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Senate

(Legislative day of Monday, May 15, 1995)

The Senate met at 8 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. The prayer this morning will be led by the guest Chaplain, the Reverend Ralph E. McCormack, of Danville, VA, guest of Senator BYRD.

PRAYER

The Reverend Ralph E. McCormack, pastor of Burton Memorial Presbyterian Church, Danville, VA, offered the following prayer:

Let us pray:

Gracious God, we invoke Thy presence with us here in this place.

We pray for these U.S. Senators. We pray that they may have wisdom in their deliberations. We pray that their decisions will continue to keep our Nation strong and safe for all people.

We pray for all of us here and for our families. If there is sickness, we pray for better health. If there is unhappiness, we pray for reasons for joy. If in our families, there is ill feeling, we pray for peace and harmony. If in our families there is any problem or any cause for worry, we pray for a good resolution of the difficulty.

Help us to honor Thee with our lips and with our lives. Amen.

CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDENT pro tempore. The Senate will resume consideration of Senate Concurrent Resolution 13.

The clerk will report the pending business.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.

The Senate resumed consideration of the concurrent resolution.

Pending:

(1) Harkin-Bumpers amendment No. 1126, 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.

(2) Feingold-Hollings amendment No. 1127, to strike the budget surplus allowance provision (Section 204) from the resolution to eliminate the use of the fiscal dividend for further tax cuts.

(3) Snowe amendment No. 1128, to increase funding for mandatory spending in function 500 (Education).

(4) Bumpers amendment No. 1130, to strike the proposed change in the budget process rules which would permit the scoring of revenue derived from the sale of federal assets.

AMENDMENT NO. 1128

Mr. EXON. Mr. President, I would ask my chairman of the committee if it would be in order for me at this time to yield 10 minutes off the bill in opposition to the Snowe amendment to the Senator from Massachusetts?

Mr. DOMENICI. Mr. President, parliamentary inquiry.

How much time remains on the Snowe amendment?

The PRESIDENT pro tempore. Senator SNOWE has 67 minutes; the opposition has 35 minutes.

Mr. DOMENICI. I would prefer to yield 10 minutes off the opposition to the amendment. Is that what the Senator wanted?

Mr. EXON. The Senator from Ohio wants 10 minutes.

I would start out today by saying to all the Senators that we are extremely strapped for time. Five minutes here, ten minutes there, under ordinary circumstances would be in order. I think we have about what—4 hours maximum left? How much time is remaining?

The PRESIDENT pro tempore. Three hours and 45 minutes.

Mr. EXON. Mr. President, 3 hours and 45 minutes, with about 70 amendments. We will have to extremely limit our time. I think that the requests—may I suggest that we yield 8 minutes to the Senator from Massachusetts and 8 minutes to the Senator from Ohio.

Mr. DOMENICI. And 8 minutes to the senior Senator from Ohio.

Mr. WELLSTONE. I might ask if I could have 4 minutes.

Mr. DOMENICI. Let me see how the opposition goes. I have none for myself at this point. Then I will see.

I yield 8 minutes to Senator KENNEDY, 8 minutes to the junior Senator from Ohio, and 8 minutes to the senior Senator from Ohio.

The PRESIDENT pro tempore. The distinguished Senator from Massachusetts is recognized.

Mr. KENNEDY. Thank you, Mr. President. I yield myself 8 minutes.

Mr. President, one of the most important aspects of the whole budget resolution is what it does in the areas of higher education, as well as education generally.

I took a few moments of the Senate's time just 3 days ago to outline where I thought we were on the whole issue of education in this country. We take pride in our higher education system. Of the top 149 universities worldwide, 127 of them are here in the United States. Our system works well. We provide superb higher education in this country. If there is a basic problem, it is the cost of higher education. We have tried to address this problem at the Federal level.

Our Federal education policies have been worked out in a bipartisan way over the period of years since the early 1960's when a judgment was made that it was in the national interest to support higher education.

Individual contributions, private sector contributions, and Federal assistance have created the world's best education system. Together, we support educational opportunities for our Nation's citizens, and at the same time,

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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we support the outstanding research that is going on in places like the NIH, the National Science Foundation, and other research agencies. Our system is working, and it is working well.

The charts we reviewed a few days ago in this Chamber show that providing higher education to our citizens contributes to this country immeasurably. The clearest example of this was the cold war GI bill which returned $8 for every $1 that was invested in education. Investments in education continue to be an investment in our country.

Now, the Budget Act that is before the Senate today effectively cuts $65 billion from education, $30 billion of it out of higher education, and the remainder out of other education support programs over the period of the next 7 years.

That is a one-third cut in higher education. The suggestion by members of the Budget Committee that these cuts are not going to touch the Pell grants, that we are going to hold them harmless, is basically hogwash. Even when we hold the Pell grants harmless, we see a 40-percent reduction in what has been a lifeline for young people to go on to higher education.

Mr. President, 70 percent of all the young people in my State need some kind of assistance to go to the fine schools and colleges, the 4-year colleges and the 2-year colleges in my State. And 75 percent of that assistance comes from Federal support to higher education.

What is amazing to me is that after we have had this dramatic cut, and the Senate has rejected the efforts by Senator HARKIN, Senator HOLLINGS, and others, to restore education funding, we now have this amendment that restores a meager 10 percent of the proposed reduction in Federal support to higher education.

The explanation about how we are going to avoid instructions to the Labor and Human Resources Committee that will be charged with going ahead with these cuts is enormously interesting to me.

We had a debate here on the floor of the U.S. Senate about how we ought to eliminate home equity—farm home equity and home equity of young people—in our calculations of student assistance eligibility. Why? Because the value of the farms have gone up over the period of recent years. That has been true in the heartland of this Nation, just as it has been true in the increased value of homes as a result of inflation that students have nothing to do with. Including home equity in calculations for student aid eliminated the sons and daughters of working families whose principal problem is the value of their farm went up or their home went up.

A second debate we had here on the floor of the U.S. Senate, supported by Republicans as well, was to give young people a few months after they get out of college to find a job.

We wanted to make sure that they were not going to have to repay their loans for a short period of months—and we are talking a few months—after they graduate, when they are trying to find a job. That decision had the support of Republicans and Democrats alike. Now we are finding out that this grace period will be gone as well. Students are going to be penalized again.

I do not know how it is in other parts of the country, but I can tell you the job market in my State is not flourishing for young people who are graduating from college. They are able to get jobs, but it takes them a little while and their salaries to begin are low. Now the Republicans want to penalize them for that.

If you want to talk about a figleaf over a problem, the Snowe amendment is just that. This is a 10-percent restoration from the budget cut. Some will say, given the fact we have been voted down and voted down and voted down, we ought to grab this, because it is the only thing we are going to get. The fact of the matter is, this amendment proposes to find offsets from travel, bonuses, and other agencies, but these are not binding instructions. The appropriators decide on those instructions. There is nothing to guarantee that education will be off limits.

So on the one hand, the Snowe amendment may restore some benefit to those who need Stafford loans, but you are taking money away from the sons and daughters of working families who need the help and assistance provided in a title I program or a school-to-work program. There are no guarantees here that you are not going to just put it back in one part of education and sacrifice another part.

So we should be thankful for any kind of restoration of funds to education. But I must say to the parents who are watching this debate that what they ought to understand is that we are going to see a one-third cut in the area of education, a $65 billion loss over the period of the next 7 years. The effect of this amendment, if it is successful, will be a restoration of $6 billion of those funds.

The Senator from Connecticut, myself, the Senator from Minnesota, and others will be offering, at an appropriate time, a very modest amendment to restore $28 billion, not the full amount, but just $28 billion, with offsets from corporate welfare and tax provisions.

It is extraordinary to me that once again we talk about educating children in this country, but the Budget Committee could only find $20 billion out of $4 trillion reductions in tax expenditures to turn to this important venture. We could have gotten the $60 billion. You would have thought they could find the billionaires' tax cuts where you find billionaires turning into Benedict Arnolds, where they make fortunes, hundreds of millions and billions of dollars, and then give up their citizenship and go overseas and avoid any kind of taxes. You would have thought they could find——

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. KENNEDY. I yield myself another minute.

The PRESIDENT pro tempore. The Senator has no more time.

Mr. KENNEDY. I yielded myself 8 minutes and I was given 10, I believe.

The PRESIDENT pro tempore. That is incorrect. The time of the Senator has expired.

Senator DEWINE.

Mr. DEWINE. Mr. President, I rise today in very strong opposition to the amendment of my friend, the Senator from Maine. This amendment, frankly, will hurt the very people it purports to help, our young children.

The Snowe amendment would support programs that are, in fact, meritorious. But it would do so with an offset that would cause serious harm to the future of U.S. competitiveness in a very important high-technology industry. It would do so with an offset that would cause serious harm to U.S. competitiveness in an increasingly tough and competitive world. The offset assumes a reduction of $1.124 billion in aeronautic research and development.

Let me explain the real world consequences this cut would have, and especially what it would do to some very important programs at NASA.

One of the programs has to do with the advanced subsonic technology. This program addresses future technology needs covering the whole spectrum of subsonic aviation, from commercial jets to small aircraft.

First of all, this program has already perfected techniques for detecting and evaluating corrosion and cracks in aircraft. These techniques have now become a part of the industry. If we make this cut, the cut proposed in the Snowe amendment, our future ability to increase air safety will be seriously impaired.

Second, our ability to decrease the harmful environmental effects of aircraft will also be seriously impaired. To remain globally competitive, U.S. aviation has to stay ahead of international environmental standards. Thanks in part to the advanced subsonic technology program, we are doing that today. It would be wrong to lose our competitive edge in this area.

Third, our ability to improve satellite air traffic control would also be seriously hurt by a cut in this program.

All of these areas—aircraft safety, the environment, air traffic control—are legitimate concerns of the Federal Government and have been an area where the Federal Government has been involved for decades. In these areas, NASA is engaging in high-risk research that individual companies simply cannot and will not undertake.

Furthermore, Federal investment in this technology has important roots in the history of our country, as I will explain in a few moments. NASA's role, really, is to develop high-risk, high-

payoff, precompetitive technologies so they can then be passed along to private industry. This is something that only NASA can do. And this investment is essential to the future of the U.S. aircraft industry. The continuing growth of U.S. market share depends on our ability to ensure that aircraft are safe, cost effective, and able to comply with ever more stringent environmental regulations.

There is a long history of Government involvement in basic, precompetitive research. Back in 1917, the United States established the National Advisory Committee on Aeronautics to engage in basic precompetitive research. The NACA was a precursor of NASA and did the same kind of forward-looking work that would be cut under this amendment.

Earlier this month we, of course, celebrated the 50th anniversary of the end of World War II. Every single airplane that helped win that war was made possible by NACA's testing facilities. No single corporation had enough money to be able to invest in the kind of wind tunnels that were used to test these planes. NACA's Ames facility did have those resources. No single corporation had the resources to do the basic research on how wings should be shaped. NACA did have the resources.

For almost eight decades, NACA, and its successor agency, today's NASA, have been making the kind of investment in America's aviation knowledge base that no corporation could possibly match. Every single plane in America today has NASA's technology somewhere in it. The little piece of wing that juts out perpendicular from the wing tip—known as a winglet—was designed by NASA. The winglet increases the fuel efficiency of an airplane by 5 percent, and that 5 percent can make a big difference in making U.S. planes competitive.

Just this week the Boeing 777 was unveiled. Major components in that plane were designed some 15 years ago in NASA's laboratories, not with a view toward the product line of any particular corporation, but because, over the long run, the long term, America needs that technology know-how.

Another research project threatened by this amendment is NASA's high-speed research program. Before investing the roughly $20 billion that might be necessary to develop a high-speed civil transport aircraft, private companies need to know whether such a plane could be built in compliance with environmental and safety standards.

If we allow the United States to fall behind in the quest for this technological breakthrough, the U.S. share of the long-range global aircraft market could drop below 50 percent. It would be a horrible blow to the trade deficit, to high-technology jobs, and to something in many respects even more important, our national sense that America is leading the world in the future of high technology.

America's ascent to the role of global superpower was made possible in large part by the ability of America's aviation pioneers to invest in the future.

Education—so ably advocated by my good friend from Maine—has to do with preparing our children for the challenges of the future. This program—the program that would be cut by this amendment—is building that future. I think cutting this program would be a very shortsighted measure—and the losers would be our children.

Tens of thousands of American children can grow up to work in high-technology aviation jobs—if we do not foreclose that option by making shortsighted decisions today.

In aviation, there is a truly global market. Over the next 15 to 20 years, the global demand is expected to be between $800 billion and $1 trillion.

A recent study by DRI/McGraw-Hill estimates that a 1-percent gain in U.S. market share creates 9,000 new jobs—and $120 million in Federal revenues—each year.

Aviation already contributes over $25 billion a year to the U.S. balance of trade. That's more than any other U.S. manufacturing industry.

And aviation already generates almost a million high-quality jobs in this country.

If we allow this cut to go forward, we will fall behind in our effort to develop technologies that will keep America on top of this global market.

I think we should continue to invest in a high-technology future for this country.

I think NASDA's research on aviation plays a fundamental and irreplaceable role in that process.

That is why I will be voting ''no'' on the amendment proposed by the Senator from Maine. To vote ''no'' on this amendment is to say ''yes'' to a high-technology future for Amercia's children.

I will conclude by summarizing as follows: We hear a lot of talk on this floor about making sure our children have good jobs, high-paying jobs, high-technology jobs, and they should not be confined, as some people on both sides of the aisle have said, to flipping hamburgers. This type of research gives these good high-paying jobs to our children.

I urge, therefore, a ''no'' vote on the Snowe amendment. I urge a vote for our future.

I see my time is almost expired. I see my friend and colleague from Ohio, who has a tremendous amount of experience in this area, has risen to speak and will be speaking in just a moment. I look forward to listening to his comments.

Mr. GLENN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Ohio is recognized.

Mr. GLENN. Mr. President, I regret we have such a short time here this morning to deal with this.

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 do not know that there has been an education bill which I voted against since I have been in the Senate for over 20 years. My record is very clear in that regard.

I want to speak about the offsets that are required here that would provide the money for this particular 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 and our Federal workers.

First, the amendment would zero out two important NASA programs. This Nation has gotten to be what it is because we put more into research, and the inquiry into the unknown, into pushing back the frontiers of science, and then we develop the industry and the business once that has occurred. That has been the hallmark of America. We have been the envy of the world in doing that; the envy of the world.

So these programs in our R&D are seed-corn type programs that whole industries benefit from. We have seen in the past money spent at NASA in aeronautical research which in particular had led to the development of an aircraft industry in this country that has been leading in exports second only to farming, to agricultural products, in years past.

Dan Goldin, the Administrator of NASA, was given aid by the administration, and was tasked to downsize some, and he went ahead and did it. He did it, and he has a program in NASA, a 5-year budget, which was about $122 billion in fiscal 1993. The 1996 request is now $82 billion for the next 5 years. So they have been cut by one-third in just 2 years.

NASA has stepped up to the plate to reduce bureaucracy and improve the way it does business. 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.

Dan Goldin's leadership of 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 and he just cannot do it if we impose another cut like this on his budget over there.

These programs are valuable. They are not something that we just pick up and lay down as a whim. Further cuts in NASA's budget will simply result in the elimination of current programs.

And Mr. President, I suggest that, if this amendment is approved, the future of NASA's three aeronautic research centers—Lewis Research Center, Ames Research Center, and Langley Research Center will be in jeopardy.

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. A $20 billion industry just with this one development alone; $20 billion we are talking about, and we are talking about cutting back the research that will make that possible.

Studies have identified a substantial market for a future supersonic airliner to meet rapidly growing demand for long-haul travel, particularly across the Pacific.

Those that have been to the Southeast Asian area recently know how that area is really expanding economically. Over the period from 2005 to 2015, this market could support 500 to 1,000 aircraft, creating a multibillion 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:

First, 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.

Here is one that ought to get the attention of every single person who is hearing my voice, and every single person in this Chamber: Aging aircraft. My colleague from Ohio mentioned that a moment ago.

Second, aging aircraft: To develop new ways of inspecting aircraft to determine their airworthiness.

When you see a black storm cloud on the horizon the next time you are taking off out of Washington National or Dulles in a 727 aircraft over 20 years old, I think you would be interested in this kind of research NASA wants to do.

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's 20 years old waiting to take off on a cross-country flight.

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

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

Fifth, 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.

Sixth, 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 propents 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.

We had 91 percent of the world's commercial aircraft market in the 1960's. We are now being competed with more vigorously than we have ever been in the past.

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. I do not want to see that happen.

In summary, the advanced subsonic technology: meets future technology needs for next generation aircraft; enables NASA to develo 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, non-destructive evaluation techniques for detecting corrosion, cracks and disbonds; analytical tools to understand aircraft wake vortices for safe landings; and assists in preserving 1 million U.S. high quality jobs and $25 to $30 billion in annual positive balance of trade for U.S. aviation.

How can we possibly take a chance on knocking something like that down?

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.

I think, while I support the goal of getting more money for education, I certainly do not support taking it out of these forward-looking research programs that have served us so well in the past, and will in the future.

IMPACT ON NASA LEWIS

NASA's zero-based review announced last week will have a significant impact on Lewis Research Center outside of Cleveland, OH. Lewis will be given primary responsibility for aeronautics research, especially aeropropulsion research. Other programs would be shifted away from Lewis, including work on expendable launch vehicles.

Mr. President, if the proposal by the Senator from Maine is accepted, I think it could be the death knell for Lewis Research Center. I use these words carefully. But when an agency like NASA is downsizing, and the chief mission of a given facility is eliminated—and this amendment would eliminate high-speed research and advanced subsonic technology research, which will be Lewis' bread and butter—then I think my words are accurate.

If Lewis closes, the impact on my State will be significant. According to NASA, Ohio has the second largest number of aeronautics jobs in the country, behind California. This is due primarily to NASA Lewis, Wright Patterson, the Ohio Aerospace Institute, and Ohio's university system. Anchoring these jobs is Lewis. It attracts world class scientists and engineers to world class facilities.

Did the Senator from Maine and her cosponsors consider this impact when they put together their amendment? I do not think so.

Mr. President, Lewis employs directly about 4,500 people. About one-third of these are in some way connected to aeronautics research. But the multiplier effect is significant. The people employed at Lewis attract other businesses, or help form new ventures and stimulating the economy. Gutting these two programs would have a serious impact on this dynamic system.

Mr. President, I ask unanimous consent that several relevant documents be printed in the RECORD.

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

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, OFFICE OF THE ADMINISTRATOR,

Washington, DC, May 8, 1995.

Hon. PETE V. DOMENICI,

Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR SENATOR DOMENICI: I am writing to express NASA's strong objection to the recommendation by the Congressional Budget Office (CBO) in its February 1995 Report to the House and Senate Committees on the Budget, ''Reducing the Deficit: Spending and Revenue Options,'' to eliminate NASA's Advanced Subsonic Technology and High Speed Research programs. I request that this recommendation not be included in assumptions supporting the Committee's forthcoming FY 1996 Budget Resolution.

In making its recommendation, CBO contends that these programs develop technologies which should be developed by the private sector, namely large aircraft companies. The aeronautics program conducted by NASA and its predecessor, the National Advisory Committee on Aeronautics, has, since 1917, developed a wide range of precompetitive technologies to address safety, environmental, and aviation system capacity issues, as well as aircraft performance. The research and technology results, used by other U.S. Government or commercial entities, directly benefit air travellers and the general public while contributing to U.S. economic strength and national security. NASA's role is to develop high-risk, high-payoff technologies to a point where feasibility is proven and transfer those to FAA, DOD and U.S. industry. It is up to U.S. companies to make the substantial investments to validate the technologies and incorporate them into specific products and systems. Individual companies simply cannot undertake the high-risk research and technology development NASA does; investments are unrecoverable and often beyond the capability of a single company.

Estimates for global aircraft market demand over the next 15 to 20 years range from $800 billion to $1 trillion. However, this market could be much smaller if it is constrained by safety and system capacity and/or an inability to meet more stringent environmental standards. Part of NASA's aeronautics research addresses these issues, i.e., to ensure the largest possible market for which U.S. companies will compete. U.S. companies currently hold about two-thirds of the global market; their primary competitor, Airbus Industries, is aiming to capture a full half of the market in the next 10 years. A recent study by DRI/McGraw-Hill estimates that a 1 percent gain in U.S. market share generates 9,000 jobs (40 percent in aerospace and 60 percent in supporting industries), $360 million in sales, and $120 million in Federal tax revenue each year. Aviation contributes between $25 and $30 billion annually to the U.S. balance of trade, the largest of any U.S. manufacturing industry.

I believe CBO is inaccurate in stating ''the benefits from the R&D supported by the NASA programs in question fall almost exclusively to aircraft manufacturers, their suppliers, and airlines.'' These enabling advances provide the basic tools for U.S. industrial innovation. While NASA R&D contributes to a stronger U.S. aviation industry, the benefits are broader. Terminating these important technology programs would have repercussions far beyond the short-term profitability of U.S. aircraft manufacturers and airline operators. Joint NASA-FAA efforts to safely increase the capacity of the airspace system, eliminating costly and unproductive delays, would end. Technologies to ensure that the aging aircraft fleet remains safe and cost-effective would not be developed. U.S. efforts to develop rational positions on proposed international environmental regulations governing airline operations would be severely hampered, and new technologies to meet increasingly stringent environmental requirements would not be developed. The Nation's only precompetitive technology development for general aviation, commuter, and civil tiltrotor aircraft would end.

NASA understands the continued budget pressures facing the Nation. In fact, NASA has led the Federal Government by reducing its outyear budget by 30 percent since 1993 and is engaged in a major effort to identify an additional $5 billion in reductions between FY 1997 and FY 2000. We shall continue to seek efficiencies and streamline our processes to ensure that the Nation has the best possible civil aeronautics and space program, conducting cutting-edge research and technology which will lead the United States into the 21st century.

Sincerely,

DANIEL S. GOLDIN,
Administrator.

RESPONSE TO CBO RECOMMENDATION TO ELIMINATE NASA'S SUPPORT FOR PRODUCERS OF COMMERCIAL AIRLINERS

CBO criticizes NASA's Advanced Subsonic Technology (AST) Program's goal of maintaining current U.S. market share in subsonic aircraft.

Aviation generates almost one million high quality jobs in the U.S. and contributes between $25 and $30 billion annually to the U.S. balance of trade—the largest of any U.S. manufacturing industry.

U.S. aircraft and engine manufacturers must compete effectively on both cost and technical capability with government-subsidized foreign competition. Airbus already claims more than one-third of the commercial aircraft market; their goal is 50% by 2005.

The AST program addresses future technology needs not only in next-generation subsonic aircraft, including small general aviation aircraft and civil tiltrotor as well as large transports, but also for safety and capacity of the evolving airspace system and environmental concerns.

NASA's role is to develop high-risk, high-payoff precompetitive technologies to a point where feasibility is proven and transfer those to FAA, DOD and U.S. industry. Industry picks up the technologies, and with its own resources continues development, performs systems-oriented research and applies them to specific products.

CBO criticizes NASA's role in High Speed Research (HSR).

The technologies required for an environmentally compatible, economically viable High Speed Civil Transport (HSCT) aircraft are beyond today's state-of-the-art. Before industry can decide whether to invest the roughly $20 billion required to develop an HSCT, some level of confidence must be established that it could meet noise and emissions standards and that airlines could operate it profitably. The HSR program was designed to develop precompetitive technologies to eliminate the highest technology risks for a future HSCT, ensuring U.S. leadership.

The first to market a successful HSCT stands to gain $200 billion in sales and 140,000 new jobs.

CBO criticizes NASA's work in technologies that will allow the continued operation of aging jet aircraft.

25% of planes flying today are more than 20 years old, beginning to exceed their design life. The trend is to fly aircraft 30 years or more; as airlines continue to operate on the edge of profitability they cannot afford new aircraft. It is essential that these aging aircraft remain safe.

CBO contends that ''the benefits from the R&D supported by the NASA programs in question fall almost exclusively to aircraft manufacturers, their suppliers, and airlines.''

A recent study by DRI/McGraw-Hill estimates that a 1% gain in U.S. market share will generate 9,000 jobs (40% in aerospace and 60% in supporting industries), $360 million in sales and $120 million in Federal tax revenue each year.

NASA's programs address critical issues of safety, airspace system capacity, and environmental aspects of flight which benefit air travellers and the general public.

CBO contends that noise and atmospheric pollutants generated by air travel are unpaid ''costs'' that travellers impose on the public at large and therefore air travellers should pay the full cost, including R&D for aircraft.

Air travel is global, not national, just as the aircraft market is global. Airline operators will buy the best aircraft at the best price. If U.S. manufacturers were to incorporate the price of meeting international, government-established environmental regulations into their products they would quickly go out of business competing against government-subsidized competition.

ADVANCED SUBSONIC TECHNOLOGY

National investment in high-risk, high-payoff technologies will help ensure continued U.S. leadership in aviation, which brings significant economic and national security benefits to the Nation. Aviation generates almost one million high quality jobs in the U.S. and contributes between $25 and $30 billion annually to the U.S. balance of trade—the largest of any U.S. manufacturing industry.

NASA addresses a broad range of advanced technology needs for both civil and military aviation. The Advanced Subsonic Technology (AST) program specifically addresses future technology needs in next-generation subsonic aircraft (from large commercial jets to small general aviation aircraft) and the evolving airspace system. NASA's role is to develop high-risk, high-payoff precompetitive technologies to a point where feasibility is proven and transfer those to FAA, DOD and U.S. industry. Industry picks up the technologies, and with its own resources continues development, performs systems-oriented research and applies them to specific products.

Recent accomplishments in the AST program include:

The first integrated engine noise prediction code was delivered to industry for use in designing quieter engines to meet future noise standards.

Nondestructive evaluation techniques for detecting corrosion, cracks and disbonds in aircraft have been licensed to industry to help keep the aging aircraft fleet safe.

Tropospheric climatology data has been collected, to assist in understanding long-term changes in nitrogen oxides in the lower atmosphere caused by aircraft.

Analytical tools to understand aircraft wake vortices are being developed, which will contribute to revised safe aircraft landing separation standards.

An experimental database is improving understanding the relative acoustic and aerodynamic benefits of different rotor configurations for future civil tiltrotors.

FY 1995 Budget: $125.8 million.

FY 1996 Budget: $188.4 million.

Possible impact of significant reduction/termination:

Efforts to develop technologies to increase the capacity of the airspace system, increasing safety and expanding the aircraft market, would be severely curtailed. Weather and capacity delays cost airline operators $3.5 billion a year, and cause untold hours of unproductive time for the travelling public.

Technologies to ensure that the aging aircraft fleet (25% of planes flying today are more than 20 years old) remains safe and cost-effective would not be developed.

U.S. efforts to develop rational positions on proposed international environmental regulations would be hampered by not developing better understanding of aircraft noise and pollution effects and technologies to minimize those effects.

The only technology development efforts in the U.S. for general aviation, commuter and civil tiltrotor aircraft would be terminated.

The ability of U.S. aircraft and engine manufacturers to compete effectively on both cost and technical capability with government-subsidized foreign competition would be seriously hampered. Airbus already claims more than one-third of the commercial aircraft market, and their goal is one-half by 2005.

HIGH SPEED RESEARCH

NASA's High Speed Research (HSR) Program is performing the early, high-risk technology development for an environmentally compatible, economically competitive high speed civil transport (HSCT) aircraft. Such a plane would fly at more than twice the speed of sound and carry 300 passengers over 5000 nautical miles at fares close to today's subsonic aircraft (747, DC–10, etc.). Before industry can decide whether to make the roughly $20 billion investment to develop an HSCT, some level of confidence must be established that it could meet international noise and emissions standards, and that airline operators would be able to operate it profitably. The technologies to achieve this are beyond today's state-of-the-art. The HSR program was designed to eliminate the highest risks and ensure U.S. leadership in this important arena.

Recent accomplishments:

Completed research campaign in the South Pacific to characterize the stratosphere for incorporation in atmospheric simulation models which will be used to determine the potential impact of future HSCT aircraft.

Achieved test goal for low-emission engine combustors (NO_x level of 5g/kg fuel burned—the Concorde emissions index is 20g/kg)

Demonstrated a process to fabricate up to 10 feet per minute of fiber/resin composite material suitable for high temperature use, making the essential use of these materials for an HSCT affordable.

FY 1995 Budget: $221.3 million.

FY 1996 Budget: $245.5 million.

Possible impact of significant reduction/termination:

Interim assessment of atmospheric effects of a supersonic aircraft fleet would not be completed. This assessment is to support work by the International Civil Aviation Organization (ICAO) on setting an HSCT emissions standard.

Engine noise reduction tests and analysis to determine whether an HSCT could comply with strict international noise standards (Annex 16, Chapter 3 set by ICAO) would be stopped.

The U.S. share of the global long-range aircraft market could drop to under 50%, if technology development is stopped and Europe is first to market with a successful HSCT. This would result in larger trade deficits and the loss of hundreds of thousands of high-skill, high-wage jobs. If the U.S. is first to market, the U.S. market share could grow to nearly 80%, and crate $200 billion sales and 140,000 new jobs.

FISCAL YEAR 1996 ESTIMATED TOTAL AERONAUTICS EMPLOYMENT BY STATE

OA rank	State	Total employment	Funding (millions)
1	California	4,783	$382.6
2	Ohio	2,564	205.5
3	Virginia	1,466	117.3
4	Washington	519	41.5
5	Maryland	356	28.5
6	Texas	263	21.0
7	Connecticut	193	15.4
8	Wisconsin	171	13.7
9	District of Columbia	165	13.2
10	Georgia	113	9.0
11	Massachusetts	106	8.5
12	New York	84	6.7
13	Pennsylvania	73	5.8
14	Florida	70	5.6
15	Indiana	60	4.8
16	Missouri	56	4.5
17	Colorado	39	3.1
18	Illinois	38	3.0
19	Tennessee	28	2.2
20	North Carolina	26	2.1
	Other	226	18.2
	Total	11,399	911.9

Mr. DOMENICI. Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. DEWINE). The Senator from New Mexico has 13 minutes, and the Senator from Maine has 17 minutes.

Mr. DOMENICI. Might I ask the distinguished Senator from Maine, does she need all 17 minutes? We are trying to expedite things.

Ms. SNOWE. Yes.

Mr. DOMENICI. I wonder if we might reach this agreement. I understand there is one second-degree amendment contemplated. I assume that we could enter into a unanimous-consent agreement about that.

Let me ask Senator SNOWE, could she get by with 10 minutes?

Ms. SNOWE. Yes.

Mr. DOMENICI. I could use 10 minutes. Then we could move to a second-degree amendment by Senator DODD for 5 minutes on a side.

Mr. EXON. First, the second-degree amendment by Mr. DODD, as I understand it, is the same second-degree amendment being considered by the Senator from Minnesota, and also the Senator from Massachusetts. Is that correct? We are talking about one second-degree amendment?

Mr. DODD. Yes.

Mr. EXON. Certainly, we would agree. We will need about 2 minutes for the negotiations that are going on. I think we are pretty close to making an arrangement along the lines that you outlined.

Mr. DOMENICI. I am going to get somebody to come to the floor, but I leave this suggestion. I must attend a meeting on the final wrap-up on this bill now, but we would be willing to have 5 minutes on a side on the Dodd amendment, which I have seen, which essentially is a change on the tax side of the equation, and spend the tax money in two ways, part of it on entitlement programs for education and part on discretionary, and we would take 5 minutes on our side on that, 10 minutes each here. Then I would authorize somebody to enter into that agreement in my behalf in my absence.

Mr. DODD. If my colleague will yield, I wonder if I might get a couple of minutes on the Snowe amendment itself. Is that a possibility? Of the time you have?

Mr. DOMENICI. Mr. President, I cannot hold the Senator to this, but if the Senator will talk about the Snowe amendment and not about education in general, that would be fine. The Senator wants to speak against that amendment?

Mr. DODD. I do.

Mr. DOMENICI. If I am going to give the Senator time against it, I want him to be against it.

Mr. DODD. I intend to be against the Snowe amendment.

Mr. DOMENICI. And the Senator will speak against it?

Mr. DODD. Absolutely.

Mr. DOMENICI. All right, I yield Senator DODD 2 minutes of my time.

Mr. WELLSTONE. I wonder if my colleague from New Mexico, upon condition that I speak against the Snowe amendment, would grant me time?

Mr. DOMENICI. I will give the Senator 2 minutes of my time.

How much did I give the Senator?

Mr. DODD. The Senator did not.

Mr. DOMENICI. I give the Senator 2 minutes of my time. Each Senator gets 2 minutes in opposition and that will keep 6 for me, and then Senator SNOWE has the full 10 minutes to speak to the Senator's amendment.

Mr. EXON. Is that in the form of a unanimous-consent request?

Mr. DOMENICI. The Senator said he needed some time. Is he willing to do that?

Mr. EXON. That is agreeable to those on this side.

Mr. DOMENICI. Let us give it a try.

Mr. KENNEDY. Reserving the right to object, and I do not intend to object, will the result of that proposal ensure that we will have an opportunity to vote on the Dodd amendment in a timely way?

Mr. DOMENICI. Sure. We will not amend it. We do not guarantee that somebody will not table it, but we will have a vote on it and we will agree to stack it in the normal way that we are doing the others.

Mr. KENNEDY. So it would be treated as a second-degree amendment?

Mr. DOMENICI. Exactly.

Mr. KENNEDY. In that particular order.

Mr. DOMENICI. Correct.

Let us try this, Mr. President. First of all, I am going to yield 2 minutes in opposition to the Snowe amendment to Senator DODD, 2 minutes to Senator WELLSTONE, and I reserve the remainder for myself.

The total amount of time that is going to be used on the Snowe amendment—and we yield back whatever other time we have—is 10 minutes by Senator SNOWE and a total of 10 minutes in opposition, of which 4 have just been allocated.

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

Mr. DOMENICI. Let me move on then to a unanimous-consent request. There will only be one second-degree amendment. It shall be an amendment offered by Senator DODD which has been described here and presented to the Senator from New Mexico. There will be 5 minutes on a side, 5 minutes by Senator DODD, 5 minutes in opposition, either by myself or Senator SNOWE. We will then proceed to an amendment by Senator HATFIELD immediately after that. And when the time has expired on the second-degree amendment—there shall be no other second-degree amendments—we will then stack the second-degree amendment pursuant to the previous understanding, that the leader will arrange the order and there will be a vote on or about the Dodd amendment in the stacked order.

Mr. EXON. I certainly do not object. I would just simply wish to expand this in order to move things along. We are prepared to consider time agreements now on both the Hatfield amendment and the amendment following that to be offered by Senator BOXER.

Is the Senator from New Mexico in a position to talk about time agreements on the Hatfield amendment?

Mr. DOMENICI. I am going to a meeting right now at which I think the Senator will be in attendance, and I will seek some relief on time.

Mr. EXON. I thank the Senator.

Mr. DOMENICI. I yield the floor at this time.

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

The Senator from Connecticut.

Mr. DODD. Mr. President, I rise this morning to express my objection to the Snowe-Abraham amendment. This amendment proposes to restore some $6.3 billion in education, specifically to reduce the Labor Committee's instruction by this amount in an effort to stave off severe cuts in student loans.

Let me at the outset say I appreciate the fact that there is at least some recognition of the fact we ought to be trying to restore some of these critical funds in education.

Education has always been an issue that has transcended politics in many ways. There has been a deep commitment historically to it on both sides of the aisle, and yet the Budget Committee proposal that is before us, even with the Snowe-Abraham amendment, offers education too little too late, I would say, Mr. President.

It is too little in that it offers students an umbrella in the midst of the hurricane they face with this budget proposal, even if this amendment were to be adopted. It will provide some protection but it is the thinnest of fig leaves in that the committee will still have to eliminate $7.5 billion from student loan programs.

I have been through a number of reconciliations on the Labor Committee and make no mistake about it—there is only one place you can find $7.5 billion, and that is in student loans. There is no other place within our committee's jurisdiction. And so we will be faced with looking ways to cut loans for working-class families, middle-class families many who do not qualify for Pell grants, do not have the personal affluence, and yet long for the better life that higher education can offer their children. And these will be the Americans who bear the brunt of these cuts.

Now, these cuts may take many forms. It could come from the elimination of the in-school interest subsidy which can amount to additional costs of as much as $4,000 for a working family in this country; it could come through increased fees, through the elimination of the 6-month grace period, or an increase in the interest on student loans or any combination of those, again all money out of students' pockets. The bottom line is students and families are going to pay dearly as a result of what is in this budget, even if we adopt the Snowe-Abraham amendment.

This amendment is also too late, Mr. President, because the amendment only addresses the end of the education pipeline, higher education. Our world class higher education sector is in no way secure if our efforts in college preparation, elementary and secondary schools, Head Start and other areas are going to be severely undercut.

This amendment is sort of the double whammy for these critical discretionary programs. Not only does it not address the cuts proposed in these programs, it also further cuts into discretionary programs to offset the reduction it makes on the mandatory side.

Mr. President, we will offer a second degree amendment as an alternative which offsets $28 billion in cuts in education with very specific plugging of corporate loopholes which we can identify specifically, which Mr. KASICH on the House side identified as areas that should be looked at in the effort to balance our Federal budget.

So I would urge rejection of this amendment, with all due respect. We will have a substitute that will allow for this body to vote on truly whether or not they want to see these working-class families in this country get a break when it comes to education.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 2 minutes.

Mr. WELLSTONE. Mr. President, last year in Minnesota over 14,000 students received assistance from the Federal Stafford Loan Program—14,000 students.

I just rise to speak in opposition to the Snowe amendment and say that I am proud to be an original cosponsor of the Dodd amendment.

Mr. President, this is, indeed, too little too late. What we are faced with right now are some really draconian cuts that will do irreparable harm to higher education in America. In the second-degree amendment we are going to introduce, we focus on corporate welfare or tax expenditures.

Mr. President, I would far prefer for some of the oil companies, some of the large pharmaceutical or insurance companies or large financial institutions to be tightening their belts and to be a part of the sacrifice than I would go forward with deep cuts in financial assistance for higher education.

I cannot think of a more important middle-class issue as a former college professor than this issue.

I do not have time, but if I had time I could recite story after story after story after story of students who have written letters to me and made phone calls saying for God sake, please do not deny us the opportunity to have an affordable higher education. No matter how you cut it, that is what these cuts are all about. I do not even have a chance in the 2 minutes to talk about earlier education which is, of course, equally important.

These cuts in higher education are myopic. These cuts are profoundly mistaken for our country. These cuts will have an accrual effect on students all across the across the nation from Ohio to Minnesota, and the Snowe amendment in that respect is really just a little bit more than symbolic—too little, too late. We can do much, much better in how we sort out our priorities.

I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. How much time is remaining on our side?

The PRESIDING OFFICER. The Senator from Maine has 10 minutes. The opposition now has 6.

Mr. MURKOWSKI. I thank the Chair. I would yield such time as the Senator from Maine may need on the available time.

Ms. SNOWE. I thank the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. I found quite interesting the debate that has been offered here today on my amendment.

First of all, just to recap my amendment, it is to restore $6.3 billion in the education account. And, yes, we do provide specific offsets. That should be no

surprise if you are attempting to provide a credible alternative.

And that is why I am somewhat confused by the debate here this morning, because I heard from the Senator from Ohio that my offsets are binding but then we heard from the Senator from Massachusetts that they are not binding.

Well, I think we all understand the true nature of the budget process in the Congress. No, the instructions in the budget resolution are not binding. But if you are attempting to provide real numbers to demonstrate that they are credible, then it is responsible to recommend some specific offsets.

It is also true the committees do not have to follow those instructions. I understand that and the cosponsors of this amendment understand that. But we want to make sure that everybody understands that there is a way to reach those numbers. That is what is important.

The second issue is whether or not you live in a fiscal fantasy land. The difference between the amendment that I am offering here today with the cosponsors of this amendment and those who oppose it is we support a balanced budget. If you support a balanced budget, you have to make some choices. If you do not support a balanced budget, you do not have to make any choices. You can spend in an unlimited fashion.

The amendment that they will be offering will recommend reducing corporate welfare and tax loopholes. You cannot object to that. But exactly how are we going to reach that goal? They do not specify. No, they do not want to specify, because they do not want to receive any opposition to those specific offsets, just as they do not support a balanced budget because they do not want to make any real choices as to how we get there. So that is the difference.

My amendment is a credible amendment. It restores specific funding for specific issues with respect to student loan assistance. Yes, I would like to do more. But there are those on my side saying, ''You are doing too much,'' and then I hear from the other side of the aisle who say, ''No, you are not doing enough.'' Well, I think my amendment is somewhere in the middle. Hopefully, we will do more in the final analysis.

