debt and our endless string of deficits. I believe that people on the other side of the aisle do not want to debate basically the fact that we are the biggest debtor nation in the world. People on the other side of the aisle I believe do not basically want to debate the fact that the dollar is, overall, losing its value against most major currencies, and that hard-working Americans are losing purchasing power every time the dollar depreciates. No, Mr. President, they will not debate the real issues.

Mr. President, I was once told that on the other side of the aisle people see what they want to see, and that the Republicans have the unfortunate tendency of seeing what is there. I would like to show you what is there. Because what is there are the real issues.

I want to share with you a chart, if I can, a chart that shows the Federal Government's net financial assets beginning in the year 1946, which is over here, through 1993. Instead of an upward spiral, you see a downward spiral because these are real issues.

This chart comes from data contained in the 1995 Economic Report of the President. It shows the Federal Government's net financial assets, as I said, from 1946 to 1993.

As one can see on the chart, the Federal Government is depleting the national wealth of the United States every year. It is going down. But look at it over here, how fast it is going down. The greatest country in the world, Mr. President, the United States of America, the great economic leader of our time, possessed net financial assets of nearly \$3 trillion in 1993. Far from saving our children and investing in our kids for tomorrow, the spending machine of the Federal Government is squandering away our resources at a record rate.

The chart says it better than we can. In fact, net financial assets of the Federal Government have been decreasing at a rate of 7.1 percent a year over the past 20 years, while private wealth has grown only 3.2 percent. The Federal Government is depleting national wealth at a rate twice as fast as the private sector can create. This is a trend that we cannot simply sustain as a Nation.

There is a direct impact in the rise in Government budget deficits, which is to worsen the current account balance and place upward pressure on interest rates. Our current account stood at \$104 billion in 1993. This means we either sold \$104 billion in assets to foreign entities, borrowed \$104 billion from foreign entities, or a combination of the two.

Although a current account deficit in and of itself is not a bad thing, the accumulation of persistent current account deficits over time leads to an overwhelmingly external debt that we have today. These deficits identify a

systematic shortfall of savings below investment due to an expansion consumption relative to income.

The implication is that we borrowed to finance current consumption, expenditures that have no real effect on economic growth or future income in this Nation. In other words, the Government is borrowing abroad to finance the excess of expenditures over income. Projections of higher current account deficits run well into the foreseeable future, which does not bode well for this country.

The increase in interest rates caused by budget deficits increase the cost of capital, home mortgages, car payments and any other goods that are financed. If the other side of the aisle really wants to help the hard-working, middle-class Americans, it seems to me they should help them reduce the cost of living instead of adding, Mr. President, to their already tremendous burden.

It is true that hard-working, middle-class Americans need relief, but on the other side of the aisle I think a lot of the people just cannot accept the notion that relief does not have to come in the form of a check, Mr. President, in the form of a check from the Government every month. No, they do not have to accept the notion of freedom and free markets. They still believe that Americans depend on Government for their livelihood.

I reject that notion wholeheartedly. I understand the unpleasantness of debt-stricken countries. We all do. Let me tell you that the restrained growth in this budget resolution is more compassionate, more beneficial and more tolerable than any experience of a bankrupt country. The immediate gratification of consumption does not outweigh the tremendous long-term benefits of a balanced budget.

Democrats supposedly believe in a balanced budget. However, they have presented no proposal that I have seen. President Clinton supposedly believes in a balanced budget, but he has not presented one here that I know of. President Clinton, I understand, will not even support a \$16 billion rescission package much less the \$175 billion in cuts necessary to balance the budget this year. And \$16 billion, Mr. President, is only 9 percent of this year's deficit. Come to find out it is only .3 percent of the \$4.8 trillion debt.

The actions of President Clinton and his party do not match their words. Their idea of deficit reduction is the Omnibus Budget Reconciliation Act of 1993 that we all know included the largest tax increase in history. Did it reduce the deficit, Mr. President? Yes. Only temporarily, for a year or two. But if one looks at the outyears, deficit spending just keeps going up as far as the eye can see.

What do we have to show for our \$241 billion tax increase? Nothing, I would submit—nothing but increasing deficits and reduced disposable income for hard-working Americans.

The Congressional Budget Office has outlined the potential economic impacts of balancing the budget by the year 2002. They project long-term interest rates will fall by almost 2 percentage points. They also project an increase in real GNP of almost 1 percent, just from practicing a little fiscal discipline.

Mr. President, a balanced budget is good for America today, tomorrow and forever. That is why I am going to support the Domenici budget.

I suggest the absence of a quorum. The PRESIDING OFFICER. Who yields time for that purpose?

Mr. DOMENICI addressed the Chair. The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Pardon me, Mr. President, for not being in the Chamber. I yield 15 minutes to Senator THOMPSON from Tennessee who desires to speak in opposition to the amendment.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Mr. President, we are now in the midst of a budget debate, but in listening to the debate over the last several days it has become apparent to me this is not just a debate over the budget, not just about the need to balance the budget or budget priorities. It is a debate over two conflicting sets of ideas, and ultimately it is a debate over how much faith we have in the American people to support a policy that we all know is right.

Many Americans believe that our country is at a crossroads. While we all know that we were the victors of the cold war and we are still strong and prosperous, more and more of our people are coming to the conclusion that there are some things in this country that are simply wrong: the youthfulness and the viciousness of our crime, our welfare dependency and social disintegration that comes from that, a gradual slowing of our economy, our extremely low savings rate and low investment rate, a greater and greater dependency upon foreign money to prop our economy up. Americans wonder how long we can remain strong when we are losing so many things that have made us strong.

We look at the lessons of history, and we see that the fate of other great nations where they have gone down the road of bigger government, higher taxes and increasing debt and moral and intellectual laziness. We see how they enjoyed their brief hour upon the world's stage and then moved on and declined. And we wonder if ours is going to be the generation that oversees the decline of the United States of America to the role of a second-rate country.

We certainly are not addressing the totality of this situation during this current debate. Indeed, we must question how much in the way of solution actually lies in the hands of the Federal Government. However, this debate

does involve an area that is largely under the control of Congress. Indeed, some might say that Congress was primarily the cause of it. And it is the most serious economic problem facing our Nation. That is a debt that is literally bankrupting our country.

One of the things most basic to human nature, Mr. President, is looking out for those who we bring into the world, and for most of our country's history we did just that. Through world wars, through a Great Depression, we paid for what we consumed. However, for a quarter of a century or so now, we have gone off on another track. We have gone off on a spending spree, and we are borrowing money now from future generations. Over the years, every interest group imaginable has organized itself and made its demand on the Federal Treasury. And since we are a system essentially of professional legislators whose primary interest is in reelection, the answer to these demands for more Federal dollars is usually yes. So program is piled upon program, and once a program is created and its constituency is created, it is never done away with. It is seldom even reduced. It is usually only expanded. And more and more people are increasingly dependent upon the so-called free money that we are borrowing from our children and grandchildren.

Mr. President, it is obvious the American people have decided that this country cannot survive under this old way of doing business. They have rightfully decided that we cannot sustain an almost \$5 trillion debt that is still growing. They have decided we will not saddle our future generations with higher interest rates, less affordable homes, fewer jobs, lower wages and a loss of economic sovereignty. They understand we are on the verge of bankrupting two of our most important social programs in this country, Social Security and Medicare, if we do not take immediate steps.

In response to this clear mandate, the Republicans on the Budget Committee, without one Democratic vote, have produced a plan that will balance the budget by the year 2002 by slowing the growth in Federal spending from 5 percent a year to 3 percent a year. It protects Social Security, saves Medicare from bankruptcy, maintains the Social Security safety net, reduces the Federal Government and removes power out of Washington back to the people.

Of course, the defenders of the status quo continue to do everything possible to defeat these goals. They first denied the need to balance the budget. They are only following the President's lead in that regard. He has submitted what the Washington Post called a "weak and directionless budget" that will add over \$1.2 trillion to our national debt over 5 years. Then his senior economic adviser claimed that cutting the budget would actually be bad for the economy. These developments were met

with universal dismay and derision and have since been abandoned by our friends across the aisle.

We tried to pass the balanced budget amendment. At this point the defenders of the status quo, being able to see which way the wind was blowing, acknowledged the need to balance the budget but forcefully argued that we should balance it without a constitutional amendment; that all we needed to do was exercise our responsibility as legislators. Besides that, they said, tell us how you are going to balance the budget. We want to see a plan. And they defeated the balanced budget amendment by a single vote.