The amendments that have been offered to restore funding for education have used the illusory dividend. Well, that is just gimmickry at this point. That dividend may come down at the end of this process when reconciliation is in place. That does not give adequate instructions to the committee. It is not money that they can use right now and everybody knows it.

So if we really want to restore funding to education, if we really want to address the home and farm equity issue so that it is not used to determine one's income eligibility for student loans, if we want to keep the origination fee at 3 percent, if we want to have an adequate grace period, then you support the Snowe amendment.

And, I should add who the cosponsors are of my amendment: Senator KASSEBAUM, Senator LOTT, Senator COHEN, Senator ABRAHAM, Senator BROWN, Senator GRASSLEY, Senator CHAFEE, and Senator KEMPTHORNE.

In fact, I ask unanimous consent to add Senator KEMPTHORNE from Idaho as a cosponsor of this amendment.

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

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

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. How much time is remaining on this side?

The PRESIDING OFFICER. The Senator from Alaska has 6 minutes remaining.

Mr. MURKOWSKI. I yield 6 minutes to my friend from Oklahoma.

Mr. INHOFE. I thank the Senator from Alaska.

Mr. President, last night, when we were watching the discussion take place, a comment was made by the Senator from Wyoming that the debate is getting redundant on this budget; that we have heard about every argument there is to hear and now we are working on repetition to try to drive it in.

It occurred to me that it sounded very much like the debate that we had on the balanced budget amendment to the Constitution. At that time, people were standing up and saying, ''Well, give us the details. Give us the details. Where do you want to make cuts? What do you want to do with Medicare and Social Security,'' and all the contentious items that we can so easily demagog?

I can suggest right now we have the details. But I wanted to take a couple of minutes this morning to share one thing with you, and that is we know pretty much how it is going to come out. We know who is going to vote for it and who is going to vote against it. And we know why.

First of all, the argument has been used that there are cuts. We have talked about this over and over again. They are not cuts in the Medicare system. We are talking about a growth factor that is built in. And the same thing is true with all the other areas that people are very much concerned with.

What we are trying to do is take this one last golden opportunity that we have—this is it, our chance to fulfill that obligation that the American people gave to us back on November 8 with a mandate. The No. 1 mandate was to balance the budget. This is an opportunity to do it. The House has already done theirs. All we have to do is do it here. I think the votes are here to do it.

But I have heard people stand up, such as one Senator the other day, and say every Senator wants to balance the budget. I suggest, Mr. President, that is not true. I suggest that they want people to think they want to balance the budget, but what it gets down to is they are basically traditional big spenders and big taxers and they want the status quo. They want to keep Government going as it has been going.

To demonstrate this, I am going to tell you, Mr. President, who is going to be voting against this. The same people who will be voting against it today are the ones that voted for and are the right-to-know supporters. These are the ones that did not want a balanced budget amendment to the Constitution.

So during that debate, I characterized who these people are who do not want a balanced budget amendment to the Constitution and today do not want a balanced budget. I suggest to you they are the ones that can be identified with a voting behavior of taxing and spending.

And I use as my examples the tax bill of 1993, the tax bill that was a Clinton bill that some people are touting as the great deficit reduction bill. In fact, it did not reduce any programs. All it did was increase taxes, the largest tax increase in history—$267 billion. That is not what the American people wanted. It was an increase in taxes on all segments of society, a Social Security tax increase for thousands of Social Security recipients. It was a 70-percent increase. Yet, these individuals who will vote today against this balanced budget are the ones who voted for that tax increase.

Then along came the Clinton stimulus program. It was characterized by a Democrat in this body as the largest single spending increase in the history of public finance in America or anywhere in the world. Such things as the $2.5 billion for swimming pools, parking lots, ice rink warming huts, alpine ski lifts, and other pork barrel projects; $1 billion for summer jobs, $1.1 billion for AIDS treatment and food distribution, on and on and on, all these spending increases that supposedly were going to stimulate the economy.

So I characterized those individuals who voted for those two bills and also who are rated as big spenders. There are a number of corporations that rate big spenders. The main one is the National Taxpayers Union. So I looked at those individuals who cosponsored the Right To Know Act which was the one to demolish, to do away with, the balanced budget amendment and stop our effort for a balanced budget.

I found, of all the 41 cosponsors, all 41 voted yes on the biggest spending bill in the history of this body. And all 41 of those individuals had a National Taxpayer Union rating of D or F.

So, Mr. President, I think that we have had a lot of debate on this. But when it gets right down to it, the bottom line is this: Those individuals who are trying to hold on to the past, those

who are trying with white knuckles to hold on to the status quo, those who did not hear the mandate that was so loud and clear on November 8, 1994, are going to be voting for big spending, big government, tax increases, spending increases and vote against the balanced budget that we have up before us today.

I believe it will pass, because those individuals who are for the status quo are now in a minority.

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

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. How much time is remaining on our side?

The PRESIDING OFFICER. Twenty-two seconds in opposition; and 6½ minutes for the Senator from Maine.

Mrs. HUTCHISON. Six-and-a-half minutes remaining for the Senator from Maine?

The PRESIDING OFFICER. Six-and-a-half minutes remaining.

Ms. SNOWE addressed the Chair.

The PRESIDING OFFICER (Mr. BURNS). The Senator from Maine.

Ms. SNOWE. Mr. President, since I have a few remaining moments on my amendment, I think it is important to restate the case of how essential it is to restore funding to education, and the difference in the amendments that are being offered this morning is a difference between being able to realistically restore funding to education or not, because you will hear from the other side in presenting an amendment that there will not really be any specific offsets. While it is true that my offsets are not binding on the committee, at least we are being responsible in the approach that we are taking.

I think this amendment is critical because it does provide $6.3 billion. It will be protecting some very serious student loan assistance programs, and I want to make sure that the low- and middle-income families are not affected by any changes in the student loan programs.

I also want to ensure that the Labor and Human Resources Committee has the ability to protect the student loan assistance programs in the way that we have recommended in this amendment, so that they will not feel compelled to include home and farm equity in determining one's income eligibility, they will not feel compelled to raise the origination fee from 3 to 5 percent, and they will not feel compelled to eliminate an adequate grace period.

I know there are some who are opposed to the offsets, but the committees are the ones who are ultimately responsible for the way in which we provide the restoration of funds. They have the options to pursue other courses.

The fact of the matter is, we have to take a responsible course by recommending ways in which we can reach our goals as identified in this amendment.

I think that it is very, very important that we restore some of the funding in the education accounts. It is something that I argued within the Budget Committee during the time in which we were assembling this resolution. I wish it were more, but I also understand the delicate balance in crafting this budget resolution to reach the historic goal of balancing the budget by the year 2002.

I wish that we could identify other areas and perhaps that will ultimately develop in the process. Maybe the dividend down the road, but that dividend is not here today, and I think everybody should understand that. The dividend is not available to be used because it is not there yet. We have to pass a balanced budget plan and reconciliation has to become law for the Congressional Budget Office to score a potential dividend. That will materialize over 7 years, so that is not money that can be used by the Appropriations Committee or considered by the authorization committees as they develop their programmatic changes.

So it does not make sense and it is gimmickry to suggest that we are going to use an illusory estimate. So if you hear about amendments, as we will hear from others this morning, about restoring funding by using this dividend, it means nothing because it is not available and it is not there yet.

So if you support restoring $6.3 billion in education and doing it in a responsible way, then I hope you will support the Snowe amendment that is cosponsored by 10 Members of the Senate.

Mr. BURNS. Mr. President, the Dodd second-degree amendment is, in effect, an increase in taxes and I am opposed to any increase in tax.

However, I am also opposed to the Snowe amendment.

Let me begin by stating that I am a strong supporter of educational funding. I am firmly opposed to the drastic cuts in educational programs and funding which is outlined in the House resolution. I believe that these cuts, while well-intentioned, are shortsighted. Such cuts ignore the long-term benefits of preparing America's children to assume their position in the world market, and for that reason I oppose those cuts.

By the same token, however, I believe that Senator SNOWE'S amendment is shortsighted. I believe that we, as guardians of our children's future, are charged with the moral obligation to not only educate our children but also to insure that there will be jobs available for them to assume once they have been educated. To ignore either is irresponsible.

Now let us take a look at what is on the table. The High-Speed Research Program was designed to develop precompetitive technologies for high-speed civil transport aircraft. Once developed, the technology is transferred to the Federal Aviation Administration, the Department of Defense, and U.S. industry. It is estimated that the first organization to market such an aircraft stands to gain $200 billion in sales and 140,000 new jobs. In short, this program accomplishes three goals that are vital to the United States' financial solvency: First, it increases new jobs, which increases the country's tax base; second, it generates sales for U.S. industry, which increases the country's GNP, and, in so doing, increases the country's tax base; and third, it insures the United States' continued leadership in this field, thus forecasting future revenues.

Likewise, the Advanced Subsonic Technology Program generates substantial long-term revenue benefits. This program is designed to protect the United States' market share in subsonic aircraft, an area which generates almost a million high quality jobs in the United States and contributes between $25 and $30 billion annually to the U.S. trade balance—which, incidentally is the largest of any U.S. manufacturing industry. These programs are moneymakers, and to eliminate them for any reason is fiscally irresponsible.

This is particularly true under the present circumstances, where the chairman's budget adequately addresses the concerns raised by Senator SNOWE. Senator SNOWE'S amendment seeks to restore $6.3 billion over 7 years for undergraduate loans—$1.124 billion of this from the termination of the NASA programs.

However, the chairman's resolution protects undergraduate student loans. Under Chairman DOMENICI'S resolution, interest on loans for undergraduate education does not accrue until graduation. So, for all students who enter the work force immediately after college, nothing has changed. With regard to individuals who choose to pursue graduate or professional coursework, interest would not accrue on their college debt until they complete this coursework. Chairman DOMENICI's resolution does change the present student loan program with respect to deferring interest payments accruing upon graduate and professional coursework. However, this burden is lessened by the chairman's budget by preserving the benefits of capped interest rates on student loans, federal guarantees, opportunities to defer payments in case of economic hardship, and Federal fellowship programs targeted specifically toward graduate students.

The Snowe amendment ignores the long-term impact that terminating these programs would have upon the U.S. balance of trade, the GNP and its consequent U.S. Treasury implication, and the generation of jobs in America. Consequently, I oppose this amendment, and urge my fellow colleagues to do the same.

Mr. President, I yield the floor.

AMENDMENT NO. 1128

Ms. MIKULSKI. Mr. President, I rise in opposition to the amendment offered by Senator SNOWE and others that

would reduce funding for NASA's Aeronautics Program by $1.1 billion over the next 5 years. The $1.1 billion reduction proposed in the Snowe amendment for Aeronautics is in addition to the $800 million reduction proposed for NASA's Aeronautics Program that is included in the chairman's mark.

The effect of the Snowe amendment would be to eliminate NASA's Advanced Subsonic Technology Development and High-Speed Research programs which make up the core of NASA's Aeronautics program.

Mr. President, the aeronautics industry contributes over 1 million high quality jobs to the U.S. economy and generates $20 to $30 billion in exports each year. But U.S. aircraft and engine manufacturers must compete on both cost and technical capability against government-subsidized foreign competition.

The European Airbus Consortium already claims more than one-third of the commercial aircraft market, a market once dominated by U.S. manufacturers. The goal of Airbus is to control 50 percent of the global market by the year 2005.

I do not intend to let the Europeans accomplish their goal, Mr. President. That is why, when I was chair of the VA–HUD Appropriations Subcommittee, I pushed NASA to expand their research and technology efforts in aeronautics.

NASA's Advanced Subsonic Technology program specifically addresses future technology needs in next-generation subsonic aircraft—from large commercial jets to small general aviation aircraft—and the evolving airspace system. NASA's role is to develop high-risk, high-payoff pre-competitive technologies to prove technical feasibility and then transfer these new technologies to the FAA, DOD, and U.S. industry.

Elimination of the Advanced Subsonic Technology program would terminate NASA's efforts to develop technologies to increase the capacity of the airspace system, to ensure that the existing aging aircraft fleet remains safe and cost-effective, and that the technologies needed for U.S. industry to meet international environmental, noise, and pollution regulations are available.

Mr. President, the Snowe amendment would also wipe out NASA's High Speed Research program which is conducting the early, high-risk technology development needed for an environmentally compatible and economically competitive high speed civil transport (HSCT). The goal of this program is develop a plane that would fly at more than twice the speed of sound and carry 300 passengers over 5,000 nautical miles at fares competitive with existing subsonic aircraft.

Mr. President, the stakes associated with the development of the HSCT are enormous. If the Europeans are the first to market an HSCT, it will cost the U.S. larger trade deficits and the loss of hundreds of thousands of high-skilled, high-wage jobs. If the U.S. wins this race, the U.S. market share for commercial aircraft could grow to nearly 80 percent, and create $200 billion in sales and 140,000 new jobs.

Mr. President, I happen to believe that the best social program is a job, and that job creation in America must be linked to our manufacturing base. Manufacturing in the new economy of a post-cold war era will require high technology and competitiveness in the global marketplace.

America's future in manufacturing begins and ends with aeronautics. Commercial aviation is one of the few areas of manufacturing where the U.S. continues to export more than we import, and where we are able to provide high-skilled, high quality jobs for American workers.

Mr. President, I do not intend to let our commercial aviation industry go the way of the VCR, the automobile, or the textile industry. I intend to fight to keep the U.S. aeronautics industry competitive so that we preserve the jobs we have and the job opportunities needed for the 21st century.

The Snowe amendment would reduce funding for NASA's Aeronautics Program by two-thirds over the next 5 years. The amendment is shortsighted and threatens our ability to develop a manufacturing strategy for this Nation.

I urge my colleagues to oppose this amendment. I yield the floor.

Mr. BYRD. Mr. President, I oppose the amendment offered by my distinguished colleague from Maine, Senator SNOWE. I, too, am concerned about the deep cuts—$14.6 billion over 7 years—in the William D. Ford Federal Direct Loan and Federal Family Education Loan Programs which make it possible for many of our young people to pursue a higher education.

However, I cannot support an amendment to restore funding for mandatory programs, such as the $6.3 billion for these student loan programs, by cutting nonmilitary discretionary programs by an equal amount. In other words, it would not cut military spending at all, even though it is the only area of the discretionary budget that will not be cut under this budget resolution. Not only is this robbing Peter to pay Paul, it violates the Budget Enforcement Act of 1990 which prohibits offsetting tax cuts or mandatory program expansions with cuts in discretionary programs.

In addition, it is not growth in nonmilitary discretionary programs which is driving up the Federal deficit. This spending has been at a hard freeze or below since 1993. The budget resolution before us would cut nonmilitary discretionary programs nearly $200 billion below a freeze over the next 7 years. Meanwhile, mandatory programs and tax expenditures will continue to grow—the latter with no restraint at all under this budget resolution.

No one understands the value of a higher education better than I, but I cannot support this amendment which would set an unacceptable precedent for funding mandatory programs with nonmilitary discretionary program cuts.

Mr. DODD. Mr. President, has all time been yielded back?

The PRESIDING OFFICER. The Senator from Maine has 2½ minutes remaining.

Mrs. HUTCHISON. Mr. President, we yield back the remainder of our time.

The PRESIDING OFFICER. Does the Senator from Maine yield back her time?

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

The PRESIDING OFFICER. All time has been yielded back.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

AMENDMENT NO. 1131 TO AMENDMENT NO. 1128

(Purpose: To restore $28 billion in outlays over seven years to reduce by $16 billion the discretionary cuts proposed in education and reduce the reconciliation instructions to the Committee on Labor and Human Resources (primarily affecting student loans) by $12 billion by closing corporate tax loopholes)

Mr. DODD. Mr. President, I send a substitute to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself, Mr. HARKIN, Mr. HOLLINGS, Mr. KENNEDY, Mr. JEFFORDS, Mr. PELL, Mr. WELLSTONE, and Mr. SIMON, proposes an amendment numbered 1131 to amendment No. 1128.

Mr. DODD. 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:

Strike all after line 1 and insert:

On page 3, line 10, increase the amount by $5,100,000,000.

On page 3, line 11, increase the amount by $3,400,000,000.

On page 3, line 12, increase the amount by $3,600,000,000.

On page 3, line 13, increase the amount by $3,800,000,000.

On page 3, line 14, increase the amount by $4,00,000,000.

On page 3, line 15, increase the amount by $4,000,000,000.

On page 3, line 16, increase the amount by $4,100,000,000.

On page 3, line 20, increase the amount by $5,100,000,000.

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

On page 3, line 22, increase the amount by $3,600,000,000.

On page 3, line 23, increase the amount by $3,800,000,000.

On page 3, line 24, increase the amount by $4,000,000,000.

On page 3, line 25, increase the amount by $4,000,000,000.

On page 4, line 1, increase the amount by $4,100,000,000.

On page 4, line 18, increase the amount by $5,100,000,000.

On page 4, line 19, increase the amount by $3,400,000,000.

On page 4, line 20, increase the amount by $3,600,000,000.
On page 4, line 21, increase the amount by $3,800,000,000.
On page 4, line 22, increase the amount by $4,000,000,000.
On page 4, line 23, increase the amount by $4,000,000,000.
On page 4, line 24, increase the amount by $4,100,000,000.
On page 5, line 4, increase the amount by $5,100,000,000.
On page 5, line 5, increase the amount by $3,400,000,000.
On page 5, line 6, increase the amount by $3,600,000,000.
On page 5, line 7, increase the amount by $3,800,000,000.
On page 5, line 8, increase the amount by $4,000,000,000.
On page 5, line 9, increase the amount by $4,000,000,000.
On page 5, line 10, increase the amount by $4,100,000,000.
On page 5, line 17, increase the amount by $28,300,000,000.
On page 5, line 18, increase the amount by $3,800,000,000.
On page 5, line 19, increase the amount by $3,600,000,000.
On page 5, line 20, increase the amount by $3,800,000,000.
On page 5, line 21, increase the amount by $4,000,000,000.
On page 5, line 22, increase the amount by $4,000,000,000.
On page 5, line 23, increase the amount by $4,100,000,000.
On page 6, line 16, increase the amount by $5,100,000,000.
On page 6, line 17, increase the amount by $3,400,000,000.
On page 6, line 18, increase the amount by $3,600,000,000.
On page 6, line 19, increase the amount by $3,800,000,000.
On page 6, line 20, increase the amount by $4,000,000,000.
On page 6, line 21, increase the amount by $4,000,000,000.
On page 6, line 22, increase the amount by $4,100,000,000.
On page 31, line 12, increase the amount by $28,300,000,000.
On page 31, line 20, increase the amount by $3,800,000,000.
On page 32, line 3, increase the amount by $3,600,000,000.
On page 32, line 11, increase the amount by $3,800,000,000.
On page 32, line 19, increase the amount by $4,000,000,000.
On page 33, line 2, increase the amount by $4,000,000,000.
On page 33, line 10, increase the amount by $4,100,000,000.
On page 31, line 13, increase the amount by $5,100,000,000.
On page 31, line 21, increase the amount by $3,400,000,000.
On page 32, line 4, increase the amount by $3,600,000,000.
On page 32, line 12, increase the amount by $3,800,000,000.
On page 32, line 20, increase the amount by $4,000,000,000.
On page 33, line 3, increase the amount by $4,000,000,000.
On page 33, line 11, increase the amount by $4,100,000,000.
On page 64, line 9, decrease the amount by $1,100,000,000.
On page 64, line 10, decrease the amount by $7,900,000,000.
On page 64, line 11, decrease the amount by $12,000,000,000.
On page 65, line 17, increase the amount by $26,700,000,000.
On page 65, line 18, increase the amount by $4,000,000,000.
On page 65, line 24, increase the amount by $2,400,000,000.
On page 65, line 25, increase the amount by $2,000,000,000.
On page 66, line 6, increase the amount by $2,000,000,000.
On page 66, line 7, increase the amount by $2,000,000,000.
On page 66, line 13, increase the amount by $2,000,000,000.
On page 66, line 14, increase the amount by $2,000,000,000.
On page 66, line 20, increase the amount by $2,000,000,000.
On page 66, line 21, increase the amount by $2,000,000,000.
On page 67, line 2, increase the amount by $2,000,000,000.
On page 67, line 3, increase the amount by $2,000,000,000.
On page 67, line 9, increase the amount by $2,000,000,000.
On page 67, line 10, increase the amount by $2,000,000,000.

Mr. DODD. Mr. President, I offer this substitute amendment to the Snowe-Abraham amendment on behalf of myself and Senators HARKIN, HOLLINGS, KENNEDY, JEFFORDS, PELL, WELLSTONE, and SIMON.

As I understand it, there are now 5 minutes to be allocated on either side?

The PRESIDING OFFICER. The Senator is correct.

Mr. DODD. Mr. President, I offer this amendment which will restore $28 billion to our education programs. This is substantially less than the amendment that was offered yesterday by several of my colleagues, but this amendment would reduce the committee's instruction and, thereby, the cuts in student loans by $12 billion and restore $16 billion in discretionary cuts in education.

This amendment is also deficit neutral. While certainly in these resolutions it is ultimately up to the committees of jurisdiction as to where specifically they will make their cuts, I offset this $28 billion and suggest specifically four areas within the Tax Code that would provide up to $65.7 billion in revenues currently lost through corporate tax loopholes.

These areas were identified in a list of corporate tax loopholes compiled by the chairman of the Budget Committee on the House side, Mr. KASICH from Ohio. Let me identify them specifically.

You can pick $28 billion out of the $65.7 billion they would garner. The issue is choosing between these tax loopholes or investing in the education of children in this country who need higher education and count on the Federal investment in critical elementary and secondary programs.

One is the expatriate billionaire tax loophole. Closing this loophole generates $2.1 billion. Those are people who leave the country, fly out of America to avoid their taxes. That is $2.1 billion. So that is part of the choice: Helping out those people or children and students in this country who need an education.

The second is $26 billion. This currently shields foreign source income of U.S. firms from U.S. taxes, which should apply to that income. This change alone generates $26 billion. If you do not want to take all $26 billion, you can reduce that somewhat, since I offer a total of $65 billion in offsets. I understand it may be important to some firms, but we are making tough choices around here. So you have to ask yourself on this one: Should we modify that tax loophole to some degree to help pay for the education needs of America? That is my second tax loophole.

My third permits U.S. exporters to exempt a portion of their export income from U.S. taxation—the House Budget Committee's figures suggest that this would generate an additional $10.9 billion. Again, you do not have to take all of it here, since there is the other part of the total $65 billion. But can't we take some of that money and try and restore these funds for the educational needs of America?

And last, Mr. President, the one that provides $26.3 billion is one that interacts with the foreign tax credit provisions in a way that can effectively exempt a portion of a firm's export income from U.S. taxation. It is called the inventory property sales source rule exemption. The title is vague to me, but there is what Mr. KASICH said it does.

So $26.3 billion, $10.9 billion, $26.4 billion and $2.1 billion—that is $65.7 billion. I would like to get just $28 billion out of that $65 billion to try and shield students and families from the crushing blow of these education cuts—and preserve their access to higher education and continue our partnerships with schools and communities across this country in elementary and secondary education.

That is the choice: Whether you want to keep these tax loopholes or restore the $28 billion. We all make tough decisions.

Again, this is Mr. KASICH's list, this is not my list. These are the provisions he suggested that we ought to be looking at as a way to try to deal with deficit reduction. My amendment allows us to take these steps while simultaneously making the kinds of investments families across America need—$12 billion to protect the student loan program and $16 billion to support critical discretionary programs like Pell grants, title I, and Head Start. Families and students need that kind of help.

Mr. President, this is an investment we must make in our future. Last Congress was hailed as the education Congress. We passed legislation lowering student loan costs, Head Start legislation that was to move us to fully funding all eligible children, the Goals 2000 legislation offering vital federal support to local efforts to improve our schools.

With this budget, we back away from our commitment. At this rate we will need to rename that last act if we are being honest with the American people.

Why do we not call it Goals 3000 because, obviously, if we continue with the cuts proposed here we are never going to reach our goals, Goals 2000 becomes an absolute mirage. It does not exist. As this resolution is, we move the goal posts further down the road and make our education deficit that much larger.

So here is the choice: Billionaire tax loophole and some modification of the treatment of export income or critical investments in education.

Mr. President, I strongly urge that my colleagues support us in this substitute amendment. This gives this body the opportunity to demonstrate that the educational needs of America are just as important—just as important—as the export income or the billionaire tax loophole. The issue is, do you want to defend these interest, or do you want to defend families who are out there making investments in their children's educations. Investments which fundamentally contribute to the economic security of this Nation in the 21st century. To turn our backs on the educational needs of these children and their families I think would be a great tragedy.

The health of a nation depends upon many things. Fiscal responsibility is clearly one of them, but also an educated society, a well-prepared society. There are families that are out there telling their children to stay in school and study hard and do their homework, and go to college. We break a contract with them when those loans are not there or at such a high cost that they cannot avoid them. Fifty percent of all students in higher education today receive some form of assistance—one out of every two. Yet, here we are slashing $14 billion out of these programs while we shield expatriot billionaires from their taxes and protect export income. We urge you to support our substitute.

Mrs. HUTCHISON. Mr. President, I yield 2 minutes to the Senator from Maine.

Ms. SNOWE. Mr. President, here we go again. I hope that Members of the Senate will oppose this amendment. It is another generic amendment. You did not hear any specifics, other than the $6.3 billion and the $28 billion that would be necessary under this amendment through corporate welfare reductions and tax loopholes. While we all might agree with that goal, there is no specificity. It conveniently lacks specificity because they do not want to offend anybody. But that is not the responsible budgetary approach. That is why the Snowe-Abraham amendment is a credible approach in restoring $6.3 billion in education.

If you want to make sure that those funds are restored, then you must support the Snowe-Abraham amendment.

The amendment that is before us now, offered by the Senator from Connecticut, is illusory. It does not offer any instructions. It leaves potential instructions to the appropriate committees to determine how they reach the $28 billion. Unfortunately, that has been the process, not only here on the floor of the Senate but also in the Budget Committee. There were a number of Members who offered amendments to increase spending—the accumulation of spending of more than $500 billion and $77 billion in tax increases—but no corresponding amendments to reduce Federal spending, which is the goal of this budget resolution, and it is also a goal to reach a balanced budget.

Yes, we remember offsets. But at least we are in a position to say to the committee that this is the way in which you can arrive at these numbers. Do you want to make a decision about eliminating aircraft in the executive branch or raising funds for education? I think the choice is an easy one, and that is what this amendment is all about.

So I hope that Members of the Senate will oppose the Dodd amendment because it is not credible, because it does not offer responsible recommendations as to how to arrive at $28 billion worth of changes and at the same time do what we think is important by raising funds for education. The Snowe-Abraham amendment reaches that goal to provide the much-needed, very valuable school loan assistance programs to low- and middle-income families all across America.

So I urge the support of the Snowe-Abraham amendment in opposition to the Dodd amendment.

The PRESIDING OFFICER. Who yields time?

AMENDMENT NO. 1131

Mr. HOLLINGS. Mr. President, I see a compromise. I see a way for the bipartisanship to return on education. It is a painful compromise on both sides, but we must pursue the art of the possible.

Mr. President, I tried 2 days ago, with my colleague from Iowa, Senator HARKIN, to make substantial progress toward restoring the cuts to education in this budget resolution with an amendment to restore $40 billion. That amendment was narrowly defeated. Yesterday, my colleague from Nebraska, Senator EXON attempted to restore $30 billion to education, as part of a package. That amendment narrowly failed.

Today, the Republican Senators from Maine and Ohio, Senator SNOWE and Senator DEWINE have offered a $6.3 billion restoration to student loan cuts.

We are making progress. Republicans have admitted that there is a real problem in this budget in that it severely cuts education.

But Mr. President, $6.3 billion for student loans still leaves students paying billions more, essentially to provide tax cuts elsewhere. More importantly, we should not merely restore part of the college student aid cuts while accepting the 33 percent cuts in this budget resolution to the programs that serve children. This budget resolution cuts the 6 million children served under title I for the disadvantaged to 4 million. It cuts services for over 5 million disabled children served under the Individuals With Disabilities Education Act by $5 billion. If it is wrong, economically, to cut student aid to provide tax cuts, as my Republican colleagues seem to concede, then it is certainly wrong to pass these huge cuts to education for younger children.

The means of bipartisan compromise is the Dodd amendment. It is a compromise that both sides can strain to reach. It restores a total of $28 billion. It does not fully restore the cuts to children's programs. It still reduces the number of children served, while we know that the number of children will rise. And, it fully—not partially—relieves college students of their part of cuts in student loans.

Mr. President, this amendment can help us rebuild the bipartisan consensus that education is a priority. We should not cut disadvantaged and disabled children, and it is economically foolish to do so. I know colleagues on both sides of the aisle believe this, and I urge all Senators to support this amendment.

Mr. DOMENICI. Do I have 3 minutes remaining?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. Mr. President, I was searching in my mind for what Yogi Berra might say about this, but I cannot quite come up with it. ''Déjà vu all over again,'' yes; that sounds right. See, we just got behind us, we thought, the idea that the way to balance the budget was to raise taxes. We thought we had finished that off and that maybe so long as we were attempting to balance the budget by restraining Government, since the first effort 2 years ago to balance the budget relied heavily on tax increases and did not work and the deficit is still going up, we thought we ought to restrain Government in a very serious way. And the first real serious opportunity on the other side to change this budget resolution significantly is to raise taxes $25 billion for a good cause.

Now, frankly, Mr. President, I believe the American people understand that the time has come to balance the budget by reining in Government, having less Government, redefining it, doing it better, doing it more efficiently. All of the arguments about what is happening to programs that we have in existence assumes that those programs are the only way to help Americans; that the only way to help education is the exact array of Federal programs that we have right now. And anybody that suggests you might do it for less, or do it a different way, of course, they are against education, or they are against highways, or they are against whatever it is.

So essentially, nobody should misunderstand this amendment, regardless of the rhetoric about loopholes and the like. The budget resolution does three things with reference to taxes, it either lowers or increases them or it leaves

them the same. Essentially, this will increase taxes. I do not believe we should adopt it. At the appropriate time, I will move to table it. I will not do it now because obviously it will be stacked. I hope we will defeat it. It clearly would be one of the amendments that this budget resolution should not carry with it as we go to conference with the House.

I yield back any remaining time.

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

AMENDMENT NO. 1132

(Purpose: To restore funds cut from the National Institutes of Health)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for himself and Mr. JEFFORDS, proposes an amendment numbered 1132.

Mr. HATFIELD. 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 11, line 7, decrease the amount by $430,000,000.
On page 11, line 8, decrease the amount by $258,000,000.
On page 11, line 14, decrease the amount by $920,000,000.
On page 11, line 15, decrease the amount by $552,000,000.
On page 11, line 21, decrease the amount by $1,000,000,000.
On page 11, line 22, decrease the amount by $600,000,000.
On page 12, line 3, decrease the amount by $1,000,000,000.
On page 12, line 4, decrease the amount by $600,000,000.
On page 12, line 10, decrease the amount by $1,000,000,000.
On page 12, line 11, decrease the amount by $600,000,000.
On page 12, line 17, decrease the amount by $1,000,000,000.
On page 12, line 18, decrease the amount by $600,000,000.
On page 12, line 24, decrease the amount by $1,000,000,000.
On page 12, line 25, decrease the amount by $600,000,000.
On page 33, line 19, increase the amount by $1,000,000,000.
On page 33, line 20, increase the amount by $430,000,000.
On page 34, line 2, increase the amount by $1,000,000,000.
On page 34, line 3, increase the amount by $920,000,000.
On page 34, line 9, increase the amount by $1,000,000,000.
On page 34, line 10, increase the amount by $1,000,000,000.
On page 34, line 16, increase the amount by $1,000,000,000.
On page 34, line 17, increase the amount by $1,000,000,000.
On page 34, line 23, increase the amount by $1,000,000,000.
On page 34, line 24, increase the amount by $1,000,000,000.
On page 35, line 5, increase the amount by $1,000,000,000.
On page 35, line 6, increase the amount by $1,000,000,000.
On page 35, line 12, increase the amount by $1,000,000,000.
On page 35, line 13, increase the amount by $1,000,000,000.
On page 54, line 20, increase the amount by $570,000,000.
On page 54, line 21, increase the amount by $172,000,000.
On page 55, line 2, increase the amount by $80,000,000.
On page 55, line 3, increase the amount by $368,000,000.
On page 55, line 10, increase the amount by $400,000,000.
On page 55, line 17, increase the amount by $400,000,000.
On page 55, line 24, increase the amount by $400,000,000.
On page 56, line 6, increase the amount by $400,000,000.
On page 56, line 13, increase the amount by $400,000,000.
On page 65, line 14, decrease the amount by $430,000,000.
On page 65, line 15, decrease the amount by $258,000,000.
On page 65, line 17, increase the amount by $430,000,000.
On page 65, line 18, increase the amount by $258,000,000.
On page 65, line 21, decrease the amount by $920,000,000.
On page 65, line 22, decrease the amount by $552,000,000.
On page 65, line 24, increase the amount by $920,000,000.
On page 65, line 25, increase the amount by $552,000,000.
On page 66, line 3, decrease the amount by $1,000,000,000.
On page 66, line 4, decrease the amount by $600,000,000.
On page 66, line 6, increase the amount by $1,000,000,000.
On page 66, line 7, increase the amount by $600,000,000.
On page 66, line 10, decrease the amount by $1,000,000,000.
On page 66, line 11, decrease the amount by $600,000,000.
On page 66, line 13, increase the amount by $1,000,000,000.
On page 66, line 14, increase the amount by $600,000,000.
On page 66, line 17, decrease the amount by $1,000,000,000.
On page 66, line 18, decrease the amount by $600,000,000.
On page 66, line 20, increase the amount by $1,000,000,000.
On page 66, line 21, increase the amount by $600,000,000.
On page 66, line 24, decrease the amount by $1,000,000,000.
On page 66, line 25, decrease the amount by $600,000,000.
On page 67, line 2, increase the amount by $1,000,000,000.
On page 67, line 3, increase the amount by $600,000,000.
On page 67, line 6, decrease the amount by $1,000,000,000.
On page 67, line 7, decrease the amount by $600,000,000.
On page 67, line 9, increase the amount by $1,000,000,000.
On page 67, line 10, increase the amount by $600,000,000.

Mr. HATFIELD. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. If the chairman will yield, I have conferred with the other side, and I understand there are no second-degree amendments. Perhaps Senator HATFIELD would like to handle it differently if there are not going to be any second-degree amendments.

Mr. HATFIELD. I have no preference. Parliamentary inquiry. I am trying to get to the real part of the amendment, which is to restore the money to the NIH by offsets in all the other accounts, with the exception of defense. The one I have sent to the desk includes defense. That is my personal preference, but the votes are not there. So I am trying to protect the essence of the real amendment, which I want to debate, which is my second-degree amendment that excludes defense.

The PRESIDING OFFICER. I am told that a second-degree amendment is not in order until all time has been expired on the first degree.

Mr. DOMENICI. Could the Senator not withdraw the first amendment and offer the second amendment at this point?

The PRESIDING OFFICER. Yes.

Mr. HATFIELD. I yield to the request of the chairman, and I withdraw my first amendment on the assumption that I will be able to debate with my time allocation on the amendment that I want to bring to a vote.

The PRESIDING OFFICER. The Senator has that right.

The amendment (No. 1132) was withdrawn.

AMENDMENT NO. 1133

(Purpose: To restore funds cut from the National Institutes of Health)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for himself and Mr. JEFFORDS, Mr. SPECTER, Mrs. KASSEBAUM, and Mr. D'AMATO proposes an amendment numbered 1133.

Mr. HATFIELD. 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 33, line 19, increase the amount by $1,000,000,000.
On page 33, line 20, increase the amount by $430,000,000.
On page 34, line 2, increase the amount by $1,000,000,000.
On page 34, line 3, increase the amount by $920,000,000.
On page 34, line 9, increase the amount by $1,000,000,000.
On page 34, line 10, increase the amount by $1,000,000,000.
On page 34, line 16, increase the amount by $1,000,000,000.
On page 34, line 17, increase the amount by $1,000,000,000.
On page 34, line 23, increase the amount by $1,000,000,000.
On page 34, line 24, increase the amount by $1,000,000,000.
On page 35, line 5, increase the amount by $1,000,000,000.
On page 35, line 6, increase the amount by $1,000,000,000.

On page 35, line 12, increase the amount by $1,000,000,000.
On page 35, line 13, increase the amount by $1,000,000,000.
On page 54, line 20, increase the amount by $1,000,000,000.
On page 54, line 21, increase the amount by $430,000,000.
On page 55, line 2, increase the amount by $1,000,000,000.
On page 55, line 3, increase the amount by $920,000,000.
On page 55, line 9, increase the amount by $1,000,000,000.
On page 55, line 10, increase the amount by $1,000,000,000.
On page 55, line 16, increase the amount by $1,000,000,000.
On page 55, line 17, increase the amount by $1,000,000,000.
On page 55, line 23, increase the amount by $1,000,000,000.
On page 55, line 24, increase the amount by $1,000,000,000.
On page 56, line 5, increase the amount by $1,000,000,000.
On page 56, line 6, increase the amount by $1,000,000,000.
On page 56, line 12, increase the amount by $1,000,000,000.
On page 56, line 13, increase the amount by $1,000,000,000.

Mr. DOMENICI. Will the Senator yield for a unanimous-consent request?

Mr. HATFIELD. Yes.

Mr. DOMENICI. Mr. President, I ask unanimous consent that no second-degree amendments be in order to the HATFIELD amendment that is pending.

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

Mr. HATFIELD. Mr. President, I ask unanimous consent to add Senator D'AMATO as a cosponsor on this amendment.

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

Mr. HATFIELD. Mr. President, I now understand I have a 2-hour, equally divided time allocation to consider this amendment.

Mr. President, I would like to yield 1 minute to the Senator from New York to make a statement on this amendment.

Mr. D'AMATO. Mr. President, I rise to support and am pleased to join as a cosponsor of Senator HATFIELD's amendment.

We are talking about making cuts in order to balance our budget and provide a better future for coming generations. Yet I believe we have to be very careful about how we make those cuts and where.

In the amendment that has been put forth, Senator HATFIELD would restore $7 billion of the $7.7 billion that would otherwise come out of the National Institutes of Health.

I have to say, representing as I do New York, and Long Island in particular, we are being ravaged by an epidemic of cancer, breast cancer in particular. Breast cancer rates in the Long Island counties of Nassau and Suffolk rank first and fourth highest respectively among the 116 largest U.S. counties.

We cannot afford to reduce the funding for this vital research that provides at least a glimmer of hope for achieving the necessary breakthroughs to deal with the ravages of cancer, and breast cancer in particular.

The amendment of Senator HATFIELD will go a long way toward holding citizens harmless in this area. There would be a slight reduction of about 1 percent. Far better that 1 percent reduction than one that might reach as much as 15 to 16 percent. That, I believe, would not be the kind of investment in the future that we are attempting to bring about as we work to make a better future for all Americans, those whom we are protecting now and future generations.

I believe that is why this amendment is important and why it makes sense. I strongly urge its support. I thank the Senator for raising this very important issue.

Mr. HATFIELD. I thank the Senator from New York.

Mr. President, I offer this amendment on behalf of Senator SPECTER of Pennsylvania and Senator KASSEBAUM of Kansas. There will be other cosponsors that we will add as we go along.

Mr. President, fundamentally, what we are facing here is a prelude to disaster as it relates to medical research and medical science in this country.

We are really, in this session of the Congress, being offered three possibilities, three options. Each one of the three options has the same ending result.

We have the President's budget. The President's budget, if we vote this line—my visual aid supporting chart for 1996—the President raises the NIH appropriation budget proposal by 4.1 percent. Like so many things in politics, it is a shell game. You see it and then you do not see it. You think you have it, and then you do not have it.

After the first year of 1996 of raising this up by 4.1 percent, then the President's budget says—look at that drop. By the year 2000, we will take $1 billion away from medical research in this country. This amendment is bipartisan. The President is offering to demolish our medical research infrastructure on a slow-water-drip system.

Then we have the House resolution. The House resolution says, ''Well, by 1996, next year, we want to drop it 5 percent,'' and then we steady income out here whereby we again find the end result of a dramatic reduction in the budget for the NIH.

Not to be outdone by the White House, not to be outdone by the House of Representatives, the Senate budget resolution that is pending before the Senate today said, ''Oh, we will make a quicker death. We are going to say take $1 billion out between 1995 and 1996.'' In fact, in excess of $1 billion. By the time we get to 2000 we will have taken $7.7 billion out of the medical research of this country that leads to cures and leads to better treatment of disease.

That is it, simply straightforward. I cannot believe that the body of the U.S. Senate can ignore the fact that the only thing the American people have said is raise our taxes if necessary, and we will tell Members by a 30 percent margin that dollars expended for medical research should be the top priority of our country. This is not one politician speaking to another politician. This is the voice of the people saying, ''We want to increase medical research.'' We have had polls show they would pay another $1 per week on their medical premiums in order for it to be earmarked for medical research. We have had polls show they would take another $1 per week in their income tax if it could be earmarked for medical research.

Somehow the political establishment of the executive branch, led by the President, and the congressional branches, led by the two House and Senate budget resolution committees, do not hear that.

Now, I am not going to get into a lot of detail except to say we are making tremendous progress in warring against many diseases. It was only half a dozen years ago we had a handful of dollars dedicated to Alzheimer's research.

I have a personal interest in Alzheimer's. I watched my father die from Alzheimer's. I can say it is as difficult for the family as it is difficult for the victim. It is difficult for all those around him or her. I will not go into the gory details because most people around here have seen that kind of deadly disease attack and destroy people.

Mr. President, we could not even diagnose Alzheimer's short of an autopsy a few years ago. Now we have built it over the years to about $210 million of research money dedicated to Alzheimer's. We have made breakthrough after breakthrough, both in gene analysis and identification, as well as treatment and diagnosis.

When we say to the medical structure of this country, take $1 billion out of the $11.3 billion—10 percent—in 1 year, it is like in this country when we shut down the sawmill for a lack of logs and lose our chief sawyer, that company does not reassemble that team that makes that mill work a month later when a supply is received, or 2 months later.

When the company begins to build the infrastructure of medical research, and once it is there, the company does not rebuild it because maybe 2 years down the road they decided they made a mistake.

We have had the decade of the brain. Mr. President, 5 years have passed and a major part of that 5 years is building 130 scientists into an infrastructure in this country. Now it at a point where the payoff comes, we are about ready to start dismantling.

Now, let me get a point of contrast. We have literally thousands of diseases in this country on which no research—no research—is being conducted, thousands of diseases in which there is no

national registry to even know how many people have the disease or where they are located. No registry. They are called orphan diseases. Thousands of them.

The most important factor that is missing is no hope. No hope. We have been trying to attack that gradually by serendipity, meeting a young man in a wheelchair 15 years of age with EB, epidermolysis bullosa. At that point, no registry. At that point, no research money. It is like leprosy. They lose their fingers. It is a pigmentation problem. Sores break out all over their bodies. They cannot handle even this kind of artificial light, let alone sunlight. And they die at a very early age. This young man was so impressive with his eloquence, we wheeled him right into the Committee on Appropriations and we made a line item. If I ever had a reason to fight a line item veto, the whole concept of vetoing a line item—this was to get a line item in the appropriations that year to start a registry, starting a research project for EB, and giving hope for those people. That is not the way to run it, just because I met someone like that. There are thousands of them out there all over this country.

I want to also say there is a point of reference and comparison. This same budget resolution calls for a $800 million increase in research in nuclear weaponry. Yes, $800 million increase and they are calling for a $1 billion cut in medical research. Oh, we have to protect our bombs but we cannot really protect our people. I am saying this is a value of people over bombs. I would like to have included the military research dollars. The 18 months of military research in this country leading us to be more efficient—we say at defending our country, but at the same time, cluster bombs in order to increase the capacity to destroy life—is the equivalent of 95 years of medical research in the NIH; 18 months. That is a real value.

But I do not have the votes. So we still have this power of the military that says, ''Do not include us in any reductions. We only can handle increases. Reduce the medical research programs.''

All this does is to face reality that we exclude the military, that sacrosanct military. We are going to exclude it. But at the same time we are going to reshuffle all of the other accounts and say, by putting the priority on medical research, the others are going to be reduced 5 percent.

I enjoyed a little personal therapy by those last few statements. Now we get back to the reality of saying we have to reach this kind of agreement. I am happy to say I think, even though I would like to have a broader base, I am willing to settle for the narrower base in order to save the medical structure, research structure of this country.

I hope some of my colleagues realize we have had a colleague recently diagnosed with Parkinson's, Senator CLAIBORNE PELL. Do you realize we are spending this year $26 million for Parkinson's research—$26 million. You say that is a lot of money—yes, it is a lot of money. We are spending over $1 billion for heart; $2 billion for AIDS; another $1 billion-plus for cancer, as we should, and I helped to fight for every one of those dollars, and I would defend every one of those dollars. All I am saying is, for Parkinson's, $26 million.

Take a 16- to 20-percent decrease on $26 million for Parkinson's and you have a bigger impact than taking a 16- to 20-percent reduction, say, on cancer or heart, which is in excess—almost $2 billion each. So it is disproportionate in its impact. And I think this would then give us an opportunity to keep our commitment to the sick and those who have no hope for cure.

If my friends are not interested in the humanitarian aspect of reducing suffering and putting the value on human life—and quality life, not just quantitative life—I hope we would support this because I am convinced it is the answer. If you are not impressed with that factor, then look at the cost. We have saved billions of dollars per year in what we have been able to accomplish in medical research with TB. Now we are having a revival of TB. We have Zaire and the Ebola problem over there, that is a threat to this country. Every time we used to want to get an increase in military spending we could say, ''The Russians are coming,'' and, boy, everybody would jack up another $1 million. I want to tell you, ''The viruses are coming.'' They are here. And we better get ready for that warfare because we need this kind of weaponry to fight it.

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

Mr. HATFIELD. Yes. I will be very happy to. But first of all may I yield to my cosponsor, who has not had an opportunity to make an opening statement and then I will be happy to yield for questions.

Mr. EXON. Certainly.

Mr. HATFIELD. I yield at this time to Senator SPECTER, whatever time he needs.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I thank my distinguished colleague, the chairman of the Appropriations Committee, for yielding time to me. I compliment him for his leadership generally, and especially on this amendment for his very spirited and eloquent articulation of the reasons for this amendment.

I am pleased to join Senator HATFIELD as a cosponsor, along with Senator KASSEBAUM, Senator MACK, and there may be others who will join in cosponsoring this very, very important amendment.

Senator HATFIELD has added the name of Senator KENNEDY to the list as original cosponsor here, along with Senator JEFFORDS.

The consideration of this budget resolution is very important to America. It is the toughest series of votes which I have seen in my 14½ years in the U.S. Senate. It has been very carefully crafted by the Budget Committee, under the leadership of Senator DOMENICI, who has great respect in this body on all counts. We have seen a series of amendments defeated so far on the budget resolution, many of which I would have liked to have voted for. But we have to make some really extremely tough choices which I think we are making. I believe this is a historic time for the U.S. Government to balance the budget.

Substantial efforts were made following the election of President Reagan in 1981, when we considered a budget resolution some 14 years ago, but there was not the political will at that time to balance the budget. We did not have Republican control of the House of Representatives, with, candidly, the political determination to balance the budget.

That time is now. In order to balance the budget we have had to turn down some requests on amendments which I think were very, very attractive. It was very, very difficult to vote against the amendment which offered additional funding for education because I am very much concerned about the cuts in this budget resolution on education. I am very much concerned about the cuts in this budget on Medicare and Medicaid. And I have heard from constituents about the devastating impact of what the Medicare cuts will do in closing hospitals, and not marginal hospitals but hospitals which are very important across this country, providing very vital services for the people of America.

But it seems to me if we are going to move to a balanced budget we are going to have to have belt tightening all across the board. I personally would very much have liked to have voted for the amendment yesterday on a tax cut. Who would not like to have a tax cut in America? But the difficulty with the amendment was present in the additional cuts which would have been present for other very important items, and also in the direction of the tax cuts not being directed with sufficient depth and specificity at the lower income groups and raising the concern about too much of a tax cut for wealthier Americans at a time when we are going to be cutting very many important programs which impact across the board, and many on the poor.

The amount offered yesterday on increasing national defense was a very attractive amendment. But there again the difficulty is that it would have resulted in cuts in other programs and added to the deficit.

I think that in the amendment which we are now considering, to have a restoration of part of the budget cut on the National Institutes of Health, that we are going to have the strong bipartisan support which was not present to increase funding or restore funding for education, or the bipartisan support

which was necessary to restore funding for Medicare and Medicaid. I believe that we have this bipartisan support because of the unique importance of what the National Institutes of Health does for America.

In the 14½ years that I have been on the Appropriations Subcommittee on Labor, Health and Human Services, and Education, which I now chair, we have maintained an increasing amount of funding year by year, notwithstanding proposed budget cuts virtually every year from the administration, and it has been a bipartisan effort, once under the chairmanship of Senator Weicker, then under the chairmanship of Senator Lawton Chiles, then under the chairmanship of Senator TOM HARKIN, and now with my chairmanship.

We had a hearing last Thursday attended by the distinguished chairman of the full committee, where we heard of the devastating impact of what these budget cuts would do to medical research in the United States.

There is not time enough to go through the entire array of very powerful arguments and very powerful considerations. But let me start with a few.

At the present time, the National Institutes of Health funds less than 1 in 4 grant applications. If funding were cut by 10 percent, that grant rate might decrease to as much as 1 in 10. There would be a drastic reduction in clinical trials to initiate promising new treatments leaving the application of research findings for the patients on an untested basis.

There would be a cataclysmic consequence with over 80 percent of the NIH budget being cut with support from colleges, universities, medical schools, and research institutes throughout the country.

We are on the brink of having extraordinary advances in medical research on gene therapy on a whole range of very, very devastating illnesses in America.

Let me name just a few. Last year the National Institutes of Health discovered a breast cancer susceptibility gene, and the NIH is now closing in on the gene which causes breast cancer, which would be really a remarkable achievement on a terrifying disease which strikes 1 of 9 women in America.

The problems on heart disease, cardiovascular disease, which is still the number one killer of both men and women, causing 43 percent of all deaths each year; delaying the onset of heart disease by 5 years, which is right around the corner, would save almost $70 billion annually.

When we take a look at the kind of economic savings which come from this research from NIH, it is really remarkable.

Alzheimer's disease, such an overwhelming emotional problem in America today for those who suffer from Alzheimer's and their families; the medical research is on the brink of decreasing the incidence by half, which would mean an annual cost saving of some $50 billion.

Alcoholism, the No. 1 drug problem in the United States, is on the verge of significant advances, if not a cure, with the savings of some $100 billion a year.

Osteoporosis leads to 1.5 million fractures each year, affecting 140,000 people, and with the potential for saving of some $5 billion.

I know the time is short, Mr. President.

So I shall not go on with the list of really remarkable achievements which have been made and are right around the corner.

But I will say, chairing the Subcommittee on Labor, Health and Human Services, and Education, and having been on the Appropriations Committee for 14½ years, that there is no more important funding item in the budget to restore, and we are not restoring it all, but to restore the amount proposed in the pending amendment.

I thank the Chair. I thank my colleague.

Mr. EXON. Will the chairman yield for a question?

The question I have for my great friend and colleague I want to preface by saying the chairman knows of my fondness for him and the many years that we have worked. I have never seen a finer presentation, I say to my friend from Oregon. I do not disagree with a single thing he has said. I think he said it all very, very well.

I cannot think of a more important amendment that will pass. I think this amendment will pass. I know of no objection to it on this side. I just checked with Senator DOMENICI. He knows of no objection on his side of the aisle. I think the case has been adequately made.

I have a list of 23 Democratic Senators, and heaven knows how many on that side of the aisle, that have other important matters, and we run out of time at noon today on the amendment. I am just wondering, since I think there seems to be near unanimous support for the amendment, if there is any way that we can cut down some of the time to allow some of these other Senators a chance to offer their amendments. Because of the time constraints, because I would not want to see any of our colleagues have a heart attack or apoplexy for fear that they are not able to talk on their amendment, I am just wondering, my question is can we get some time agreement if we would agree to yield back our whole hour of the time? I know of no opposition on this side. Could we get an agreement to cut down the remaining 50 minutes or so that the chairman has? I think he has made his case very well.

Mr. HATFIELD. Mr. President, I would be very happy to work out an arrangement. I have a list here of about a dozen Senators who have asked for a few minutes to express themselves on this amendment. Once I fulfill that obligation to my colleagues, I will be very happy to consider that.

Mr. EXON. I will simply add there have been Senators coming to me wanting 10 to 20 minutes. I have cut them most down to 1 or 2 minutes.

If I might courteously suggest that if we had some time constraints, I believe everything good can be said about this amendment in a minute if people choose their words very carefully.

Mr. HATFIELD. I thank the Senator.

Mr. President, I have a list. My other chief cosponsors are Senator KASSEBAUM, Senator BOXER, Senator KENNEDY, Senator MACK, and others. As soon as we complete those, I would be very happy to consider yielding back the time.

I would like at this time to yield to the Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I would ask for a couple of minutes. I certainly appreciate the time constraints.

I think every Senator in the Chamber is a supporter of the National Institutes of Health and recognizes the importance of the work done there.

I myself am a strong supporter of the importance of continuing basic research.

I think Senator HATFIELD, who has initiated this amendment, has spoken eloquently of the importance of those needs. Senator SPECTER has spoken as well.

Mr. President, I am pleased to join with Senators HATFIELD and SPECTER and eight other cosponsors in offering an amendment to the fiscal year 1996 budget resolution which is designed to protect funding for the National Institutes of Health. Our amendment, which adds $1 billion annually to budget function 550, is intended to restore the 10-percent reduction in NIH funding assumed by the Budget Committee. In order to assure the health of our citizens—through continued support of our nation's biomedical research—I urge my colleagues to join with us in supporting this amendment.

To offset the additional NIH funding, our amendment would reduce spending in various discretionary accounts by 0.58 percent. The budget functions which would be excluded from these reductions are: defense; international affairs; education, training, and employment; income security; Medicare; Social Security; and net interest.

NIH-supported biomedical research has a proud history of scientific breakthroughs. Many of my colleagues will remember the iron lungs which once ventilated individuals after their bodies had been ravaged by the polio virus. Because of biomedical research, we no longer face the threat of this disease. In fact, experts at the Centers for Disease Control and Prevention now predict that the polio virus could soon be eradicated from this planet.

The vitality of these efforts is maintained today. For example, through the human genome project, scientists have

identified a gene linked to breast cancer. Using this information, health care providers may one day decrease the burden of this disease, which now attacks one in nine women.

I am concerned about the detrimental impact of the NIH reductions assumed by the Budget Committee. I believe, that biomedical research advancement—and breakthroughs—could slow dramatically.

The committee, in its report on this resolution, lays out a thoughtful argument in support of this budget reduction. As noted in the report, it is true that the NIH has seen a real budget growth over the last decade. In real terms, after adjusting for biomedical research inflation, the budget for 1993 was 47 percent greater than it was a decade earlier. It is also true that private sector contributions to biomedical research have increased.

At the same time, I do not believe it is wise to propose reductions based on this recent growth in NIH funding. These reductions will leave many biomedical researchers and their advancements stranded. In many areas, scientists are on the verge of amazing discoveries. Because the average length of an NIH award is nearly 4 years, cuts of this magnitude will require an adjustment period. We need to consider ways to ensure that promising research receives new funding, while we honor existing research commitments.

Mr. President, the $1 billion which this amendment would add back to the NIH allows for a smooth transition. Even with this add-back, real funding for NIH will decrease over the next 7 years. In fact, if we assume a 5 percent annual biomedical research inflation, maintaining NIH funding at its 1995 level would still result in a real funding reduction of nearly 5 percent in the first year and 35 percent 7 years from now.

As chairman of the Committee on Labor and Human Resources, I am committed to working with the National Institutes of Health and our Nation's biomedical researchers to find ways to adjust to our current budget limitations. However, accomplishing this goal will require thoughtful consideration and careful deliberation.

As the Labor Committee begins to consider the reauthorization of the National Institutes of Health, I welcome the suggestions of my colleagues. I intend to examine organizational and structural changes at the NIH which could lead to some budget savings.

This effort may include reexamining the need for the current 23 institutes, centers, and divisions. Another approach will be to review the amount of research funding which the NIH currently devotes to indirect research costs. Finally, I also believe that we will need to reexamine how the NIH makes its grants to ensure that the most promising areas for research advancement receive funding, while funding for basic biomedical research is maintained.

Mr. President, I urge my colleagues to consider this amendment carefully. Its effect would be to improve the health of our Nation's citizens by supporting funding for biomedical research through the NIH. The effort of NIH has and will continue to create a national environment in which biomedical research and health flourish.

Mr. HATFIELD. Mr. President, I would like to yield 3 minutes to the Senator from California.

Mr. President, in yielding to the Senator from California, she was facing the same issue, I understand, in her committee work, and I wish to thank the Senator for laying the foundation at that time.

Mrs. BOXER. I thank my friend very much. I will be brief because I think so much has already been said on this.

I simply want to add my voice in support of the Senator from Oregon. I did, in fact, offer a similar amendment in the Budget Committee. However, I took the funds out of the little tax cut—honey pot—that was squirreled away by our chairman and there was no support from the Republican side for using that as an offset.

I truly understand the frustration expressed by the Senator from Oregon. He wanted to cut across the board and include in the cut to pay for this NIH increase the military budget. I think the Senator is wise not to offer that up because there are not the votes here to do that, but I wish to spend just a minute talking about that and adding my voice to that of the Senator from Oregon.

I think the people of this country understand that the cold war is over, and I think the people of this country understand we are the only superpower, and I think the people of this country understand that we are spending 2½ times more than all of the potential enemies combined in the world, and that includes on the list the potential enemies Russia and China. The fact is if you add the spending of the NATO countries, America and the NATO countries are spending 5½ times more than all the potential enemies in the world.

What are the real enemies that we face on a daily basis in America? I would say the daily enemies we face are the prospect of disease striking a loved one. Alzheimer's has been discussed, osteoporosis, breast cancer, AIDS, prostate cancer, lung cancer, diabetes, scleroderma, something many people do not know about, which is a soft tissue disease which is disfiguring and frightening and strikes young women; strokes, Parkinson's disease. There are so many others.

The fact is, I say to my colleagues, these are the enemies that we face, and to retreat from this war would be ludicrous.

Now, it hurts my heart to vote to cut other domestic programs. It breaks my heart. I think it is outrageous that we do not have the votes here to include defense in a small cut, but like the Senator from Oregon I am a realist. I am a realist, and I wish to see this funding be restored to the NIH. We are one plane ride away from a major epidemic. We read with horror about this Ebola virus. Anyone who has read the book ''The Hot Zone'' understands the tenuous position we are in in this very world in which we now live. As we lose the rain forests of the world, what scientists are discovering is that viruses that live in the rain forests are looking for other hosts, and they are finding us. So to cut back on the National Institutes of Health, which is our first line of defense against these diseases, would be worse than outrageous.

I ask unanimous consent to include in the RECORD at this point a letter from the University of California, Irvine, and I would close with a quote from the dean of the college of medicine there, Thomas C. Cesario. He says:

> With Federal support, the University has achieved remarkable breakthroughs in medical research which prevent, control, or reverse disease, saving lives and millions of dollars in medical care.

And he just says that the UC doctors there with Federal funds were first to identify the lack of a gene as a cause of disease. They developed a blood test for the genetic defect that causes Tay-Sachs, and it goes on and on.

I see my time has run out. So again let me add my voice to the Senator from Oregon. I thank the Senator so much for picking up this fight in this Chamber. I am with the Senator all the way.

I yield the floor.

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

UNIVERSITY OF CALIFORNIA, IRVINE,
COLLEGE OF MEDICINE,
Irvine, CA, May 22, 1995.

Hon. BARBARA BOXER,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR BOXER: I am writing to express my deepest concern over the funding cuts to the National Institutes of Health that have been assumed in the Committee's Budget Resolution and to thank you for your tremendous effort to restore funding during the Committee's consideration of the NIH bill.

According to the committee report, the Senate Budget Committee recommends a 10 percent cut for the NIH budget in FY 1996, and then a freeze of the NIH budget at this lower level through 2002. This means that the NIH budget would be cut from $11.3 billion in FY 1995 to $10.2 billion in FY 1996, and then frozen at $10.2 billion through 2002. Cuts of this magnitude would be devastating to our nation's biomedical research enterprise. The NIH is one of the country's most respected and revered research institutions, setting international standards for excellence for basic and clinical biomedical and behavorial research and ensuring that medical care in the United States is the best in the world. Many people literally owe their lives to NIH-funded research.

These cuts represent a serious retreat from the national support given to medical innovation. They would be devastating to the NIH mission. NIH projects that with a 10 percent reduction in its budget the success rate for competing research project grants would fall from its current overall level of 24 percent in FY 1995 to between 6 percent and 12

percent in FY 1996. The potential loss in new life saving discoveries is incalculable. We know that few, if any, new clinical trials could be instigated and other NIH mechanisms of support would be decimated.

Cuts to NIH would certainly wreak havoc throughout the University of California's research institutions. About 85 percent of the NIH's appropriation is expended on extramural research conducted in all 50 states. The University of California operates the largest health science program in the nation—with five schools of medicine. Last year UC received about $650 million for extramural grants university-wide. Three of our five medical schools were ranked among the top 15 institutions for receipt of extramural research awards for FY 1993 and all fell within the top 100 institutions.

With federal support, the University has achieved remarkable breakthroughs in medical research which prevent control of reverse disease, saving lives and millions of dollars in medical care; UC doctors:

were first to identify the lack of a gene as a cause of disease;

developed a blood test for the genetic defect that causes Tay-Sachs disease;

created the first human vaccine by genetic engineering;

were among the first three groups in the world to isolate the AIDS virus;

found a quick method to determine if infants were infected with the AIDS virus;

developed an artificial ankle to replace joints damaged by arthritis;

adapted a heart pump implant to pump insulin in diabetics thus eliminating the need for daily insulin injections;

developed a procedure that restores hearing by replacing damaged middle ear bones with sculpted cartilage.

In addition, the University has been an incubator for the rapidly growing biotechnology industry in California. California has the largest concentration of the nation's biotechnology companies and 28 percent of high tech medical device firms in the nation. The University of California at San Francisco and San Diego alone account for more than 50 new companies pursuing life saving medical drugs and devices from AIDS, cancer and heart disease to genetic disorders like cystic fibrosis and multiple sclerosis.

Cuts to NIH cut the lifeline of biomedical research. The devastation would be felt for years to come. The pace of scientific discovery would slow and cures for diseases like AIDS and cancer would be delayed. Even worse, biomedical research would be essentially eliminated as a career track for a whole generation of young people.

I urge you to do all you can to restore funding to the NIH during the Senate's consideration of the Budget Resolution.

Sincerely,

THOMAS C. CESARIO, M.D.,
Dean, College of Medicine.

Mr. HATFIELD. I thank the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, again I am going back to the list of those who have made their request to be heard. I would yield 2 minutes to Senator KENNEDY, 3 minutes.

Mr. KENNEDY. Two minutes will be fine.

Mr. HATFIELD. Two minutes to Senator KENNEDY from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, the Senator from Oregon and the other cosponsors are speaking for the best American values and are really speaking for mankind all over the world in the restoration of this funding for the National Institutes of Health. This budget is permeated with penny-wise and pound-foolish mentality that values short-term savings today over investments that will improve the life of the Nation tomorrow.

There is no better example of these misplaced priorities than the meat-ax cuts in the National Institutes of Health. It is truly a great success in terms of research, and it maintains respect throughout the world. The NIH is not just a source of excellence to those of us on the floor of the Senate. It is recognized throughout the world.

The NIH is the symbol of excellence in medical research. Its achievements are world renowned. Dollar for dollar, it is among the wisest and most productive investments the Nation has ever made. It is the source of America's international preeminence in industries such as pharmaceuticals, biotechnology, and medical devices. Talk to any leaders of these industries, and they will tell you that without the basic research of the NIH, progress in their industry would slow to a crawl, and America's international competitiveness would fail.

Above all, we need NIH research because of its indispensable role in improving the health of the American people. In recent years, biomedical research supported by the NIH has led to new and more cost-effective treatments for cancer, heart disease, diabetes, and a wide range of infectious diseases. More than a million premature deaths from heart disease alone were prevented by improved cardiovascular programs and innovative treatments developed by NIH research in the past quarter century.

With mushrooming new discoveries in biotechnology, we stand on the threshold of even greater progress in the years ahead in the conquest of dread diseases. There is no American family that has not lost a loved one or a close friend to the ravages of heart disease, cancer, diabetes, or Alzheimer's disease. Why would anyone curtail the extraordinary progress that is possible?

If the cuts in this budget resolution are approved, only 10 percent of meritorious research will be funded, according to the NIH's own estimates. Currently, ninety scientists have received Nobel prizes for research funded in whole or in part by the NIH. With these cuts, young researchers will leave the field because they cannot find support for their investigations. Careers in biomedical research will be less attractive to the brightest minds of this generation of college students. Worst of all, it is no exaggeration to say that because of these cuts, Americans will die who would have been saved.

These funds make such a difference to the families that all of us represent. I urge the Senate to adopt this amendment and maintain NIH's vital investments in medical research.

I thank the Chair.

Mr. HATFIELD. Mr. President, I yield 2 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. I thank the Chair. I thank the Senator from Oregon.

Mr. President, I support the amendment of the Senator from Oregon. I also want to point out that the problem he identifies with medical research funding is part of a larger problem that we are trying to address in another amendment that will come up for a vote later today. That is the amendment related to civilian research more generally.

The Senator from Oregon made the point that the proposed budget as it now stands in the area of medical research is a prelude to disaster. I would say that the same point could be made about civilian research generally in this country.

I would address people's attention to this chart which shows Federal civilian R&D as a percentage of the gross domestic product of this country from the period 1961 through the end of the century, the last portion, of course, being the projected level of funding for civilian research and development.

This chart includes the figures for the National Institutes of Health, about which the Senator from Oregon is speaking. It shows that we will be dropping to an unprecedented low in our level of support for civilian research if we go ahead with the budget as it presently stands.

The amendment the Senator from Oregon proposes will cure the problem as it relates to the National Institutes of Health. The larger amendment that I have proposed with Senators LIEBERMAN and ROCKEFELLER and HOLLINGS and BIDEN deals with the larger issue of civilian research, and it is necessary also if we are going to avoid the same kind of precipitous drop in Federal support for civilian research that is contemplated in the present budget.

I thank the Senator and I support his amendment strongly.

Mr. HATFIELD. I thank the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. I yield 1 minute to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I asked the Senator from Oregon only for a minute because I am one of those Senators who later on wants to speak to other amendments, and I know we are in a time crunch.

I say to the Senator from Oregon I certainly want to be included as an original cosponsor, but I do it with some sadness because I believe that the military-defense part of the budget

ought to have been included in the offset. I understand why the Senator was not able to do so.

Second of all, I am very worried about cuts in some of the other nondefense discretionary programs. Therefore, later on I am going to have a sense-of-the-Senate amendment making clear it does not have to be in each of those areas because each deserve a high priority, and I am going to try to point out the direction in which we should be directing our priorities. But it is with a sense of equity and fairness I proudly support this amendment.

Mr. HATFIELD. I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. MACK. Thank you, Mr. President.

First, let me express my deep appreciation to Senator HATFIELD for his leadership on this issue in bringing this amendment to the floor of the Senate.

In trying to figure out what I would confine my comments to in 5 minutes, because there is so much that I feel and so much that I have learned with respect to what the National Institutes of Health is involved in, again, it is very difficult to kind of bring it down to a couple of points.

A book that I read several years ago called ''The Transformed Cell,'' written by Dr. Steven Rosenberg out at the NIH National Cancer Institute, really talks about the fundamental changes that have taken place in the way we treat diseases in this country and, for that matter, around the world. I am referring specifically to the treatment of cancer now.

For many years, if one was diagnosed with cancer, basically, surgery, radiation, or chemotherapy were the three choices, if you will. The physicians would look at the particular disease and status to make a determination about which of those three alternatives to pursue.

Dr. Steven Rosenberg began his practice over 20 years ago when something occurred that kind of indicated to him that maybe there was something else going on that could, in fact, be used to fight the disease. An individual that he was treating was cured of, I believe, melanoma. And 20 years ago, if a person was discovered with melanoma, it was just a matter of time. There was no cure.

But, somehow or other, this patient survived. Dr. Steven Rosenberg came to the conclusion and a very strong feeling that the answer was in the immune system; that what saved that individual was his own immune system. And then that raised the question: Well, if the immune system can defeat the disease in one individual but yet it does not in another, why does that occur? And that began a long process of over 20 years of trying to come to the discovery and understanding of what we can do to enhance the immune system in order to fight the disease.

Now, if Dr. Steven Rosenberg were here today, I do not think he would say to us that he has the total answer. But if you read his book, you will find, for example, that in 40 percent of the cases there was a response to immunotherapy in melanoma.

The reason I get a little bit focused on melanoma is because, as many of you know, I am a survivor of melanoma. In 1989, after coming to the U.S Senate, I was diagnosed with melanoma. Fortunately, we found it early and I should not have to be concerned with it at all. But in 1979, my younger brother Michael died of melanoma. And I can tell you personally what that experience is like.

And I could be talking about AIDS, I could be talking about, as the Senator from California talked about, the viruses, I could be talking about any one of those. But the reality is that we are making great strides today because of the work that is being done at NIH by people like Dr. Steven Rosenberg.

So he added a fourth modality to the treatment of cancer. And there is a fifth today, and it is called gene therapy. And we are just beginning to scratch the surface on gene therapy.

One of the earlier speakers referred to the discovery of the breast cancer gene, and there probably are several breast cancer genes. But there has also been discovered a melanoma gene. It is called P–16. And we know, through the research that has been done out at NIH, that it is relatively simple to define cancer but very complicated to come up with a solution. Cancer is nothing more than the uncontrolled growth of cells. But the issue is: Why are they uncontrolled and how can we control them? And gene therapy and DNA are going to play a significant role in making that determination.

My last point would be this: We have discovered what is called P–53, which I believe is a protein—it may be a gene as well—a protein that is involved in sending the message to the individual cells as to when they should grow and when they should stop growing. There have been great strides made with respect to the P–53 gene.

It would be a tragedy for us to step back now when we are on the verge of breakthroughs on all kinds of diseases through gene therapy.

So what I am saying to the Senate is there are great benefits that come from this investment.

I will close with this quote. Pasteur wrote: ''I am on the verge of mysteries and the veil is getting thinner and thinner.''

We want to provide the funds to make sure that that veil disappears.

Ms. MIKULSKI. Will the Senator yield?

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

Several Senators addressed the Chair.

The PRESIDING OFFICER. I recognize the floor manager, the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I want to propose a unanimous-consent request that will protect the Senator from Oregon but will advise Senators of when we will vote.

ON NIH

Ms. MIKULSKI. Mr. President, I rise to express my passionate support for the National Institutes of Health.

The National Institutes of Health is the foundation of this Nation and the world's medical research. It is an investment in the future health and well-being of every American.

Over 85 percent of the NIH funding goes to academic medical centers of excellence all over the United States of America. From Stanford University, Johns Hopkins University, and Harvard to the University of Maryland and the University of Wisconsin—these are the leaders in medical science research.

What does our investment dollars get? Our investment in the NIH provides the means to find the cures and preventions for disease. It keeps the United States of America in the forefront of biomedical science and biomedical technology. It encourages our global competitiveness and assures economic growth through the creation of jobs in Maryland and throughout the United States. It helps communities help themselves.

The NIH has icon status in America and around the world. The shortsightedness of narrow-minded people in green eyeshades who would cut the NIH funding is deeply disturbing. I simply cannot understand it.

The American people deserve a future of improved health. They understand the importance of investing in research and prevention. They want their Federal dollars to go to programs that will help them meet their day-to-day needs. That is what the NIH does. Its research finds cures, prevents the onset of disease, and helps people live not only longer but better lives.

For some time, I have worked on a bipartisan basis to advocate for a women's health agenda. I was one of those who led the fight to establish an Office of Women's Health Research at the NIH—the first of its kind. I worked with my colleagues to expand research and address gender-specific health concerns like breast cancer, cervical cancer and prostate cancer.

The National Institutes of Health is the anchor for health research investment in this country.

And now, this picky little budget wants to freeze NIH funding into the year 2000, or worse yet, may even cut NIH funding by 10 percent. Let us face the fact. You cannot freeze disease. You cannot freeze neurological deterioration and Parkinson's disease. And you cannot freeze life saving research. You just cannot.

The impact of cutting NIH will take an incredible human toll. The major killers of men and women today are lung cancer and heart disease. What will happen to this research when there is not enough dollars to invest in finding a cure? How will we ever find a cure

for Alzheimers disease and for AIDS without investing the necessary dollars?

My own dear father died of Alzheimers disease. He died one brain cell at a time, and it did not matter that I was a U.S. Senator. All I could do was look out for him, care for him, and make sure that he was comfortable and safe. In loving memory of my father, I vowed to do all that I can to lead the fight for research to find a cure for Alzheimers.

This is what this Budget would knock out. It is a tragedy for the dedicated men and women of NIH who have committed their lives to finding cures to deadly diseases. And it is a tragedy for the American people who look to NIH to meet our day-to-day health needs and to get us ready for the future.

I am passionate about my commitment to preserve this investment. We must not turn our back on NIH. There are those who seem set on trying to dismantle the National Institutes of Health. I want to put those people on notice—they will have to put up with me first. I will do everything I can to keep the National Institutes of Health an investment that saves lives, saves jobs, and helps communities.

Mr. HATFIELD. I thank the Senator.

Mr. EXON. I applaud the Senator.

Mr. DOMENICI. I agree with the Senator.

Mr. BYRD. Mr. President, although I share the concern of my distinguished colleague from Oregon, Senator HATFIELD, about funding for the National Institutes of Health (NIH), I must oppose his amendment. I oppose his amendment because it fails to address the underlying defect in the Budget Resolution we are debating—a one-third reduction overall in nonmilitary discretionary spending.

The amendment, in effect, simply rearranges the deck chairs on the *Titanic*. It cuts across-the-board from all discretionary functions—except for military, international affairs and the functions that fall largely under the jurisdiction of the Labor, HHS Appropriations Subcommittee—to restore the 10-percent cut in NIH assumed in the budget resolution.

I emphasize the word ''assumed'' because it should be clear that the funding levels for individual programs are not determined by the budget resolution. The budget resolution only determines the amount of discretionary spending overall. The appropriations process determines the amount of funding for individual programs, such as NIH. In fact, the budget resolution does not even determine the amount of total funds available to the Labor, HHS Appropriations Subcommittee which has jurisdiction over NIH funding. Section 602(b) of the Congressional Budget and Impoundment Control Act of 1974 reserves that power to the Appropriations Committee as well.

In addition, I take strong objection to the exclusion of the military and international affairs functions from the across-the-board cut required by this amendment. The cold war is over and the military should bear a share of the cuts that this budget resolution will force the Appropriations Committee to make in most, if not all, nonmilitary programs, including the very worthy NIH.

Mr. HARKIN. Mr. President, I support the amendment offered by my distinguished colleague from Oregon, Senator HATFIELD. We have worked together in the past to increase our commitment to the National Institutes of Health [NIH]. Last year, during the health care reform debate, Senator HATFIELD and I introduced legislation to ensure that any reform plan also included increased investment in the fight against disease and disability.

But, Mr. President, I am disappointed that this amendment once again protects and preserves a bloated Pentagon budget. The budget resolution cuts over $1 trillion in Federal spending. It cuts health, education, training, veterans, and virtually everything else but it does not touch defense. The Pentagon is increased by $34.5 billion over what a hard freeze would be over the 7 years. So, while I support this amendment I believe strongly that instead of taking money away from discretionary programs that are below a hard freeze in this budget to protect NIH we should have looked to the bloated Pentagon budget.

NIH, as we all know, stands for the National Institutes of Health but it could just as easily stand for National Investment in Health. That's what we're talking about, investing in the health of our people and our economy.

Unfortunately, today we are not here to talk about taking a small step forward in medical research, we're here to prevent taking a giant leap back and cutting our commitment to research that saves lives and money.

The budget resolution before us cuts NIH by 10 percent and freezes spending through 2002. This translates into a cut of over $1 billion for fiscal year 1996 alone.

Backing away from that commitment is shortsighted and fails to recognize the important role that NIH plays in improving health care and holding down health care costs in the long run.

As former chairman of the Appropriations Committee, Senator Warren Magnuson, said ''medical research is the first link in the chain of prevention.'' Without sufficient investment, we can't build that chain.

People from all over the world come to the United States for medical care. Why? Because, we lead the world in quality of care. And research is key to this quality.

The United States has built an impressive biomedical research enterprise. Today, dramatic developments in genetics and gene therapy offer hope to many suffering from disorders such as cystic fibrosis, breast and prostate cancer, diabetes, and Alzheimer's disease.

Increased investment in health research is key to reducing health costs in the long run. And if we can unlock the cure for a disease like Alzheimer's the savings would be enormous—in dollars and human lives. Today, federally supported funding for research on Alzheimer's disease totals $300 million yet it is estimated that nearly $100 billion is expended annually on caring for people with Alzheimer's.

Gene therapy and treatments of cystic fibrosis and Parkinson's could eliminate years of chronic care costs, while saving lives and improving patient's quality of life.

Past investment in research has paid off.

Less than $1 million spent to develop a potassium citrate treatment to prevent the formation of kidney stones yields over $436.2 million in annual savings in treatment costs.

$20.1 million in NIH support over a 17-year period led to the development of an improved influenza intervention for children, saving at least $346.6 million annually from a reduction in premature mortality and long-term earnings losses.

Clinical trials to develop a laser treatment for a diabetes related eye condition cost $180.6 million and has resulted in a potential annual savings of over $1.2 billion.

New cell therapy techniques can reduce the costs of a bone marrow transplant by as much as $50,000.

This country invests far too little in medical research, less than 2 percent of the total health budget is devoted to medical research. Compare that to the Pentagon where 15 percent of military dollars are spent on research. Where are our priorities?

It is expected that this budget proposal would reduce the success rate of qualified research proposals from the current 25 percent to as little as 15 percent. Just a decade ago, it was twice that. Science and cutting edge medical research are being put on hold. And every day we wait is another day we go without finding the cure for diabetes, Alzheimer's, Parkinson's and countless other diseases.

Mr. President, this resolution also further discourages our young people from pursuing careers in medical research. The number of people under the age of 36 even applying for NIH grants dropped by 54 percent between 1985 and 1993. This is due to a host of factors but I'm afraid that the lower success rates among all applicants is making biomedical research less and less attractive to young people. If the perception is that funding for research is impossible to obtain, young people that may have chosen medical research 10 years ago will choose other career paths.

Mr. President, investing in NIH doesn't just promote the health of our people, it promotes the health of our economy. The biotechnology and pharmaceutical industries contribute some $100 billion annually to the economy and support 200,000 highly skilled jobs.

In 1994, sales of biotechnology products totaled close to $8 billion and the Department of Commerce estimates that biotechnology will be a $50 billion industry by the year 2000.

Investing in medical research promotes healthier lives, creates jobs, and strengthens our economy and our competitive position in the global marketplace. It's the right thing to do and the smart thing to do.

Mr. President, I support this amendment. But, even if this amendment passes as expected, it does not address the underlying defect in the budget resolution we are debating, a one-third reduction overall in nonmilitary, discretionary spending.

This amendment cuts across-the-board from all discretionary functions, except for national defense, international affairs and the functions that fall largely under the jurisdiction of the Labor, HHS Appropriations Subcommittee, to restore the 10-percent cut in NIH assumed in the budget resolution.

But, Mr. President, funding levels for individual programs are not determined by the budget resolution. The budget resolution only determines the amount of discretionary spending overall. It is the appropriations process that determines the amount of funding for individual programs, such as NIH. So, Mr. President, despite this amendment, the Appropriations Committee will be faced with a one-third reduction in nonmilitary discretionary spending and, therefore, all discretionary spending programs such as the NIH are going to be subject to cuts because of this budget resolution.

Mr. KYL. Mr. President, I support what the chairman of the Appropriations Committee, Senator HATFIELD, is attempting to do, ensure that sufficient funding is made available for the work of the National Institutes of Health [NIH]. I strongly support the important work that body is undertaking, particularly with respect to research on breast and prostrate cancer, heart disease and diabetes.

However, what troubles me about this amendment is the proposition that it isn't possible to reorder priorities within function 550—the health account—to make the necessary funding available to the NIH. To make the amount of funding contemplated by the amendment available to the NIH, we simply have to shift $1 billion within function 550, an account that will total $120 billion in fiscal year 1996, rising to $150 billion by 2002. Instead, the amendment takes money out of other accounts, including funding for veterans, and that seriously concerns me.