Now the Republicans have submitted the balanced budget resolution. We have detailed a plan, and we are ready to take on the responsibility. Now our colleagues on the other side of the aisle, backed into a corner, slip their favorite old worn out record on the Victrola. Side A is entitled "Scare the Sick and the Elderly." Almost as popular with them is the flip side called "Class Warfare"—in other words, the same old record that they were playing during the last congressional elections, which proved so rewarding for them. They rail against tax cuts for the rich when in fact there are no tax cuts in this budget for anybody, much less the rich. However, they correctly point out that there might be \$170 billion dividend if in fact a balanced budget is certified. And they seem petrified at the thought that this might actually result in some taxpayers getting the benefit of some of the money in the form of a tax cut; in other words, getting to keep a little bit of the money that they earned in the first place. So now instead of helping us balance the budget, they are busy trying to figure out how to spend this \$170 billion that they had no hand in producing and that does not even exist yet.

Clearly, the tax-and-spend philosophy that has gotten us into the trouble that we are in is alive and well. Mr. President, the opponents of this budget who for so long promoted big spending and every pork barrel project to come down the pike, including the President's ill-fated stimulus package, and who have opposed the balanced budget amendment and a balanced budget are now saying that we are not balancing it in the right way. They say, "We definitely want a balanced budget, but not at the expense of group A or group B or group C" and the groups go on and on and on. In other words, we cannot reduce the rate of growth in any areas even where the growth rate is out of hand if it actually affects anyone.

The defenders of the status quo talk about protecting children when it is their policies of the past that have robbed these children of their future prosperity. They talk about defending the college student when it is the philosophy of "spending is the solution to everything" which has greatly diminished the value of a college degree because so many of our students entering

college nowadays cannot even read and write.

They talk about defending the elderly when it is their policies, the policies of the past, that have put us on the verge of bankrupting both Social Security and the Medicare trust funds.

They talk about making sure that the wealthy receive no additional breaks, and yet it is the wealthy who are the bond holders who are receiving the astronomical interest payments that we make on our national debt. According to the Congressional Budget Office, without deficit reduction, annual interest payments by 2002 will balloon to \$334 billion.

No, the plain truth is that the only way for these groups to get what they deserve and to prosper in the years ahead is to turn our backs on the failed policies of these so-called defenders and rectify the damage that they have already done by moving toward a balanced budget. The balanced budget resolution before this body is the first major step toward that end.

These budget critics want to refight the eighties again, ignoring their own part in the spending binge that ran up the deficit. They say it was the President's fault back then. I say to my friends on the other side, the constitutional authority of the President of the United States has not changed. If it was the President's fault in the eighties, whose fault is it now?

As a recent Washington Post editorial said:

Democratic complaints about Republican budget plans will continue to have a hollow and unpersuasive ring until the Democrats begin to come up with specific alternatives of their own. Until then they will merely seem to be defending the present spending pattern, with its succession of \$200 billion a year deficit reaching as far as the eye can see that President Clinton projected in the budget he sent to Congress last February.

Now, it should be kept clearly in mind that we are not going through this exercise simply to avert disaster, although that would be reason enough. We are doing it to ensure future prosperity, Mr. President. Eliminating the deficit could bring widespread benefit in the form of lower interest rates for mortgages and business loans. That would spur a boon in housing construction and business investment which would create jobs and raise incomes.

The Congressional Budget Office states that the package of a credible balanced budget plan would lead the bond market to bid down interest rates almost immediately.

New home buyers would be clear winners. If interest rates dropped only 1 percent, a young couple with a \$100,000 mortgage would save enough over the life of that mortgage to put one of their children through college for a year without any help from the Federal Government.

Roger Brinner, chief economist with the forecasting firm of DRI McGraw-Hill estimates balancing the budget would raise America's yearly output an extra 2.5 percent over the next 10 years.

That would mean an average of an extra \$1,000 a year for each American family. He adds that the economy would create 2.4 million more jobs by the year 2005 than if the deficit remained unchecked.

The General Accounting Office projects Americans living by 2025 would enjoy per capita incomes of \$9,500 higher if Washington succeeds in bringing the deficit under control. Many analysts believe that the dollar slide in March was due to our failure to pass a balanced budget amendment. The U.S. dollar has rebounded in foreign exchange markets during the last several weeks, in part because of a growing belief among foreign investors that the United States is finally moving to put its economic house in order.

So, Mr. President, we must reject the ideas and practices of the past which have caused this problem. We must also reject the rhetoric which appeals to fear and prejudice and appeals to greed to use and consume everything we can get our hands on today and not concern ourselves with the future and the fact that it is our own children's birthright that we are consuming.

And so, Mr. President, let us get on about with what the people sent us here to do while it is still not too late to change our direction. We as Members of this body must have the courage to stand up to the demagoguery and any short-term political risk we might be taking by doing what we know is right.

I am firmly convinced ultimately the American people are willing to do what is necessary to ensure a brighter future for our children, and we must have the wisdom to follow them and the courage to lead them. I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank Senator THOMPSON.

We are going to enter a unanimous consent request.

Mr. EXON. May I suggest to my friend, possibly we can get started with Senator BUMPERS, and then I think we all know what the unanimous consent request is going to be. We can finalize it and type it up sometime during the debate.

Mr. DOMENICI. It is coming right now. I agree, we could probably stammer around and between us we might be able to articulate the unanimous-consent request.

Mr. EXON. As usual.

Mr. DOMENICI. I have difficulty with that. Let me just make sure we have it down.

Mr. President, I wonder, without detracting anything from Senator BUMPERS who is going to get 20 minutes very soon on his amendment and he can share that with Senator MURRAY, as I understand it, Senator STEVENS had a sense-of-the-Senate resolution cleared on both sides. I understand you all have cleared it. We cleared it.

Mr. EXON. The Senator is correct.

#### UNANIMOUS-CONSENT AGREEMENTS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Snowe amendment be laid aside until 8 a.m. tomorrow in status quo.

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

Mr. DOMENICI. Mr. President, I now ask unanimous consent that Senator BUMPERS be recognized to offer an amendment on which there be 20 minutes under the control of Senator BUMPERS and 10 minutes under my control; that no amendments be in order to the Bumpers amendment; and that when the Senate votes, it vote on or in relation to the Bumpers amendment.

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

Mr. EXON. Reserving the right to object.

I have no objection.

Mr. DOMENICI. Mr. President, I further ask unanimous consent that following the debate on the Bumpers amendment, Senator HATFIELD be recognized to offer an amendment.

The PRESIDING OFFICER. Is there objection to the request?

Mr. EXON. I simply say that this is going to go push things back a little bit. We are trying to accommodate everybody here at one time. Is the Senator insisting on making an agreement at this time to go back to Senator HATFIELD's amendment?

Mr. DOMENICI. Not back to it. He never offered it. That will be rotating, and he has received assurance from me for 36 hours that he was the next thing after the Snowe amendment. We did not know about the Senator's. That is to be put ahead of it, after the Democrat amendment. I must do that. I cannot agree on time, but I think it will be reasonable considering the circumstances.

Mr. EXON. Under the circumstances, we have no objection.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Mr. President, I wonder if the distinguished floor manager would be willing to also state that at the time the rollcalls occur on these amendments, that mine follow that amendment of the Senator from Maine, Senator SNOWE.

Mr. DOMENICI. What about following Senator FEINGOLD's?

Mr. BUMPERS. That is fine.

Mr. DOMENICI. Mr. President, I make that request.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Whatever the order is that the leader agrees to pursuant to the unanimous consent request, Senator BUMPERS will follow Senator FEINGOLD.

Mr. BUMPERS. I thought it would be better if rollcalls followed the sequence in which the amendments are offered.

Mr. DOMENICI. We do not know what is going to happen to Senator SNOWE's amendment. It could have second degrees.

Mr. EXON. Will the Senator, in order to keep the flow properly here, include

as part of his unanimous-consent agreement that after the disposition of the Hatfield amendment that we would go back and meet a commitment that we have made through Senator BOXER on this side, and that her amendment would follow the discussion of the Hatfield amendment?

Mr. DOMENICI. So long as we make no agreements, other than that Senator BOXER is next, I so request.

The PRESIDING OFFICER. Is there objection to the several unanimous-consent requests?

Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask Senator BUMPERS if he could do me a special favor.

Mr. BUMPERS. If this amendment of Senator STEVENS has been cleared, that is fine.

Mr. DOMENICI. Without in any way changing the time allowed, I wonder if we could now recognize Senator STEVENS who has an amendment that has been approved on both sides. I will yield for 2 or 3 minutes and I ask that he be permitted to speak.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. I thank my friend. I am apologetic that I did not appear before. I had constituents here.

#### AMENDMENT NO. 1129

(Purpose: To provide for a sense of the Congress regarding full funding for Decade of the Brain research)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for himself and Mr. DOMENICI, proposes an amendment numbered 1129.