The budget resolution already contemplates a phase-out of construction of VA facilities. Higher prescription copayments for certain veterans are assumed. Outlays for veterans programs would actually amount to $500 million less next year compared to this year. And the Hatfield amendment would take another $224 million a year out of veterans programs on top of that.

If I thought that it wasn't possible for Congress, for the appropriators, the Health and Human Services Department or the NIH itself to prioritize spending for the good and necessary work that the NIH does, I might be willing to support this amendment.

However, we all know that the budget resolution doesn't require that NIH funding be cut, only that funding within function 550 not exceed a specified level. There are ways to do that without adversely affecting the work that the NIH does. For example, the growth of Medicaid could be slowed, as Senator GRAMM proposed yesterday.

I am confident that, as the author of the amendment and as chairman of the Appropriations Committee, Senator HATFIELD won't allow the NIH budget to be cut too deeply when it comes time to appropriate money for the NIH. The Department of Health and Human Services and the NIH won't sacrifice critical research when it comes time to prioritize the use of funds that are ultimately appropriated.

Mr. President, I want to work with the chairman of the Appropriations Committee to find a solution, but one which doesn't adversely affect our Nation's veterans.

Mr. HATCH. Mr. President, I rise in support of the amendment offered by my colleague from Oregon, long recognized as a leader in our efforts to promote biomedical research. I can think of no more worthy a purpose than to restore funding for the National Institutes of Health. NIH is the world's premier biomedical research institution. It is our investment in the Nation's future health. I have watched with pride as NIH has grown during my years in the Congress. I have watched with pride as exciting discovery after discovery spawned by the NIH has become a reality. I have watched with pride as efforts at the premier research institutions in Utah, such as the excellent work at the University of Utah, have led to incredible discoveries helping to improve literally millions of lives.

As with many of my colleagues, I was very disappointed when the measure approved by committee set NIH on a such a steep downward funding path. While I do not believe any program or agency should be immune from reductions in our efforts to get Federal spending under control, the NIH may have been hit too hard.

Some may say that a 10-percent cut in NIH does not sound like a lot, but it is. The President's proposed NIH budget of $11.8 billion was intended to support 23,874 research project grants, which includes 6,046 new and competing research project grants. Maybe that sounds like a high level, but it is not. The President's proposal represented a decrease of 522 new and competing grants from this fiscal year, and the budget resolution funding level will lead to even further reductions.

In 1987, by comparison, we funded almost 7,200 new and competing grants. It is not commonly recognized, in addition, that the majority of projects submitted to the NIH, extremely worthy projects which could yield scientific advances as promising as any, are not funded. Just look at the numbers: This year, project grants at NIH are expected to have a 24-percent success rate; this means that only one-quarter of the projects which are approved are funded.

Under the President's budget, it is expected to decline to 23 percent. And under the budget resolution, to an even smaller percentage. Contrast this to 1992, when the success rate was 29.6 percent, or 1986, when it was 32.1 percent. Although I do strongly support this amendment, I also want to express my concern about the ''offsets'' used to ''pay for'' the amendment, or, in other words, about the source of funding which will make up the difference if NIH funding were increased and the entire budget resolution is to stay within the same overall cap.

As I understand the amendment offered by my colleague, it would restore $7 billion of the proposed $7.9 billion reduction in NIH funding over the coming 7 fiscal years. The difference would be made up by an across-the-board reduction in all budget functions except for the social programs, broadly speaking, and defense and international affairs. The effect of this amendment is to place the burden of making up the difference on the other accounts within the budget, many of which are already sustaining large reductions.

For example, under this amendment, in order to increase NIH, decreases would be effected in programs for veterans, agriculture, space and science research, energy, natural resources, and community development.

I am particularly concerned about a proposed reduction of about $1 billion over 7 years in law enforcement and crime prevention efforts, at a time when increased acts of violence and terrorism throughout the United States are threatening the ability of peaceful, law-abiding citizens to lead their lives.

In addition, I would point out to my colleagues that under the budget resolution, funding for function 550, the health function, comes down 12.2 percent overall. However, several accounts are held harmless within that function, including the Food and Drug Administration, which would receive $884 million—AIDS programs at the Health Resources and Services Administration—$656 million—the Indian Health Service—$1.963 billion—the Centers for Disease Control—$2.88 billion—the Substance Abuse and Mental Health Services Administration—$2.197 billion—and AIDS research at NIH—$1.336 billion. These programs were all held level.

I urge the House and Senate budget conferees to take a look at the entire health function to see if we are allocating funds most appropriately in relation to the other budget functions.

Obviously, I have no interest in seeing very vital programs such as Indian health or AIDS sustain unwise reductions. At the same time, I do not wish to see the Administration of Justice account, or veterans programs, for example, sustain inappropriate reductions.

It is my desire that conferees take all these competing needs into account and create the best possible balance.

That being said, Mr. President, I urge adoption of the Hatfield amendment on NIH.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Oregon, Senator HATFIELD, for his leadership in providing biomedical research funding, and I strongly support his amendment to restore $1 billion per year that otherwise would be cut under this Senate budget resolution.

Most basic biomedical research in this Nation is supported by the National Institutes of Health. Nearly every week we hear of advances against disease supported by NIH grants. As such, NIH not only reduces suffering in our country, it lays the groundwork for economic growth and leads the world in the fight against disease.

Despite our profound responsibility to maintain NIH funding, we currently provide funds adequate to support only one in four research proposals. The Senate budget resolution could cut that current support level to 1 in 10.

At that level, young researchers will be strongly encouraged to seek other careers. The steady stream of Nobel Prize winners at NIH—89 so far—will dry up. In short, we will be cutting into the muscle and bone of an institution that demonstrates the best of American Government and the best of human endeavor.

Furthermore, the Senate budget resolution funding levels would effectively forestall life-saving, cost-effective research. NIH is currently in the middle of many long-term projects that revolutionary implications for medicine. NIH is supporting a $3 billion, 15-year effort to map the human genome. This project underlies the revolution in genetic medicine that has implications for cancer, developmental disabilities, Alzheimer's disease, juvenile diabetes, and numerous other diseases. NIH began a 12-year, $68 million prostrate cancer prevention trial in 1991. It began a $50 million, 11-year childhood asthma management program in the same year. In 1990, it began a 12-year test of tamozifen treatments for breast cancer among a randomized group of 16,000 women. It continues to support the Framingham longitudinal investigation of factors influencing the development of cardiovascular disease, which began in 1948. Next year NIH plans to support six centers specializing in hypertension research over 5 years.

These are just a few examples of the critical research underway at NIH that should not be eliminated or delayed in the name of short-term budgetary gains. The truth is, we save money through biomedical research. Recent NIH advances in the therapy of sickle cell disease save an estimated $350 million annually. Recent advances against alcoholism save $125 million annually. Research underway to delay the onset of blindness in diabetics and to delay the onset of Alzheimer's could save billions. Simply delaying the onset of cardiovascular disease by 5 years is estimated to potentially save $70 billion yearly. And clearly, without progress against AIDS, will continue to spend billions in our hospitals and in lost human productivity.

So, Mr. President, we cannot responsibly turn away from these research needs. We must provide for them in the budget, and Senator HATFIELD has provided the vehicle to do so. Again, I thank him for his leadership and urge all of my colleagues to support the Hatfield amendment.

Mr. LEVIN. Mr. President, I rise in strong support of the Hatfield amendment which adds $1 billion to the budget for the National Institutes of Health [NIH]. The budget proposal before us recommends a 10 percent cut for the NIH in fiscal year 1996, and then a freeze at this lower level through the year 2002. This means that the NIH budget would be cut from $11.3 billion in fiscal year 1995 to $10.2 billion in fiscal year 1996, and then frozen at $10.2 billion through 2002.

If the proposed cuts are permitted to take place, it would damage NIH research at a time of unprecedented productivity, drive talented scientists, both young and established, into other careers, and cause the United States to lose its hard-won leadership in such fields as biotechnology and pharmaceuticals.

Mr. President, NIH has been a tremendous investment for the American people. The research supported by NIH has saved lives, reduced suffering, and led to lower medical costs. The NIH has an impressive collection of new successes, such as the following list of some fundamental discoveries and clinical advances for the past year:

A revolution in cancer risk assessment, the long-sought gene for some heredity breast cancers, BRCA-1, has been isolated, as have genes that predispose some patients to colon cancer, melanoma, and kidney cancer.

A simple drug, hydroxyurea, alters the composition of hemoglobin and thereby reduces by half the painful crisis that commonly hospitalize patients with sickle cell disease.

Hormone replacement successfully controls blood lipids in postmenopausal women and likely reduces cardiovascular disease.

A new acellular vaccine for whooping cough is safe as well as effective.

The biomedical research supported by NIH makes vital contributions to the Nation's health, improving the quality of life, advancing science, and creating economic growth. Advances derived from NIH research save an estimated $69 billion in medical care costs each year. Because of the discoveries made by biomedical researchers over the years, we live longer, healthier, and more active lives. Today, an American's life expectancy is 75.5 years, an increase of almost 5 years since 1970.

If this progress is to continue, it is imperative that the NIH budget be preserved. Stable NIH funding is required to maintain laboratories performing cutting edge research. Even a short hiatus in funding results in loss of established research programs that can not be readily recovered.

I urge my colleagues to support this amendment.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOMENICI. Mr. President, I ask unanimous consent that, at the conclusion of the debate on the Hatfield amendment, the Senate begin voting in the following sequence: on the Harkin amendment, on the Feingold amendment, on or in relation to the Bumpers amendment, on or in relation to the Dodd substitute, on or in relation to the Snowe amendment, and on the Hatfield amendment. I further ask unanimous consent that the first vote in this sequence be 20 minutes and thereafter the remaining ones, back to back, be 10 minutes each.

The PRESIDING OFFICER. Do I hear objection?

Mr. LEAHY. Reserving the right to object, and I shall not, I missed, Mr. President, what the distinguished manager said. Did he say when these votes would begin?

Mr. DOMENICI. Well, they will begin when Senator HATFIELD's time has run out.

Mr. LEAHY. I thank the Senator. I have no objection.

Mr. EXON. Reserving the right to object, and I do not intend to object, I would just say, for purposes of clarification, two things. With regard to the Snowe amendment, could we insert in the language ''the Snowe amendment, as amended, if amended''?

Mr. DOMENICI. I have no objection.

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

Mr. EXON. One further question. Could we get agreement at this time to move things along. As the Senator from Nebraska has continually warned, we are running out of time. Could we get an agreement, as a part of this unanimous-consent agreement, to have the votes on the series of amendments that have been outlined by the chairman of the committee to start, I am suggesting, maybe at 10 minutes after 10 or something of that nature?

Mr. DOMENICI. I think Senator HATFIELD has 17 minutes.

Mr. HATFIELD. I have 17 minutes and other Senators are asking to be heard. I would agree, say, to a quarter after 10, provided this time is not charged against my allotment.

The PRESIDING OFFICER. The time remaining to the Senator from Oregon is 14 minutes 56 seconds.

Mr. HATFIELD. Does that include this period of colloquy?

The PRESIDING OFFICER. That time has come out of the time of the Senator from New Mexico, who requested the time.

Mr. DOMENICI. So, Mr. President, for the understanding of everyone, Senator HATFIELD has 15 minutes, and I will yield back the remainder of the time on the amendment so we will have more time for other amendments, and we will proceed in this order.

Mr. EXON. So the vote will be in the area of 10:15?

Mr. DOMENICI. That is about right.

Mr. LEAHY. Reserving the right to object, will the distinguished manager be willing to amend that to the following: that after the series of votes, the Senator from Vermont be recognized for not to exceed 4 minutes to speak on two resolutions which will be voted on.

Mr. EXON. Mr. President, it seems to me that the Senator from Vermont, with all due respect, is trying to step ahead of several other Senators whom we have made commitments to. I would ask the Senator to withdraw that request.

Mr. LEAHY. I was not aware of the commitments.

I withdraw the request.

The PRESIDING OFFICER. Is there objection? Hearing none, so ordered.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. HATFIELD. I yield 3 minutes to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I rise in strong support as a cosponsor of the Hatfield amendment. I also want to commend the Senator from Florida for his very eloquent statement on why the NIH is so important to this Nation, and I do not have too much to add to that.

But I will point out that this is a perfect example of what can happen if we are not careful as we go forward with the debate on the budget and agree to cut things without recognizing that, in many cases, those things that we seek to cut to try to reduce the deficit, in effect, will add to the deficit. That is certainly true when it comes to medical research.

Time and time again, we have been able to make breakthroughs through the research by the NIH. Those breakthroughs have resulted in considerable, if not substantial, and gigantic savings in the cost of health care.

We all know that as we move forward, the most essential area that we have to control costs in is the health care area. So I would say that the NIH is clearly an entity that must be maintained because this is one area where they have a role and a role that must be maintained to not only do the research that they do at the NIH but, in addition to that, to take care of the research that is done in the hospitals, the training schools and the training universities, so that our whole area of health care can improve as we move along.

This creates many jobs through the biomedical research and technology transfers and all this adds, again, revenues to our deficit.

The resulting knowledge is essential from these entities for established industries such as DNA and other areas of research.

In other areas, we have saved already billions of dollars with respect to psychoactive drugs that save over $70 billion a year in hospitalization of mental patients. Vaccines and fluoridation save countless health care dollars and, again, help reduce the deficit.

The recent discovery of bacterial causes of peptic ulcers will save millions in chronic care costs. As I said over and over again, the same is true in education generally, not just medical education; that if we cut those things which are resulting in savings, then our job to solve the deficit problem will get worse and worse instead of better.

So I commend the Senator from Oregon for this amendment and support it with enthusiasm. If I have any time remaining, I yield it back.

Mr. HATFIELD. Mr. President, I thank the Senator for his comments. I yield 2 minutes to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 2 minutes.

Mr. GREGG. Mr. President, I wish to join with many of my colleagues today who support the amendment of the Senator from Oregon. In the process of developing a budget, we have to set priorities and, in this instance, I think the Senator from Oregon has rightly pointed out the initial budget resolution had some priorities that should be adjusted, and he has certainly pointed out the strengths and importance of NIH and what it contributes to the fabric of America's society and it should be supported. I strongly commend him for that. Therefore, I will vote for this amendment.

NIH is a unique institution. It is a collection of some of the most talented and brilliant individuals from around the world, but especially from the United States, who are working together to push the envelope of improving the health of not only the American people but the world in general.

It is an institution which is also fairly delicate. That type of talent and ability needs to be nurtured and needs to be supported, and it can be affected rather considerably by changes in its funding structure or in its general structure.

Therefore, I want to commend and support what the Senator from Oregon has decided to do with this amendment, which is to assure that NIH remains a strong and vibrant institution as we move into the future, and that their commitment to improving the lives of all Americans will not in any way be undermined by this budget resolution.

So I support and look forward to voting for the amendment offered by the Senator from Oregon.

I yield back the remainder of my time to the Senator from Oregon.

The PRESIDING OFFICER (Mr. JEFFORDS). Who yields time?

Mr. HATFIELD. Mr. President, I have a number of comments I wish to close with, but if there are questions pending, I would like to respond.

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

Mr. HATFIELD. I will be very happy to yield.

Mr. BYRD. There is some confusion as to where the offsets are coming from. Will the Senator please state where he is getting these offsets for his increase in the NIH funding?

Mr. HATFIELD. Mr. President, the offsets are coming from nondefense discretionary funds and accounts. I have pages of tables here on each precise account that would indicate where they are coming from. We have excluded within that Medicare, and the health services, but they are then from all other remaining of the nondefense discretionary accounts.

Mr. BYRD. Well, I am a strong supporter of adequate funding of NIH research programs, but we are already suffering terrible blows to nonmilitary discretionary programs. I would like to have seen the Senator's amendment take the funds out of military discretionary programs and foreign aid.

I would like to know just what other programs are being cut. The distinguished Senator has stated that certain programs are not being cut. But what does this leave by way of nonmilitary discretionary programs that are going to suffer additional cuts over and above those that are already involved in the resolution?

Mr. HATFIELD. Mr. President, I will respond by saying I wholeheartedly agree. In fact, at the beginning of my time allocation today, I sent to the desk a proposal that would take these funds, offset these funds from everything in the discretionary area, including military.

Having shopped that proposal around the Senate, I calculated we would have had about 20 votes. So we would have ended up with the dismantling, what I call this proposal, which is a prelude to disaster, of the medical research infrastructure we have developed in this country, the greatest in the world.

By taking a second-degree or withdrawing the first and offering the second proposal, which was to exclude the military, by that action, we have salvaged, at the expense of a fewer other agencies than my first proposal, but we at least have salvaged the future of NIH.

It is a matter of robbing Peter to pay Paul, I suppose would be the most succinct way to do it. Not my preference, but with the political reality I face on this floor, it was the only way I could find to salvage and save NIH.

Mr. BYRD. In other words, if I may pursue the subject a bit further, it would mean additional cuts in VA programs?

Mr. HATFIELD. Yes.

Mr. BYRD. It would mean additional cuts in education programs?

Mr. HATFIELD. Yes.

Mr. BYRD. It would mean additional cuts in various other health programs?

Mr. HATFIELD. Yes, various others. Nondefense discretionary funds, with the exclusion of the health programs and Medicare.

Mr. BYRD. It would mean additional cuts in law enforcement?

Mr. HATFIELD. Yes.

Mr. BYRD. Mr. President, I thank the distinguished Senator. I applaud his objective. I want to support the amendment, but at the same time, I find it hard to continue to cut more and more and more from these other nonmilitary discretionary programs.

I suppose we are faced with the choice now of either voting for or against the amendment. I am sorry that other nonmilitary programs are to be cut.

We apparently do not have the votes in here to cut military funding. As an example, the B–2 bomber costs somewhere between $740 million and $1.2 billion per copy—and I believe that we have already committed ourselves to a contract for 20 additional B–2 bombers to be completed by the year 2000. There are many other military programs of like manner that I could cite, but I will not do it at this time. I thank the distinguished Senator for allotting me this opportunity to ask a question.

Mr. HATFIELD. Mr. President, I share the agony. Believe me, one might think that we have cause to celebrate a victory if this amendment passes—which I expect it to do, and to survive conference, which I hope it could do—but I do not believe that it does call for a joint celebration because we have achieved one goal at a pretty heavy cost to an awful lot of other programs that I have deep interest in, as well. It is like choosing between your children. It is very difficult.

Mr. President, if I could have the attention of the chairman of the Senate Budget Committee, I would like to ask a question for the RECORD. In the report of the Budget Committee accompanying this resolution, where there were exemptions listed within the report language, if this amendment is adopted, do I understand clearly that that will then, in effect, eradicate, eliminate, excise those conditions within the report language of exemptions?

Mr. DOMENICI. The Senator is absolutely correct.

Mr. HATFIELD. Thank you.

Mr. President, in closing, I thank my colleagues who joined in this effort. I say that it is, I believe, a step in the right direction. But, at the same time, I want to take a moment, once again, to commend the chairman of the Budget Committee, Senator DOMENICI from New Mexico. I would not trade with him for all the tea in China. I think Senator DOMENICI has probably one of the toughest jobs in the Senate. No matter what he does and his colleagues on that committee, it is a no-win situation. It is a very, very difficult task. I think they have carried their duties with not only great skill, great dignity and, above all, with remarkable patience. I have been in the strategy meetings, and everybody is gigging, and I am happy that everybody is taking it out on good old PETE. I want to come to his defense—not that he needs my defense—but I admire him as chairman of the committee. I admire what he does and his dedication and spirit. And I deeply admire him as one of my closest personal friends.

Mr. DOMENICI. Mr. President, I think the Senator has 1 minute. If he does not mind, I will use it. I personally thank Senator HATFIELD for his comments. I think it is obvious to everyone that you do not have a budget resolution like the one pending on the floor without a lot of cooperation. On our side, let me say that the chairman of the Appropriations Committee clearly could have made this more difficult, and he chose to go with us on a balanced budget. He has been a strong advocate on it. We are not going in a direction he might choose, but I think he indicated to me that he is so concerned about our deficit spending that he compliments us on what we are doing.

Let me also say there is no doubt in my mind that the funding for the NIH that the distinguished Senator from Oregon seeks could be accommodated in the budget resolution by the appropriators, by allocating differently and leaving more for the NIH. I think the Senator has decided he wants the Senate to speak on the issue. I gather that is the purpose of the vote.

I yield the floor.

Mr. HATFIELD. 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 PRESIDING OFFICER. Does the Senator from Oregon yield the remainder of his time?

Mr. HATFIELD. Yes.

Mr. DOMENICI. I yield any time I may have had remaining, Mr. President.

AMENDMENT NO. 1130

Mr. BRADLEY. Mr. President, I rise in support of the Bumpers-Bradley amendment to strike language that would allow us to count the sale of public assets—parks, powerplants, buildings, even oil in national storage facilities—as deficit reduction.

This bill language will open the floodgates for proposals to unload valuable Federal assets in return for the fast buck. Many of these proposals, in fact, will lead to reduced revenues in the future, and higher deficits. Only by a reliance on today's political myopia—a simpleminded scoring of sales revenue within the limited budget window—will many of these proposals withstand the straight face test. Only by railroading these proposals through the Senate, under the very restrictive and controlled conditions of budget reconciliation, would many of these proposals ever have a chance of becoming law.

I have not seen the Budget Committee's latest scoring of these asset sales receipts. But I note for colleagues' benefit that the analysis that I have shows an interesting point. In the short term, the committee's proposals produce deficit reduction. In the longer term, however, and certainly by the year 2002, these savings disappear. In fact, selling these assets appears to reduce future revenues sufficiently that the actual effect by the year 2002 is that the deficit increases. Asset sales are short-term and short-sighted.

It would be helpful to review why we produce these budget resolutions in the first place. The reason is not to balance the budget. If it was, I'm sure we could create some appropriate fiction which showed budgetary balance by definition.

But that's not what we were supposed to be doing here. We're supposed to be systematic. We're supposed to be honest. We're supposed to be consistent. We're supposed to address the substantive, structural issues which keep the Federal Government spending—year in, year out—more money than it takes in.

So what do we have here, buried deep in this bill? We have a trick, a gimmick. We cut spending, by redefining what a cut is. Now, for the first time since we gave this budget process teeth—with the passage of Gramm-Rudman—we can sell off national property—national assets—and include the proceeds as deficit reduction.

Mr. President, because of these cynically clever changes, we can now propose—for example—to sell nearly a billion dollars' worth of oil from the strategic petroleum, and chalk that up to deficit reduction.

Notwithstanding the fact that both Democratic and Republican administrations have endorsed expanding the SPR, notwithstanding the fact that hardly a week goes by without some oil State Senator coming to the floor to talk about rising oil imports and the threats to national security, notwithstanding the fact that at any time we could liquidate this oil inventory for cash, how can we seriously allege that this particular sale has anything to do with positive public policy, with putting our fiscal house in order, with creating a better future for our children?

Why stop at a billion dollars of SPR oil? Sell it all. And credit the $10 billion raised to balancing the budget or protecting our children's future.

This asset sale language will lead to all sorts of questionable proposals. It may make sense to sell the assets of the Tennessee Valley Authority, or Bonneville Power, or the hydrodams in

the West, or some small park in Louisiana or Texas or Virginia. But these arguments need to have a broader basis than the most simpleminded budget concerns.

In fact, I doubt that any business accountant or economist would agree with the underlying budgetary premise—that liquidating public assets adds to public wealth. If I sell my stock portfolio and put the returns in my checking account, do I become wealthier? Have I protected my children? It may make sense to make sell my stocks, but the transaction itself produces no wealth—except for my broker.

Consider the Arctic National Wildlife Refuge. We can lease the refuge to oil developers and sell any oil that might be underground to them. We will get some money. The companies will get the rights to oil. If they find oil, probably it will be shipped to the Pacific rim and burned completely. Have we done a lot for our kids? You must be joking.

At best, we can claim for our children a neutral financial transaction. But what about the larger issues? If we go ahead with the development of ANWR, we damage probably irrevocably a unique, world-class ecosystem. We consume utterly a non-renewable resource. We get some cash.

If we forgo the drilling of ANWR, we preserve intact this ecosystem. We preserve intact any oil underground and the possibility of future development. We do not get the cash.

I, frankly, reject any claim that our children will thank us for using up this oil and running oil rigs and oil pipelines across the Arctic Plain.

Mr. President, what the American public expects, and what our children expect, is for us to get our fiscal house in order. Our children are not asking us to sell off their collective inheritance. Our children are not asking us to look narrowly at some budget window and forget that many of these assets produce public value—and I do not just mean financial value—beyond the window.

When one Member from the other side of the aisle, Senator CRAIG, considered this issue as a House Member, he said ''asset sales are in fact blue smoke and mirrors at best. If they are to happen, they should be set off budget.'' Exactly right.

Mr. BAUCUS. I rise today in support of the amendment offered by my colleague, Senator BUMPERS, to strike a provision of the budget resolution that would allow scoring of revenues from the sale of Federal assets. Make no mistake, I believe in reducing the Federal deficit. But this is simply the wrong way to do it.

The current rule prohibiting the scoring of Federal asset sales, first adopted as part of the 1987 Gramm-Rudman-Hollings Act, has been incorporated into recent budget resolutions. When it was first adopted, Senator Chiles, then chairman of the Senate Budget Committee, made it clear that the rule was intended to prevent the use of asset sales from being used to jimmy the figures, in other words to give the appearance of deficit reduction without really reducing spending.

The same principle applies here today. By changing the current rule prohibiting the scoring of Federal asset sales, the budget resolution would allow individual Committees to reach their deficit reduction targets by selling off Federal properties. This is a short-sighted strategy that sacrifices our children's heritage for an immediate infusion of cash; we should not use their inheritance to pay our debts.

There are two examples where I think this strategy is particularly misguided. The first is the sale of power marketing agencies that year after year provide affordable electricity to people in rural communities across this country. The second is the leasing for oil and gas development of one of this Nation's most magnificent wildlife refuges, the Arctic National Wildlife Refuge in Alaska.

POWER MARKETING AGENCIES

I've spoken many times before opposing the sale of power marketing agencies as a silly and shortsighted idea. It's nonsense. We should be selling off our infrastructure. We would be opening the door to monopolies. And that spells higher utility bills for ratepayers in Montana and other States across the Nation. In other words, it's nothing but a heavy-handed, punitive tax on the middle class.

ARCTIC NATIONAL WILDLIFE REFUGE

The budget resolution also proposes to lease the Arctic National Wildlife Refuge, which is in the northeast corner of Alaska. The refuge supports a spectacular diversity of wildlife, including polar bears, grizzly bears, wolves, and snow geese. In addition, more than 150,000 caribou migrate through the refuge, bearing their young on the coastal plain. The caribou are an important source of food for the native people who live near the refuge and continue, as their ancestors have for generations, to depend on the land to sustain their way of life. In 1987, the United States and Canada signed an International Agreement for the Conservation of the Porcupine Caribou Herd.

Under the Alaska National Interest Lands Conservation Act, which Congress passed in 1980, oil and gas development is prohibited in the 19 million acre refuge unless authorized by Congress. Because the 1.5 million acre coastal plain is such an important and unique are for wildlife, I believe it should be permanently protected. I have cosponsored a bill (S. 428) to designate that area as wilderness.

However, regardless of whether you agree with me that this area should be permanently protected or, as the Budget Committee proposes, it should be opened for drilling, I believe this issue is too significant and too complex to be resolved during the budget process. The budget process focuses on the short-term economic gains to be obtained by drilling. It is not suited to considering what benefits and values will be lost for future generations of Americans by developing this pristine wildlife refuge. The budget resolution and the subsequent reconciliation bill are two of the very few bills where Senate rules limit debate and amendments. In my opinion, this path does not provide an adequate opportunity to evaluate alternatives, to question the assumptions on which those projected economic gains are based, or to fully consider the potential impacts of drilling on the fragile arctic environment.

These decisions could result in higher utility bills for middle-class Americans across the country and significantly impact one of our most precious national wildlife refuges. To ensure that these issues receive the full consideration and debate they deserve, I urge my colleagues to reject the proposed rule change that would allow the scoring of federal asset sales and to vote for the Bumpers amendment.

VOTE ON AMENDMENT NO. 1126

The PRESIDING OFFICER. All time has been yielded back.

According to the previous order, the vote will now occur on amendment No. 1126 offered by the Senators from Iowa and Arkansas.

Mr. EXON. Mr. President, I request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1126.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Missouri [Mr. BOND] is necessarily absent.

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

The result was announced—yeas 28, nays 71, as follows:

[Rollcall Vote No. 181 Leg.]

YEAS—28

Akaka	Jeffords	Murray
Boxer	Kennedy	Pell
Bradley	Kerrey	Pryor
Bumpers	Kerry	Reid
Byrd	Kohl	Rockefeller
Daschle	Lautenberg	Sarbanes
Dorgan	Leahy	Simon
Feingold	Levin	Wellstone
Harkin	Moseley-Braun	
Hatfield	Moynihan	

NAYS—71

Abraham	Cohen	Glenn
Ashcroft	Conrad	Gorton
Baucus	Coverdell	Graham
Bennett	Craig	Gramm
Biden	D'Amato	Grams
Bingaman	DeWine	Grassley
Breaux	Dodd	Gregg
Brown	Dole	Hatch
Bryan	Domenici	Heflin
Burns	Exon	Helms
Campbell	Faircloth	Hollings
Chafee	Feinstein	Hutchison
Coats	Ford	Inhofe
Cochran	Frist	Inouye

Johnston
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Murkowski
Nickles
Nunn
Packwood
Pressler
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Bond

So the amendment (No. 1126) was rejected.

Mr. EXON. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. EXON. Mr. President, I ask for the yeas and nays on two amendments that have been previously ordered to be voted on. I ask for the yeas and nays on the Feingold amendment and the yeas and nays on the Dodd substitute.

The PRESIDING OFFICER. Is there a sufficient second?

Is there objection to ordering the yeas and nays en bloc?

Mr. DOMENICI. Mr. President, there is no motion en bloc, is there?

The PRESIDING OFFICER. There is a sufficient second. Hearing no objection, the yeas and nays are ordered.

The yeas and nays were ordered.

VOTE ON AMENDMENT NO. 1127

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1127.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Missouri [Mr. BOND] is necessarily absent.

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

The result was announced—yeas 44, nays 55, as follows:

[Rollcall Vote No. 182 Leg.]

YEAS—44

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

NAYS—55

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

NOT VOTING—1

Bond

So the amendment (No. 1127) was rejected.

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

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

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 1130

The PRESIDING OFFICER. The question now is on agreeing to amendment No. 1130 of Senator BUMPERS.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The majority manager of the bill.

Mr. DOMENICI. Mr. President, I move to table the Bumpers amendment and 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 PRESIDING OFFICER. The question is on agreeing to the motion to table the Bumpers amendment, No. 1130. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Missouri [Mr. BOND] is necessarily absent.

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

The result was announced—yeas 52, nays 47, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—52

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

NAYS—47

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

NOT VOTING—1

Bond

So the motion to table the amendment (No. 1130) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

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

VOTE ON AMENDMENT NO. 1131

The PRESIDING OFFICER. The question occurs with respect to amendment No. 1131 offered by the Senator from Connecticut [Mr. DODD] to amendment No. 1128, offered by the Senator from Maine [Ms. SNOWE].

Mr. DOMENICI. Mr. President, I move to lay that amendment on the table, and 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 PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 1131. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Missouri [Mr. BOND] is necessarily absent.

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

The result was announced—yeas 51, nays 48, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—51

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

NAYS—48

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

NOT VOTING—1

Bond

So the motion to lay on the table the amendment (No. 1131) was agreed to.

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

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

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 1128

The PRESIDING OFFICER. The question now occurs on Amendment No. 1128 offered by the Senator from Maine [Ms. SNOWE].

The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Missouri [Mr. BOND] is necessarily absent.

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

The result was announced—yeas 39, nays 60, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—39

Abraham	Harkin	Murkowski
Akaka	Hatch	Pressler
Biden	Helms	Rockefeller
Bingaman	Hollings	Roth
Bradley	Kassebaum	Santorum
Brown	Kempthorne	Simon
Campbell	Kennedy	Simpson
Chafee	Kyl	Snowe
Cohen	Levin	Specter
Feingold	Lott	Stevens
Frist	Lugar	Thomas
Grams	McCain	Thurmond
Grassley	Moseley-Braun	Wellstone

NAYS—60

Ashcroft	Dorgan	Lautenberg
Baucus	Exon	Leahy
Bennett	Faircloth	Lieberman
Boxer	Feinstein	Mack
Breaux	Ford	McConnell
Bryan	Glenn	Mikulski
Bumpers	Gorton	Moynihan
Burns	Graham	Murray
Byrd	Gramm	Nickles
Coats	Gregg	Nunn
Cochran	Hatfield	Packwood
Conrad	Heflin	Pell
Coverdell	Hutchison	Pryor
Craig	Inhofe	Reid
D'Amato	Inouye	Robb
Daschle	Jeffords	Sarbanes
DeWine	Johnston	Shelby
Dodd	Kerrey	Smith
Dole	Kerry	Thompson
Domenici	Kohl	Warner

NOT VOTING—1

Bond

So the amendment (No. 1128) was rejected.

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

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

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

VOTE ON AMENDMENT NO. 1133

The PRESIDING OFFICER. The question now occurs on amendment numbered 1133, offered by the Senator from Oregon [Mr. HATFIELD].

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Missouri [Mr. BOND] is necessarily absent.

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

The result was announced—yeas 85, nays 14, as follows:

[Rollcall Vote No. 186 Leg.]

YEAS—85

Abraham	Baucus	Biden
Akaka	Bennett	Bingaman
Boxer	Gramm	Moseley-Braun
Bradley	Grams	Moynihan
Breaux	Grassley	Murkowski
Brown	Gregg	Murray
Bryan	Harkin	Nickles
Bumpers	Hatch	Nunn
Burns	Hatfield	Packwood
Campbell	Heflin	Pell
Chafee	Helms	Pressler
Cohen	Hollings	Pryor
Conrad	Hutchison	Reid
Coverdell	Inhofe	Robb
D'Amato	Inouye	Roth
Daschle	Jeffords	Santorum
DeWine	Kassebaum	Sarbanes
Dodd	Kennedy	Shelby
Dole	Kerrey	Simon
Domenici	Kerry	Simpson
Dorgan	Kohl	Snowe
Exon	Lautenberg	Specter
Faircloth	Leahy	Stevens
Feingold	Levin	Thomas
Feinstein	Lieberman	Thurmond
Ford	Lugar	Warner
Frist	Mack	Wellstone
Glenn	McConnell	
Graham	Mikulski	

NAYS—14

Ashcroft	Gorton	McCain
Byrd	Johnston	Rockefeller
Coats	Kempthorne	Smith
Cochran	Kyl	Thompson
Craig	Lott	

NOT VOTING—1

Bond

So the amendment (No. 1133) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, I believe now we would proceed under the previously agreed to order. I yield such time as she may need to the Senator from the State of California.

The PRESIDING OFFICER. The Senator from California [Mrs. BOXER].

Mr. DOMENICI. Mr. President, will the Senator yield on my time?

Mrs. BOXER. Of course. I am happy to yield.

Mr. DOMENICI. How much time remains on the bill?

The PRESIDING OFFICER. One hour forty-nine minutes.

Mr. DOMENICI. It is divided about equally?

Mr. EXON. I believe the time rests with the minority.

Is that correct?

The PRESIDING OFFICER. The time controlled by the Senator from Nebraska is 1 hour and 49 minutes.

Mr. DOMENICI. Mr. President, I want to remind Senators that when that 1 hour and 49 minutes is up—and, obviously, if the Senator uses the full hour—we will use a full hour on our side on the amendment. Then there will not be any time left.

It would seem to me that we ought to try to expedite things and find out how many amendments are real. I will try to do that in the next 10 minutes; find out exactly how many amendments we must have on our side. I hope we will try because I think Senators must know. Last year, on the budget resolution, there were 20 or 35 amendments, and the way the majority leader then did it was the clerk read one sentence explaining it and we voted.

Mrs. BOXER. Mr. President, I think I can enlighten my friend. It is this Senator's intention to use only about 5 or 6 minutes, then to yield back my time on this amendment to my ranking member, Senator EXON, and then he will yield to other Senators to explain their amendments. That is the plan.

Mr. DOMENICI. That is fine. I just want Senators to know that even if the Senator yields her time I do not have to yield my time. I would like to get some understanding of how we are going to use the time because I will use an hour in opposition. On the other hand, we might be able to work out something, if the Senator would like.

Mr. EXON. I appreciate the attitude expressed by the chairman of the Budget Committee. I appreciate the remarks and the agreement made by the Senator from California.

What we are trying to do is give Senators on this side 2 or 3 minutes to explain amendments that will later be offered, and trying to use the time in that fashion. Hopefully we can cooperate.

Mr. DOMENICI. I wonder if the Senator might permit me. I will depend on the Senator from Nebraska totally. When she yields, if the Senator from Nebraska would use 10 minutes or so while I am off the floor, then I will come back.

Mr. EXON. I will be able to use that, or as much time that the Senator from New Mexico cares to be gone.

Mr. DOMENICI. I thank the Senator very much. I would like to use mine in opposition.

AMENDMENT NO. 1134

(Purpose: To strengthen the sense of the Congress that 90 percent of the benefits of any tax cuts must go to the middle class)

Mrs. BOXER. 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 California [Mrs. BOXER] proposes an amendment numbered 1134.

Mrs. BOXER. 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 89, strike line 1 through 17 and insert the following:

SEC. 306. PROHIBITION OF LEGISLATION THAT WOULD INCLUDE A TAX CUT UNLESS 90 PERCENT OF THE BENEFITS GO TO THE MIDDLE CLASS.

(a) FINDING.—The Congress finds that—

(1) the incomes of middle-class families have stagnated since the early 1980's, with family incomes growing more slowly between 1979 and 1989 than in any other business cycle since World War II; and

(2) according to the Department of the Treasury, in 1996, approximately 90 percent of American families will have incomes less than $100,000.

(b) POINT OF ORDER.—It shall not be in order in the Senate to consider any bill, resolution, amendment, motion, or conference

report that contains a reduction in revenues unless at least 90 percent of the benefits of that reduction goes to working families with annual incomes less than $100,000.

(c) APPEALS.—Appeals in the Senate from decisions of the Chair relating to this section shall be limited to 1 hour, to be equally divided between and controlled by, the appellant and the manager of the bill or resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(d) CONGRESSIONAL BUDGET OFFICE REPORTS.—Whenever the Director of the Congressional Budget Office shall prepare a report pursuant to section 308 of the Congressional Budget Act of 1974 in connection with a bill, resolution, or conference report that contains a reduction in revenues, the Director shall so state in that report, and, to the extent practicable, shall include an estimate of the amount of the reduction in revenues and the percent of the benefits of that reduction in revenue that will go to working families with annual incomes less than $100,000.

(e) ESTIMATES.—Solely for the purposes of enforcement of this section on the Senate floor, the percentage of benefits of a reduction in revenues going to working families with annual incomes less than $100,000 shall be determined on the basis of estimates made by the Congressional Budget Office.

(f) SUNSET.—This section shall expire at the close of the 104th Congress.

Mrs. BOXER. Mr. President, I ask unanimous consent that I be able to speak for 6 minutes.

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

Mrs. BOXER. Mr. President, we are asking the question again with this Boxer amendment: ''Whose side are you on?'' And with many amendments that have come before this body which have all been revenue neutral which have not added 1 cent to the deficit, we have asked this question: ''Whose side are you on?''

I think that this Boxer amendment gives all of us a chance to answer that question one more time.

The amendment says that the only tax cuts that will be in order in this Congress will be tax cuts where 90 percent of the benefits go to those earning under $100,000 per year. Any other tax cut plan will be subjected to a 60-vote point of order.

So this is our opportunity to really take a stand with the middle class, not just in words but in actual votes.

Why is this amendment necessary? Simply because the Republican contract calls for tax cuts for the very wealthy, the very top 1, 2 percent of the people, and I would like to point this out, courtesy of Senator LAUTENBERG. We have some facts here.

The winners in the Republican budget clearly are wealthy. Nothing that has happened on this floor has changed it. Indeed, the amendments that we had, which would have helped this balance tilt back toward the middle class, have gone down in flames because of party-line votes.

So clearly the winners are the rich, $350,000 a year, and this Republican budget will give them a $20,000 tax break. That is what is hidden in the so-called reserve for tax cuts. That is what the House has already voted on.

We know that corporate subsidies are protected and tax loopholes are saved. As a matter of fact, when we tried even to end the one that goes to the billionaire Benedict Arnolds who leave the country to avoid taxes, we could not even get that one through.

I think another chart by the Democratic leader shown to us in this debate tells the story. Working families pay for GOP tax cuts for wealthy. Here is the family. Seniors pay $6,400 more due to the changes in Medicare. Working families pay $1,400 more because of the changes in the earned-income tax credit. Students pay $3,000 more over the lifetime of the loans because of the change in the cuts in student loans.

So that is who is paying for the tax cuts for the wealthy. Who? Those over $350,000 will get a $20,000 tax cut. That is in the contract, and that has been voted by the Republican House.

Now, will there be tax cuts? We hear the chairman of the Budget Committee saying there are not going to be tax cuts. ''I do not have them in there. It is going to be awhile.''

I say to my friends that there are going to be tax cuts. Look at what the majority leader says, Senator DOLE. ''We are going to have tax cuts.'' It does not say ''maybe.'' It says, ''We are going to have tax cuts.'' He said it on May 9. He said it on March 11. ''I am certain that Senate tax cuts will be as big in magnitude as the House,'' Senator DOLE.

Senator GRAMM:

> I don't think a budget without a tax cut can pass.

And we know that is true because Senator FEINGOLD just had an amendment that would have taken that little honeypot and put it toward deficit reduction, and it went down because Republicans voted against it.

So to UPI, Senator GRAMM said in March:

> Let me assure you that tax cuts are in order in the Republican Senate. I am for them. They are part of our Contract With America.

So that really shows you the facts. There is going to be a tax cut, and what this Senator from California is saying is, if there are going to be tax cuts, let us make sure they go to those earning under $100,000. I think it is very important.

Now, I want to say to my friends who are debating in their mind how they are going to vote that in the committee, every single Republican except one, Senator GRAMM, voted for the Boxer amendment that was a sense-of-the-Senate that said 90 percent of the tax cuts should go to those earning $100,000 or less.

I ask for 1 additional minute.

The PRESIDING OFFICER. The Senate will be in order.

Without objection, it is so ordered. The Senator has 1 additional minute.

Mrs. BOXER. Is that the remainder of my time?

The PRESIDING OFFICER. The Senator has used 5 minutes now. There were 6. She has two additional minutes.

Mrs. BOXER. I thank the Chair.

So every single Republican save one voted for the sense of the Senate. Now we are putting some teeth into that sense-of-the-Senate resolution. Now we are saying if the Republicans come up with a tax cut that benefits the rich, it will take 60 votes to allow that tax cut to move forward. This is a chance for my Republican friends to stand up and be counted for the middle class.

Now, in the course of this debate, Senator GREGG, Senator BROWN, and Senator DOMENICI referenced my sense-of-the-Senate resolution that passed and is part of the budget resolution. They said this Senate is on record; we believe that tax cuts should go to the middle class and the middle class only.

Well, now is where the rubber meets the road. They have a chance to cast their vote on the side of those earning $100,000 or less. They have a chance to say that those will be the only tax cuts that come before us.

I say to my colleagues, this is an opportunity to stand with the middle class, to stand with those hard-working Americans and to say to those who earn over $350,000, over $250,000: Listen, you are great Americans, but it is time for you to pay your fair share and it is time for others to get some of the breaks that you have received.

I think it is important to close with a quote from Kevin Phillips, a Republican, who said about this budget the following:

> Spending on Government programs for Medicare and education to home heating oil assistance is to be reduced in ways that hurt the poor and middle class, while simultaneously taxes are to be cut in ways that benefit the top 1 or 2 percent of Americans.

Kevin Phillips closes his remarks, and he says about this budget, with these tax cuts in it:

> It deserves to be rejected with outrage.

Those are his words, a Republican who has looked at this budget. I think that the Boxer amendment that clearly points out that a point of order will lie against any tax cut that does not benefit the middle class is one which we should all agree to and vote for in a bipartisan way. I thank the Chair.

I yield my time back to the Senator from Nebraska.

Mr. JOHNSTON. Mr. President, will the Senator yield to me?

Mrs. BOXER. I have yielded my time back to the Senator from Nebraska.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Nebraska.

Mr. EXON. We are now going to go forward in an orderly fashion. I yield 2 minutes to the Senator from Louisiana. Following the Senator from Louisiana, I had committed to yield 1 minute to the Senator from Maryland, 2 minutes to the other Senator from Maryland, 2 minutes to the Senator from New Mexico, 4 minutes to the Senator from Massachusetts, 2 minutes

to the Senator from Nevada, and then we will go to a main amendment of the Senator from North Dakota.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. JOHNSTON. Mr. President, the Johnston amendment takes the $170 billion fund which is reserved exclusively for tax cuts and permits such part of that as the Senate wishes to allocate to reduce the cuts in Medicare.

Under the Domenici proposal now before the Senate, there is $257 billion cut from Medicare in the amounts shown in each of these years. What I would do is authorize that the $170 billion be restored in the manner shown here so that net cuts in Medicare would amount to only one-third of those proposed by Senator DOMENICI. There would be no cuts at all in the first 2 years and a minimal cut in the third year, and overall there would be less than a third the cuts which are presently proposed.

Mr. President, this amendment places in stark contrast the fact that Medicare cuts are not required in order to balance the budget. At least two-thirds of those cuts are not required to balance the budget. Two-thirds of the Medicare cuts proposed by Senator DOMENICI and now backed by the Senate are required to lower taxes, and to lower taxes on the wealthy, not required to balance the budget.

Mr. President, this does not require that we spend the money to reduce Medicare cuts, but it authorizes that. And I will tell my colleagues that we have not the foggiest notion how we are going to achieve those Medicare cuts. We have not been told. We are told there might be a commission appointed. What I am saying is the Senate ought to have the freedom to decide whether or not, after this budget resolution passes, and after we make that $170 billion in savings, we ought to have the freedom to spend that $170 billion to reduce the impact of Medicare cuts on our senior citizens.

All the public opinion polls say 80 percent of the people of this country are opposed to these deep Medicare cuts. Now, why does the Senate want to lock itself into reducing Medicare by that much when all we have to do is give ourselves the freedom to take the tax cut for the wealthy and spend it to reduce the Medicare cuts?

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

The Senator from Maryland is recognized for 2 minutes.

RETIREMENT BENEFITS OF FEDERAL EMPLOYEES

Mr. SARBANES. Mr. President, the amendment which I will be sending to the desk at the proper time on behalf of myself, Senator MIKULSKI, Senator WARNER, Senator ROBB, and Senator BINGAMAN goes directly at a provision that is in the budget resolution which is going to change the calculation of retirement benefits for Federal employees from the employee's highest 3-year average to the highest 5-year average.

This I think is a breach of the contract with the Federal employees. I think it is clearly unfair to them. The amendment honoring our contract with Federal employees is paid for by closing the billionaires' tax loophole that allows very wealthy people to escape paying taxes by renouncing their American citizenship.

Mr. President, I regret that Federal employees are constantly being used as whipping boys in the course of these budget deliberations. Behind the phrase Federal worker are individual men and women who every day go in and try to do a dedicated job and render a service to the American people. They perform critical and important functions each and every day with a great deal of dedication and a great deal of devotion, and in my judgment they are entitled to be treated with dignity and respect.

Federal employees have already in the various deficit reduction programs made very significant sacrifices. We are talking about men and women who have worked hard in service to their country. They have earned their benefits, and the rules ought not to be changed on them as they are approaching retirement.

The existing provision, the 3-year provision, has been in effect for more than a quarter of a century. People have calculated their retirement and their ability to meet their financial obligations based on the current system, and we ought not to come along at the very end and change the rules on them, by shifting the basis on which their retirement is being calculated.

The truth is that Federal workers give dedicated service to their country and have earned their benefits. They made a choice to serve their country with an understanding of what that service entailed and what they could expect in return. To change the rules breaches the contract with these employees. This is an issue of fairness and I urge my colleagues to join me in support of this important amendment.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland [Ms. MIKULSKI], is recognized for 1 minute.

Ms. MIKULSKI. I thank the Chair.

Mr. President, I rise in strong support of the Sarbanes-Mikulski amendment which strikes the provision which cuts Federal employee retirement benefits. The proposed change in the budget resolution would reduce lifetime retirement benefits for Federal employees between 2 and 4 percent.

Now, that might not sound like that much, but for an average Federal worker, that could mean as much as a loss of $27,000 or more over a lifetime.

Mr. President, this is outrageous. We are changing the rules of the game on Federal employees in the middle of their career or near the end of their career. I have Federal employees in my State, 130,000 of them. They are the civilian work force that makes your Air Force One keep flying. They are the people at the National Institutes of Health that we just extolled the virtues of when we supported NIH.

We talked a great deal about a wonderful physician by the name of Dr. Rosenberg who has devoted his life to saving lives and curing cancer, and now this amendment will cut his Federal pension. It is both a reality and a metaphor for people who gave up careers that would have paid more in the private sector but wanted to serve their country and they thought they would have an adequate health insurance plan and a reasonable retirement plan.

So, Mr. President, I really ask the U.S. Senate to support the Sarbanes-Mikulski amendment to ensure that promises made are promises kept and that we can continue to attract the kind of quality work force for the Federal Government that we have had.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 15 minutes in opposition to the Boxer amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me suggest to my good friend if we would like to build a little bit of back and forth on this, I am more than willing. Otherwise, we will use the hour in opposition to the Boxer amendment. I would very much like to know where we are.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, if I could direct a question through you to the manager of the bill, to the chairman. The Senator was off the floor. There are a few of us here that have only a couple of minutes to explain what our amendments would be, and it would probably be that we will only have a couple minutes to maybe get these out of the way. Would that be possible?

Mr. DOMENICI. The way it is now, you have an hour, the rest of an hour, and I have an hour. I would like to be accommodating.

Mr. EXON. I simply say to my friend, we want to be accommodating, too. We know the situation we are in. I have three additional Senators which I had assigned time, of which Senator REID is one of them. There is 1 minute, 2 minutes, and 2 minutes. If we could accommodate those Senators who have been waiting—and I do not want to be unfair—for the next 5 minutes, at least we would take care of the first round of the attempts that this Senator is trying to make to accommodate a whole group of Senators on this side who want to speak.

Could we complete the first round, in line with the question from the Senator from Nevada?

Mr. DOMENICI. Mr. President, I yield the floor and reserve my 15 minutes until the Senator's wishes as expressed are completed. Then I will speak in opposition to the amendment.

The PRESIDING OFFICER. Who seeks recognition?

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 2 minutes.

CIVILIAN RESEARCH AND DEVELOPMENT

Mr. BINGAMAN. Mr. President, I wanted to speak just briefly on an amendment that I will be offering, along with Senators LIEBERMAN, ROCKEFELLER, BIDEN, HOLLINGS, BYRD, and KERRY from Massachusetts for a vote later on today.

The amendment attempts to restore some of the funds that are proposed to be eliminated in the civilian research and development accounts. This amendment is attempting to retain as much as we can of the U.S. science and technology enterprise which has brought such great results to our country and to the world.

This chart, I believe, sums it up very well. This shows what has happened to Federal civilian research and development as a percentage of gross domestic product from 1960 until the end of this century if we were to take the budget proposal that is now pending on the Senate floor. As you can see, under the proposed GOP budget, there will be an additional dramatic drop off in Federal support for civilian research and development. This includes the National Institutes of Health funding which we earlier had a vote on, but it also includes many other areas of funding that the Federal Government supports in the research and development area.

You can see the last year we had a balanced budget in this country, about 1968–1969, we were spending something in the range of 0.7 of our gross domestic product on civilian research and development. If this budget is adopted, we will be spending less than 0.3 percent, less than half of that. We will be spending substantially less as a country than our competitors in other parts of the world.

I believe our amendment is important. I know Senators LIEBERMAN and ROCKEFELLER intend to speak on it later, as well.

I have used my time and I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

RESTORING FUNDING TO NATIONAL PARKS

Mr. REID. Mr. President, our national parks are in a state of embarrassing disrepair. As an example, water systems in one of our busiest national park areas has been closed because of water not meeting minimal standards. In short, it is not safe to drink.

We will be closing visitor centers, closing roads and trails, closing public buildings, closing campgrounds; and law enforcement reductions will occur, to name but a few.

My amendment, which I will offer, will seek $1 billion from the proposed tax cuts and instead give the money to partially restore, renovate, and maintain our beautiful national heritage—that is our National Park System. And that will only partially do it, because there is a $2 billion backlog. I will apply the $1 billion toward this.

Mr. President, I rise today to propose an amendment to the 1996 Budget Reconciliation Act that over the next 7 years would restore $1 billion in funding to the National Park Service to alleviate its devastating maintenance backlog. These fund would be drawn from the $170 billion reserve fund. With my amendment the money can only be used for restoration, renovation, or maintenance of our national parks.

As Teddy Roosevelt, the man most responsible for the conservation movement involving our public lands once said and I quote, ''Surely our people do not understand even yet the rich heritage that is theirs. There can be nothing in the world more beautiful than the Yosemite, the groves of giant sequoias and redwoods, the canyon of Colorado, the canyon of Yellowstone, the tetons; and our people should see to it that they are preserved for their children and their children's children forever, with their majestic beauty all unmarred.'' These words spoken by Theodore Roosevelt in 1905 ring true today. But, the very government, this Congress, that has been given the responsibility to protect the crown jewels, better known as our national parks and recreation areas, is abdicating that trust.

That is why I have come to the floor today to highlight a matter of national concern. I am speaking of the outrageous and deplorable conditions of our national parks and recreation areas. The spending cuts proposed by this budget would reverse a longstanding trend of committed support by the citizens of this nation to the continued preservation and protection of its National Park System.

In today's environment of fiscal responsibility it is interesting that some in this body and the leadership in the House are calling for a tax cut for the wealthiest Americans. The tax breaks in the House-passed Contract With America tax bill will mostly benefit those families with incomes over $100,000, the top twelve percent of income distribution in this country. In essence these cuts are going to those who can afford to travel anywhere for vacation.

However, millions of less affluent Americans in 1994 traveled to one or more of our national parks for their vacations and in many instances found these facilities in some form of disrepair.

It defies common sense to think that Congress will approve a tax cut and then proceed to pass a budget that will decimate our national parks. In essence, funding for the National Park Service continues to be inadequate to meet public use needs. With this budget, the current maintenance backlog of over two billion dollars is simply going to grow and grow causing portions of the parks to become unavailable to the public.

Rehabilitation of park structures, roads, trails, and utility systems is critical to the health and safety of visitors as well as employees. With increased visitation to our national park system the proposed decrease in funding is going to limit the Park Service's ability to serve the public.

There are many examples of the terrible conditions that have befallen our national treasures. In my own State of Nevada, the Lake Mead National Recreation Area has an antiquated water treatment system. After State officials inspected the park's various water treatment facilities they notified the park service that because of surface water facility deficiencies, water supplied in areas of the park poses an acute risk to human health. The park then posted signs requesting visitors to boil their water before drinking. For a park that received 10 million visitors last year this is an outrage. As a result of the current budget proposals it may take as long as 10 years before this problem is corrected.

Here are some other examples that illustrate my concerns of what can be expected if this budget becomes an reality. At Independence National Historical Park there would be extensive building closures—total or partial closure of 11 of the 14 buildings open to the public resulting in elimination of 700,000 to 800,000 park visits.

At Yosemite National Park, operational oversight of concessions would be reduced. Campfire programs and visitor centers hours would be reduced and some visitor centers would simply close. Preventative maintenance on facilities would cease and cutbacks in snow removal would delay road openings over mountain passes. Additionally, campground seasons would be shortened and horse and backcountry patrols would be reduced. Also, visitor protection responses would be reactive only and limited to life threatening emergencies or criminal incidents involving threats to persons.

In Rocky Mountain National Park, the drastic reduction in seasonal park ranger staff would cut essential personnel available for search, rescue, law enforcement, and other emergency services. Three of five visitor information centers would be closed. Not to mention that the two remaining centers and all campgrounds would be open only from Memorial Day through Labor Day.

At Redwood National Park, all nondiscretionary funds would be eliminated forcing severe reduction of the temporary workforce, and operating supplies which would minimize maintenance on buildings, grounds, trails and roads due to lack of supplies and materials and shortage of personnel to complete the work.

Mount Rainer National Park would also suffer in this current and future budget cycle. The park would see its interpretive programs eliminated and

the inventory of endangered spotted owls and marbled murrilette would not be accomplished. This in turn would lead to the degradation of other natural resources such as fragile alpine meadows. Not to mention the scaling back of ranger patrols and reduced campground operating hours with reductions in maintenance and cleaning.

Mr. President, we must not stand by and allow our national parks to simply rot. While in the short-term this budget proposal would save money, it would, over the long run lead to irreversible consequences, and irrevocable damage to the nation's heritage and legacy. I want to reemphasize the point that all National Park Service sites, will be affected, including the representative symbols of our democracy. For example, the Statue of Liberty/Ellis Island, Washington Monument, Independence Hall, Jefferson Memorial, Mount Rushmore, Fort McHenry, and Martin Luther King, Jr. National Historical Site.

The impact of the current budget proposals in years one and two force the park service to curtail visiting hours at Independence National Historical Park and many buildings would be entirely closed. The Statue of Liberty would be closed at least 1 day a week. In years three through five the impacts are expected to be more extreme. For example, with staffing levels further reduced, extensive and prolonged park closures could occur. Many of the park services resources would be subjected to unacceptable levels of risk pertaining to loss through deterioration, theft, fire, and other factors.

Mr. President, let us reflect for a moment on the responsibility that has been delegated to the National Park Service. The Park Service is comprised of 368 park units covering more than 80 million acres in 49 States. The physical inventory alone consists of 15,000 buildings, 5,200 housing units, 1,400 bridges, 8,000 miles of roads, 125 sewage treatment plants, and 1,300 water systems.

Simply put, the insufficient funding levels proposed by this bill, in addition to new facilities and requirements associated with the addition of 12 new parks since 1991, will cause the Park Service to continue to fall behind in maintaining these structures, thereby contributing to a mounting backlog of deficiencies. The net result will be increased costs in the future and the subsequent loss of some irreplaceable and irretrievable resources.

Let me reemphasize the point that the effect of this action would result in outcomes immediately visible to the public, such as, deferred maintenance, closures of campgrounds, and closures of visitor facilities. We must and can find other savings offsets in our quest to reduce the Federal deficit. These parks are one of the great legacy's which we will leave our children. Lets not leave them underdeveloped and rundown.

In closing, Mr. President, I would like to leave you more sound advice from Theodore Roosevelt:

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

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 4 minutes.

PRESIDENTIAL CAMPAIGN FINANCE SYSTEM

Mr. KERRY. Mr. President, I call up an amendment at the desk on behalf of myself, Senators SIMON, FORD, FEINGOLD, BRADLEY, BIDEN, and WELLSTONE.

I ask unanimous consent that several letters and editorials supporting the existing campaign finance law be printed in the RECORD.

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

STATEMENTS IN SUPPORT OF PRESIDENTIAL CAMPAIGN FINANCE SYSTEM

The bipartisan Commission on National Elections, headed by Melvin Laird, Secretary of Defense in the Nixon Administration, and Robert Strauss, former chair of the Democratic National Committee, recognized the value and success of the presidential campaign finance system. The Commission concluded: "Public financing of presidential elections has clearly proven its worth in opening up the process, reducing undue influence of individuals and groups, and virtually ending corruption in presidential election finance. This major reform of the 1970s should be continued."

Former Senator Paul Laxalt (R-NV), who chaired the 1976, 1980 and 1984 presidential campaigns for President Reagan, also praised the presidential campaign finance system. In discussing the campaign finance problems in Congress, Senator Laxalt said, "The problem is so bad we ought to start thinking about federal financing" of House and Senate campaigns. "It was anathema to me * * * but in my experience with the [Reagan] presidential campaigns, it worked, and it was like a breath of fresh air."

The New York Times calls the presidential campaign finance system "the best existing counterweight to the dominance of check-writing special interests in national politics. * * * This public financing has worked remarkably well to minimize the financial advantage of the party in power and reduce candidates' dependence on wealthy favor-seekers."

The Washington Post says the presidential campaign finance system is "hugely important to efforts aimed at limiting the impact of campaign fund-raising on the presidency." It notes that the system "has actually worked."

According to The Wall Street Journal's columnist Gerald F. Seib, "Whatever else may be said about presidential campaigns of the last two decades, they have been largely free of charges of serious financial corruption. And the elections themselves have been fair and competitive. * * * [T]his is one part of the system that doesn't seem broke."

Seib wrote of the effort to repeal the presidential campaign finance system, "And ultimately, this change would undercut what is supposed to be the GOP's very purpose, which is to balance the budget. The budget is hardly going to be balanced with the minuscule savings achieved by eliminating the presidential campaign fund. * * * It is going to be balanced by getting the snouts of special interests out of the public trough. But special interest snouts won't be kept out after they are invited deeper into American political campaigns."

[From the Atlanta Constitution, May 22, 1995]

PRESIDENCY TO HIGHEST BIDDER?

Tucked away in the 90-page deficit-reduction blueprint of Senate budget Chairman Peter Domenici (R-N.M.) are two lines that would make only a slight dent in federal expenses—less than $50 million a year—but could drastically and perniciously alter the way America picks its presidents.

The two lines call for the termination, starting in the year 2000, of the presidential campaign fund, which is financed by taxpayers' check-offs on their income tax returns and then made available every four years to qualifying candidates for president during both primary and general election campaigns.

So what's So wrong with this particular program elimination? Plenty.

Public financing of bids for the White House was a reform born in the aftermath of the Watergate scandal. Its whole purpose was to avoid a repeat of the corrupting excesses of the 1972 Nixon campaign, which amassed millions of dollars more than it knew what to do with, legally.

Considering the climate of cynicism about politics these days, the justification for public campaign financing may sound hopelessly idealistic, but it is fundamentally sound: The presidency ought not be up for auction. No contestant for the office ought to have a wildly disproportionate funding advantage. Serious candidates ought to have enough money to get their messages across throughout the country without becoming beholden to powerful individual donors or interest groups.

The budget resolution may have Domenici's name on it, but the fingerprints of Sen. Mitch McConnell (R-Ky.) are all over the two lines in question. He is an unabashed opponent of public financing and delights in misrepresenting it as "food stamps for politicians." He believes that since the Republicans, who currently are taking a king's ransom in special-interest contributions, are in a position to kill public financing, they should go for it. So there.

Senate Majority Leader Bob Dole is hardly less enthusiastic about sinking the program—for the campaign in 2000, that is. Whatever principles he may have on the matter don't apply to his immediate situation. He'll happily accept whatever millions be qualified for to pay for his 1996 candidacy.

Democrats, who blew their change to reform campaign financing rules for Congress in the last session, promise to do what they can to save the presidential campaign system, but they don't appear to have the numbers. A veto may be the only recourse, and since the regression the McConnell champions is so profound, President Clinton should be readying one.

Public financing, it must be conceded, is not a widely popular notion. Only about 15 percent of taxpayers dedicate $3 each of their taxes for the presidential campaign fund. What that shows is that too few Americans have considered the alternative—that absent public financing, our country may get the best president that money with strings attached ban buy.

America should strive to do better.

[From the Kennebec Journal, May 18, 1995]

MONEY, MONEY, AND MORE MONEY

As congressional Republicans work to dismantle the one significant campaign finance reform measure of our time—public funding of presidential races—the influence of private money upon the making of public policy continues to be a national disgrace.

According to former Senate Majority Leader George Mitchell, who fought hard if unsuccessfully to reform the system, big money contributions may not actually buy votes but they do buy access to members of Congress.

''I think it obviously creates the appearance of conflict and casts doubt on the independence of judgment,'' says Mitchell in a new book on the subject produced by the Center for Responsive Politics. ''I think it reduces respect for the institution and the product of its work.''

However, it is far more than simply a public relations problem. Big money is a corrupting influence in fact as well as in appearance, even if it only gives the contributor readier access to a member of Congress than competitors or ordinary citizens may enjoy.

It is no doubt true, as Mitchell asserts, that most special interest groups contribute to politicians who share their views rather than attempt to sway those who do not. Even so, the big contribution in that case is used to bind goodwill and ensure a sense of mutual loyalty.

Clearly the giving of money in large amounts to political candidates is viewed by donors as more than simply a friendly, civic-minded gesture. And it can be used as a stick as much as a carrot.

Think back a year or so when a Maine labor leader threatened to cut off campaign contributions to then-1st District Rep. Thomas Andrews if he failed to vote against the North American Free Trade Agreement. Call it a form of reverse bribery. Andrews ultimately voted against NAFTA, but swore off labor PAC contributions. It proved costly; he unexpectedly ended up running for Mitchell's Senate seat and raised far less money than his opponent, Sen. Olympia Snowe.

Most candidates prudently avoid such grand gestures, and, as the cost of election campaigns continues to escalate, so does the candidate's dependence upon special interest money. Last year, 35 to 40 percent of the campaign funding for winners in U.S. Senate and House races came from political action committees. Overall spending in Senate races was up a whopping 20 percent.

The system cries out for reform, not retrenchment. For years, the Republican minority in Congress has insisted it favors effective reform while rejecting virtually every Democratic proposal to cut the flow of cash from special interests to policy makers. Now that the GOP is in control, we know what it meant by reform: lowering the flood gates.

[From the Boston Globe, May 17, 1995]

WHAT ABOUT THE FAIRNESS DEFICIT?

The changes being pushed by Republican budget makers are so grave they understandably dominate public attention, but they are crowding out some senseless proposals that also deserve the spotlight.

A prime example is the Senate Budget Committee proposal to eliminate the Presidential Campaign Fund after the 1996 election.

Created post-Watergate, the fund is the single greatest political reform of modern US history. It took the ''For Sale'' sign off the White House, moving moneyed special interests out of the driver's seat and into the spectator stands with the rest of us. Candidates have been funded in the primaries by small individual givers and by federal matching funds, and in the general election by the presidential fund alone. Bill Clinton and George Bush each received $55 million in 1992.

It has worked. The benefits of the fund have been watered down in recent years by rulings allowing the parties to collect huge sums of ''soft money'' contributions that support campaigns indirectly. The Federal Elections Commission needs to close this gaping loophole. But far from eliminating the fund, it should be expanded to include candidates for Congress so the nation's legislators would not have to continue selling themselves to special interests to raise the requisite thousands of dollars a day. The only other problem with the system—uncertain cash flow—was addressed this year when the voluntary tax checkoff to finance it was raised from $1 to $3.

Politicians can debate the exact message from voters last November, but the people surely wanted cleaner government, not corruption.

The Budget Committee chairman, Sen. Pete Domenici, characterized his proposal as ''doing something right for the future of our country and for our children.'' He was speaking of deficit reduction, though eliminating the campaign fund would save only $45 million. In attempting to restore balance to the budget, Domenici's proposal could return venality to the Oval Office.

[From The Buffalo News, May 15, 1995]

KEEP PRESIDENTIAL CHECKOFF—ENDING IT WOULD STRENGTHEN SPECIAL INTERESTS

Hidden among proposals that have aroused loud immediate objections is an ominous Senate Budget Committee plan. It would shift the presidential selection process away from average Americans and place it even more in the hands of big-money special interests.

That's what will happen if Congress wipes out the two-decade-old system that allows for partial public funding of presidential elections by having taxpayers check a box on their income tax returns.

Approving the checkoff—currently $3—has absolutely no impact on the size of a taxpayer's refund or the amount of taxes owed. When taxpayers check the box, as all should, it simply means that the contributions will be used to help finance the presidential selection process.

That is one of the best investments taxpayers can make in good government. It means candidates will be more beholden to average Americans and less beholden to special-interest groups for their money. In fact, this Watergate-era reform, first employed in the 1976 campaign when Jimmy Carter challenged President Gerald Ford, is the antidote to the poison of special-interest funding that has left candidates with a taint and the public with a bad taste in its mouth.

Before allowing Congress to end this reform, the public should ask a simple question: Without this public funding, where else will candidates turn for money?

The $45 million per year raised through the checkooff is a minuscule amount in a $1.5 trillion budget. Yet, while limiting the impact of lobbyists, it also puts sensible limits on campaign spending and levels the playing field among candidates. That helps elevate ideas over fund-raising ability as the determining factor in campaigns.

Senate Republicans are hypocritical and less than forthright in trying to end all of that by slipping this provision through amid the turmoil surrounding the rest of their budget proposals.

The hypocrisy can be seen in the fact that the proposal would end the checkoff system after the 1996 election cycle. That would mean current GOP senators eyeing the White House—among them, Majority Leader Bob Dole and Texan Phil Gramm—would still benefit next year.

But the real benefit of the checkoff goes to the public. That's why, if a revision this significant is to be examined, it should be done separately so that the proposal can be judged on its own merits.

Once that happens, and Americans really understand what's at stake, it is unlikely that they will choose to forsake a system of such demonstrated worth. Over two decades, the checkoff system has shrunk the influence of big-money interests, helped clean up the process of choosing American presidents and returned that process closer to the American people.

[From the New York Times, May 16, 1995]

A SNEAKY BLOW AT CAMPAIGN FINANCE

Senate Republicans are proposing to eliminate the best existing counterweight to the dominance of check-writing special interests in national politics. The budget blueprint unveiled last week by Pete Domenici, chairman of the Senate Budget Committee, includes a call to abolish the public campaign financing system for Presidential candidates.

This 20-year-old system provides matching funds for candidates during the primaries and, for the general election, identical grants to both major party candidates. The system is financed by allowing taxpayers to indicate on their income tax returns whether they want $3 of the tax they owe to be used for the campaign fund. This public financing has worked remarkably well to minimize the financial advantage of the party in power and reduce candidates' dependence on wealthy favor-seekers.

The proposal to end public financing is the brainchild of Senator Mitch McConnell of Kentucky, who also played a big role last year in killing a Democratic reform measure that would have repaired damaging loopholes in the Presidential system while reducing the influence of big money in Congressional races as well.

Under the G.O.P. budget proposal, the Presidential public financing system would not end until after the 1996 election. That would allow the Republicans to continue using public financing in their quest to drive out the incumbent Democratic President, but then block public financing after they hope to have recaptured the White House.

Abolishing public financing for Presidential campaigns would save only about $45 million a year, while destroying a worthwhile effort to curb the amount of special-interest money in national politics. House and Senate Republicans also want to impose a crippling funding cut on the Federal Election Commission, the agency charged with enforcing campaign finance laws. It begins to look like a G.O.P. war on cleaner politics.

[From the Philadelphia Inquirer, May 17, 1995]

WRONG-WAY PETE—DOMENICI BUGLES RETREAT ON CAMPAIGN FINANCING.

''Declare victory and retreat.'' That was the tart suggestion of a senator years ago on how to salvage the fiasco that was Vietnam.

Now, another senator, Senate Budget Committee Chairman Pete Domenici of New Mexico, has got it into his head to declare defeat and propose retreat in an area where there's actually been a major victory: public financing of presidential campaigns.

This post-Watergate reform has insulted presidential campaigns from the corrupting influence of special-interest money. For some strange reason, the budget proposal

made by Mr. Domenici last week would end it.

Of all the Republican ideas for balancing the budget, this may be the worst. By giving special interests carte blanche to start subsidizing presidential candidates again, Mr. Domenici would drop White House wannabes back into the pigsty of special-interest financing where Congress still wallows.

Not only is the system that pays for presidential races not broken, it works quite well. If you want to put $3 of your tax bill toward presidential campaigns, you check that option. If you feel that public financing is sinister or socialistic, you don't.

In the primary season, the system's matching money helps underdogs get their ideas across to the voters. In the general election, it helps ensure a fair battle.

The elimination of public financing may be just a sop to Sen. Mitch McConnell (R., Ky.), the Senate's leading obstructionist on campaign-financing reform; maybe Senate leaders will quietly drop the idea later on.

Instead of scrapping the checkoff, Republicans ought to be acting to get special-interest money out of congressional campaigns. Of course, their reforming zeal might be muted because the majority of that money is now flowing to them.

It's sad to see the Senate even toying with this ill-advised retreat on campaign financing. And it is a discredit to Mr. Domenici's otherwise bold budget-balancing plan.

[From the Rutland Herald & the Times Argus, May 21, 1995]

GOP AND CAMPAIGN FINANCE

Over the next few weeks almost every budget cut that the Republicans in Congress have proposed will be opposed by some special interest group or other. But there is one intended cut that would harm the very fabric of our democratic process—by changing the way we elect our presidents.

The GOP Senate budget resolution would abolish the presidential campaign financing system, beginning in 1996. Eliminating public financing of presidential campaigns would save from $100 million and $300 million by 2002, the date the Republicans have targeted for balancing the federal budget.

The GOP wants to abolish the public campaign finance law to help provide about $350 billion in tax cuts that would benefit many of their favorite corporate benefactors. It's not hard to imagine the generosity of such companies when it comes time to replenish the campaign coffers of worthy Republicans.

Why do we use tax dollars to fund presidential campaigns? The practice began in 1974, after Watergate, which showed the nation how dramatically money can change the political equation. Since the cost of national campaigns has risen so drastically, politicians find they must budget a larger and larger share of their time to fund-raising—and currying favor with potential contributors.

Shouldn't private financing of elections benefit Democrats as well as Republicans? In the past, many wealthy contributors realized that since Democrats controlled Congress, any Democratic candidate might become a powerful committee chairman. So the moneyed interests have traditionally covered their bases by contributing to both candidates in many elections.

But now that the Republicans control both houses of Congress, a fundraising gap favorable to the GOP is likely to grow even wider, as the party of big business calls in its chips for the constituent service it's currently performing. The Republicans already have claimed an edge in fund-raising for 1996 campaigns.

The Republicans may be able to brush aside the few limits that now exist on campaign spending. And the Democrats have only themselves to blame for not passing more comprehensive campaign finance reform while they had control of Congress. If the GOP gets its way, the Democrats will be sorely punished for their own complacency.

[From the San Francisco Chronicle, May 17, 1995]

UNREFORMING CAMPAIGN FINANCE

When the Republicans took over Congress, they vowed to clean up Washington and give government back to the people. So what are they doing with this hypocritical proposal in the Senate budget plan to eliminate the presidential campaign-finance tax checkoff?

The Watergate-inspired public-campaign-financing law has somewhat limited the corrupting influence of special interests on presidential elections by providing each candidate in the general election with around $60 million in voluntarily contributed tax dollars, about the same amount Richard Nixon spent in 1970. The use of public funds, under a landmark Supreme Court ruling, allows an overall spending cap to be imposed. Without it, a run for the presidency would cost an estimated $200 million.

When campaigns cost $200 million we all lose, because special interests will be free to flood the presidential election process with money. The fragile integrity of the democratic process will be the first victim.

Instead of reversing public financing, the Republicans should join with Democrats in finding ways to bring equally effective reform to congressional elections.

[From The Washington Post, May 11, 1995]

A BAD IDEA, WELL-HIDDEN

Tucked away in the middle of Senate Budget Chairman Pete Domenici's 97-page budget blueprint are two lines describing a proposal with a minuscule impact on federal spending but enormous meaning for the nation's political process. Mr. Domenici, following a suggestion by Sen. Mitch McConnell (R–Ky.), proposes the elimination of public financing for presidential campaigns after the 1996 election.

This is not only a terrible idea; it also has no place in the budget debate. A change this large in the electoral system should be debated on its own, independent of the great confrontation that is about to occur on the deficit. The amount of money involved is trivial in a budgetary sense—roughly $45 million a year in a $1.5 trillion budget—but hugely important to efforts aimed at limiting the impact of campaign fund-raising on the presidency.

Public financing of presidential campaigns has actually worked. It was instituted after the Watergate scandal revealed all sorts of unsavory fund-raising shenanigans in the 1972 campaign. The idea is simple: The presidency ought not be put up for bid, the major party candidates ought to compete on a level playing field, and the party in power should not enjoy a prohibitive financial advantage. Existing law provides for a Presidential Election Campaign Fund that is financed through a voluntary $1 checkoff on income tax returns. For the general election, each major-party candidate draws the same amount from the fund—George Bush and Bill Clinton got $55.2 million each in 1992. The law also includes provisions for future public financing for any third party that makes a substantial electoral showing (as did the independent movements of John Anderson in 1980 and Ross Perot in 1992). And it provides for a system of matching funds in the primaries, whereby candidates who raise a certain amount in private contributions qualify for a share of the federal funds. The formula puts a premium on smaller contributions, so candidates who are serious but without huge interest group backing have a chance to make their case.

There are problems with the system that need to be addressed. The campaign fund has been running low, and the checkoff amount needs to be increased. But at a time when Congress's emphasis should be on finding ways to reduce the impact of money on politics, this proposal moves in entirely the wrong direction. It is also interesting that the budget proposal would leave the current system in place long enough to allow Republican presidential candidates (such as Sens. Dole, Gramm, Specter and Lugar) to take advantage of it while the GOP is out of the White House, and only abolish it after the next election.

If Mr. McConnell wants an open debate on the merits of the public financing system, he can encourage one. But a change this large should not happen covertly as part of the budget process.

[From the Valley News, May 17, 1995]

CASH FOR CAMPAIGNS

Hold your tears for those Republicans who complain that special-interest groups are preparing to lay waste to the balanced-budget proposals they're now championing. If special-interest groups exercise undue influence over the federal government, why are Republicans proposing that their influence be expanded?

That is exactly what would happen if the budget plan proposed last week by Sen. Pete Domenici, R–N.M., is passed intact. It contains a provision that calls for elimination of public financing of presidential campaigns. That item would save the federal government $45 million a year but would exact a much greater cost in the damage it would do to the national political system.

Few would argue that presidential politics are squeaky clean. But they are far better than they were before the Watergate scandal prompted Congress to reform the system.

Presidential candidates still must raise bucketfuls of money to be considered serious contenders. But the prospect of matching federal contributions encourages primary candidates to concentrate their fund-raising on contributions that qualify them for federal funds—relatively small donations from individuals. During the primary season, candidates who accept public financing agree to abide by spending limits established for each state. In the general election, each major party nominee draws an equal amount from the campaign fund (the 1992 candidates each received $55.2 million)—placing them on equal footing and reducing the need for candidates to go hat in hand to potential contributors.

Problems remain. Both parties continue to abuse so-called soft-money contributions, donations that are made to parties and spent for generic campaign purposes rather than directly for candidates. But the system is far better than the one that existed before 1973, when candidates accepted lots of cash from deep-pocketed donors, many with a direct interest in federal policy.

If public financing is abolished, the corrupting cancer that has severely undermined the integrity of Congress will spread to the White House and similarly compromise its integrity. All those things we have come to know and detest about the influence of money on federal legislators will afflict the White House—political action committees, nonstop fund-raising, the amassing of campaign war chests.

Few Americans are enthusiastic about proposals to pay for campaigns with taxpayers' money. The notion of bankrolling some of the behavior that passes for campaigning

these days is enough to make the most earnest goo-goo blanch. But it is strictly a defensive strategy: The public picks up the tab to ensure that no one else does—and that no one lays a greater claim on the loyalty of the people elected to conduct the public's business. Public campaign financing needs to be expanded, not rolled back.

MAY 23, 1995.

DEAR SENATOR ——— ———:

We strongly oppose the Senate Budget Committee's 1996 budget recommendation to abolish the presidential campaign finance system. We urge you to reject the Budget Committee's proposal and vote to retain this fundamental Watergate reform.

The presidential public financing system is an essential mechanism for controlling campaign spending, restricting special-interest influence and allowing challengers to compete successfully with incumbents.

To repeal presidential public financing would be to dismantle a vital reform that goes to the heart of the integrity of the electoral system for our country's highest office. Such an action would further undermine already low public confidence in government and the political process.

We strongly urge you to vote against any effort to abolish the presidential public financing system.

Sincerely,

Ann McBride, President, Common Cause; Becky Cain, President, League of Women Voters of the United States; Joan Claybrook, President, Public Citizen; Richard Foltin, Legislative Director and Counsel, American Jewish Committee; Larry Hobart, Executive Director, American Public Power Association; Paul Mauer, Executive Director, Blue Grass Community Action Agency; Michael F. Jacobson, Executive Director, Center for Science in the Public Interest; Stephen Brobeck, Executive Director, Consumer Federation of America; Dixie Horning, Executive Director, Gray Panthers; Leland Swenson, President, National Farmers Union; John Adams, Executive Director, Natural Resources Defense Council; Karen L. Hicks, Executive Director, New Hampshire Citizen Action; Caswell A. Evans, Jr., President, American Public Health Association; Amy Isaacs, National Director, Americans for Democratic Action; Robert C. Porter, Executive Director, Cenla Community Action Committee, Inc.; Rodney E. Leonard, Executive Director, Community Nutrition Institute; Joe Volk, Executive Secretary, Friends Committee on National Legislation; Susan Katz, President, National Council of Jewish Women; Harriet Woods, President, National Women's Political Caucus; Kathy Thornton, RSM, National Coordinator, NETWORK: A National Catholic Social Justice Lobby; Jay Lintner, Director, Washington Office, Office for Church in Society, United Church of Christ; Gerald Meral, Executive Director, Planning and Conservation League; Rabbi David Saperstein, Director, Religious Action Center of Reform, Judaism, Union of American Hebrew Congregations; Gene Karpinski, Executive Director, U.S. Public Interest Research Group; Rev. Elenora Giddings Ivory, Director, Washington Office, Presbyterian Church (U.S.A.), Washington Office; Robert Z. Alpern, Director, Washington Office, Unitarian Universalist Association of Congregations.