Mr. STEVENS. 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 in Title III of the resolution insert the following new section:

#### SEC. . SENSE OF THE CONGRESS REGARDING FULL FUNDING FOR DECADE OF THE BRAIN RESEARCH.

(a) FINDINGS.—The Congress finds that—

(1) long term health care costs associated with diseases and disorders of the brain have a substantial impact on federal expenditures for Medicaid and Medicare, and on the earning potential of the Nation;

(2) to highlight the impact of brain diseases and disorders on the economy and well being of the Nation the Congress has declared the 1990's the Decade of the Brain;

(3) meaningful research has been initiated as part of the Decade of the Brain;

(4) if fully funded this research could provide important new medical breakthroughs; and

(5) these breakthroughs could result in a significant reduction in costs to the Federal Government.

(d) SENSE OF THE CONGRESS.—It is the sense of the Congress that in furtherance of the goals of the Decade of the Brain the appropriate committees should seek to ensure that full funding is provided for research on brain diseases and disorders in each of the fiscal years to which this resolution applies.

Mr. STEVENS. I ask unanimous consent to add Senator DOMENICI as a co-sponsor.

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

Mr. STEVENS. Mr. President, this deals with the decade of the brain.

Over 50 million Americans each year are affected by disease or disorders of the brain and central nervous system. The impact on society is approximately \$300 billion a year. But even as scientific progress races ahead, public awareness is falling behind. The DANA Foundation has 10 attainable goals by the year 2000. These are;

First, the identification of the genes that are defective in familial Alzheimer's and Huntington's diseases.

Second, the identification of the genes responsible for manic-depressive illness.

Third, the identification of new medications and therapeutic strategies to reduce nerve cell death and enhance recovery of function after strokes and other forms of brain injury.

Fourth, the development of new drugs and other measures to alleviate the effects of multiple sclerosis, Alzheimer's, motor neuron disease (e.g. ALS, or Lou Gehrig's), Parkinson's, and epilepsy.

Fifth, the identification of new treatments to promote nerve regeneration following spinal cord and peripheral nerve injury.

Sixth, the development of new and more effective treatments for manic-depressive illness, anxiety disorders, and forms of schizophrenia that at present resist treatment.

Seventh, the discovery, testing, and application of agents that will block the action of cocaine and other addictive substances.

Eighth, the development of new treatments for pain associated with cancer, arthritis, migraine headaches, and other debilitating diseases.

Ninth, the identification of the genes that cause hereditary deafness and blindness.

Tenth, the elucidation of the neuronal mechanisms involved in learning and memory.

There have been many breakthroughs during the early part of the decade. Here are some of the recent discoveries or break-throughs;

Identified the genes responsible for Huntington's disease, Alzheimer's disease, and the familial form of Lou Gehrig's disease.

Produced new medications for migraine headaches.

Identified several genes that cause hereditary blindness and deafness.

Launched tests of new drugs to enhance recovery from stroke and spinal cord injury.

Produced new drug for the treatment of epilepsy.

Made significant progress in understanding the addictive action of cocaine.

CREB—a protein. One form of CREB turns on genes responsible for long-

term memory storage, while another form turns them off. The activating form of CREB may dominate when important things are going on, and the memory-repressing form when unnecessary information needs to be filtered out.

CRIF—brain chemical that may eventually control stress. It is a chemical that suppresses the body's stress response. Researchers at the University of Pennsylvania are currently studying it.

Riluzole—An experimental drug that has shown some success in slowing the progression of the muscle-wasting Lou Gehrig's disease. This disease affects 30,000 people in the United States.

Congress first authorized and President Bush proclaimed the "Decade of the Brain" in 1990.

The growth in our knowledge of the brain over the last 5 years has exceeded anything we imagined.

Now at the midpoint of the decade, new discoveries about the brain offer unprecedented opportunities to both lower health care costs and improve the quality of life for those suffering from brain disorders and diseases.

The cost of neurological and psychiatric disorders currently exceeds \$300 billion a year.

Brain diseases account for more hospitalizations and more prolonged care than almost all other diseases combined.

In the remaining 5 years of the decade, scientists are optimistic that even more important advances will be made in brain research.

We must continue to make this research a funding priority, so as to reap the benefits of the groundbreaking work already underway.

Over 50 million Americans each year are affected by disease or disorders of the brain and central nervous system.

Today 1 in 5 Americans is affected by brain disorders, and everyone over their lifetime will be affected either individually or because a member of their family is afflicted.

The results are often devastating. We have made great progress in the past several years.

For example the simple step of a women taking folic acid vitamin supplements can prevent spina bifida, a disabling disease. This saves an enormous amount of pain and suffering for parents and children alike.

The medical cost for a child with spina bifida can exceed \$500,000 a year.

We have also discovered new medications for the treatment of depression.

We have identified the genes responsible for Huntington's disease, Alzheimer's disease, and the familial form of Lou Gerhig's disease.

We have produced new medications for migraine headaches.

We have launched tests of new drugs to enhance recovery from stroke and spinal cord injury.

But there is much still to be accomplished.

Traumatic brain injury is the leading cause of death and neurological dis-

order among young Americans age 15 to 25.

Two million Americans a year suffer head injuries at a cost of more than \$25 billion a year.

Since 1990 scientists have found that the permanent harm from traumatic brain injury increases with each hour and day after the injury.

This produces a clear opportunity to develop powerful new emergency treatments.

By the year 2000 effective therapies to limit brain damage now in human trials will be approved.

Increasingly sophisticated neuroprotective strategies will be introduced.

Alzheimer's disease may be the single most important area of societal need for biomedical research, according to the National Academy on Aging (June 1994).

Four million Americans a year and 20 million people worldwide are affected. The cost is more than \$60 billion a year.

Since 1990 scientists have discovered three genes that contribute to Alzheimer's, identified key points where intervention might delay, or prevent it, and improved techniques for diagnosis.

By the year 2000 several new drugs will be identified as promising to interfere with the progress of Alzheimer's in order to delay its disabling symptoms for 5 years.

This would allow millions of people to remain living independent and fuller lives. The cost to the public would also be greatly decreased by this step forward.

Therapies to reverse the damage by replenishing lost cells or adding cells should begin to alleviate the suffering of those already affected.

More than 500,000 people are affected annually by strokes with 3 million people disabled. This cost is about \$25 billion a year.

Strokes are the Nation's third leading killer.

Many patients survive stroke. There has been great progress since 1990. The number of strokes were reduced as some risks were clarified.

Doctors have adapted new preventive techniques.

New drugs have been developed for limiting and possibly preventing stroke damage.

One and a half million Americans are afflicted with Parkinson's disease. The cost is about \$6 billion a year.

This disease is a slow progressive degenerative brain disease. Researchers have developed innovative ways to pinpoint damaged nerve cells.

By the year 2000 at least one and possibly several major new drugs will be in human trials.

Screening for Parkinson's is likely, and new gene therapy should be available.

I will include in the RECORD at the end of my statement an article from the Philadelphia Inquirer written by Dr. Leon Cooper, the winner of the 1972

Nobel Prize in physics, and James Watson, the winner of the Nobel Prize in medicine for 1982.

The article further expands on the importance of this research.

I will also include a summary of recent brain research by the DANA Alliance.

I would like to urge my colleagues to support this resolution which will ensure that this vital research is continued and that additional breakthroughs become reality.

I ask unanimous consent that the article by Dr. Cooper and the DANA Alliance summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

(By Leon N. Cooper)

The growth in our knowledge of the brain over the last five years has exceeded anything we imagined when Congress first authorized and President Bush proclaimed the "Decade of the Brain" in 1990. Now at the midpoint of the decade, we are on the threshold of a new era that holds great promise for individual health and vitality.

For all three stages of life—early development, maturity and aging—new and anticipated discoveries about the brain offer unprecedented opportunities to relieve suffering, improve the quality of life of those suffering neurological and psychiatric disorders, and lower health-care costs.

The question today is whether or not the American public through its elected representatives will continue to make brain research a priority, so as to continue to reap the benefits of the nation's spectacularly successful investment in basic research.

Neurological and psychiatric disorders together account for more hospitalization and more prolonged care than almost all other diseases combined. Patient care and social spending caused by brain-related disorders represent a disproportionate amount of all health-care costs.

In part because of prior successes of medical research, we have become very good at keeping people alive to older and older ages by treating or preventing respiratory, circulatory, reproductive and other assaults. But our aging population presents increasing challenges to the health-care system because of the vulnerability of the aging brain.

In the remaining five years of this decade, scientists are optimistic that even more exciting advances will be made across the broad front of brain research. Work just coming off laboratory benches should enable us to intervene early in or medicate some of today's incapacitating brain diseases and disorders.

Brain-related disorders cost this country billions of dollars per year for patient care, hospitalizations and loss of savings. These costs could be significantly lowered if we could effectively treat the disorders, some of which began at or before birth and may last a lifetime.