[Common Cause, May 23, 1995]

STATEMENT OF FORMER WATERGATE SPECIAL PROSECUTOR ARCHIBALD COX

I call upon Congress to reject the tricky attempt to repeal the post-Watergate reform of our presidential election campaigns under the pretense of budget balancing. Maintaining the reform costs .003 percent of the budget.

Watergate dramatized the three-step relationship between large political contributions, the outcome of elections, and the governmental decisions of those who win. We should never forget the acceptance of a $2-million pledge from the Milk Producers Association to the Nixon Administration, which concurrently granted an increase in the support price of milk; the approval of American Airlines' route applications shortly after a large corporate contribution to the party in power; or the settlement of antitrust litigation against ITT Corporation, shortly after an ITT subsidiary agreed to underwrite a large proportion of the cost of the Republican National Convention.

Spurred by this corruption, Congress in 1974 enacted the presidential campaign finance system as a vital means to restore public confidence in government. Through this system, small individual contributions are matched by public funds in the primary elections. The major party candidates receive a grant of public funds with which to conduct their general election campaigns. Importantly, spending limits are imposed in both the primary and general elections.

The system has worked. Presidential elections were largely cleansed of the corrupting influence of special-interest money. Spending in presidential campaigns was brought under control. Candidates in the general election were freed from the burdens of fundraising. And presidential elections, unlike congressional campaigns, became more competitive. Exploitation of a soft money loophole has reduced the gains. But the system is fundamentally sound. The remedy is to close the soft money loophole.

We are told that political candidates should not campaign with taxpayers' money. The money goes to protect ourselves by keeping the system honest. The alternative is for candidates to campaign with special-interest money to be repaid with much larger government favors after the election—in short, to go back to the days of Watergate.

I urge the Congress not to repeal the centerpiece of the Watergate reforms. The presidential campaign finance system must be preserved.

[Common Cause, May 23, 1995]

STATEMENT OF COMMON CAUSE PRESIDENT ANN MCBRIDE

We are very pleased to join today with Senators John Kerry (D–MA) and Bill Bradley (D–NJ), and with the League of Women Voters and Public Citizen, to launch an all-out effort to preserve the presidential campaign finance system.

Today we face a deadly serious attempt in the Senate to destroy the most important political reform in nearly a century.

By burying a simple two-line provision to kill the presidential campaign finance system deep in their proposed budget, the Senate Republican leadership has conducted a stealth attack on our democracy—an attack that would turn back the clock two decades to the dark days of Watergate and its influence money scandals, a time when the integrity of the Presidency hit rock bottom.

The stakes in the outcome are enormous. If this attack were to prevail, the winners would be Washington lobbyists and monied special interests. The losers would be the average taxpayers.

That's why Common Cause urges Congress to eliminate this provision from the Senate budget proposal and to act to save the presidential campaign finance system.

A vote to kill the presidential campaign finance system is a vote for corruption and a return to the campaign finance scandals of Watergate.

The responsibility to save the presidential campaign finance system lies not only with Congress, but with President Clinton as well.

If President Clinton is serious about preserving the presidential campaign finance system, he must make clear that he will veto any legislation that includes a provision to repeal the system.

Killing the presidential campaign finance system would do more than eliminate the public funds available to presidential candidates. Killing the presidential campaign finance system completely repeals campaign spending limits in presidential races. The result would be a campaign fundraising—and campaign spending—free-for-all, and a ''For Sale'' sign back on the White House.

The public financing system has worked. Spending has been limited. Richard Nixon's 1972 reelection campaign raised and spent $60 million—the equivalent of more than $200 million today. That's less than both major party candidates combined spent in the 1992 campaigns.

Elections have been competitive. Under this system, four incumbents have sought reelection—three challengers have won. And special-interest contributions have been replaced by dollars designated by millions of taxpayers.

As The Washington Post has noted, ''Public financing of presidential campaigns has actually worked. . . . The idea is simple: The presidency ought not be put up for bid, the major party candidates ought to compete on a level playing field, and the party in power should not enjoy a prohibitive financial advantage.''

Instead of destroying a system that has worked, and worked well, for two decades, the Senate should instead be shutting down the soft money system that has emerged in recent years.

This issue is not a budget issue. The presidential public financing system is not a simple piece of a budget puzzle that can be turned off and on at will. In fact, from a federal budgetary perspective, the $45-million program is a small amount. Fiscal responsibility comes from a Congress that will stop the financial drain that special interests impose on the federal budget through access-seeking campaign contributions. Ending the presidential campaign finance system simply will open the budget to even more big-money investments from special interests.

This issue should not be a partisan issue. The presidential public financing system was passed with bipartisan support and signed into law by President Gerald Ford. All but one major party candidate have voluntarily chosen to use public funds to wage their campaigns. In the five presidential races conducted under this new system, the Republican candidate has won three times, the Democrat twice.

This issue is a matter of integrity.

More than 20 years ago, Common Cause members pressed their Members of Congress to create a campaign finance system that would restore the integrity of a presidency that had been devastated by the scandals of Watergate. Congress did.

Today, Common Cause, along with a broad coalition of other organizations, is launching a nationwide campaign to protect the presidential campaign finance system.

Common Cause members and other concerned citizens will work just as tirelessly now to ensure that the presidential campaign finance system is not destroyed.

Mr. KERRY. Mr. President, there is in this budget an unfortunate effort to try to take away the current system of a——

The PRESIDING OFFICER. The Senator will suspend, while I ask the clerk to report the amendment.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY] proposes an amendment numbered 1135.

The PRESIDING OFFICER. Is there objection to consideration of the amendment at this time?

Mr. EXON. The Senator was not recognized to offer an amendment. I want to make that clear to the Senator. You can reserve the right to offer an amendment.

Mr. KERRY. I ask unanimous consent——

Mr. EXON. Have you done that?

Mr. KERRY. I did ask unanimous consent.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object.

Mr. EXON. I object.

The Senator from Nebraska yielded to the Senator from Massachusetts with certain instructions and understandings that the Senator from Nebraska is going to insist upon. Therefore, I yielded to the Senator from Massachusetts not to offer an amendment, but to make such remarks as he sees fit.

Mr. KERRY. Mr. President, I certainly apologize. I had no idea. I thought the procedure was to call the amendment up. There was no intention to try to go outside of the Senator's desires.

I ask unanimous consent that the past exchange not come out of this Senator's time.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized for 4 minutes.

Mr. KERRY. I thank the Chair, and I thank the distinguished managers.

Mr. President, there is in this budget resolution an effort to do away with the Presidential checkoff finance system. I would like to share with my colleagues what Archibald Cox, the Watergate prosecutor, said with respect to this particular effort.

Watergate dramatized the three-step relationship between large political contributions, the outcome of elections, and the governmental decisions of those who win. We should never forget the acceptance of a $2 million pledge from the Milk Producers Association to the Nixon administration which concurrently granted an increase in the support price of milk; the approval of American Airlines' route application shortly after a large corporate contribution to the party in power; or the settlement of antitrust litigation against ITT Corp. shortly after an ITT subsidiary agreed to underwrite a large portion of the cost of the Republican National Convention.

Mr. President, this campaign system has worked. Some 63 primary candidates since 1976 have used the checkoff fund. The checkoff fund democratizes the Presidential races of this country. It distances Presidential candidates from the fundraising process. It liberates our entire system from the influence of big money, as Watergate prosecutor Archibald Cox said.

In 1972, when Richard Nixon ran for President, he spent $60 million in that race, the equivalent of $200 million today. That is more than President Bush and Bill Clinton spent together in 1992. If this amendment were to fail, if we proceed on the assumption that that campaign system will be taken away, all voluntary limits on campaign spending in Presidential races are gone. No voluntary limit will remain, and it is only that volunteerism in the system that keeps accord with the Constitution on Buckley versus Valeo that allows us to have a limit in Presidential races.

So we will have gone back to the system of 1972 when there was unlimited funding from sources in Presidential races. I cannot imagine anything that runs more contrary to the vote of 1994 and to the grassroots statement of Americans in the 1994 election. They do not want this country going back to big money, large corporate interests. They want people liberated to participate. In fact, Mr. President, more people participate through the checkoff than contribute voluntarily to campaigns in this country. One out of seven Americans participate in the checkoff, whereas only one in 22 Americans contributed to campaigns in 1994. The checkoff could, in fact, be stronger than it is today. But, everybody should understand, no American is coerced to do this. It is a voluntary system where $3 from an individual has as much impact as tens of thousands of dollars from the rich or from corporate interests.

Mr. President, it would be an enormous setback in our efforts to gain control of our political process if, now, we choose to go backward.

Some people say, ''Well, we're not controlling all the money in the system; you still have soft money and we should be closing that loophole.'' The solution is not to take the hard money restriction in the voluntary system and make it like soft money. The solution is to make the soft money like the hard money or outlaw it altogether, Mr. President.

So it is my hope that colleagues who have supported this in the past will not now go counter to the very grassroots effort that is supposedly being represented on the floor. This system has worked. It costs $45 million on the year, Mr. President, but to lose it would be tens of millions of dollars in campaign contributions. I hope we will support the system.

Mr. FORD. Mr. President, the budget resolution includes a provision that will have a far reaching consequence for this Nation. It assumes elimination of the program that provides for spending limits and public funding in Presidential election campaigns. This provision was enacted with bipartisan support to address the campaign finance abuses of Watergate.

This is voluntary program. The American taxpayer voluntarily funds it and candidates voluntarily accept funds from it. It is the only Federal program that the American public directly votes to fund each year. And as long as the American taxpayer votes for campaign spending limits, then we should not eliminate it.

What is interesting to this Senator, is that the Republican budget resolution does not affect the 1996 Presidential election cycle. It would allow candidates to continue to take taxpayer money to fund their primary campaigns next year. That means up to approximately $15 million in taxpayer dollars to each Republican and Democratic primary candidate, with a potential $62 million more to the nominee in the general election.

Perhaps a different amendment would have been to eliminate this program immediately. That would give our distinguished Republican colleagues here in the Senate who have announced their candidacy for President an opportunity to vote to give back their potential $77 million in taxpayer funds to the Treasury and the American taxpayer in order to help eliminate the deficit. Let me respectfully suggest that it seems a little self-serving to take the money next year but deny it to future candidates.

American taxpayers support this program and vote on how much to fund it each year. It is the only Federal program which serves to limit the money chase to the White House. Until we come up with a better system, I urge my colleagues to leave this program in place and support the amendment.

The PRESIDING OFFICER (Mr. COVERDELL). The Senator's time. has expired.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I really want to use a little bit of my time. I am on my 15 minutes in opposition, but I just want to talk to the Senate a minute.

Frankly, to my knowledge, there is only one law that controls the U.S. Senate in terms of debates and amendments and the like, and it is the Budget Act, which includes impoundments.

Essentially, it says in law, it sets down the detailed rules of how you proceed on a budget resolution and how you proceed on a reconciliation bill. It is not my rule. It is not Senator EXON's rule. It says 50 hours equally divided.

Frankly, maybe we will ask so the RECORD will be clear, how much time remains now on the entire budget resolution, under 50 hours that we are allocated by law?

The PRESIDING OFFICER. Approximately 1 hour 20 minutes.

Mr. DOMENICI. Approximately 1 hour 20 minutes. Essentially, I will say to the Senate, if 1 hour is used on Senator BOXER's amendment and 1 hour

used in opposition to it, there will be no time left. No time left.

What I would like everybody to understand—and this is not my rule; I wish it were different—but I do not know if there is going to be very much time to debate very many amendments in that remaining time.

I have been expressing to the Senator from Nebraska, based on this reality—this is just real—when the 50 hours comes, any Senator can say ''regular order'' and, obviously, there is no more time for debate.

I want to make sure everybody knows, under a unanimous-consent agreement, the majority leader and the minority leader, after all the votes are finished, including those that may be handed to the desk, there will be one-half hour allotted to the Democrat leadership and one-half hour to our leadership, to recap the budget situation. So that is there and that is all it can be used for.

We will soon be out of time. Maybe Senators on my side and Senators on that side of the aisle do not understand that we cannot help very much, but we would like to be helpful. So what I would like to do, and I am urging that we find a way to decide, is for you all to decide on your side through your ranking member what are all the amendments that you intend to offer. Some will be debated for a couple of minutes; some are just going to be offered at the end.

Why would I like to know? Because I would like to help. I would like to say maybe everybody ought to have a minute before they have to vote on their amendment, even beyond the 50 hours. I have no such authority from the majority leader. But I cannot do that if there are 50, 60 amendments because we will be here until midnight, and the whole purpose was to have 50 hours.

We are getting close to that 50 right now. So if there is any way that Senators on that side could accommodate so that we might sit down here soon in a room and say what process could we agree to to give everybody a little bit of time.

Again, I want to say the majority leader has told me on our side, if there are 20 or 30 such amendments, or 40, we are not going to agree to any time because you add all that up and the time to vote and we will be here 6 hours to 7 hours.

So I am asking for some reason, some reasonableness. When the 50 hours is up—and I am not using anybody's time so nobody has to worry about that. I am entitled to this time under the law, and when that time is up, there is no opportunity to talk about an amendment, unless we, as a Senate, agree to that. So if you have an amendment at the end left over and you want to insist on it, and the statute says you can do that, the statute also says no debate. We are not going to agree to give everybody time when we have already used up all the time unless we do it in an understandable manner where the Senate then understands what the amendments are, how many there are, and then maybe we may be in business to try to make some overall agreement.

I hope everybody understands, I am not trying to be harsh. I am not trying to take time away from anybody. That is just the reality.

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

Mr. DOMENICI. I yield on my time.

Mr. FORD. I thank the Senator for what he is trying to do and for his comity. It is kind of unusual, and I am glad to see it.

If we have 20 amendments that will be offered at the end of the 50 hours, we have two options, as I hear you: One is to offer the amendment, or call it up and we can vote up or down or to table; we can do that. Or on the other side, if we have a minute, you offer a minute or 2 minutes on each side, pro and con, on how many amendments? Do you have any figure if they are less than that or more than that?

Mr. DOMENICI. I very much would like you all to come up with some proposal.

Mr. FORD. When you say you all, who do you mean?

Mr. DOMENICI. The Democratic side.

Mr. FORD. How many will be on your side?

Mr. DOMENICI. We probably, in short order, can establish the fact that there would only be four or five.

Mr. FORD. You will have four or five amendments to come after the 50 hours?

Mr. DOMENICI. I will give that to Senator EXON shortly.

Mr. FORD. I thank the Senator for his courtesy.

Mr. DOMENICI. Let me correct the record. You said there are only two things that can happen. I do not want anybody to misunderstand. An amendment pending at the desk can be second-degreed even if there is no time. There is a series where we understand somebody wants to exercise that. They understand it is pending. They would not have any time either.

Mr. FORD. They would still offer it and then you move to table.

Mr. DOMENICI. Yes. Mr. President, how much time do I have left?

The PRESIDING OFFICER. Approximately 10 minutes.

Mr. DOMENICI. I will yield 10 minutes to Senator BURNS.

Mr. BURNS. Mr. President, I will respond to the amendment offered by the Senator from California and just point out some things about that amendment that I think are flawed. The Senator's amendment would create another point of order against how a tax cut should be constructed, and I think that is very important with this body because we already have enough points of order on the rest of this bill. Rather than a point of order against tax cuts, I think we should have a point of order against raising taxes, if you want to do it on both sides.

Let us be very careful. Whenever we start talking about this budget and what it does, all at once we start offering the amendments and it starts to come unraveled. When it was first put together in the Budget Committee, everybody just about knew where we had to go and what we had to do. Some would increase taxes, as has been proposed by some, really, on both sides of the aisle. I am firmly opposed to that.

Right now, most folks in America have a marginal tax rate over 45 percent—almost one-half of their yearly salary. So what is there left to tax? It makes no sense to bankrupt American citizens in the name of keeping the American Federal Government solvent.

So I think when you look at the overall budget, we have to come up with the word responsible. And that is what I would like to emphasize through this recap of not how I look at the amendment but the entire package of the bill. We have slowed the rate of spending. Back in 1990, I offered a bill that was a 4 percent solution—I called it—to allow in the budget process the Federal Government expenditures to only grow 4 percent based on the previous year's expenditures and do away with baseline budgeting. Unfortunately, that did not pass. But with the assumptions that we made then, by 1995 and 1996, we would have balanced the Federal budget. But I have to say there are hints of my ideas that I had back in 1990 in this bill.

Everyone would agree, maybe, that the Government has gotten too big to operate efficiently. This bill freezes pay for Senators, Representatives, Federal judges, and political appointees for a period of 7 years. As far as I am concerned, I can accept that. I am not real sure if my wife can. But nonetheless I think she will. It cuts Senate staff by 15 percent and Senate support staff by 12.5 percent. And we have cut a little already. It reduces the spending of the Executive Office of the President by around 25 percent. Those cuts save us almost $7 billion.

I take the budget another step further. I would consolidate the Surgeon General's office with the Assistant Secretary of Health. The office of the Surgeon General was originally created to function as a spokesperson for public health and has been used as a political football. I advocate putting an end to that political grandstanding by eliminating this unnecessary position and consolidating its duties with those of the office of the Assistant Secretary of Health. That is the way it used to be. During the Carter administration, Dr. Julius Richmond served as both the Surgeon General and the Assistant Secretary of Health. I see no reason why the American taxpayer should have to pay for staffing both offices.

When we look at what it does—a while ago we talked about the NIH, National Institutes of Health. I voted to restore some of those funds because I believe that this Government should be

actively involved in research and development, especially in the line of health. But the chairman's budget also calls for the transformation of NASA's management structure, contracting procedures, and the reduction of Government involvement in scientific research, infrastructure and equipment. I have to say that I voted against the Snowe amendment a while ago for the simple reason that it called for another billion-dollar reduction in NASA, when they have already shown their good faith, without any cajoling from this Congress to come to the bar, and cut $5 billion over 5 years. And there are some within the NASA organization that say now we have to start looking at safety when we start thinking about our space programs.

So we are glad to see that baseline budgeting is out. The chairman's budget proposed the elimination of spending on the National Biological Service. I have long said that is not needed. We have enough biologists in the Forest Service, in the U.S. Fish and Wildlife, and BLM to do what they want to do and what Interior wants to do. They have to do it within the confines of that. Why another layer of bureaucracy? I generally support that.

As I explained last week, I have concerns with the provision that cuts the Agricultural Research Service. I find it ironic that we are cutting back on R&D in the very area that is very important to us in the production of food and fiber for this country. To reduce the ARS at this time is appealing in the short run, but it would have a devastating long-term negative impact on farming and ranching in the United States and, consequently, on the Federal Treasury. I believe our first priority should be a commitment to the production of food and fiber. I find that many folks are surprised when you tell them that for the first time in the history of this country, wheat yields have actually leveled off in some areas and were declining because of our research work in developing new strains of wheat that are disease resistant.

So I am opposed to a reduction in ARS funding. Furthermore, agriculture has taken its fair share of cuts; if you look at the last 8 years, about a 45 percent cut.

So with that, it is a good package. When we start picking away at it, it starts to come unraveled. I want to congratulate my friends from New Mexico and Nebraska. They have worked very hard together on this. And it should be presented and they should be given the guidelines for the rest of us to complete our work.

I yield the floor.

Mr. DOMENICI. Mr. President, are my 15 minutes used?

The PRESIDING OFFICER. The Senator has 4½ minutes remaining.

Mr. DOMENICI. I reserve that.

Mr. EXON. Mr. President, I have four more relatively short speakers that I would like to yield to at this time. I would like to yield at this time in whatever order they are entitled to the floor from the time allotted to me most generously by my colleague from California. First is Senator LEAHY for 2 minutes, and then Senator BAUCUS for 2 minutes, Senator CONRAD for 6 minutes, and fourth, Senator GRAHAM for 2 minutes.

Mr. DOMENICI. Mr. President, Senator EXON, could we take a couple names at a time instead of the whole list? Who are the first two?

Mr. EXON. The first two I have are Senator LEAHY for 2 minutes and then Senator BAUCUS for 2 minutes.

Mr. DOMENICI. Mr. President, I have a Senator on the floor who would like to speak in opposition for up to 10 minutes on my time. Maybe we could move back and forth after the Senator from Vermont.

Mr. EXON. Since we are limiting—may I suggest we take care of the two Senators that I have mentioned—this is 4 minutes—and then go to 10 minutes. Is that reasonable?

Mr. DOMENICI. Can we have the two Senators for 4 minutes and then the Senator from Kentucky for 10?

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Vermont.

VIOLENT CRIME REDUCTION TRUST FUND

Mr. LEAHY. Mr. President, I will have two resolutions that we will be voting on at the appropriate time. One is expressing the sense of the Senate that the violent crime reduction trust fund not be cut. Notwithstanding the tremendous violence we have seen in New York, Oklahoma, and elsewhere, the House of Representatives voted on April 5 to cut $5 billion from the violent crime reduction trust fund and to give it for a tax cut.

They congratulated themselves on this, but have not explained to the American people that they are cutting out money in a trust fund set aside to fight violent crime.

Frankly, I think that is more important than to give a tax break to the wealthiest. We will be voting on that.

Earlier this year, on April 7, 1995, the Senate passed a resolution reaffirming our support for State and local law enforcement when their integrity was challenged.

When we passed Senate Joint Resolution 32 we were responding to remarks, by a well-known attorney in connection with a high-profile criminal case, that unfairly and inaccurately maligned the integrity of the Nation's law enforcement officers.

On April 19, 1995, a bomb exploded outside a Federal building in Oklahoma City killing scores of Americans, including a number of Federal law enforcement employees. There is reason to believe the bomb was directed at the Federal Government and its law enforcement officers.

This bombing has served to focus our attention on the real threats of violent extremism here at home and foreign terrorism. We will soon have an opportunity to consider legislative efforts to provide additional resources and better coordination of Federal, State, and local law enforcement efforts to deal with these threats.

Today, my purpose is a related one: I ask my colleagues to join with me to pass this resolution reaffirming our commitment and appreciation for Federal, State, and local law enforcement and the outstanding job that they do under the most difficult and dangerous circumstances and to reject House attempts drastically to cut our financial support for their efforts.

Since the bombing there has been a lot of public debate and comment about the activities of law enforcement and the rhetoric that has been used over the past few years to disparage and malign these dedicated public servants and the law enforcement agencies in which they serve.

I submit that law enforcement deserves better. We owe these men and women our respect, appreciation, and public, moral, and financial support.

Even had we not recently noted the increasing threats against the safety and lives of law enforcement officers, the Oklahoma bombing and the reports of attacks against park rangers, Forest Service employees, Treasury employees, and others all make the gruesome point too well.

Moreover, there has been a lot of recent discussion about the way responsible citizens converse about law enforcement and other public officials. I certainly understand President Bush's reaction when those with whom he served and who have made the ultimate sacrifice in the service of public safety are being criticized unfairly.

I commend our colleagues, from both sides of the aisle, who have tried to tone down the rhetoric and to turn the focus of debate to responsible efforts to assist law enforcement to do its job.

Likewise, I appreciate the apology recently issued by the National Rifle Association of the intemperate tone of certain remarks.

I have spoken about my revulsion with celebrities talking about how to shoot Federal agents and their using representations of our President for target practice. This is vile and reprehensible.

If we are to preserve freedom of speech in this increasingly violent and confrontational society, we need to use our freedoms to reject violent extremism and hatemongering. We need to remind ourselves that we live in the freest nation on Earth because the rule of law is respected, as are people's rights to speak, associate and petition the government.

We need to speak out ourselves against those who would portray the President, the Congress, the Government or law enforcement as conspirators intent on taking away people's rights. To the contrary, the dedicated men and women in Federal, State, and local government and law enforcement work long hours for limited financial reward in order to serve the public, protect us, and preserve our freedom.

It is in this context that I was concerned when the House of Representatives voted on April 5 to offset certain tax reduction proposals by cutting $5 billion from the violent crime reduction trust fund.

As it congratulated itself on its first 100 days and adjourned for its April recess, the House majority did not explain to the American people that it was invading the violent crime reduction trust fund and making it impossible to pay for the law enforcement and crime prevention programs of the Violent Crime Control Act of 1994, which the President signed into law only last summer.

Although this major crime bill was 6 years in the making, the House is apparently prepared to gut it. I hope and trust that our Senate colleagues will reject this $5 billion cut in funding to Federal law enforcement and Federal assistance to State and local efforts.

When we passed the crime bill last year we paid for its program. A trust fund was established from the saving of the downsizing of the Federal Government by some 250,000 jobs. The violent crime reduction trust fund contains funds dedicated to law enforcement and crime prevention programs, and is intended in large part to provide Federal financial assistance to critical Federal, State, and local needs.

On April 5, the House invaded that trust fund without debate and slashed our anticrime funding by $5 billion to help offset the budget deficit the House tax bill would create. This is wrong.

Since passage of the Violent Crime Control Act, the U.S. Department of Justice has been doing a tremendous job getting these resources to the field. I commend the Associate Attorney General John Schmidt and Chief Joe Brann, who directs the community policing programs for their quick work.

I know that funding to assist local law enforcement hire additional officers went out almost immediately based on simple, one-page applications. Vermont received commitments of over $2 million toward 35 new officers in 34 jurisdictions, for example. The House action would cost Vermont, for example, the equivalent of 50 State and local law enforcement officers over the next 5 years.

The House would have us turn our backs on law enforcement and prevention programs and the commitments we made in the Violent Crime Control Act. Law enforcement and community-based programs cannot be kept on a string like a yo-yo if they are to plan and implement crime control and prevention programs.

What we need to do is to follow through on our commitments, not to breach them and violate our pledge to law enforcement, State, and local government, and the American people. Invading trust funds dedicated to crime control purposes is simply no way to justify the elimination of the corporate alternative minimum tax or capital gains taxes.

From our Attorney General to the Fraternal Order of Police, International Brotherhood of Police Officers, National Association of Police Organizations, National Sheriffs Association, and the Police Foundation, dedicated law enforcement officers are justifiably outraged by this arbitrary action.

Funding for important programs implementing the Violence Against Women Act and our rural crime initiatives should not have been cut by one-sixth or at all, let alone without debate and justification.

I will work with the Attorney General and my Senate colleagues to reject the ill-advised House action and preserve the violent crime reduction trust fund so that we can fulfill the promise of the Violent Crime Control Act and our commitment to all that we can to reduce violent crime in our local communities.

I have noted that this is not the time to undercut our support for Federal law enforcement or the assistance provided State and local law enforcement. After the tragedy in Oklahoma City, I was certain that the House would abandon this ill-conceived plan.

Yet, in spite of all that has happened, the House chose to reaffirm its intention to proceed with this $5 billion cut in law enforcement funding, which it included in the House-passed budget resolution last week.

Accordingly, I offer this amendment as an embodiment of the Senate's resolve against the House-passed cuts to the violent crime reduction trust fund and reductions in funding of Federal, State, and local law enforcement.

Now is not the time to cut law enforcement funding and this is not the way to show our support for those whom we ask to protect public safety and preserve our precious freedoms.

PROTECTING FEDERAL NUTRITION PROGRAMS

My other resolution is very simple. It says that the infant formula that is purchased by the WIC Program be done under competitive bidding.

The House of Representatives gave in to some very powerful lobbyists and very powerful drug companies, and removed the amendment which requires competitive bidding for WIC. That meant the taxpayers will give a $1 billion windfall to four drug companies, and they will take 1.5 million pregnant women and newborn infants off the WIC Program.

This sense of the Senate says we ought to take care of the women and the infants before we do the drug companies, especially at taxpayers' expense.

It also says we ought to have real nutritional standards in school lunch. Not what the fast food industry would like, but perhaps what mothers, fathers, and children should like and should have.

Mr. President, this amendment is very simple.

It says that it is the sense of the Senate that infant formula be purchased by the WIC Program under competitive bidding. It says that school lunches should meet minimal nutrition requirements and that the content of WIC food packages be based on scientific evidence.

That has been the case for years and should continue. I am offering this amendment because the House-passed welfare reform bill does not follow that longstanding approach to child nutrition programs.

I am very pleased that the Senate Budget Committee majority report does not assume that the Senate wants to eliminate those protections for children.

The Contract With America, as passed by the House, would allow States to serve junk foods with lunch. The Senate should stand up to that challenge and say ''no.''

It would allow States to waste Federal taxpayer dollars on needlessly expensive foods for the WIC Program.

I have spent 8 years protecting the WIC Program from drug companies. Now the House Contract With America changes that. A few years ago, I called on the Federal Trade Commission to investigate price-fixing and bid-rigging regarding infant formula companies and the WIC Program.

I introduced bills, which all my Senate colleagues supported, to require that WIC buy infant formula under competitive bidding rules similar to rules used by the Federal Government, and most State governments, to purchase goods.

These WIC procedures save $1 billion a year. That money keeps 1.6 million pregnant women, infants, and children on WIC at no additional cost to taxpayers.

The House bill does not require competitive bidding. Instead it includes paltry cost containment requirements that are a sham.

It is hard to imagine a provision that better symbolizes what is wrong with the Contract With America.

The contract could give up to $1 billion to four corporate giants and take 1.6 million low-income women, infants, and children off the WIC Program.

For 8 years as chair of the Agriculture Committee, I tried to make our work on nutrition programs bipartisan. And I am pleased that the Senate Budget Committee report is supportive of the WIC Program.

Last year both the Senate and the House passed the child nutrition reauthorization by unanimous agreement.

That reauthorization act maintained the principle that school lunches provide one-third of the nutritional requirements for each day. It maintained strong competitive bidding procedures for the WIC Program.

And it ensured that foods of minimum nutritional value may not be sold with school lunches. It passed the Senate without objection last year.

The House bill eliminates minimum nutritional requirements for school lunches. I fought Coca-Cola and the

fast food companies last year to make school lunches healthier.

Congress reduced the saturated fat content of school meals, and clarified that schools have the right to say ''no'' to Coca-Cola and Pepsi-Cola.

Under the House Contract With America, soft drinks can be sold to school children during lunch instead of milk. Candy companies, fast food giants, and junk food purveyors are the big winners. Children and dairy farmers are the big losers.

The House-passed Contract With America could hurt child nutrition programs by eliminating what we put into law last year.

I hope the Senate tells the lobbyists for the soft drink bottlers that Coke or Pepsi should not be part of a school lunch or breakfast.

I hope the Senate tells the lobbyists for drug companies that make infant formula that the Senate wants to continue to save taxpayers $1 billion a year in the WIC Program by mandating strong competitive bidding procedures.

Remember, before the Congress required competitive bidding, many States did not use those procedures that now put 1.6 million more pregnant women, infants, and children on the WIC Program at no additional cost to taxpayers.

I hope the Senate rejects the House approach that repeals scientific standards for the WIC food package. These standards make WIC a success.

I want to make one additional point not directly related to the amendment I am offering. I believe it is a mistake to block grant food stamps.

On December 2, 1969, President Nixon said in a speech that relying on local governments meant that ''our Nation's food programs have been shot through with inequities.''

Chairman GOODLING put it another way when he opposed block grants a few years ago—he said that a ''child's basic nutrition needs do not vary from State to State.''

I joined with Senator DOLE in opposing block granting some years ago. He said, and I agreed with him, that the ''Federal Government should retain primary responsibility for nutrition programs in order to guarantee some standardization of benefits.''

We have to recognize that food stamps are America's best and largest child nutrition program.

Over 80 percent of food stamp benefits go to families with children; and over 90 percent of food stamp benefits go to families with children, or the elderly or disabled.

I am pleased to report that as the economy has grown over the last year, participation in food stamps has dropped by 1 million persons.

It is crucial to me that food stamps not be block-granted—I agree with the House of Representatives and Chairman ROBERTS, Chairman EMERSON and Chairman GUNDERSON on this issue.

Their view is that food stamps is the final safety net and that it should neither be block-granted nor cashed out. In rejecting block grants, the House used some of the same points made years ago by President Nixon.

In closing, I urge my colleagues to support my amendment.

Mr. President, I thank the managers for their courtesy.

PRIVATIZING PMA'S IS BACKDOOR TAX

Mr. BAUCUS. Mr. President, I have an amendment, joined with Senator PRESSLER, Senator DORGAN, Senator ROBB, Senator WARNER, and others, No. 1120, to oppose the sale of the public power marketing administrations.

Very simply, Mr. President, this is the situation: The budget resolution proposes the sale of public power marketing administration, the PMA's.

What is the effect of that sale? Twofold. No. 1, to dramatically increase the rates of consumers, utility consumers, in most States of our country, because public power is sold at a lower rate than power from other sources that is sold to consumers.

The estimate is between a 20- and a 60-percent increase in utility rates for farmers, for ranchers, for homeowners, for small business, for anybody who is in a rural co-op, or anyone who buys public power. No. 1, the effect is very much to increase the rate. It is a hidden tax, Mr. President. It is a hidden tax because in effect people will have to pay more.

The second major consequence of the sale of the PMA's: Increase the budget deficit. That is a consequence. Why? Very simply, because the PMA's currently make money. They make about $240 million a year. When the PMA's loan is retired, in about, I think, 14 or 16 years, Uncle Sam will make $5 billion on the investment.

So the sale of PMA's has two effects. No. 1, big increase in utility rates; No. 2, increase in the budget deficit.

My amendment says, ''No, let's not sell the PMA's; therefore, let's not raise utility rates; and let's also reduce the budget deficit by keeping the PMA's alive.''

Please add Senators FORD, HARKIN, HEFLIN, and HOLLINGS as cosponsors. Webster defines a ''tax'' as follows: ''to require to pay a percentage of income, property or value for support of the government.''

So a tax can come in many forms—a direct levy, or a hidden fee that sneaks up on taxpayers under a cover name. And that is precisely what this budget resolution contemplates for ratepayers across rural America.

Privatizing the power marketing administrations is a bad idea. It is shortsighted and it hurts rural America. Privatization cannot work when its result is simply to create four huge monopolies, which will gouge their captive market like any other monopoly.

So at its core, the proposal to sell off PMA's is no more than a backdoor tax increase on the rural middle class. A tax hidden in a utility bill is every bit as much a tax as a gas tax, income tax or anything else. I won't stand for it. And many of my colleagues on both sides of the isle won't stand for it.

Let me tell you what this would mean to Montana. Montana, like much of the west, was built on hydroelectric power. By harnessing the Missouri River at Fort Peck Reservoir, Montanans bring water to arid lands for farming and ranching. Small industries use the affordable power to create jobs and build communities. And folks in rural areas get affordable power to heat and light their homes.

This is an essential service. It is something that works. And it has worked ever since Franklin Roosevelt came out to break ground at the Fort Peck Dam and bring public power to rural Montana. Public power meant electricity that an ordinary farm family could afford. It helped create Montana communities like Glasgow, Sidney, and Shelby. It keeps towns like these strong and healthy today.

As my friends George and Barbara DenBoer of Dupuyer, MT, recently told me:

> Our electric bills are high enough. We are barely making a living on the ranch now and with all the new taxes and increases in expenses it is all but impossible to continue. Please stop and consider how many rural people will be affected with higher rates. . . . We need the Power Marketing Administration. Please do not make it impossible for those who make their living in the country.

One hundred thousand Montana families—nearly one in three Montana men, women, and children—share George and Barbara's feelings.

All of them use WAPA power in Montana today. And they stand to see their electric bills increase by at least 30 percent if this proposal goes forward. You are talking about a real, tangible cut in the living standards for people in rural America. And that is why I so strongly oppose the sale of WAPA and the PMA's.

A second point is that WAPA and the other power marketing programs take not one tax dollar. In fact, the Federal Government makes money off of these programs.

WAPA is a good example. The Federal Government has invested a total of $5.6 billion in WAPA. And each year, WAPA pays the Federal Government approximately $380 million for this loan with interest. So far, the Federal Treasury has gotten back $4.1 billion on its initial loan. And by the time this debt is retired in 24 years, the Federal Treasury will have made $14 billion on its initial investment of $5.6 billion.

Second, even now the PMA's run a profit for the Government. A recently released CRS report on the PMA's found that the Federal Treasury actually earns a profit of $244 million a year on the PMA's. You have to look long and hard to find a Federal program that provides a good service to the public and makes a profit.

I find it incredibly shortsighted that the Congress would want to sell America's infrastructure for a quick, one time shot of cash. What is next? Our highways? Our bridges? Our national

parks? The principle is just the same. America's infrastructure up for sale. It doesn't make any sense to me, and I will not stand by and let it proceed without a fight.

And I urge my colleagues—particularly those Republicans and Democrats from the 32 rural States served by the PMA's—to join me. Senators will find a comprehensive list of all electric utilities in their States who are served by the PMAs on their desks.

Let me read for the RECORD, States who are served by the PMA's:

Alabama, Arkansas, Arizona, California, Colorado, Florida, Georgia, Iowa, Idaho, Illinois, Kansas, Kentucky, Louisiana, Minnesota, Missouri, Mississippi, Montana, North Carolina, North Dakota, Nebraska, New Mexico, Nevada, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming.

I urge Senators to take a moment before they vote on my amendment to consider the consequences elimination of the PMA's will have on the people in their States—the small businesses, farmers, ranchers, homeowners, and school districts. Say no to this backdoor tax and support my amendment.

I ask for the yeas and nays on my amendment.

Mr. DOMENICI. Mr. President, I want to yield 7 minutes to the Senator from Kentucky.

NO TAXPAYER FUNDING OF ELECTIONS

Mr. MCCONNELL. Mr. President, I listened with great interest to my friend and colleague, Senator KERRY from Massachusetts, decry the effort of the Budget Committee to get rid of the Presidential checkoff. Let me say, my good friend could not be more wrong.

In looking back at the Watergate scandal, it is interesting to note that the Select Committee on Watergate in the mid-1970's in recommendation No. 7, said the committee recommends against the adoption of any form of taxpayer funding of elections—against any form of it. The Congress proceeded to establish the Presidential fund in spite of that.

During the last 20 years, Mr. President, such eminent persons as Lyndon LaRouche has gotten a $12 million in taxpayers funds to run for President of the United States. He even got, interestingly enough, $200,000 from the taxpayers to run for President while he was in jail. My assumption is he would not even be able to vote for himself as a resident of the jail.

In addition, that outstanding American, Lenora Fulani, has gotten $3.5 million from the taxpayers of America to run for President.

Now, Mr. President, the taxpayers of America have an opportunity every April 15 to vote on how they feel about using taxpayers' money for the Presidential election. As a matter of fact, it could be argued it is the most complete survey ever taken in America on any subject.

Every April 15, voters get to decide whether they want to check off—it used to be $1, and now $3—of taxes they already owe—it does not add to their tax bill—to divert that away from whatever else may be funded by the Federal Government into this fund.

Now the checkoff participation has dropped down last year to 14.5 percent, and is still falling. Two years ago, the majority, for fear that the taxpayers would totally revolt and there would be no money in the fund at all, raised the checkoff from $1 to $3. Now the net effect of that is that fewer and fewer people could divert more and more money. Eighty-five percent of the American people choose not to check off, even though it does not add to their tax bills, $3 to go into this fund.

Everyone, in effect, ends up paying for the checkoff because the money is diverted away from other topics.

If there is any system that has been thoroughly discredited, Mr. President, it is this one. It has not stopped spending. It has not stopped soft money, and it has eaten up about $1 billion of the tax money of the people of the United States over the last 20 years.

If we cannot kill this program, Mr. President, then what program can we kill? Now, at the appropriate time I will be offering a second-degree amendment to the Kerry amendment. I would like to briefly describe what that is about.

Among the things, Mr. President, that taxpayers funding has been used for during these years was to settle a sexual harassment case. My amendment would prevent, assuming the Presidential fund survives—which I hope it will not, but assuming it survives—my second-degree amendment to the Kerry amendment would be a sense of the Senate that the Presidential election campaign fund, if it survives, could not pay for or augment damage awards or settlements arising from a civil or criminal action, or the threat thereof, related to sexual harassment.