A new report by the Dana Alliance for Brain Initiatives—an organization of 135 neurosurgeons who champion research in the field—offers a few examples of impressive gains in various areas that we may see during the rest of this decade if adequate support for research continues:

*Childhood:* More effective treatments for muscle spasticity in cerebral palsy and the prevention of a significant proportion of CP cases arising from low birthweight. The development of new medications for schizophrenia. The identification of several more

genes that contribute to inherited forms of blindness, deafness and mental retardation.

*Adulthood:* New insights into the cause of multiple sclerosis and the testing of new therapeutic approaches that alter the natural course of the disease. Understanding the molecules in the brain to which drugs of abuse bind should make it possible to develop more effective cocaine-blocking agents. Improved clinical care has already increased the proportion of patients with spinal-cord injuries who are able to return to their communities; this should continue and, in time, lead to the first effective methods to repair the injured spinal cord.

*Later years:* Our growing knowledge of genetics and pathology of Alzheimer's disease should allow us to rationally design drugs to treat the disease. Some of those drugs may well be in clinical trials before the end of the decade. A cell transplant therapy for Parkinson's disease will probably emerge as a practical procedure for individuals who do not respond to L-dopa treatment. New drugs that increase resistance to brain-cell damage in cases of stroke will be available and begin to be tested in clinical trials.

What do these advances hold for average Americans? The same kind of hope and solace that members of Congress would wish for their own families and for themselves.

Ask Sen. John Rockefeller (D., W.Va.) what it means to watch the relentless destruction of a parent from Alzheimer's disease or Sen. Arlen Specter (R., Pa.), who underwent surgery for a brain tumor.

But it would be impossible to talk to all those members of Congress who have known the heartbreak of substance abuse by a family member, or the agony of manic-depressive illness, or the frustration of children with learning disabilities, or developmental disorders. They would tell you how they want these agonies banished from their lives forever.

What all these illnesses and difficulties have in common is that they all involve the brain, and only brain research can unlock the secrets that will give those who suffer from these disorders (and their families) some hope.

Sen. Mark Hatfield (R., Ore.), when announcing the introduction of the "Mo Udall Bill" to fund Parkinson's research, personally lamented the fact that federal dollars for basic medical research are proposed to decrease in the administration budget by more than a billion dollars by the year 2000.

Is that the message to the research community—that what has already been achieved in brain research, and what you are confident of achieving in the near future is not a national priority?

No one doubts that neuroscience's achievements to date are just the vanguard of even greater discoveries to come. The explosive growth of technology—particularly imaging—is providing unprecedented insight into the brain.

The exciting developments in genetics will benefit brain research perhaps more than any other area of medicine, since about half of all our genes are involved in the development and operation of our brain.

The message of the Dana Alliance report—to be presented in Congress tomorrow—is one of opportunity and hope. What will be Congress' message to the scientific community?

#### DELIVERING RESULTS: A PROGRESS REPORT ON BRAIN RESEARCH

##### SUMMARY

The most important and productive medical research happening today is the study of the brain. Since the Federal government declared the Decade of the Brain in 1990, re-

searchers have solved some of the most stubborn riddles of the brain, and have created and improved treatments for the disorders that afflict it. The stunning progress of the last five years gives future researchers a higher vantage point on which to stand while scanning the horizon for cures.

How does this affect you? One in five Americans is struggling with a brain-related problem at any given time; each of us will face such a struggle at some time in our lives. It may be pain, depression, memory loss, or one of the many problems like these that can be chronic and recurring. It may be swift, like head injury and stroke; or it could be degenerative and fatal, like Alzheimer's and Huntington's diseases. Or a lifetime of anguish could result from a child or grandchild's battle with addiction or schizophrenia. Some of these afflictions are life-ending; all of them are life-diminishing. The cost in personal terms is beyond measure, in hard economic terms, it is more than half a trillion dollars a year.

But now, the human brain is no longer a "black box"—the misunderstood and mysterious source of self, its maladies misdiagnosed and undertreated. Today, at the midpoint of the Decade of the Brain, it is clear that a new era has begun for individual health and vitality. For all three of the major stages of life that you and your family will experience—childhood, adulthood, and the later years—discoveries about the brain's mechanisms, how it forms, grows and ages, how to heal and strengthen it, are raising our expectations for dealing with brain-related difficulties, giving you the realistic chance to avoid suffering.

If your maternal grandmother died with dementia, the most common symptom of Alzheimer's, should you worry that your later years will be marred by this disease? Scientists are discovering ways to find out. Also, by the time you reach the average age of onset, these same scientists could be able to fend off the disease.

The causes of cerebral palsy, retardation and learning disabilities are being revealed, increasing the chances that it will be possible to prevent these horrible conditions in your own children.

The discovery of drug binding sites in the brain is enabling researchers to work towards potential treatments for addiction, so that the lure of drugs will be much less likely to steal the youth, or the life, of someone you love.

Most of the brain afflictions that can severely alter your life, by affecting you or someone close to you, are yielding to researchers. For all those who cry, "Why me?" when they are confronted with a brain disease, scientists are approaching the day when they will be able to answer. As the progress snowballs, and the discoveries come more quickly, the likelihood of your life being destroyed by a neurological ailment continues to shrink.

Beyond the personal aspects, our nation itself has a massive stake in brain research. Today, neurological and psychiatric disorders together account for more hospitalizations and more prolonged care than almost all other diseases combined. No surprise there: Over the last hundred years, we got better at keeping people alive and ambulatory as far as their respiratory, circulatory, digestive and reproductive systems were concerned, but we were stymied by the brain.

Now neuroscience is catching up. In the next five years, we will help brain and nervous system patients in large numbers, and because these patients number in the millions of people, developments in brain science will transform our assumptions in planning for the future. In particular, at the

societal level, the view of crippling, chronic, long term, and mental illnesses will be much different.

When the expanding numbers of aging Americans have less to fear from the brain diseases of aging, and when disorders that begin at or before birth, and last a lifetime, are progressively fewer and less disabling, then the lost work days (by patients and those who care for them) will fall, and leisure activities will rise. Reduced social spending, decreased work absences and improved quality of life all give relief to a troubled economy.

The achievements outlined in our report, however, are just the vanguard of greater things to come. One of the most significant facts about the progress we have made in brain research is that more brain scientists today are working on questions of basic science. This accounts for the diversity of disorders we have been able to address in such a short time. Clinicians focusing on specific diseases now have better odds of finding the keys to the disorders they are researching because there is so much more information to draw upon.

That is precisely what makes brain research so exciting. We understand it better each day. And because of that, we will solve problems of affliction that have truncated our lives since the dawn of humankind. Everything lying ahead of us is opportunity and hope.

Here are some highlights of the progress report, and some predictions for the next five years. Join us in celebrating the hope offered for current and future victims of brain disorders:

#### CHILDHOOD

Researchers believed that a major reduction of spasticity in cerebral palsy and prevention of one-third of all CP cases arising from low birthweight will occur within five years.

New findings point to a family of drugs that may correct drug-induced developmental abnormalities in children.

Thanks to recent public health studies, psychiatry now classifies schizophrenia as a developmental disorder, and promises more effective medications by the year 2000.

Researchers identified genes that contribute to inherited forms of blindness and deafness and several forms of mental retardation, including the most common inherited form among males (Fragile X Syndrome). Growing evidence suggests that genes also play a role in learning disabilities and schizophrenia.

#### ADULTHOOD

The first drug to block craving in alcohol addiction—Naltrexone—has recently been approved as an adjunct to psychotherapy.

Success in treating depression now approaches 90% with more precise antidepressant drugs which avoid unwanted side effects.

Obsessive-compulsive disorder has become treatable.

For the first time ever, researchers have identified a treatment (and are testing another) which alters the natural course of multiple sclerosis.

Researchers have identified the sites where drugs of abuse bind in the brain, and by 2000 hope to have effective cocaine-blocking agents.

Recent refinements to treatments leave many more epileptics seizure-free.

Discovering serotonin-responsive proteins led researchers to develop sumatriptan, an effective treatment for migraine headaches.

Improved clinical care now returns some 94 percent of patients with spinal cord injuries to their communities. Researchers may have the first treatment to enhance spinal cord repair by 1996.

Genetic research has identified specific genes that cause Huntington's disease and familial Lou Gehrig's disease. New findings show that genes may also play a role in addiction, manic-depressive illness, depression and epilepsy.

#### THE LATER YEARS

Several genes have been found that lead to Alzheimer's disease. Cognex (tacrine), approved in 1994, is the first drug for treating Alzheimer's symptoms. A combination of genetic testing and position emission tomography (PET) scanning may yield an early diagnostic test for Alzheimer's. Also possible: an eye-drop diagnostic test and a spinal fluid analysis test.

The first animal model of Alzheimer's disease (a transgenic mouse) has recently been produced, and it is already being used to test drugs to slow the progression of Alzheimer's.

An effective approach to gene therapy for Parkinson's disease will emerge before 2000. Relief from Parkinson-like symptoms has been achieved in monkeys using dopamine-enhancing drugs.

A new bloodclot-dissolving drug can improve the outcome of stroke, if administered within two hours of onset.

A chili pepper extract, capsaicin, now helps relieve chronic pain (even in cancer). Within five years, scientists expect to have developed non-addictive pain relievers.

Recently discovered proteins that nourish, repair and promote the growth of nerve cells are leading to drugs (some already in trials) that increase resistance to stroke.

#### TECHNOLOGY

##### Imaging:

Now, functional magnetic resonance imaging (fMRI) allows doctors to view the active brain, and at their desktops to interactively scan entire brain structures.

Using charged Xenon gas, laboratory scientists improved MRI signal strength by a factor of 10,000, producing more clearly defined pictures in animals.

##### Disease models:

Scientists are working with living organisms in laboratory settings to test compounds and find new directions for investigation. Animal models available today include:

- Alzheimer's disease
- Developmental disorders
- Several different forms of epilepsy
- Multiple sclerosis
- Pain
- Traumatic brain injury

#### SOURCES FOR NUMBERS

##### THE DEVELOPING BRAIN

Developing Disorders (cost and patients): National Institute of Neurological Disorders and Stroke, 1993.

Schizophrenia (patients): National Institute on Mental Health, Update August 1993.

Schizophrenia (cost): NIMH, 1995.

##### THE MATURE BRAIN

Blindness/vision loss (cost and patient numbers): National Eye Institute, 1994.

Deafness/hearing loss (patients): National Institute on Deafness and Other Communicative Disorders, 1992.

Deafness/hearing loss (cost): Hallworth, R, et al. "Hair Cells and Hearing" Press Conference, Society for Neuroscience Annual Meeting October 26, 1992.

Depression (patients): National Institute on Mental Health, Update August 1993.

Depression (cost): Rice, Dp and Miller, LS. "The Economic Burden of Affective Disorders" Advances in Health Economics and Health Services Research 1993.

##### THE AGING BRAIN

Alzheimer's Disease (patient numbers): "News Notes." National Institute on Aging, 1989.

Alzheimer's Disease (cost): National Institute of Neurological Disorders and Stroke, 1993.

Mr. STEVENS. I commend to the Senate the decade of the brain and urge the Senate to become familiar with what is happening in this research area. My amendment merely assumes that we will continue this support, this endeavor, the research of the decade of the brain in the last half of this decade as we have in the first. I ask that the amendment be agreed to.

The PRESIDING OFFICER. Is there further debate?

Mr. EXON. I think the matter has been cleared on both sides. I urge its adoption.

The PRESIDING OFFICER. If all time is yielded back, the question is on agreeing to the amendment.

The amendment (No. 1129) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. EXON. Under the previous arrangement, I believe the Senator from Arkansas is finally ready to be recognized.

#### AMENDMENT NO. 1130

(Purpose: To strike the proposed change in the budget process rules which would permit the scoring of revenue derived from the sale of federal assets)

Mr. BUMPERS. Mr. President, I must say, sitting around here all evening waiting to offer an amendment can be a very frustrating experience. I have concluded that this is no way to run a railroad. I have watched this process now for 5 days and I have listened to a lot of powerful speeches. There are plenty of opportunities for press releases back home proving that you are a budget deficit hawk.

But as a result of that, there are a lot of good amendments that are not going to be debated because we are running out of time tomorrow. This process should permit those people who have honest-to-goodness, legitimate amendments to offer and debate them. We should have a lot less—in this case about 30 hours—of political speeches. When debate on the budget resolution is complete, there are going to be a lot of amendments, many of which that would have improved the budget resolution, that will fail because their proponents will not have had time to present their case to the Senate.

Mr. President, I do not know of a single amendment that has been offered on this side of the aisle that would increase the budget \$1. We have tried to rearrange some of the priorities, but we have not tried, and would not try, to torpedo the legitimate goal of trying to balance the budget by the year 2002.

My own amendment, Mr. President, goes to a rule change that is proposed in the budget resolution that I think is disastrous. This proposed rule change involves the sale of assets that belong

to the United States, where the taxpayers get a one-time windfall. The rule change would permit revenues derived from the sale of these assets to be scored for Budget Act purposes.

When I was Governor, we had revenue sharing. The Senator from Kentucky seated here was Governor of his State at the same time I was, and the distinguished ranking member of the Budget Committee was Governor of his State. Three Governors here on the floor tonight who served together.

One morning I went to my office and there was a check on my desk for \$21 million made out to DALE BUMPERS. I told my aide, "Call the airport, tell them we will be there in 15 minutes." And \$21 million was the first revenue-sharing check we got.

I sent it to the Arkansas Highway Department because I knew they would use it for things that would only be a one-time shot. To put that \$21 million into the operating budget would have been irresponsible. I knew revenue sharing at some time was going to end and I would have had to raise taxes to continue the services that we were providing with that \$21 million.

I do not believe there is a single Governor in the United States that would take a one-shot windfall amount of money and put it into an operating budget. It is lunacy to do it.

In 1987, the U.S. Congress, under Gramm-Rudman-Hollings II, adopted the proposition that revenue derived from asset sales would not be scored. In short, the rule was intended to prevent the use of asset sales for operations.

Since 1986, every budget resolution that has come to the floor of the U.S. Senate and been adopted by both Houses of Congress said specifically that revenue derived from asset sales could not be used to offset the deficit. In other words, revenue from asset sales could not be scored.

Yet here we have a proposed budget which changes this long-time sensible rule and assumes the sale of a whole host of Government assets, including the Presidio, an Army base in San Francisco; the strategic petroleum reserve, the Naval petroleum reserve; the Arctic National Wildlife Refuge in Alaska.

Now, Mr. President, my amendment would simply strike one section in the budget resolution in order to restore the old rule which prohibits revenue from asset sales to be scored.

Mr. President, I have no objection to asset sales per se. We sell assets all the time. My amendment does not suggest that we cannot sell an asset. However, it suggests we cannot come in here with a big platter full of asset sales in order to balance the budget, where the Senate has not debated those items and simply say, "Here's \$4 billion in deficit reduction." The budget resolution assumes that we will sell thousands of barrels of oil we have in the strategic petroleum reserve. It anticipates the sale of the Presidio in San Francisco, and that will never fly because San

Francisco has so many ordinances nobody would give anything for it because it will never be able to be developed.

If the proposed change in these long-standing budget rules is permitted to take place, let me tell Members where we will be headed. First of all, every budget reconciliation bill that comes before this body is going to have a whole host of asset sales.

We are going to have a national yard sale. National parks, wildlife refuges, national forests, highways, power marketing administrations, water projects—all up for sale in order to balance the budget.

Many asset sales do not even make financial sense. Assume we get \$1 billion for the sale of the power marketing administrations. We cut the deficit \$1 billion in 1996. If you assume that these assets, if retained under Federal ownership, would produce \$100 million a year in revenue, by the year 2020 we will have lost revenues of \$2.5 billion in exchange for the one-shot deal in 1996. No businessman in his right mind would do such a thing.

Mr. President how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 14 minutes and 50 seconds.

Will the Senator send the amendment to the desk?

Mr. BUMPERS. 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 Arkansas [Mr. BUMPERS], for himself, Mr. BRADLEY, Mrs. MURRAY, Mr. LIEBERMAN, and Mr. BAUCUS, proposes an amendment numbered 1130.

The amendment is as follows:

Strike line 7 on page 76 through line 12 on page 77.

Mr. BUMPERS. Mr. President, the House had a budget task force which recently adopted a Heritage Foundation recommendation that we should keep only those national parks and wilderness areas of national significance. It may be that the senior Senator from Alaska seated on the floor and his junior colleague may decide that Denali is not of national significance and throw it in the budget reconciliation bill—it would be gone.

If we are only going to keep national parks and wilderness areas of national significance, who is going to decide that? Congress? It will be very tough if the budget is in dire need of revenue and no one wants to raise taxes. Here is where we could wind up.

First of all, we could make the Grand Canyon available for sale. That could be the first to go.

Then take Mount Rushmore. I have been out to Mount Rushmore. They have a thriving number of visitors out there. I think we can probably put a McDonald's and maybe a Marriott there at Mount Rushmore. There is no telling what that place would bring.

After we get rid of Mount Rushmore and Grand Canyon, here is the jewel, we would sell the Statue of Liberty.

Now, Mr. President, that all sound very humorous. There is absolutely no reason whatever under this budget resolution, which allows the scoring of revenue from the sale of national assets, to believe that some things just as precious as the Statue of Liberty will not be put on the auction block.