Now, I will be offering that second-degree amendment to make a point, Mr. President, as to how taxpayers' money has been used: $37,500 was used to settle a sexual harassment case against a top aide of the current President in his campaign back in 1992. The taxpayers paid for the settlement.

At the appropriate time, I will be offering a second-degree amendment which I hope will be approved. I hope that the underlying amendment will be disapproved. This is a program that ought to end up on the ash heap of history.

In addition to that, Mr. President, I will offer an amendment with regard to the Appalachian Regional Commission, a Commission that is extremely important to my own State of Kentucky, and will be cosponsored by Senator WARNER, Senator COCHRAN, Senator ROCKEFELLER, and Senator HEFLIN.

Essentially, Mr. President, even though the Appalachian Regional Commission would be taken down in its funding over a period of 7 years, very, very significantly, this amendment would prevent the ARC from being totally phased out, and it would pay for it largely by diverting funds from the Office of Surface Mining and from other regulatory activities.

So, essentially what this amendment is about is to take money away from regulators and give it to those involved in economic development. It is simply a question of priorities. Do we want to give the money to the Office of Surface Mining and others engaged in regulating in this and other fields? Or do we want the money to go directly into economic development activities in parts of our country that are economically deprived? This ARC covers such States as West Virginia, Kentucky, Tennessee, Mississippi and Alabama, and it has been useful in providing roads and other economic development tools for the most poverty stricken parts of that part of America.

I am somebody who is going to support the final budget resolution. I am in favor of ending a lot of programs and intend to so vote. But I believe here in this particular amendment we will simply be choosing between whether we want to fund more and more Government regulators on the one hand or economic development in poverty-stricken areas on the other.

So I hope the MCCONNELL amendment on ARC, supported by Senators WARNER, COCHRAN, ROCKEFELLER, and HEFLIN, will be approved when it is offered at the end of the time.

Mr. President, I have actually done an astonishing thing. I believe I have finished before Senator DOMENICI had to ring the bell. So I will yield any remaining time.

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

Mr. DOMENICI. How much time did he give back?

The PRESIDING OFFICER. The Senator has 26 minutes and 45 seconds.

The Senator from Nebraska.

Mr. EXON. Mr. President, I yield 6 minutes to the Senator from North Dakota, followed by 2 minutes for the Senator from Florida.

Mr. CONRAD. Mr. President, today we are engaged in a historic debate on our economic future. There are many of us on both sides of the aisle who are committed to balancing our budget. But a group of us have worked for a number of weeks on producing a plan that we call the Fair Share plan, because we believe the Republican alternative that has been presented does not call on all of our citizens on a fair basis to contribute to this effort.

Perhaps the conservative commentator Kevin Phillips said it best when he said, ''If the budget deficit were really a national crisis we would be talking about shared sacrifice, with business, Wall Street and the rich, the people who have the big money, making the biggest sacrifice. Instead, the richest one or two percent, far from making sacrifices, actually get new benefits and tax reductions.''

That does not strike some of us as fair. We believe everyone in this country ought to be asked to contribute to solving this budget problem. So we have created an alternative that we call the fair share balanced budget plan. It balances the budget by the year 2004 without counting the Social Security trust fund surpluses. The Republican plan claims to achieve balance by the year 2002, but they do that by counting Social Security trust fund surpluses. In fact, if you look at the Republican budget resolution you will find that they have a $113 billion budget deficit, when it is fairly stated, in the year 2002. We understand they do not achieve a balanced budget without counting Social Security surpluses until the year 2006.

Our plan offers even more deficit reduction in the year 2002 than their plan. Without counting the Social Security surpluses, the Republicans have a $113 billion deficit in 2002, while the Fair Share plan has a $97 billion deficit, $16 billion less in deficit than the Republican plan.

We freeze defense spending, like the Republican plan does.

We freeze nondefense discretionary spending while the Republicans cut it $190 billion below a freeze. In other words, we have frozen both defense spending and nondefense discretionary spending for 7 years in our plan. In the Republican plan, they have cut, on domestic discretionary spending, $190 billion below freeze. That means the high-priority areas of the budget are devastated under the Republican plan: Education, infrastructure, research and development, technology. We add back $47 billion to education. We add back $54 billion to infrastructure, and some $13 billion to R&D and technology because those are the keys to America's future.

We also cut other important priorities less than the Republican plan. We restore $100 billion of the $256 billion Republicans cut in Medicaid. We have full funding for student loans, some $14 billion. We restore $24 billion of the $46 billion the Republicans cut in nutrition and agriculture. We restore $60 billion of the $86 billion cut in income assistance in the Republican plan. And we restore $5 billion of the $10 billion Republicans cut in veterans benefits.

To fund these changes we reject the Republican tax cuts targeted at the wealthy. The fair share plan eliminates $170 billion reserved in the Republican plans for tax cuts targeted primarily for the wealthy.

We also ask the wealthiest among us to contribute to a balanced budget by limiting the growth of tax breaks, tax loopholes and tax benefits, tax preferences that benefit the wealthy and the big corporations. Tax entitlements are the largest entitlement in dollar terms and the third fastest growing major area of the Federal budget. The Republican budget plan lets these tax loopholes and tax preferences grow without discipline, at twice the rate of overall Federal spending. Our plan limits the growth in tax entitlements to inflation plus 1 percent, producing $228 billion in savings over 7 years.

We are simply saying, as the Republicans have argued, that entitlement growth ought to be limited. We agree. But we do not think we should forget the biggest entitlement of them all, the tax preferences, tax benefits, tax loopholes that go to those who have the most in our society. Let us ask everyone in our country to contribute to an effort to reduce the deficit and let us ask them to contribute on a fair basis.

I reserve the remainder of my time.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Florida is recognized for 2 minutes.

Mr. GRAHAM. Mr. President, I wish to add my voice in support of the amendment to be offered by the Senator from North Dakota. I believe it speaks to two important principles in this debate. One, there has been an assumption that there is a single path to the heaven of a balanced budget; if we did not ride on the chariot that has been provided to us by the Republican leadership that we could not get to that destination. Senator CONRAD has clearly outlined that there are alternative means of reaching the goal of a balanced budget. And we stand second to no Member of this body in terms of our commitment and the length of our commitment toward the goal of a balanced budget.

Second, I believe we will not reach a balanced budget with the Republican plan, and we will not because it fails to meet a fundamental requirement and that is the requirement of fairness; the requirement that all Americans be asked to contribute to the balancing of the budget in an evenhanded manner.

The wheels and wings of this chariot of the Republican leadership for a balanced budget will fall off before we reach the year 2002 because the American people will object. They will reject the proposal to reach that balanced budget which attempts to do so primarily by reducing the already meager capability of the poorest and the oldest of Americans.

The most dramatic example of that is in the area of health care. We have beaten upon our respective breasts about how we are holding down entitlements. Here is what we are doing. According to the Congressional Budget Office, overall health care expenditures are projected to increase by over 7 percent per capita between now and the year 2002. This budget would restrain Medicare, the program for our oldest Americans, by less than 6 percent, and 1.5 percent for our poorest Americans.

That is unfair. That plan will not reach the year 2002. Senator CONRAD's plan will.

I urge its adoption.

Mr. DOMENICI. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. There are 26½ minutes for your side, and 18½ minutes for the other side.

Mr. DOMENICI. I am using my time.

I hope Senators understand that is literal. There are 26 minutes left on our side, 18 minutes left on Senator EXON's side. I intend to make that where it comes out even.

I yield 3 minutes to Senator SANTORUM in opposition to the amendment.

The PRESIDING OFFICER (Mr. FAIRCLOTH). The Senator from Pennsylvania is recognized for 3 minutes.

Mr. SANTORUM. I thank the Senator.

Mr. President, I wanted to talk about the Conrad amendment and just suggest that this is more of the same, again smoke and mirrors, no defined plan of how you are going to get there, more taxes, $230 billion is what they tell you about, but go ahead and spend $170 billion in the reserve fund. We do not know how that necessarily will work and whether that is really there.

I ask the Senator from North Dakota. Has that been scored by the Congressional Budget Office that your budget gets a bonus of $170 billion? Do you get that bonus?

Mr. CONRAD. Am I to respond?

Mr. SANTORUM. Yes.

Mr. CONRAD. We have treated the $170 billion in the same way that the Republican resolution has treated it. In other words, only that money—

Mr. SANTORUM. Has the CBO scored $170 billion in savings in your budget as a result of it going to balance as it did the Domenici budget?

Mr. CONRAD. We do have CBO scoring for the 7 years that indicate we will save $1.250 trillion. We will balance without using Social Security surpluses.

Mr. SANTORUM. I am running out of time.

Mr. CONRAD. We have more deficit reduction in the year 2002 than the Republicans.

Mr. SANTORUM. If I can reclaim my time, I am not getting an answer to the question. I guess the answer is the CBO has not scored $170 billion in bonus savings as a result of getting to balance in 9 years. So they are using money that they do not even have. So it is already potentially $170 billion out of balance.

They have $230 billion in tax increases. They do not solve the Medicare problem because they add money back which does not take care of the problem with the insolvency of the trust fund. They have $443 billion in new spending, but only $398 billion in offset. So that falls short.

This plan looks remarkably like a 10-year plan that the President supposedly is eyeing over at the White House of how to get to a balanced budget in 10 years, which this budget does in 9 years.

Mr. GRAHAM. Will the Senator from Pennsylvania yield for a question?

Mr. SANTORUM. Let me finish my time. Then I be would happy to yield, if I have any time left.

I did a little homework. I found the Chief of Staff at the White House, Leon Panetta, who was Budget Committee chairman when I was on the Budget Committee and offered a budget resolution. ''The Story of America's Future, Preparing the Nation For the 21st Century,'' which was a 10-year balanced budget, just being produced over at the White House, basically presented here today, and they are remarkably similar—big cuts in defense, cuts in entitlements, which the Conrad budget does, and up to a $400 billion in tax increases.

It is the same old song.

Mr. GRAHAM. Will the Senator from Pennsylvania yield for a question?

Mr. FAIRCLOTH. The time of the Senator from Pennsylvania has expired.

Who yields time?

Mr. DOMENICI. I yield myself 3 minutes.

Mr. President, let me say to Senator CONRAD and those who joined him, that we are—

Mr. GRAHAM. Will the Senator from New Mexico yield for a question?

Mr. DOMENICI. No, I will not. I have not had a chance to speak yet. Let me do this. I am not shying away from questions. Let me say to Senator CONRAD that it is very good that you would bring a balanced budget to the floor at 1 o'clock when there is 30 minutes left to debate.

The President sent a budget up about 4 months ago. The Republicans sent a budget to the Budget Committee about 2½ to 3 weeks ago. We have been on the floor a little more than a week. Frankly, there is no way to analyze the budget. But, frankly, I am absolutely positive that it does contain a couple of things that everybody should understand.

The Senator would say he is just taking care of loopholes, just not letting those grow as much, not letting the tax credits and other things grow. He is freezing them at 1-percent growth.

The truth of the matter is that equals a number. That is a dollar number. My estimate is that it is $230 billion in new taxes no matter how you cut it, because in this resolution, if it is done right, they tell the Finance Committee to raise revenues in the amount of $230 billion. Obviously, if you raise revenues $230 billion, you can spend a lot of money. You can spend $230 billion of the taxpayers' money. We did not do that. Americans should understand that.

In addition, the Senate budget resolution said when you balance, there is a dividend. We do not know if they have a dividend on that side. But we said when that dividend accrues we cut Americans' taxes by $170 billion. It is very easy to sit up here and say we are only going to cut for the rich. It is not true. If they did not have that in their vocabulary on that side, they would not have anything to talk that about. Every time they get up, they talk about taxing the rich.

The budget resolution says when we have tax cuts, if we do, they will not go to the rich. I do not know how many times I can say it, but that is the truth. Read the resolution.

In addition, that $170 billion which the Republicans say give back to Americans, they spend that. Of course, $230 billion and $170 billion is $400 billion. It seems to me, if you have $400 billion to spend, you can save a lot of programs.

I yield 1 additional minute.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 1 additional minute.

Mr. DOMENICI. The question is, should the American people be taxed $230 billion more at this time in history, and should they not be entitled to at least take a look at whether they should get a tax cut when we get things in balance, or should we spend it all? That is the issue, plain and simple. All the rest is an interesting discussion which nobody has enough time to analyze. But I still commend the Senator. It is better than nothing. We did not have anything until now.

So I thank him for doing something better than having nothing to offer. Frankly, it is a false gesture. There will be a lot of people who will vote for it. They will say they voted for a balanced budget also. Frankly, I think it is a little too late. Nonetheless, we will probably vote on it later today.

I yield the floor at this point and reserve the remainder of the time.

Mr. GRAHAM. Will the Senator from New Mexico yield for a question or yield time to the Senator from Pennsylvania?

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I do not have any time.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, unfortunately, the Senator from Nebraska is placed in the position where I have a great number of Senators who want to address this. If I have any time left for myself at all, I would like to answer some of the statements that have been made. But in view of the fact that I have Members on this side who are very vitally involved in this whole matter at this time, I would like to yield 2 additional minutes for whatever purposes he sees proper to my colleague from North Dakota. I would like to yield, following that 2 minutes, to my colleague from the State of Illinois and 2 minutes to my colleague from the State of New Jersey, 6 minutes in total.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. CONRAD. I thank the Senator from Nebraska.

In answer to my colleague from Pennsylvania, this is not the same old song. This is a balanced budget and one that does it without using or without counting Social Security trust funds. It is a significant breakthrough. We do it by less draconian cuts on the high-priority programs of education, Medicare, Medicaid, veterans, and many others.

We are able to do that because we reject the tax reduction aimed and targeted primarily at the wealthiest among us, and we say there is no need to defend every tax preference, every tax loophole, every tax break that is in the current code.

This chart shows it—$4 trillion of tax preferences over the next 7 years. We say let us limit the growth to inflation plus 1 percent. That saves us $228 billion.

Now, my friends may be able to defend every tax preference, every tax break, every tax loophole. I am not. I do not understand the practice of allowing 73 percent of the foreign corporations doing business in this country to get by without paying one dime of tax. Those are not U.S. taxpayers. They are foreign taxpayers doing business here, and we allow 73 percent of them to get by without paying a penny. It makes no sense.

I do not understand the practice of having a section 936 in the code that costs $57,000 for every job created in Puerto Rico under that section of the code. I think we could do away with that loophole, and overwhelmingly the people of this country would agree. I do not see any reason we should not say to the billionaires who renounce their U.S. citizenship to avoid taxes, that loophole should now be closed.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CONRAD. I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois.

Mr. SIMON. Mr. President, I rise in strong support of the Conrad amendment. In response to my colleague from Pennsylvania, who said this is smoke and mirrors, it took about 10 of us about six meetings to put this together, plus our staffs. It is substantial. I do not suggest that the budget offered by the Senator from New Mexico is smoke and mirrors. This is not smoke and mirrors. The question is, which is more equitable? And I think clearly the Conrad amendment is.

The second question is the growth of tax loopholes or tax entitlements. I have heard the Senator from New Mexico speak often about entitlements and the need to get hold of them. He is absolutely correct. But that also applies to tax entitlements, and what the Conrad amendment does is say on tax loopholes, they can grow at the rate of inflation plus 1 percent.

Finally, I would say I am a pessimist that any of these things will stand without the teeth of a constitutional amendment. Our history is after 2 years they blow up. But I believe the Conrad plan has a greater chance of standing up through the test of time because it is more fair. The burden is

spread more evenly. I strongly support the Conrad amendment.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Jersey.

Mr. BRADLEY. Mr. President, the issue of whether there will be a tax increase in the budget resolution, of course, is yesterday's story. There already is a tax increase in the Republican budget proposal. It is the elimination of the earned-income tax credit. It is a tax increase of $20 billion on families that earn under $28,000 a year.

So make no mistake, the issue is not whether or not there will be a tax increase. The issue is who is going to pay the tax. And I believe that this measure is appropriate. It says that corporations and wealthy individuals who use tax loopholes should lose them or have them limited. The Senator from South Dakota and I might disagree on which tax loopholes should be eliminated, but there is no question that we should tell the Finance Committee to work to achieve that amount of deficit reduction through the elimination of the tax loopholes.

If this amendment does not succeed, when we get to the end and we are offering amendments that will not be able to be debated, I will be offering another alternative budget that will cut discretionary spending more, Medicaid and Medicare less, tax expenditures less, have a tobacco tax, cut defense more, and cut agriculture more. That will be an alternative budget to the one that is being offered now by the distinguished Senator from North Dakota. So that, indeed, we will have two Democratic amendments that would produce a balanced budget—not one but two. And I hope that this amendment is seriously addressed by the Senate and passed, because it is clearly better than the current budget proposal.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 19 minutes 2 seconds.

Mr. DOMENICI. That is all that is remaining?

The PRESIDING OFFICER. The Democratic side has 12 minutes 9 seconds.

Mr. DOMENICI. Mr. President, I have a number of comments I wish to make. I yield myself 5 minutes.

Mr. President, on Federal workers, there will be an amendment called up that Senator SARBANES offered, and, frankly, I want the body to know that I worked very hard with Federal employees representative groups. We did a lot better in this budget resolution for Federal workers than the House did.

First of all, we did not freeze their pay. They get their regular pay increases. We provided sufficient money. The House provided a freeze. Unlike the House approach, we did not put a tax on them to put in the pension fund of 2.4 percent. The only thing that is in this budget resolution is use the top 5 instead of the top 3 for your averages. And we hope to do some grandfathering in the committee so that it has the least damaging effect. On the other hand, I would like to do more but I am also hopeful that when we go to conference I can hold what we have done, and from what I understand from most senior groups, most Federal employee groups, with some grandfathering this is much more palatable than what the House did.

Second, I would like to talk about WIC. Some people have talked about the Women, Infants and Children Program. I think it was Senator LEAHY. We accommodated an increase in the WIC Program. There is no argument that other programs should be restrained, but we said we think that should be increased; that is very important, nutrition. In fact, it is a $1.6 billion increase.

With reference to the power marketing, there is and there will be an amendment and discussion about it. Let me just suggest we understood from Members on our side and the Democrat side that the PMA's as proposed by the House was too tough; it would raise utility rates very high in some areas of the country. We scaled it back tremendously in this budget resolution. For those who are interested, we reduced the savings in the President's budget by two-thirds, or $2.9 billion, the assumption of savings.

We also assumed that existing customers get preferential rights to purchase the PMA's. I think we did a very credible and good job in that area, and I hope that the Senate would not further change that during the waning moments.

In addition, I repeat one more time, this budget resolution says by adoption of a sense-of-the-Senate resolution, if taxes are granted to the American people, 90 percent of them shall go to Americans earning $100,000 or less.

If I did not use all of my time, I will reserve the remainder of it and yield at this time.

Mr. SARBANES. Will the Senator yield?

Mr. DOMENICI. I will be pleased to yield.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland.

Mr. SARBANES. I will be very brief.

That this resolution is more sensitive toward the Federal employees than the House-passed resolution is correct. I think we have done better than the House. I offered the amendment on the retirement provision because I feel strongly we ought not to change the rules on people who have given long service and planned this retirement. But the overall package in the Senate resolution is better than what the House has done, and I am hopeful that we can do even better in the conference. But I offered this particular proposal because I am very concerned about people having the retirement rules changed on them along the way in their working career.

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

The PRESIDING OFFICER. The Senator has 12 minutes 9 seconds.

Mr. EXON. I yield 2 minutes to the Senator from Michigan and following that 2 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Michigan has 2 minutes.

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

The budget resolution before us assumes a 15 percent reduction in overhead for programs in nondefense agencies. It assumes no reduction in overhead for the Defense Department. I think that is the wrong signal to send to the Defense Department, particularly given the fact that we know there has been remaining waste in the defense budget. We have identified literally hundreds of millions of dollars that the GAO has pointed out could be saved by improved efficiency in travel management. We know of the billions of dollars of expenditures where they cannot even identify authority for the expenditures.

We can reduce somewhat the overhead in the Defense Department. My amendment which I will send to the desk says it is the sense of the Senate that the Armed Services Committee and the Appropriations Committee should reduce the overhead in the Defense Department by 3 percent—just 3 percent. And again the contrast here is very clear. We have in this budget assumed a 15-percent reduction in overhead of nondefense agencies, but the budget makes no cut, no assumption about the reduction in overhead in the Defense Department. And given the fact there has been identification of excess and waste in overhead in the Defense Department, we ought to at least ask the Appropriations Committee and the authorizing committee to cut overhead—and I emphasize the word ''overhead''—by 3 percent. This does not reduce the programmatic activities of the agency.

Just the way the 15-percent reduction in overhead was directed to be taken out of things like travel and rent and not out of the programs of the agencies, so this minimum 3 percent reduction in defense is directed not to come out of the programmatic activities of the defense agencies.

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

Mr. EXON. As I understand it, the Senator will send the amendment to the desk for later consideration.

Mr. LEVIN. That is correct.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 2 minutes.

AGRICULTURE AND NUTRITION PROGRAMS

Mr. WELLSTONE. I thank you, Mr. President.

Later on, we will be voting on an amendment offered by Senator EXON and, I believe, Senators DASCHLE and DORGAN, and I am an original cosponsor. This amendment would restore $15 billion from the tax cuts to agriculture and nutrition programs.

Mr. President, I will tell you, a minute and a half is not enough time to talk about nutrition programs, but I want to just remind my colleagues that some 13 million children received food stamp benefits in 1992. Families with children receive 1.9 percent of food stamp benefits.

In addition, we are talking about the child and adult care food program which is nutritional assistance for children at child care centers—and I have visited those centers—we are talking about $20 billion-plus of cuts in the Food Stamp Program. And I say to my colleagues, not that long ago, the Senate unanimously supported an amendment that I offered that we would take no action that would increase hunger among children in America. Three times I tried to get a vote on that and lost. The fourth time we went on record supporting it.

I just simply want to say that these cuts in these nutrition programs will lead to increased hunger among children. The food stamp program in the United States of America is not perfect, but, given the tremendous disparities of welfare benefits, very low benefits, way below poverty level in many States, it is the true safety net for children.

To have these kinds of reductions in this food assistance program is one of the cruelest things we could do. And this summer, well before that final reconciliation bill, I am going to be on the floor over and over and over again reminding my colleagues of the consequences of what we are doing with these cuts. These are real children, real faces, real people, in our country. They do not have the political clout but they deserve much more of our support.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Who yields time?

Mr. EXON. Mr. President, I have an additional speaker that I would be glad to yield to at this time.

Mr. DOMENICI. Mr. President, I say to Senator ROTH, do you want to discuss an amendment you were going to offer?

Mr. ROTH. Yes.

Mr. DOMENICI. I yield 2 minutes to Senator ROTH and 1 minute to Senator STEVENS.

The PRESIDING OFFICER. The Senator from New Mexico yields 2 minutes to the Senator from Delaware.

PREVENTING OIL AND GAS LEASES IN THE ARCTIC NATIONAL WILDLIFE REFUGE

Mr. ROTH. Mr. President, when the time has expired, I intend to offer an amendment to prevent oil and gas leases to be made in the Arctic National Wildlife Refuge.

Mr. President, a financial debt is not the only threat that hangs over the heads of future generations. There is an environmental debt, as well. We have a moral duty to give them a world that has clean water and clean air, and open vistas where wildlife runs free. One of the great birthrights of every American citizen is the wealth of superlative public lands.

Unfortunately, the budget resolution before us today jeopardizes one of the most spectacular places in America: the coastal plain of the Arctic National Wildlife Refuge. There is a provision in the budget that provides for oil and gas lease sales in this sanctuary. Located in the northeastern corner of Alaska, this unique piece of our natural heritage is bordered on the north by the Arctic Ocean and Beaufort Sea, and on the south by the snow-capped Brooks Range.

As a lead sponsor of S. 428, the bill that designates the coastal plain of the Arctic National Wildlife Refuge as wilderness area, I am concerned by the provision in the budget proposal that uses revenues taken from sales of leases to drill the coastal plain.

My concern arises on two levels: first, that the budget is assuming revenue from a pristine wilderness area; and second, that the revenue raised from drilling in this wilderness area will not amount to such an insignificant amount of money that it could easily be found elsewhere.

Mr. President, as I've said before, the best thing we have learned from nearly 500 years of contact with the American wilderness is restraint, the need to stay our hand and preserve our precious environment and future resources rather than destroy them for momentary gain.

For this reason, I have been active in the effort to designate the refuge coastal plain of Alaska as a wilderness area. And I am not alone. Only 4 years ago, Congress rejected the idea of sacrificing a prime part of our national heritage, the Arctic National Wildlife Refuge, for what would be a minimal supply of oil. The Arctic National Wildlife Refuge is an invaluable region with wildlife diversity that has been compared to Africa's Serengeti.

As I've said in earlier statements, the Alaskan wilderness area is not only a critical part of our Earth's ecosystem—the last remaining region where the complete spectrum of arctic and subarctic ecosystems comes together—but it is a vital part of our national consciousness. It is a place we can cherish and visit for our soul's good. It offers us a sense of well-being and promises that not all dreams have been dreamt.

The Alaskan wilderness is a place of outstanding wildlife, wilderness, and recreation, a land dotted by beautiful forests, dramatic peaks and glaciers, gentle foothills, and undulating tundra. It is untamed—rich with Caribou, polar bear, grizzly, wolves, musk oxen, Dall sheep, moose, and hundreds of thousands of birds—snow geese, tundra swans, black brant, and more. In all, about 165 species use the coastal plain. It is an area of intense wildlife activity. Animals give birth, nurse and feed their young, and set about the critical business of fueling up for winters of unspeakable severity.

Addressing my second concern—that the revenue raised from drilling in this wilderness area will not result in such a significant amount of money that it couldn't be found elsewhere—let me say that the estimated revenue is only two-tenths of 1 percent of the total savings.

And that's why I'm here today, to offer an amendment that will prohibit the leasing of the coastal plain of ANWR to pay for deficit reduction and to recommend that we pay for the loss in revenue with an offset that would come from taxing millionaire ex-patriots. I don't think there's any question that the small number of wealthy individuals who choose to renounce or relinquish their citizenship for the purpose of avoiding taxes—or any other reason—are still responsible to pay taxes on the estate, income, trust and gift revenue they received while still Americans.

My amendment to prohibit the sale of leases for oil and gas development in the coastal plain of ANWR is revenue neutral. The revenue loss of $2.3 billion over 7 years is fully offset by closing tax loopholes that have been used by wealthy Americans who renounce their citizenship.

My amendment is consistent with the current law—with the dictates of Congress—law that prohibits oil and gas drilling in the coastal plain of ANWR. It is also consistent with agreements that we have made with Canada to preserve and protect this wilderness area, especially the habitat and culture of the native people who live in the area.

My amendment prevents oil and gas leasing in the coastal plain of ANWR without hearings in Congress. It does not preclude future development of this area, but only prevents Congress from using these savings from oil and gas leasing in the current budget process.

The coastal plain—where the oil and gas leasing would occur is the biological heart and the center of wildlife activity in the refuge. It is a critical part of our Nation's preeminent wilderness and would be destroyed by oil development.

There are those who may think the northern coast of Alaska is too remote for us to worry about. I urge them to read the CONGRESSIONAL RECORDS from the 1870's. The men who initially urged the Congress to protect a place called Yellowstone were subject to ridicule. Why, critics asked, should we forgo the opportunity to dig up minerals from the area? It's a remote place, and few Americans will ever venture there.

Today, as we wrestle with America's future, let's be as far-sighted as that Congress eventually proved to be. Let's not cash in a unique piece of America for a brief, hoped-for rush of oil. Let's protect the coastal plain of the Arctic National Wildlife Refuge—forever.

Mr. President, this amendment will not allow revenues to be used in this budget that are supposed to come from doing something that Congress has not allowed.

This is how it should be done. My amendment accomplishes this purpose. And I encourage my colleagues to support this important effort.

Mr. DOMENICI. I yield one 1 minute to the Senator from Alaska.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alaska.

Mr. STEVENS. Mr. President, the basic concept of this resolution is that it assumes no increase in revenue. Senator ROTH's amendment is one of the first to assume increased taxes. It is a tax increase. His amendment will require an increase in revenue because it takes out the revenue that would be generated by leasing 1.5 million acres of the North Slope. It is not wilderness. It has never been wilderness. It is the largest potential area of oil and gas production in the United States.

I oppose this amendment. The audacity of those that would keep that blocked up. They are leading to the concept where we are now purchasing 55 percent of our oil from overseas, roughly $70 billion a year, because we are not producing oil from our own public lands.

I want to respond to suggestions that the coastal plain Congress set aside in 1980 within the Arctic National Wildlife Refuge for a study of its oil and gas potential is wilderness. This land is not wilderness. Congress has not declared it wilderness. Congress set this area aside to study the oil potential of this area, the potential which we now wish to develop.

Mr. President, in 1980, Congress withdrew 19 million acres in northeast Alaska to establish the Arctic National Wildlife Refuge, an acreage that equals the entire State of Maine. Of that, Congress designated as wilderness 8 million acres, an acreage exceeding the combined area of the States of New Jersey and Connecticut. Congress designated the other 11 million acres non-wilderness refuge lands. At that time, Congress also set aside 1.5 million acres within the non-wilderness area of the Arctic National Wildlife Refuge to study them for oil potential. It is this area which we want to develop, not wilderness within the Refuge.

I also want to respond to the suggestion of some Members and people outside this body continue to argue that this 1.5 million acre set-aside represents the only, or the last, great wilderness. This is just not so. Alaska, which has been singled out among all the states, is full of lands that have been given a wilderness designation by Congress. Alaska, in fact, with over 56 million acres of wilderness, has 64 percent of all wilderness acreage in the United States. This is an area larger than the States of North Carolina and South Carolina combined. In the Arctic of Alaska, there are 21.2 million acres of wilderness, an area larger than the States of Vermont, New Hampshire, Connecticut, and Rhode Island.

In 1991, Alaska had over 57.5 million acres of wilderness. Compare this with the State with the next greatest amount of wilderness—California—which had, in 1991, less than 6 million acres of wilderness. Compare this also with the fact that Connecticut, Delaware, Iowa, Kansas, Maryland, Rhode Island, and the District of Columbia have no wilderness.

Within Alaska, we have individual wilderness areas larger than some other States. For example, Gates of the Arctic National Park, which at 8.4 million acres, is twice the size of New Jersey, contains 7.1 million acres of wilderness—an area 6 times the size of Delaware. Within the Arctic National Wildlife Refuge, too, there are 8 million acres of wilderness, an area the size of Massachusetts and Delaware combined.

But this area should not be confused with the 1.5 million acres that we are discussing today for development of its oil potential. In section 1002 of the Alaska National Interest Lands Conservation Act of 1980, Congress set this area aside and required Interior to report on the resources and oil potential in this area for the future.

Interior conducted seismic studies of the area and concluded that there is a 46-percent chance of discovering commercial quantities of oil. It estimated that there may be as much as 9.2 billion barrels of oil in the coastal plain—which would make it the largest remaining oil reserve in North America. To give some perspective of how much oil that is, 10 billion barrels have been pumped out of the Prudhoe Bay field—and it has been supplying 25 percent of this country's domestic oil need since the late 70's.

Some have argued that oil and gas development would destroy the wildlife in the area. The same arguments were made when Congress considered the Trans Alaska Pipeline Authorization bill in 1973. But the facts prove otherwise. Since oil and gas was developed at Prudhoe Bay, the caribou population in the area has skyrocketed, increasing by a whopping 600 percent. Likewise, populations of musk oxen, waterfowl, and polar bear have either remained stable or increased. In fact, with modern drilling technology, only 5,000 to 7,000 acres—roughly one-half of one percent—of the 1.5 million acres in the coastal plain area would be impacted by roads, structures, or other development activities.

I urge you to let Alaska's oil resources go to work to reduce the budget deficit, increase domestic oil production, and create jobs. I urge you not to be swayed by inaccurate statements about the ''1002 area'' on the Arctic coastal plain—inaccurate statements about its wilderness designation or its importance as the last great wilderness. Congress set aside this area to be studied for development of oil, and we need to do it today for the future of this country's needs for energy and jobs.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. Mr. President, at this time, I yield 2 minutes to the Senator from Ohio, followed by 2 minutes to the Senator from Virginia, followed by 2 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. GLENN. Mr. President, I thank the floor manager of the bill.

Mr. President, do I have a bargain for the U.S. Senate. This is the best deal you are going to get all day, I think. For every dollar spent, you are going to get $5 back and no new taxes. How do we do that? Sounds like blue smoke and mirrors, but it is not.

Mr. President, this amendment makes sure that we do not jeopardize more than $9 billion in deficit reduction. I am pleased to be joined in this amendment by my good friend from Illinois, Senator SIMON.

Let me stress that there are a number of things about this budget resolution I support, not the least of which is its strong approach to reducing the deficit and controlling the costs of Government. And while I disagree with many of the priorities chosen by the chairman of the Budget Committee, I commend his commitment and perseverance in seeking to balance the budget so that we can leave our children and grandchildren a legacy of hope, rather than debt.

Mr. President, I believe the amendment I am offering today furthers that goal by preserving the antifraud compliance initiative of the Internal Revenue Service which will bring in almost $5 for every $1 we spend.

Currently $164.3 billion in unpaid taxes are owed to the Government. Much of that is not collectible because of defunct corporations, bankruptcy, death or loss of employment. But $30.1 billion of that total is collectible right now. I think that bears repeating: $30.1 billion is rightfully owed to the Government and is collectible right now.

That is where the compliance initiative comes in. Last year, with bipartisan support, the Congress approved and funded the compliance initiative to collect this debt and it is projected that $9.2 billion will be collected over the next 5 years. I think that is a conservative estimate, I am happy to report that collections are ahead of schedule. In the first quarter of the initiative alone, $101 million has been collected—money that will reduce the deficit which is what the budget resolution before us is all about.

Mr. President, the first quarter results are laid out for all to see in this report which I ask unanimous consent to be printed in the RECORD.

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

STATUS OF ACCOUNTS RECEIVABLE

Currently, gross accounts receivable are $164.3 billion. Included in that amount are an active accounts receivable inventory and a currently uncollectible portion.

As of March 1995 the active portion of the accounts receivable inventory was $81.4 billion; $30.1 billion of the $81.4 is the net collectible portion of these receivables—this is the part we can collect right now.

The remaining $51.1 billion of the $81.1 is the allowance for doubtful accounts (ADA) of the uncollectible portion—the part most likely to be written off.

Some of the reasons why these receivables will not be collected are: defunct corporations; taxpayers who have died, or suffered such other personal hardship as serious illness or loss of employment; bankrupt businesses; inability to locate taxpayers, and abatements due to IRS and taxpayer errors.

The portion of our receivables in currently uncollectible status is $82.9 billion. A large portion of this amount is accrued penalties and interest. This category represents accounts not included in the active portion because a collection employee has determined a taxpayer cannot currently pay owed taxes. There is a likelihood that some portion of the amount owed could still be collected in the future.

In FY 94 alone, the IRS collected $1.2 trillion in net tax receipts. Also in FY 94, the active accounts receivables increased 7 percent ($5.1 billion), the smallest growth in active accounts receivable in 4 years.

Mr. GLENN. Mr. President, this bipartisan antifraud program was placed outside the discretionary spending caps for a very simple reason: the Budget Enforcement Act precludes scoring revenue gains from these kinds of compliance activities.

Unfortunately, language placed in this year's budget resolution shifts the initiative back within the caps. That will have the effect of penalizing the initiative—and its substantial revenue gains—in the appropriations process, since it forces appropriators to consider the initiative's costs without allowing them to account for its much greater revenue gains.

This would likely lead to deep cuts, or even the abandonment, of an initiative that brings almost five times what we spend on it. Those cuts would show up as short-term savings of $2 billion to the Treasury. But it would ultimately lead to a net loss of at lest $9.2 billion over 5 years. This is shortsighted, and it's bad business.

Mr. President, that is why members of both parties chose to remove the compliance initiative from the caps last year. It is why the House budget resolution continues that structure. This is not a partisan issue. When it came up before the Senate Budget Committee, my colleague from Missouri, Senator BOND, voted to keep the initiative outside the caps. It is a sound business investment.

But Mr. President, the compliance initiative is not only about bringing in revenue properly owed the Government, it is also about fairness. I know that some view the IRS as an easy target because of public animosity toward the agency. Of course, no one enjoys paying taxes. But what really burns people up is to feel that they are paying their taxes while others are getting off scot-free.

I have talked with countless Ohioans who tell me that they diligently fill out their tax forms, go through all of the hassles with our all-to-complicated Tax Code, send in their payments, only to then hear about those who are getting away with falsifying their returns or submitting none at all. Or corporations that have developed tax schemes to walk away from their liability while everyone else picks up the tab. It is infuriating. Alot of people may not like the IRS, but I will guarantee you they like tax cheats a lot less.

Well, if our amendment fails tax cheats everywhere can rest easy. Quite simply, by putting the compliance initiative under the spending caps, the budget resolution could force the IRS to abandon this important initiative which not only generates revenue, but also assures honest Americans that others are also going to be paying their fair share. This notion of fairness is the underlying principle behind the Tax Code.

Eliminating the compliance initiative not only cuts revenue to the Treasury by more than $9 billion, even worse, it undermines confidence in our Tax Code by signalling to Americans that the Senate believes in double standards, that there are rules for hard-working Americans who pay their taxes, and no rules for people who don't. More effective compliance sends the right message: that there are no double standards when it comes to tax fairness. Everyone must pay their fair share, and we will enforce the laws against those who don't.

Mr. President, I would urge my colleagues to recall that this entire issue was settled last year. The Senate and the House both approved and funded the IRS compliance initiative, and the IRS has since done its part. The IRS is already ahead of schedule in collecting the taxes targeted for this year, and that's before most of the new compliance employees are even fully trained.

Now, I have heard that some Senators share my view that the compliance initiative makes a lot of sense, but think that, to avoid smoke and mirrors, it belongs on budget. In other words, they say that if the IRS and the administration think this is so important, they should fund the Initiative within the caps. That is a reasonable notion that in years past might have worked, and I probably would have agreed with them.

However, as we all know, our efforts to eliminate the deficit have necessitated that funds available in previous years simply don't exist any longer. But this initiative was developed to assist in that effort—to help reduce the deficit. That is why the current structure was established. We all want to collect delinquent taxes, and a $5 return for every dollar spent is a wise investment by any standard.

I would argue, in fact, that those Senators who support the compliance initiative but insist on placing it under the caps are perhaps the ones engaging in smoke and mirrors. These Senators get to say that they support compliance, while knowing full well that under the caps there is no money to pay for it. Unfortunately, the only ones who stand to gain are dishonest people and corporations who are not willing to pay their fair share. They mock the honest American taxpayer. And who are the losers, the American taxpayer who has to pick up the tab, the Federal treasury which will lose more than $9 billion, and the big loser—deficit reduction.

Senator SIMON and I want no part of an effort that so flies in the face of rationality. The amendment that we have introduced strikes that part of the budget resolution which requires that the compliance initiative be funded on budget. The affect of the amendment would simply be to return the compliance initiative to its off-budget status, where the Congress put it last year, and where it has been working to bring in delinquent taxes ever since.

Mr. President, I would urge by colleagues to support this amendment, so that we can get on with the task of deficit reduction.

I ask unanimous consent that a summary of the IRS compliance initiative be printed in the RECORD.

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

IRS COMPLIANCE INITIATIVE

NEED FOR COMPLIANCE INITIATIVE

Last year, Congress approved a $405 million annual investment to collect an additional $9.2 billion to reduce the deficit over five years.

The structure under which the Compliance Initiative was originally approved has provided the Congress and the IRS the flexibility to meet budgetary objectives, while at the same time strengthen compliance.

IRS COMPLIANCE INITIATIVE IS WORKING

Early results show that IRS will meet or exceed the goal of generating the additional $9.2 billion. Through the first quarter of FY 1995, the initiative has generated an additional $101 million, 31% of the FY 1995 commitment. The payoff in later years will be higher when the new people become fully productive.

Initiative results are being tracked. A new system for tracking this initiative and related revenues raised by it was developed by the IRS and accepted by GAO. The First Quarter Report was delivered to Congress, on schedule, on March 31.

CUTTING THE INITIATIVE WOULD INCREASE THE DEFICIT

Congress is working hard to shrink government costs. With regard to the initiative, however, for every appropriated dollar ''saved'', tax revenues are reduced by nearly five dollars. Elimination of the five-year initiative commitment for FY 1996 and beyond would dramatically hinder the IRS' ability to address significant areas of noncompliance that the Congress has urged it to focus on—boosting examination coverage, reducing accounts receivable, and curbing filing fraud.