Last year I was Chairman of the National Parks Committee. I went out to see the Presidio. I had never seen it except at a distance. It is one of the most remarkable pieces of property left in the United States and certainly the most remarkable piece of property left in an urban area. Here we have already put it up for sale. Who knows where we go after that?

Mr. President, I have offered the Bumpers-Bradley-Murray amendment this evening not only because the proposed rule change in the budget resolution would permit the sale of our national treasures, but because it is also bad economic policy, bad social policy and bad culture policy. We ought not to do it. We have lived very well for 205 years without trying to balance the budget by selling assets.

Finally, my amendment does not alter the bottom line of the budget resolution one bit. The Energy and Natural Resources Committee would still be required to find whatever amount of money the budget resolution instructs the Committee to find.

I can tell you, Mr. President, again, you put this proposition to the people of this country, Do you think we ought to start selling off wilderness areas, national forests, some of our treasured national parks? I can just see it now. You cannot see all the Grand Canyon from the rim. We need a highway down through it so you can really enjoy it.

We need a new Holiday Inn down at the bottom of the Grand Canyon so we can make more money.

These things are disastrous.

I hope a majority of the Senate tomorrow morning, when we vote on this, will agree that this is a terrible, terrible change in budgeting. It is a terrible change in national policy.

I yield 5 minutes to my distinguished colleague from Washington, Senator MURRAY.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I rise in support of the amendment offered by the Senator from Arkansas.

The budget resolution before us has been termed an historic document. It certainly is. For the last decade, the Congress of the United States has recognized that our public lands are too precious to sell unless their sale is in the best interest of the public. That is good policy and one that has enjoyed strong bi-partisan support.

But it is a new day. Today, we may well vote to sell our children's heritage to pay our debts. I reject that approach

to debt reduction and I reject that approach to disposition of our Federal assets.

What is at risk? Potentially on the sale block are assets ranging from oil supplies beneath the Arctic National Wildlife Refuge; to battlefields reminding us of the pain and sacrifice of the Civil War; to Power Marketing Associations that provide hydroelectric energy, transportation, and resource protection; to endangered wildlife living in our National Wilderness Preservation System; to toll-free interstate highways present in every State in the Nation; to public timber sold primarily to small businesses dependent upon National Forests for their wood supply.

These assets should not be sold to reduce the deficit. And they, certainly, should not be sold to provide a tax cut to wealthy Americans. Instead, our Federal assets should be sold only when, after reasoned debate and a full public airing, we decide their sale is in the best interest not only of this generation—but of every generation that follows. We owe our children much more than a balanced budget. We owe them their heritage.

I urge my colleagues to vote first for Senator BUMPER's amendment precluding scoring of the sale of all Federal assets.

While I have the floor I want to just mention two other amendments I will be offering tomorrow that my colleagues will be voting on.

SENSE OF THE SENATE RESOLUTION ON IMPACT  
AID

Mrs. MURRAY. Mr. President, tomorrow I will send an amendment to the desk.

Mr. President, my amendment is a sense-of-the-Senate that the Federal Government should live up to its responsibility to educate the children of our women and men in uniform through the impact aid program.

At this point, I would like to ask unanimous consent to add my good friend, the Democratic leader, Senator DASCHLE, as well as Senators PRESSLER, AKAKA, HUTCHISON, LEVIN, BINGAMAN, PELL, DORGAN, BAUCUS and KERREY of Nebraska as cosponsors.

Mr. President, you see, this amendment enjoys strong bipartisan support because the impact aid program is a vital component of the education portfolio of 48 States.

It has strong support because Senators on both sides of the aisle know how important this program is to their States and to the country.

More than 40 years ago, the Federal Government established the impact aid program.

Forty years ago—great, forward-thinking legislators recognized that the Federal Government has a responsibility to communities which have been adversely impacted by Federal activities.

Mr. President, this is exactly the underpinning of the legislation we passed earlier in this Congress. The unfunded mandates bill corrected a large-scale

shift of costs from the Federal Government to the States and to local communities.

Impact aid is a good program for States—it lives up to the true spirit of local control of education.

Unfortunately, the Federal Government has not been living up to the spirit of the Impact Aid program.

Funding levels for impact aid have been so far below authorized levels that we have unfairly shifted a large portion of funding for Federally connected students to local taxpayers.

The end result is that, now—in many States—this program covers less than half of the costs to educate each student. The Federal Government has just been shifting its responsibility to the States to make up the difference.

Mr. President, when I review the last several years of funding and rescissions, I am outraged with the trend I see developing—we have been abandoning responsibility to our kids by cutting funds for this program.

And, there is no question that the importance of this program has increased over its 40 year history.

Its importance has increased not just because it directly affects over 2 million students in our Nation—but also because of the tight budgets facing our States today.

And, some States—such as my home state of Washington—do not rely upon an income tax for State funding. You see, Mr. President, the loss of property tax revenues makes State and local education funding even more difficult.

Mr. President, let me take a moment to tell you about a school district near Tacoma, WA—it's called Clover Park.

Fort Lewis is in the Clover Park school district. Women and men in uniform are assigned by the Federal Government to serve our Nation there. And, their kids—like all American children—deserve to be educated.

They should not be abandoned because their parents live on Federal property.

Impact Aid makes up 7 percent of Clover Park's budget. In Clover Park, this money goes directly to the school district and is free of bureaucracy.

It provides basic support to the school district whose local school board determines how to use the funds.

Now, Mr. President, if impact aid funds were cut off, school districts would have to increase taxes in the Tacoma community. Or, Clover Park would have to cut teachers and close buildings. Or, the schools would have to double-shift students.

That is wrong. That is a total abdication of the Federal responsibility to our kids.

Of course, we all recognize the budget constraints facing the Federal Government today.

I know tough choices must be made.

However, Mr. President, I believe we can achieve meaningful deficit reduction without passing on this huge unfunded mandate. And, without compromising our responsibility to our schools and our communities.

Mr. President, I want to be sure that adequate resources are put into impact aid. And, this sense-of-the-Senate reconfirms our commitment—on both sides of the aisle—to making that happen.

I urge my colleagues to join our bipartisan coalition and support this amendment.

CHILDREN'S HEALTH INSURANCE

Mrs. MURRAY. Mr. President, tomorrow I will send an amendment to the desk. My amendment is very straightforward.

It allows the Senate to think twice before we pass reforms to the Medicaid system that would result in more uninsured American children.

This amendment does not call for one dime of new spending. It is, by definition, revenue neutral.

This amendment simply creates a point of order against any legislation which would cause children currently eligible to receive Medicaid to lose their health care benefits.

And, that point of order is easily waived by a simple majority vote.

Mr. President, as you know, this year, the Medicaid program covers health care services for over 36 million low-income Americans.

Close to half of those Americans are children. Children who have no access to health care insurance on their own. Children with complex health care needs. And, children, I will say, Mr. President, who don't have well financed lobbyists up here fighting for their interest.

Most of the children covered by Medicaid live in low-income, working families.

Mr. President, we are talking about families who have to choose between putting food on the table, or getting health care treatment for their child.

I have visited Children's Hospital in Seattle many times.

Mr. President, I have witnessed firsthand the decisions these parents face.

A typical family on Medicaid is a young, happy family, whose life is suddenly disrupted when they find out their child has been diagnosed with cystic fibrosis or leukemia or severe asthma or cancer.

One parent has to quit his or her job to stay home and take care of the child. On just one income, family finances become increasingly difficult.

Soon the health insurance runs out, and the family is forced to spend down to be able to receive Medicaid, just so their child can receive critical medical attention.

The cost of care for the child will be passed along to the American taxpayer. Doctor and hospitals will simply raise their rates. Insurance companies will do the same.

Everyone agrees that there are problems with the Medicaid system that need fixing, and everyone agrees with the need to reduce the Federal deficit.

But, I am concerned that we don't become lulled by the mantra of cut, cut, cut.

As the Congress cuts spending, I just want to make sure we raise a red flag when children's health care is concerned.

Medicaid is every child's health insurance safety net.

My amendment just makes us think twice before we yank that safety net away.

You will hear some arguments against my amendment today, arguments that—frankly—make little sense.

You will hear that this amendment is impeding deficit reduction, and impeding the actions of the Senate.

On the contrary, the point of order in this amendment can be waived by a simple majority vote—just 50 votes.

We have points of order against the mandates of environmental laws—I just want to make sure we have a point of order to protect the most vulnerable of our population—our children.

You will also hear that this amendment says that we do not trust our Governors to protect children when Medicaid is block granted. Trust?

Block grants, by definition, shift all responsibility to the States. If any kind of emergency or disaster happens in a State, such as an earthquake in California or flooding in the Midwest.

I just want to make sure our overburdened Governors do not allow health care for our children to go by the wayside. This amendment simply makes us think twice about children.

This is not a question of trust—it is a question of insurance. That is all.

Finally, Mr. President, you will hear that this issue will be dealt with in the Finance Committee after the budget resolution is passed.

We listened to a prolonged debate this morning on the EITC—which will also be a topic in the Finance Committee's deliberations. If today is a good day to talk about EITC, today is a good time to talk about children's health insurance.

Let me conclude with a few words about priorities.

When I offered this amendment in the Budget Committee, we were immediately subjected to a lengthy diatribe by the other side that sounded more like Presidential campaign speeches than a statement about our children's health insurance.

That happens all too often. As soon as we talk about children, the debate is trivialized. The discussion is kidnapped.

And, so, I stand here again today and ask—what better time is there to talk about the future of our children than during this historic debate?

We need to know if actions we take here today will hurt our children.

My sincere goal with this amendment is to look out for the most vulnerable of our population.

I know they do not vote. I know they do not give money to political campaigns. But they continue to get sick because their parents cannot afford to get them vaccinated.

Congress cannot turn its back on its children.

My amendment simply ensures that before Congress makes any changes to the Medicaid system, we will take a hard, thoughtful look at the possible damage these changes will cause.

Let us put a little bit of conscience back into this budget.

Let us protect our future.

Let us protect our children.

I urge all my colleagues to join Budget Committee members on my side of the aisle and agree to this amendment.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I ask unanimous consent I be allowed to take 2 minutes from the time controlled by this Senator, to briefly speak on the subject at hand.

I first would like to ask if the Senator from Arkansas has added me as a cosponsor to his amendment or not? If he has not, I would like to be added as a cosponsor.

Mr. BUMPERS. Mr. President, I would like to add Senators MURRAY and BRADLEY as my chief cosponsors, the Senator from Nebraska, Senator EXON, Senator WELLSTONE, Senator BOXER, Senator FEINSTEIN—all as cosponsors.

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

Mr. EXON. I also ask unanimous consent I be added as a cosponsor to the amendment just addressed that the Senator will be offering tomorrow, the Senator from Washington, with regard to impact aid.

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

#### AMENDMENT NO. 1130

Mr. EXON. Mr. President, I support the amendment offered by Senator BUMPERS to strike the changes made to the asset rule in the budget resolution. The recent push to sell off physical assets in an effort to generate short-term budget savings is not a wise move.

The asset rule was put in place in order to discourage these sorts of proposals which do not result in any structural decline of the deficit. In fact, many of the recommendations included in this budget resolution will not yield any budget savings over the long term.

The savings resulting from the selling off of physical assets in this resolution will end up generating only \$3.5 billion in receipts over the next 7 years. Many of these proposals end up costing the Government money in the out-years.

I hope my colleagues on both sides of the aisle will support this effort to rid the use of this sort of budget gimmickry in an attempt to balance the budget.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I believe there is 10 minutes reserved on this side. I yield myself 5 minutes to begin with.

Is there not 10 minutes reserved for this side?

The PRESIDING OFFICER. That is correct.

Mr. STEVENS. Mr. President, I am reminded of what President Reagan said once, "Here we go again. Here we go again."

I have just heard these speeches that sound as though this is something that has been dreamed up by this side of the aisle. The President requested this. Is the other side of the aisle going to abandon the President again? The President asked for \$8 billion in his budget. He specifically asked for this language. This language is the President's language.

What does it do? It allows scoring of the sales of assets that are already authorized by law to be sold.

I would be ashamed to come here with pictures of places in this country that are loved by all citizens, and imply that anything in this budget resolution will sell one national park or refuge. It is an authorization to score the sale of assets. It is necessary to carry out the President's budget. It is also a fact that people have used this budget gimmickry to prevent the leasing of 1.5 million acres on the North Slope of Alaska, one of the last great deposits of oil and gas in the United States, because it is considered to be the sale of an asset when it is leased.

The Arctic coastal plain must be authorized by law to be leased. It has already been subject to three environmental studies. There is no opposition that I know of to the concept of the Mineral Leasing Act. That law has already been passed. This land should be leased.

Oil and gas leases are called a sale under the concept of the Budget Act. And since you cannot score that sale, the act of leasing costs money and, guess what, that prevents us from proceeding to lease the land because you cannot score the money that comes in from the lease. But it costs you money to lease it. An absurd conclusion.

The President came in and asked for a change in this law. He asked that we change this in his budget this year and he assumed \$8 billion in asset sales—that must be authorized by law—as part of that budget. I notice the picture of the Grand Canyon is right-side-up now, but even so the Grand Canyon, if someone wanted to propose to sell it, they would have to come here and secure the passage of a law. The things the President wants to sell must be authorized by law to be sold. What we want to lease in Alaska must be authorized by law to be leased. I never have heard such a ludicrous argument in my life.

I have seen some of this stuff from the extreme environmental organizations that send this baloney all over the country and charge people fantastic sums of money. They rival the AARP in terms of the way they raise money and really convince people they are doing good when they are really paying themselves and sending these stupid letters out that imply that

somehow the President wants to sell the Grand Canyon. It is the President's language. It is not my language. It is not the Alaskan language. It is the President's request.

I cannot believe what I am hearing on the floor of the Senate. I really cannot.

Why do you not recognize the income from the sale of assets? The lease of the Alaska oil reserve lands would bring in over \$1.4 billion in a 4-year period. If it is leased that is money that comes into the Federal Treasury. It is not a sale. It is what is paid for the privilege of producing oil and gas from Federal lands.

Somehow or other, people have assumed that there is something sort of seditious in this concept of the President's, that we are going to count money that comes into the Treasury as money.

I have heard arguments on the floor of the Senate that embarrassed me before but I am embarrassed for those who offer this amendment.

In the first place, they attacked their own President, not us. In the second place, it makes no fiscal sense to say when we sell an asset that produces billions, that we have to go out and borrow money in order to balance the budget because we cannot count that money that comes into the Treasury—not in a budget sense. It is there in a physical sense but it is just added to the Treasury. You cannot count it under these stupid budget rules that finally even the President of the United States recognized are just that. They are stupid. It is time to change them. It is time for us to stop this Mickey Mouse business.

Look, a "For Sale" sign on the Statue of Liberty. Would the President suggest selling the Statue of Liberty? Have we suggested selling Mount Rushmore? My God, I really cannot believe the depth of this argument, when it comes down to just say anything to scare people throughout the country. "We are going to sell the national parks." It is stupid.

The PRESIDING OFFICER (Mr. ASHCROFT). The time of the Senator has expired.

Mr. EXON. Mr. President, I yield myself 2 minutes off the time of this Senator.

I would simply correct my friend from Alaska. The President of the United States, in his budget, suggested selective sales, including the Power Marketing Administration. This Senator and many on this side strongly disagree with the President on the selling of the Power Marketing Administration.

We went down and had a meeting with him and we will fight that here and we will fight it all the way through this budget process. Certainly I think we can disagree. I believe the Senator from Arkansas made it very clear in his remarks that he realizes we are not suggesting this, but the main thing the Senator from Alaska is overlooking is

the proposition in this budget changes the rules that could allow this to happen. They cannot happen under the rules the way they are.

We objected to the President of the United States, our President, as you say, doing that. And we certainly object to the Republican Budget Committee going along in unison with the President of the United States, which in and of itself is quite unusual.

We oppose your doing it. We opposed the President in doing it. And we hope we are alerting the Senate of the United States to this serious mistake.

I reserve the remainder of my time and I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. EXON. Mr. President, how much time does the Senator wish?

The PRESIDING OFFICER. The Senator from Arkansas has 6 minutes.

Mr. EXON. I am sorry, I thought the Senator was out of time.

Mr. BUMPERS. Mr. President, the Senator from Alaska misunderstands what this debate is about. It is not about what the President recommended. I could not disagree with the President more. I went down to the White House and told him, along with the Senator from Nebraska and a host of others. This is bad policy and I told the President that. He is my friend but that does not mean I have to agree with him on everything and he understands that better than anybody.

The fact that the President has proposed asset sales in his budget does not make it good policy. It is bad policy. I do not care who recommended it.

The Senator from Alaska says he is embarrassed. He is embarrassed by this amendment. What we are trying to do is to restore the law where it has been for 10 years. I never heard the Senator from Alaska in the last 10 years say under the budget rule not scoring assets was an embarrassment. Now it is an embarrassment. The Senator from Alaska is my friend. He has been trying to get ANWR opened up for oil drilling since, as we say, "the memory of man runneth not." I am not for it, and I don't expect to be for it in the foreseeable future.

This resolution assumes that we are going to charge the oil companies \$1.4 billion over the next 7 years for the right to drill in ANWR. What do you do after the scoring period to make up for the lost oil after the first 7 years? You are going to cut discretionary spending again.

The budget resolution assumes \$1.4 billion from the sale of the power marketing administrations. That is a bad proposition from a business standpoint. No businessman in his right mind would decide whether to sell an asset by only considering the lost revenues associated with that asset for a period of 7 years.

I will tell you something. If you are willing to sell the Presidio, the Grand Canyon cannot be very far behind.

So, Mr. President, I plead with my colleagues not to buy into this idea

that you can take these one-shot, one-time windfalls from the leasing of the Arctic National Wildlife Refuge, the selling of the Presidio, the selling of these power marketing administrations.

As I said in the opening of my remarks, my amendment does not preclude asset sales. It simply says deal with them in the usual course of business and do not score them for budgeting purposes.

I am not only not embarrassed, I have never been prouder of an amendment.

Mr. BUMPERS. Mr. President, is it in order now, before using all of my time, to ask for the yeas and nays?

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. Mr. President, I yield the floor and retain the remainder of my time.

Mr. STEVENS. How much time is remaining?

The PRESIDING OFFICER. The Senator from New Mexico has 5 minutes, and the Senator from Arkansas has 1 minute 48 seconds.

Mr. DOMENICI. Out of the 5 minutes, I yield 3 minutes to Senator STEVENS from Alaska.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I ask unanimous consent to put in the RECORD section 5 of the President's bill indicating how he would treat the proceeds from the sale of transfer of lands under his proposal.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROCEEDS

SEC. 5. Proceeds from a sale or transfer under this Act shall be recited to miscellaneous receipts of the Treasury. If the President so designates, the net proceeds shall be included in the budget baseline required by the Balanced Budget and Emergency Deficit Control Act of 1985 and shall be counted for the purposes of section 252 of that Act as an offset to direct spending, notwithstanding section 257(e) of that Act.

Mr. STEVENS. Mr. President, I am embarrassed for the proponents of this amendment. I am not embarrassed by the President. I think the President is trying to make some sense out of the Budget Act, and it is time that we considered that.

This is an attack on a proceeding to lease the Alaska oil reserve. It is not standing up straight. It is a duplicitous amendment. It is an amendment intended to kill the provision in the budget resolution that considers it a requirement of the Energy Committee to raise money. One of the ways they can raise that money is by bringing forth a bill to proceed to lease the one and one-half million acres on the Arctic coastal plain that has a fantastic potential for oil and gas.

Furthermore, the Senator from Arkansas said, what happens in the next year? Hopefully in the next year you

would discover oil. The last time I remember people standing on this floor saying there is no oil was when we were considering legislation to allow leasing on the North Slope of Alaska, when they said that it would only produce about 1 billion barrels at the most. Mind you, that would have been the largest deposit on the North American continent. But, as a matter of fact, we have already produced 10 billion barrels. Ten billion barrels came out of that bill that came before the Senate. The argument went for days. Finally, the tie had to be broken by the Vice President of the United States.

Now, we are in the same situation here. Mr. President, you are going to see more wildcats coming across this floor when ANWR is brought up than anything you have here. They have more things they can warn the public of. Look at that. They say we are trying to sell the Statue of Liberty. It is absolutely ludicrous again I say. I have never heard an argument stretched to that point.

This resolution does not authorize the sale of anything. All the President wants to do is count the money when it is authorized to lease or to sell something, and there already are a series of things authorized. The President is going to send up a bill to authorize the further sale of some of the assets on the Presidio at Monterey in California. As a matter of fact, it has already been leased. Do you know who it is leased to? Former Senator Cranston and the former leader of the Soviet Union, Mr. Gorbachev. They have leases there in the Presidio already.

Now, when you look at it, all the President is saying is that in the process of acquiring money from the sale or lease of assets that are authorized by law, we ought to count them in the budget process. This amendment would deny the President that right. It would mean that he could not count the \$1.4 billion that will come in the first 4 years of the leasing of ANWR.

I thank the Senator from New Mexico for his courtesy.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, let me say to the Senator from Alaska, my amendment does not stop the leasing of ANWR. That is not what this amendment is all about. You can go ahead and lease ANWR. But do not score it in the budget. That has been the law of the land for 10 years.

All of a sudden we get this budget resolution presented to us and they say we are going to change the rules. If you can get \$2 billion for Presidio, count it, score it. You have \$4 billion in here, and next year you may not have \$4 billion in asset sales so you are going to have to find it elsewhere. Why, I say to the Senator, you might even have to pay royalties on hard rock mining next year.

Mr. STEVENS. Will the Senator yield for just one question? We are

closing almost 50 bases in the United States. Why should we not count as income those portions of the bases we are going to sell? This amendment would not allow that.

Mr. BUMPERS. Mr. President, there is not a Governor in the United States, including the person sitting in the chair at this moment, who is a former Governor, in my opinion, that will take an asset sale or one-time windfall and put it into his operating budget. My amendment does not prohibit the sale of those bases. It just says, let's not change the budget rules to mask the deficit by scoring the revenues derived from these asset sales.

I yield the floor.

Mr. DOMENICI. Mr. President, how much time does Senator BUMPERS have?

The PRESIDING OFFICER. Twenty-one seconds.

Mr. BUMPERS. I yield back the remainder of my time.

Mr. DOMENICI. How much time do I have, Mr. President?

The PRESIDING OFFICER. Two minutes.

Mr. DOMENICI. I thank the Chair very much.

Mr. President, let me suggest there really are two arguments here. I think the paramount one is to get rid of any authority that the Energy Committee might have in its reconciliation instructions to direct that we begin leasing of ANWR. While asset sales generally seem to be the subject matter, I think that is the prime focus.

And let me suggest for a minute a bit of arrogance about the United States, a bit of arrogance about those who think we can just continue to lock up our assets because we are so wealthy it does not matter. How does \$180 billion worth of American assets called "oil" sound to average Americans—\$180 billion worth? We will buy it from other countries because we think we are so strong, so powerful, so economically self-sufficient we can just throw away our assets—\$180 billion.

Now, I know that people do not like to think of America as being arrogant about anything; we are humble people. But I submit, Mr. President, it is arrogance to think that we can throw away \$180 billion and say we will buy it from the Saudis. After all, it was only ours so why not just lock it up.

Now, if there was harm coming to ANWR, many who will vote against Senator BUMPERS would vote with him. But that argument about how much damage is going to be done there just will not play too much longer.

Now, let me make a second point. Let me make a second point on this issue. Mr. President, what happens if we fail to balance the budget and the American dollar keeps coming down? Do you know what might happen, I say to the Senator from Alaska? The Saudi Arabians may say, "Pay us in yen." How does that strike you? "We do not want your American dollars. They are not good enough."

Mr. STEVENS. For oil.

Mr. DOMENICI. For oil. Pay us in yen. We will pay them in yen and guess what will happen. Oil prices go up 300 percent in America.

Why should we not use our own rather than depend totally upon them?

I yield the floor, and if we have no remaining time, I assume we are finished with this amendment and it will be appropriately stacked tomorrow by our leader.

#### RURAL HOUSING GUARANTEED LOAN PROGRAM

Mr. CHAFEE. Mr. President, I wish to engage in a colloquy with Senator DOMENICI, the distinguished chairman of the Budget Committee, with respect to the rural housing guaranteed loan program.

In reviewing the report accompanying the Fiscal Year 1996 Concurrent Budget Resolution, I note that the Senate Budget Committee recommends "the reduction or elimination of certain subsidies provided by the federal government for a range of credit programs in the Small Business Administration, the Federal Housing Administration, and the Rural Housing and Community Development Service." Am I correct in understanding this to mean that the Budget Committee assumes no savings from the Rural Housing and Community Development Service's Section 502 unsubsidized guaranteed loan program over the next seven years?

Mr. DOMENICI. The Senator from Rhode Island is correct.

Mr. LEVIN. Mr. President, I will oppose the Roth amendment which takes a meat-ax approach to eliminating federal jobs. The administration has made laudable progress by downsizing the government by more than a quarter of a million workers by the end of the year. Under the leadership of Vice President GORE, careful evaluation, systematic studies, and cost-benefit analyses have been used to shape a leaner more effective Federal workforce. Because it is not based on such studies and analysis, the Roth amendment, by contrast, could result in the slicing away of essential jobs, such as those needed to get out the social security checks, staff the veterans' hospitals, or to protect federal facilities and workers from another terrorist incident. Also, the Roth amendment, according to its author, assumes the elimination of the Department of Commerce, an action with which I do not agree.

AFDC

Mr. MOYNIHAN. Mr. President, I intend to propose an amendment that will enable us to improve our welfare system rather than dismantle it. Under my amendment, Aid to Families With Dependent Children will remain a Federal entitlement program.