Further, only $300 million in additional revenues will have been realized, sacrificing $8.9 billion that will be achieved in FY 1996–

1999, and an additional $2.1 billion in years past FY 1999.

And this revenue loss relates only to direct revenues—the Service's enforcement activities also encourage voluntary compliance. Every one percent increase in voluntary compliance increases tax revenues by $10 billion annually.

ELIMINATING THE INITIATIVE SERIOUSLY DAMAGES COLLECTIONS

IRS has put in place a long range hiring and training plan. By the end of May, over 5,000 people will have been hired or redeployed to compliance jobs as part of this initiative. These employees are collecting taxes already due, which if not collected, increase the burden on those taxpayers who voluntarily meet their tax obligations.

Elimination of the Initiative would require IRS to immediately institute a hiring freeze and in FY 1996 furlough the approximately 70,000 Compliance employees for up to 17 days to reduce expenditures by $405 million. In FY 1997, either further furloughs or a reduction in force would be necessary to reduce employment. Attrition alone would not be sufficient to get to lower staffing levels.

SAFEGUARDING TAXPAYER RIGHTS

As tax administrators, one of the IRS' most important responsibilities is to ensure that taxpayers are treated fairly, courteously and with respect. The IRS is committed to respecting the rights of all taxpayers.

In the last several years, the IRS has taken many steps administratively to safeguard taxpayer rights. And IRS is working with the Congress on proposed legislative changes that would further enhance safeguards.

The commitment to taxpayer rights will continue to drive IRS' work with regard to the compliance initiative and, in fact, *all* of the IRS' efforts.

U.S. SENATE,
Washington, DC, May 22, 1995.

DEAR COLLEAGUE: We are writing to inform you about an important issue in the Senate Budget Resolution which, if left unchanged, could cost the government and the American people more than $9 billion in deficit reduction.

Last year, with bipartisan support, the Congress approved and funded the IRS Compliance Initiative to collect over $9.2 billion in unpaid taxes to reduce the deficit. And it has been a real success—for every dollar we invest in this program we will receive nearly five dollars in return.

Last year's budget resolution placed the Compliance Initiative outside the discretionary caps for a very simple reason: The Budget Enforcement Act precludes scoring revenue gains resulting from these kinds of compliance activities. However, language placed in this year's budget resolution shifts the initiative back within the discretionary caps. That will have the effect of penalizing the initiative in the appropriations process, since it will force appropriators to consider the initiative's costs without allowing them to account for its much greater revenue gains.

As a result, this year's budget resolution will likely lead to deep cuts in the Compliance Initiative, or even force the IRS to abandon the initiative entirely. Those cuts would show up as a short-term savings of $2 billion to the Treasury. But it would ultimately result in a net loss of $9.2 billion over 5 years (and up to $11.3 billion including the out years). Such short-sightedness would not be tolerated in the private sector, and it should be rejected by the U.S. Senate, as well.

During floor debate on the Budget Resolution, we will offer an amendment to strike the proposed language on the Compliance Initiative budget structure, so that we can continue to reduce the deficit as Congress intended last year. We urge you to support his amendment. Please have your staff contact John Haseley with Senator Glenn (4–1519) or Aaron Rappaport with Senator Simon (4–5573), with any questions.

Sincerely,

JOHN GLENN.
PAUL SIMON.

I urge support for this amendment. I will submit it at the appropriate time. I thank the Chair.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Virginia is recognized for 2 minutes.

Mr. ROBB. Thank you, Mr. President. I thank the managers of the bill.

Mr. DOMENICI. Did I yield the Senator time, or did the Senator from Nebraska yield time?

Mr. ROBB. The time was yielded by the Senator from Nebraska.

Mr. DOMENICI. Can I yield it so the Senator from Nebraska has time left? How much time does the Senator from Virginia want, 3 or 4 minutes?

Mr. ROBB. Two minutes will be adequate.

Mr. DOMENICI. I yield 2 minutes to Senator ROBB.

FAIR SHARE

Mr. ROBB. Mr. President, I rise in support of the fair share amendment that was offered by the Senator from North Dakota, Senator CONRAD. I, with a number of other Senators, worked with him to try to develop an alternative to the budget resolution that is on the floor. I continue to accord to Senator DOMENICI and others credit for moving us in the right direction.

Their amendment, if you include the $113 billion of Social Security trust funds, would come to balance under that math by the year 2002. This amendment comes by the year 2004 and gives us true balance without using the trust funds.

There are some very difficult choices still ahead of us. We are talking about budget resolutions and not budgets. When we get down to the hard work of the authorizing and appropriating, we are going to have to be making some very, very painful and difficult choices. This particular approach, in my judgment, spreads that burden more equitably and more fairly. Hence, I am very much in favor of it.

I, again, commend the Senator from New Mexico for his leadership and I, like some of the other folks on this side of the aisle, may end up even voting for the final version, even if this particular distribution fails, because I think it is important that we make the statement about the seriousness of our intent to move toward true deficit reduction, and we can continue to disagree about some of the details.

With that, I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Connecticut for 2 minutes.

Mr. LIEBERMAN. Mr. President, I rise to speak in favor of the amendment offered by the Senator from North Dakota [Mr. CONRAD], the one on the fair share budget; and the one offered by the Senator from Delaware [Mr. ROTH] on the Arctic National Wildlife Refuge.

ARCTIC NATIONAL WILDLIFE REFUGE AMENDMENT

Mr. LIEBERMAN. Mr. President, I am pleased to be an original cosponsor of Senator ROTH's amendment to protect the Arctic National Wildlife Refuge from oil and gas development. The budget resolution before us directs the Energy Committee to authorize the lease of 1.5 million acres of this internationally significant refuge to oil companies. If this happens, it will virtually destroy one of the world's crown jewels of nature for a small supply of oil. Yet, only last week in Senate debate, oil from wilderness areas of Alaska's North Slope was characterized as a surplus that should be made available for export. Clearly, oil from the Arctic National Wildlife Refuge is not a vital energy need for the United States.

The social and environmental cost of developing the refuge would be huge. It would severely impact major calving grounds and disrupt migration for one of the largest caribou herds on Earth. The Porcupine herd, estimated recently at over 152,000 caribou, uses the coastal plain of this refuge where development is targeted, to raise their calves and prepare for the incredibly harsh winter migration. It is one of the few areas hospitable enough for calving and summer habitation. The Canadian government provided permanent protection for their portion of this habitat in recognition of its importance and highly threatened status.

Development of this refuge will eliminate a significant amount of habitat for other wildlife, including denning and feeding areas for polar bears and Arctic wolves. Forty three percent of all polar bear dens in and around the refuge occur in this area. It will destroy a major habitat of musk oxen, and threaten staging grounds for millions of migratory birds. It has the potential to contaminate water supplies for vast areas of wilderness so pristine that they define the very term itself. It will degrade one of the last scrapes of Arctic wilderness with each of the elements of the Arctic North Slope ecosystem preserved intact. Ninety percent of this system is already open to oil and gas development. Without question, oil development will result in major environmental damages to this unique wilderness.

It also has the potential to destroy the economic and social basis for Indian cultures that have depended on these herds for thousands of years. We know them as the Gwich'in, the Inuvialuit, the Aklavik and others. We have heard their songs of the caribou. They remind us of Native Americans who once followed vast herds of bison on the Great Plains, and sang to their future as well. In the words of these Alaskan Natives, ''Our Arctic way of

life has endured for 20,000 years. Why should it die now for 6 months of oil?''

As a result of Senate action to lift the oil export ban last week, it is no longer clear whose 6-month supply of oil this might be. Repeatedly, we were told during Senate debate that a glut of North Slope oil exists. So much so, that we need to export this surplus to more profitable locations, such as Japan. Oil from the refuge, in all probability, will not fill American gas pumps. Therefore, the whole energy independence rationale for drilling in the Arctic National Wildlife Refuge is now clearly without any foundation. We would be drilling for oil company profits, not energy independence. In the process, we will deplete our domestic oil reserves and destroy one of our most valuable environmental assets. I think this is a very bad tradeoff, and I think most Americans will agree.

The plan to develop the refuge is a bad idea for another very big reason: it doesn't make budget sense. Senator ROTH offers a replacement offset that more than covers the projected revenues from oil leases, the closure of the tax break for expatriate millionaires. This tax break is for people who renounce their U.S. citizenship to shield their enormous wealth from the taxes every hard-working American must pay. It should not be preserved at the expense of the Arctic National Wildlife Refuge or any other significant resource of this Nation.

The deficit reduction value of the proposed Arctic National Wildlife Refuge lease is clouded by several unresolved issues. First, the $1.4 billion figure scored by CBO assumes a 50-percent State share, even though State law calls for a 90-percent share. Second, there are uncertainties about the ownership of submerged lands within the refuge. If it is determined that these lands belong to Alaska, it reduces the lease value of the refuge further. Third, the most recent offshore State lease near the refuge yielded only $48.41 per acre, compared to the estimated $1,533.00 per acre assumed by CBO—a huge discrepancy. Finally, the budget process itself is simply the wrong place to authorize major, irreversible actions of this kind because it limits normal debate, testimony, and public input.

The current budget rule on public asset sales, which this budget resolution seeks to change, prohibits the scoring of these sales for deficit reduction for good reason. It was created in 1985 during the Gramm-Rudman-Hollings Act to avoid bogus, shortsighted asset sales in the name of deficit reduction. Nothing has changed to reduce the need for this rule today as we debate the fate of the Arctic National Wildlife Refuge.

Much has been said since last November about the views of the American people on protecting the environment. So often we hear the presumption that Americans care less. But, this past week a national poll by ABC and the Washington Post found quite the opposite, as has every national poll since the election. Seventy percent of Americans feel the Federal Government has not done enough to protect the environment. In the case of the Arctic National Wildlife Refuge and many other treasured public lands across this Nation, I can only agree. We should not transfer public refuges, parks, forests or energy reserves without extensive hearings, informed testimony, and debate, particularly when they are so near and dear to the American people.

I want read a few words from some of the many letters I have received urging me to protect the Arctic National Wildlife Refuge:

The Ambassador of Canada, Mr. Raymond Chretien, wrote:

> Canada believes that opening the Arctic Refuge to oil and gas development will lead to major disruptions in the sensitive calving grounds and will affect migratory patterns of the Porcupine Caribou Herd on which thousands of Canadian and American Aboriginal people depend.
>
> In signing the 1987 Canada-United States Agreement on the Conservation of the Porcupine Caribou Herd, the United States and Canada both recognized the transboundary nature of these wildlife resources and our joint responsibility for protecting them.
>
> In 1984, Canada gave wilderness protection to its portion of the caribou calving grounds by creating the Northern Yukon National Park. The critical calving grounds in the United States, however, do not have formal protection and remain vulnerable to development, as evidenced by the recent budgetary proposals.
>
> Canada believes that the best way to ensure the future of the shared wildlife population of the Arctic Coastal Plain is to designate the ''1002'' lands as wilderness, thereby providing equal protection on both sides of this border to this irreplaceable living resource.

Gwich'in Tribe, Renewable Resource Board, Mr. Robert Charlie, wrote:

> Opening up the Arctic Refuge to (oil and gas) development would have a drastic negative impact on the Porcupine Caribou Herd which calves in the area. In turn, the decline of the herd would devastate the aboriginal cultures in Yukon and Northwest Territories which rely on caribou for cultural and economic survival . . .
>
> Both President Clinton and Prime Minister Chretien oppose drilling in the refuge.
>
> Oil development is opposed by all First Nations in Canada and Alaska, with exception of the Inupiat who have financial interests there.
>
> The calving grounds in the ''1002'' lands are recognized by the International Porcupine Caribou Board as the most sensitive habitat of the herd.
>
> A study released last week by the Alaska Department of Fish and Game links the drop in growth rate of the Central Arctic Herd at Prudhoe Bay to eviction of cows and calves by oil development.
>
> Other department reports in preparation collaborate on the negative impacts of development on caribou calving.

Wildlife Management Advisory Council of the North Slope, Mr. Lindsay Staples, wrote:

> Allowing oil development in the Arctic Refuge would severely impact on the Porcupine Caribou herd. A decline in the herd would mean social and economic ruin for the indigenous peoples who rely on the herd. The Inuvialuit of Aklavik, Northwest Territories are among those whose lifestyle and culture would be at risk.

President Jimmy Carter, op-ed to the New York Times, wrote:

> The new Congress must be reawakened to protecting the interests of all Americans by protecting public lands in Alaska. For what is at stake is an unparalleled system of Federal reserves protecting wildlife, fish and wilderness. Polar bears, musk ox, wolves and a herd of 150,000 caribou roam the remote Coastal Plain of the Arctic National Wildlife Refuge in the far north—a place often called ''America's Serengeti . . .
>
> November's election was not a mandate to damage Alaska's environmental treasures. Poll after poll has shown that the American people remain fully committed to the protection that makes the unspoiled reaches of our Nation the envy of the world.

Mr. President, I believe it is essential for this Nation to balance its budget. I salute the budget committee for taking bold and concrete steps to reach this goal. This is a very difficult, complicated task that requires sacrifice by all of us. I believe Senator ROTH's amendment provides a better way to reach this goal than the proposed development of the Arctic National Wildlife Refuge. It trades something we do not need, a tax break for rich people who do not care about our country enough to maintain their citizenship, for something we do need and are willing to take care of, one of or most precious natural resources.

In 1991, I was 1 of 44 Senators who voted against a motion to proceed with an energy bill that contained a plan to develop oil on this refuge. Today, we must renew this commitment to safeguarding this national treasure. We must continue our stewardship of our natural resources and natural heritage. I ask all my colleagues on both sides of the aisle to join Senator ROTH, me and the many other Senators supporting this amendment today. We may not have a second chance.

TECHNOLOGY RESEARCH AND TRAINING

Mr. LIEBERMAN. Mr. President, I wanted to speak briefly on the amendment I am pleased to cosponsor with Senators BINGAMAN and ROCKEFELLER on technology research and training.

The Federal Government, since the Second World War, by its investments in research and support of technology, has really driven this economy. This budget begins to dismantle the apparatus that has created so much wealth, growth, and jobs, and we desperately need to compete in the world today. It is the beginning of kind of an economic disarmament as the world becomes more competitive. In this budget, while other nations are increasing their relative investment in research and development and training and technology, we actually decrease the investment that America is making.

In Japan and Germany, and other industrialized nations, the investments that are made in research and training and technology are beyond partisan and political debate. They stand up there with national defense. Those

folks in Japan and Germany are probably the ones who will not only find this debate shocking but will get a big laugh out of the fact that we are cutting some of these programs.

The Commerce Department, the agency that has finally brought together our effort to take the research from the laboratories, convert it into technologies that create jobs and then have an aggressive export promotion program that sells those products abroad is actually being dismantled in the budget before us.

While I support the bottom line that the budget achieves, these are the wrong priorities, and I hope through the sense of the Senate that we will express our support for different priorities.

I find it ironic that the budget resolution, by cutting critical investments in science, technology and trade, depletes future sources of revenues for the national budget, and ultimately weakens our economy rather than strengthens it. In trying to save dollars today, we are throwing away the investments with the biggest payoffs tomorrow. We are stealing from our own pockets tomorrow, and from our children to pay for budget cuts today. The strategy simply makes no sense.

Research and development, applied research, export promotion, and trade law enforcement. These efforts are the fuel of our economy. Traditionally, the Government has played an important role in stoking our economic furnace with selected, well-defined R&D programs that stimulate the economy and protect and promote our interests abroad. They have been a critical engine for economic growth in the United States and are one of its major competitive advantages. The budget resolution's deep cuts into research and development have the potential to devastate our research institutions, institutions that have international reputations for excellence. These institutions spawn the new ideas that form the basis for innovation in the marketplace. No major research institution is left unscathed—the Department of Commerce trade and technology programs, the National Institutes of Health, the Department of Energy Labs, NASA, and even the premiere basic research institution, the National Science Foundation. The lack of judgment in cutting these programs is obvious when one notes that the direct return on investment to our economy, from research and development is 30 percent. This figure does not even take into account indirect social benefits from research and development.

Currently, our Federal investment is research and development is 1.1 percent of GDP, split almost evenly between defense and civilian R&D. If we remove the defense component and add on the investment by the private sector, we find that our investment, as a nation, in civilian R&D is 2.1 percent of GDP. We can compare the R&D investment trends in the United States with those of other industrialized nations. Today, we are behind Japan and Germany in this critical factor. This historic pattern relative to Japan and Germany has had a direct impact on our economies. Since the 1950's, our per capita GDP has risen an average of 1.8 percent per year, while in Japan the rate has been 5.2 percent per year, and in Germany, 3.1 percent per year. R&D means new products and new technologies. The correlation between R&D investment and economic growth is real.

While other nations are increasing their relative investment in R&D, the current budget resolution would decrease our R&D investment. It marks a historic reversal in U.S. policy toward science and R&D. By the year 2002, the budget resolution would decrease our Federal investment in R&D by approximately 40 percent. The result would be to decrease our national investment in R&D from 1.1 percent of GDP to 0.68 percent of GDP. Even if other nation's R&D investments remain constant, and do not grow, as is the trend, we fall behind countries like France and the United Kingdom. The lead that Japan and Germany have over us grows substantially. This graph does not consider the multitude of rapidly growing emerging nations, who are rapidly becoming fierce competitors in the global marketplace.

These conservative estimates of the results of the decrease is investment in R&D have major implications for our ability to compete in the global marketplace with products that incorporate the innovations conceived by our R&D efforts. It is not sufficient to just conceive of good ideas. These ideas must become products and then be brought to market, at home and abroad. Our success in the global marketplace is directly reflected in our standard of living and our quality of life. The budget resolution completely dissolves the agency that has been the most effective in technology development and trade promotion, the Department of Commerce, ending its programs in these areas up front.

The effort to get our creative ideas to market, to feed our economy, has had a bipartisan history. Landmark legislation by Senator DOLE and then Senator Bayh led to a Federal initiative in technology transfer from the federal laboratory bench to industry. I applaud the forward-looking, innovative thinking that was pioneered by our current majority leader. The Advanced Technology Program was crafted by congressional leaders on both sides of the aisle during the Bush administration. These programs are leading us into the 21st century, with significant potential for enormous returns on investment. For example, the Manufacturing Extension Program, out of the Department of Commerce, was designed to help some 370,000 small- and medium-sized manufacturers, raise their performance to world standards. This program has returned $8 to the economy for every dollar the Federal Government has invested. These technology programs account for less than 2 percent of total Federal R&D investment but are critical to our ability to capitalize on our innovations. We must not cede to other nations the economic benefits of American ingenuity. Along with the elimination of the Department of Commerce, these programs are either slated for deep cuts or elimination.

Getting our products into markets around the world has been one of the real achievements of the Department of Commerce in recent years. The Department of Commerce has worked aggressively to increase exports. In the last 18 months, the Commerce Department successfully advocated, on behalf of U.S. companies, contracts with a total U.S. export content of $25 billion. In other words, for every dollar spent on the Department of Commerce, $6 have been generated in the economy. Commerce has eliminated unnecessary and outmoded regulations on more than $32 billion in exports, allowing domestic companies the freedom to succeed in overseas markets. And, these accomplishments have been made with the smallest Cabinet budget. The advocacy for U.S. trade will be even more critical in coming years as the global marketplace becomes a larger and larger component of our economy.

There are new international competitiveness issues on our horizon and we will need to be effective and efficient in our responsiveness to the rapidly changing global economy. New markets are emerging in developing countries. Conservative estimates suggest that 60 percent of the growth in world trade will be with these developing countries over the next two decades. During a time when we will need increased emphasis on international trade we are contemplating eliminating the only agency that advocates for American business, in the Cabinet and abroad.

The United States has a large share of imports in big emerging markets. We are doing well, but much of our edge is due to our large share in Latin America. Vigorous efforts are necessary in other parts of the world, particularly Asia, where Japan heavily out-invests the United States. These markets combined, make up the largest component of United States exports, and these markets are growing rapidly. But, with the cuts in the budget resolution, we cannot maintain these efforts. We will forfeit the money they bring into our country. We will lose their impetus to our economy. Instead, we are cutting the most critical programs in the smallest Cabinet budget, in the name of decreasing the deficit. It just does not make sense to cut these revenue producing functions. Cutting these trade functions, and the Department of Commerce, will ultimately increase the deficit, not decrease it. I often lament the nearsightedness of a corporate America forced to focus on the next quarter's

profits. I hate to see my Senate colleagues succumb to a similar narrow focus.

In conclusion, I support this amendment in order to assure that when we cut government spending, which I strongly support, we cut wisely, and we do not cut government investments that build our economy. We must maintain our investments in research, technology and trade promotion to ensure our future economic strength and international competitiveness. This amendment stands for exactly that point.

Mr. President, I ask unanimous consent to print in the RECORD a letter to Senator BINGAMAN from the Institute of Electrical and Electronics Engineers.

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

INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS, INC.,
Washington, DC, May 24, 1995.

Hon. JEFF BINGAMAN,
U.S. Senate, Senate Hart Building, Washington, DC.

DEAR SENATOR BINGAMAN: As a representative of the Institute of Electrical and Electronics Engineers, Inc., an organization that promotes the career and policy interests of 240,000 U.S. electrical engineers (IEEE–USA), I am compelled to alert you to our unwavering support for the U.S. research and development base. We have become increasingly alarmed at the pace and scope of the rescissions and proposed funding reductions and eliminations of R&D programs that we see as vital to U.S. industry, the economy and our global competitiveness. Estimates of a 30–40% reduction over the next 5 years in Federal support for research and technology development will have a lingering and deleterious effect on our economy.

In the budget resolution recently passed by the House and in the pending Senate counterpart, drastic reductions to R&D programs across the board are assumed. No one will argue against the merits of deficit reduction. A widening national debt has a very draining effect on our economy and our ability to invest wisely for the future. But in our zeal to find ways to cut government spending, programs which are designed to boost our economy and, in turn revenues, are being sacrificed. This short sightedness needs to be short lived before irrevocable harm is done to the U.S. R&D base and jobs are lost.

We at IEEE–USA are very glad to learn of your intention to offer an amendment to S. Con. Res. 13, the Senate Budget Resolution, to express a sense of the Senate that research, technology and trade promotion are vital to the future of the U.S. economy. Research programs are vulnerable because they do not always have the visibility of many other government programs and therefore are easy targets for budget cutters. Your amendment reminds the whole Congress of the importance of research and technology and hopefully will urge the budget cutters and appropriators to use extreme caution before haphazardly cutting or eliminating needed programs.

The IEEE–USA supports your amendment and commends you for your leadership on this issue and stands ready to assist you and your staff in this effort. Please contact Jim Anton of the Washington staff for further information or support at 202–785–0017.

Sincerely,

JOEL B. SNYDER, P.E.,
Vice President, Professional Activities and Chair, U.S. Activities Board.

I thank the Chair, and I yield the floor.

Mr. ROCKEFELLER. Mr. President, I rise to, in the strongest terms, support this amendment which I am pleased to cosponsor. I congratulate the Senator from New Mexico, Mr. BINGAMAN, for his continued leadership on behalf of the Nation's economic needs and potential, and join Senator LIEBERMAN in helping to make this case to our colleagues.

The proposal to eliminate the U.S. Department of Commerce is incredibly short-sighted and will be extremely harmful to the competitive position of the United States. The Commerce Department's responsibility for trade enforcement, export promotion, manufacturing, and technology is a focused mission for American jobs and growth, and quite simply, its elimination is tantamount to economic surrender.

To begin with, the Commerce Department acts as the cop on the beat, enforcing U.S. trade laws against internationally recognized unfair trading practices. Domestic industry is a huge fan of the Department's Import Administration, and a move to eliminate it, or roll it into another agency with a very different mandate, is only going to be red meat for our competitors. I know this from painful experience. Those of us who represent industries such as steel have seen what unfair trade, dumping and subsidized imports, can mean to local economies and our Nation's overall economy. The Import Administration does yeomen's work enforcing our domestic trade laws—which look out for American businesses and American jobs—and to move it somewhere else is not only thoughtless, it is dangerous.

Mr. President, I will not sit by while the one agency that is looking out for American business, at home and abroad, is dismantled for political gain. The Department of Commerce's trade promotion arm is the matchmaker for thousands of businesses promoting products made in the United States—by American workers—in markets all over the world. I speak from experience here. In January, I led a trade mission of West Virginia businesses to Japan and Taiwan, we called it Project Harvest because that is what we were trying to do, sow the seeds of relationships that would reap tangible benefits for small and large West Virginia companies and their workers. In all this we worked closely with the Department of Commerce's Foreign Commercial Service, and in less than 6 months, these companies have already secured millions of dollars' worth of contracts.

I know what my friends across the aisle are saying about their so-called mandate, but I challenge any one of them to tell me that they have one company in their State such as Precision Samplers, that want to see the Department of Commerce eliminated. As a result of our trade mission, and with the help of the Department of Commerce, Precision Samplers has already signed contracts worth half a million dollars. And the list doesn't end there, West Virginia companies such as the Dean Co., and FCX Systems and Precision Coil have all signed lucrative contracts since our trade mission, and a big thanks goes to the experts at the Department of Commerce who helped make these deals happen. Small companies such as these owe a great deal to Department of Commerce export promotion programs, and I doubt they would want to see that support network eliminated.

I also want to make a special note of the role played by the Bureau of Export Administration [BXA]. BXA evaluates national security interests when American companies seek applications for the export of dual use goods and technology; those are products that could have military applications. There are a lot of things that need to be considered in these applications, but as a Commerce entity, BXA has longstanding close relations with exporters and the business community that other agencies simply don't have. However, BXA has to work with all those other agencies in making its evaluations. Export licensing has foreign policy implications, so involves the State Department; it has national security implications, so works with DOD; it has to clear the sale of nuclear equipment that DOE is expert in, or other things that the Arms Control and Disarmament Agency has a role to play. And BXA coordinates all this while always looking out for the needs of American businesses.

We need to maintain an umbrella organization that looks out for America's business interests at home and across the globe. Creating a Department of Trade would be better than breaking up all the trade functions of the Department of Commerce and moving them all over the Government, to Justice, DOD, Treasury, the ITC, USTR, wherever. But why reinvent the wheel? The Department of Commerce works. This idea of making a Department of Trade or expanding USTR is merely moving around the deck chairs. And maybe it is even worse. This particular ship is standing tall and sailing true. Breaking it down and moving it around is a bad idea.

I also want to discuss a related set of proposed cuts—support for new breakthrough technologies. It is an astounding proposal, and one that shows how soon some forget what it takes for America to win in the new global economy.

We should remember the lessons of the 1970's and early 1980's. During those years, America led in science and new ideas, only to see American inventions such as the VCR commercialized first by other countries. Other governments

have long used research consortia and other aid to help their firms overcome the technical hurdles associated with critical but risky new ideas. And time after time, we found our competitors taking our ideas and sending them back to us in the form of VCRs and other new products.

Over the past 10 years, both American industry and the U.S. Government have taken steps to make sure Americans profit more from our new inventions and discoveries. Industry and the venture capital industry have focused their attention sharply on getting the next generation of products out the door. Both competitive pressures and Wall Street's push for short-term results have led our firms to focus their limited R&D dollars on developing new products. That is good in the short term, but it also means that even our largest firms have been forced to cut longer-term research that is essential for the future but which will not pay off for 10 years.

In the real world, as opposed to some theoretical world, American companies—both large and small—increasingly have turned to cost-shared projects with the Government and each other to develop these risky but vital longer-term technologies. These are the breakthrough technologies that will create new industries and jobs in the future—technologies such as next-generation electronics, low-cost composite materials for bridges and other structures, low-cost but highly reliable processes for making biotechnology products, and advanced techniques for computer-aided manufacturing. Cost-shared projects in such areas create the new seed corn for a new generation of American industry.

At the Federal level, these cost-shared technology partnerships with industry now constitute less than 3 percent of the Government's $72 billion annual R&D budget. The entire budget of the Government's civilian technology agency—the Commerce Department's National Institute of Standards and Technology, NIST—constitutes little more than 1 percent of Federal R&D. With the cold war over and the world economic race in full swing, this is hardly overspending.

And mark my words, other nations will not drop out of the world economic race just because Congress has thrown in the towel in the fight to help develop and market leading edge technologies. Along with Japan and Europe, we now see major new industry-government technology investments in South Korea, Taiwan, and even smaller states such as Singapore. In the real world, these countries are out to clean our clocks—and they want to use America's own university discoveries and entrepreneurial ideas to do it.

The United States has just now climbed back to a solid, but fragile, lead in most key technologies. Well-run, cost-shared Government programs have played an important role in helping American industry regain that lead. But we now combine government cutbacks with ever increasing Wall Street pressures for companies to focus their own funds only on the short term, then we will most certainly fall behind again. And the American worker and the American dream will be the losers.

Killing Federal technology programs, including those of the Commerce Department, will send our companies into economic battle with second-rate support and one arm tied behind their backs. It is a prescription for economic retreat and economic stagnation. In the name of some ideology, we risk destroying key foundations of future prosperity. And future generations will wonder why the Nation that used industry-government R&D cooperation to create the modern agriculture, aircraft, and biotechnology sectors abandoned a proven formula and let other nations walk all over us.

Which brings me back to the amendment and the Department of Commerce. This amendment is quite simple, it states that ''the public welfare, economy, and national security of the United States have benefitted enormously from the investment the Federal Government has made over the past fifty years in research, technology, and trade promotion and trade law enforcement,'' and that these should remain a national priority for the 21st century.

Again, Mr. President, the elimination of an agency of Government so vital to our Nation's interests is tantamount to economic surrender. I think our international competitors will see it as just that. In my view, proposals to eliminate the Department of Commerce amount to unilateral disarmament, and I will fight against those who are determined to raise this white flag.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I have no one seeking time on my side. I need some time, but does the Senator from Nebraska want another 2 or 3 minutes of my time, if he needs it?

Mr. EXON. I will simply advise the Senator, possibly could we take care of the matters that have been agreed to now? I have one Senator who asked to have 3½ minutes. I have the 3½ minutes remaining, but now I do not have the Senator. I would like to give the remainder to him.

Maybe the Senator from New Mexico has some time to give me for closing matters. If not, may we take care of those matters agreed to?

AMENDMENT NO. 1145

Mr. DOMENICI. Mr. President, I ask unanimous consent that it be in order to send to the desk and the Senate adopt, if they see fit, a technical amendment which has been agreed to on the other side. I send that to the desk.

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

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 1145.

Mr. DOMENICI. 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 4, line 19, strike ''$937,800,000,000'' and insert ''$973,800,000,000''.

On page 5, line 12 strike ''comparison with the maximum deficit amount under section 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of''.

On page 6, line 8, strike ''$1,324,400,000,000'' and insert ''$1,342,400,000,000''.

On page 6, line 10 strike ''comparison with the maximum deficit amount under section 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of''.

On page 7, line 10 strike ''comparison with the maximum deficit amount under section 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of''.

On page 10, line 3, strike ''$347,700,000,000'' and insert ''$374,700,000,000''.

On page 11, line 2, strike ''2000'' and insert ''2002''.

On page 40, line 3, strike ''$1,000,000,000'' and insert ''$100,000,000''.

On page 40, line 10, strike ''$1,000,000,000'' and insert ''$100,000,000''.

On page 40, line 17, strike $1,000,000,000'' and insert ''$100,000,000''.

On page 40, line 24, strike $1,000,000,000'' and insert ''$100,000,000''.

On page 41, line 6, strike $1,000,000,000'' and insert ''$100,000,000''.

On page 41, line 13, strike $1,000,000,000'' and insert ''$100,000,000''.

On page 41, line 20, strike $1,000,000,000'' and insert ''$100,000,000''.

On page 64, line 14, strike ''Foreign Relations'' and insert ''Rules and Administration''.

Mr. DOMENICI. Mr. President, I have nothing further to say.

Mr. EXON. It has been agreed to on both sides.

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

The amendment (No. 1145) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 1146

(Purpose: To express the sense of the Senate regarding the establishment of a nonpartisan advisory commission on budgeting and accounting)

Mr. DOMENICI. Mr. President, I ask unanimous consent that it be in order to offer a Bingaman amendment on accounting. It has been agreed to on both sides. I send it to the desk.

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

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. BINGAMAN, proposes an amendment numbered 1146.

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

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

The amendment is as follows:

On page 86, strike line 11 through line 25 on page 87 and insert the following:

SEC. 305. SENSE OF THE CONGRESS ON A UNIFORM ACCOUNTING SYSTEM IN THE FEDERAL GOVERNMENT AND NONPARTISAN COMMISSION ON ACCOUNTING AND BUDGETING.

(a) FINDING.—The Congress finds the following:

(1) Much effort has been devoted to strengthening Federal internal accounting controls in the past. Although progress has been made in recent years, there still exists no uniform Federal accounting system for Federal Government entities and institutions.

(2) As a result, Federal financial management continues to be seriously deficient, and Federal financial management and fiscal practices have failed to identify costs, failed to reflect the total liabilities of congressional actions, and failed to accurately report the financial condition of the Federal Government.

(3) Current Federal accounting practices do not adequately report financial problems of the Federal Government or the full cost of programs and activities. The continued use of these practices undermines the Government's ability to provide credible and reliable financial data, contributes to waste and inefficiency, and will not assist in achieving a balanced budget.

(4) Waste and inefficiency in Federal Government undermine the confidence of the American people in the Government and reduces the Federal Government's ability to address adequately vital public needs.

(5) To rebuild the accountability and credibility of the Federal Government and restore public confidence in the Federal Government, a uniform Federal accounting system, that fully meets the accounting standards and reporting objectives for the Federal Government, must be immediately established so that all assets and liabilities, revenues and expenditures or expenses, and the full cost of programs and activities of the Federal Government can be consistently and accurately recorded, monitored, and uniformly reported throughout all government entities for budgeting and control and management evaluation purposes.

(b) SENSE OF THE SENATE.—It is the sense of the Congress that the assumptions underlying the functional totals in this resolution include the following assumptions:

(1) UNIFORM FEDERAL ACCOUNTING SYSTEM.—(A) A uniform Federal accounting system should be established to consistently compile financial data across the Federal Government, and to make full disclosure of Federal financial data, including the full cost of Federal programs and activities, to the citizens, the Congress, the President, and agency management.

(B) Beginning with fiscal year 1997, the President should require the heads of agencies to—

(i) implement and maintain a uniform Federal accounting system; and

(ii) provide financial statements; in accordance with generally accepted accounting principles applied on a consistent basis and established in accordance with proposed Federal accounting standards and interpretations recommended by the Federal Accounting Standards Advisory Board and other applicable law.

(2) NONPARTISAN ADVISORY COMMISSION ON ACCOUNTING AND BUDGETING.—(A) A temporary advisory commission should be established to make objective and nonpartisan recommendations for the appropriate treatment of capital expenditures under a uniform Federal accounting system that is consistent with generally accepted accounting principles.

(B) The Commission should be appointed on a nonpartisan basis, and should be composed of public and private experts in the fields of finance, economics, accounting, and other related professions.

(C) The Commission should report to the President and the Congress by August 1, 1995, on its recommendations, and should include in its report a detailed plan for implementing such recommendations.

Mr. BINGAMAN. Mr. President, I would like to thank the very distinguished floor managers of the budget resolution, Senator DOMENICI and Senator EXON, for their willingness to work with me on this amendment, which would establish a temporary, nonpartisan advisory commission on accounting and budgeting. I appreciate their support for the amendment, and I am grateful to their staff, Austin Smythe and Jodi Grant, who have been extremely helpful and pleasant to work with.

The amendment I am proposing modifies section 305 of the resolution currently before the Senate. Section 305 recognizes that unlike most private business and state governments, no uniform Federal accounting system exists for Federal entities and institutions. This lack of uniformity contributes to the difficulty of accurately reporting the financial condition of the Federal Government and achieving a balanced Federal budget.

To help rebuild accountability and credibility in the Federal Government and advance the trend toward a ''private sector'' type financial management policy, section 305 calls for a uniform Federal accounting system that is consistent with generally accepted accounting principles and proposed Federal accounting standards recommended by the Federal Accounting Standards Advisory Board. Once in place, a uniform accounting system should enable us to better assess the full cost of Federal programs and activities. Actual costs will be consistently and accurately recorded, monitored, and uniformly reported by all government entities for budgeting and control and management evaluation.

Mr. President, I believe to achieve the commendable goals set forth in section 305, we first must address the issue of the treatment of capital expenditures for Federal accounting and budgeting purposes. Private businesses throughout the country and many States already have in place accounting systems and budgets that deal with capital expenditures in realistic terms. I believe we in the Federal Government can learn from their experiences.

I am proposing the establishment of a temporary advisory commission on accounting and budgeting that would study and make recommendations on the appropriate treatment of capital expenditures under a uniform Federal accounting system that is consistent with generally accepted accounting principles.

Commission members, to be appointed on a nonpartisan basis, would include public and private experts in the fields of finance, economics, accounting, and related professions.

By August 1, 1995, the Commission would report its recommendations to the President and the Congress. In the report, Commission members would set forth a detailed plan for implementation of their recommendations. It is my hope that if the Commission includes a recommendation on the use of a capital budget, its report will specify the components of such a budget in the context of a unified, balanced Federal budget. I understand many of my colleagues currently oppose the use of a Federal capital budget. I believe that as we take steps to streamline the Federal Government, improve efficiency, and operate Federal systems in a manner more consistent with the private sector, all options should be reexamined and given a fresh analysis. In my view, this is particularly relevant in the context of section 305 of the budget resolution, which as I stated earlier, calls for a uniform Federal accounting system consistent with generally accepted accounting principles.

Mr. President, the commission I am advocating can serve a very important service to the Nation. The Commission will examine, in an objective, nonpartisan forum, the treatment of capital expenditures and long-term investments in the context of a uniform Federal accounting system. By reporting on this work to the President and the Congress within the time frame specified in the amendment, which I calculate to be before final reconciliation of the fiscal year 1996 Federal budget, the Commission's recommendations could serve as the basis for resolution of some the serious and divisive problems we in the Congress have encountered, and will continue to encounter, as we work through the budget process. I look forward to the results of the Commission's work, and again, I thank the distinguished floor managers of the resolution for their assistance with this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1146) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, I yield the remaining 3½ minutes of the time to the final Senator to debate the issue, as of now at least, my colleague from New Jersey.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from New Jersey.

Mr. LAUTENBERG. I thank the Chair, and I thank my colleague from Nebraska.

Mr. President, in the fairly short time that I have available—and I am pleased to have the precious time taken for these couple of moments—I would like to describe several amendments that I have prepared which will be voted on this afternoon.

First, Senator ROCKEFELLER and I will offer an amendment to close the so-called Benedict Arnold billionaires' tax loophole. We would transfer the savings to veterans programs. I call this the ''from expatriates to patriots'' amendment. Then I will be offering four amendments that would create exceptions to the so-called firewall that prohibits transfers between the military and domestic programs.

The amendment would allow the Senate, by a majority vote, as opposed to 60 votes, to transfer funds from the wasteful bureaucratic overhead and procurement in the military budget for specific and compelling reasons. The purposes would be up to $2 billion to address the problem of domestic violence; up to $1 billion to strengthen reinforcement of immigration laws; up to $5 billion to hire police officers for community policing and to do prison building; and up to $100 million for research on breast cancer.

My final amendment would create a 60-vote point of order against cutting Medicare or Medicaid to pay for any tax cuts for the rich.

Some of my Republican friends have claimed that that is not their intent, and I say, well, then let us put it in writing and make it enforceable. Certainly, the intent was challenged when we saw the chart go up at an earlier time in this debate when the Senator from Texas proposed tax cuts amounting to over $300 billion.

So, Mr. President, when I look and see those who have made their fortunes in this country and decide to renounce their citizenship so they do not have to pay a State tax, they do not have to pay capital gains taxes; they move out of here, give up their American citizenship, leave this place where their fortunes were made, where their families were raised just to avoid some taxes, to take something out of these huge fortunes that went abroad, I want to give it to the patriots, those who served their country, those who need help, those who are turning to the VA for hospital care, those who are turning to the VA for prostheses, those who are turning to the VA for counseling. I want to take it from the Benedict Arnolds and give it to those who served their country.

With that—I do not see the ranking Member—is there any time left on our side?

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired.

The Senator from New Mexico has 7 minutes 52 seconds.

Mr. DOMENICI. The Democrats have how much?

The PRESIDING OFFICER. The time has expired on the Democratic side.

AMENDMENT NO. 1147

(Purpose: To express the sense of the Senate of the United States that the reforms and proposals contained within the Independent Budget for Veterans Affairs, Fiscal Year 1996, should be given careful consideration in an effort to ensure the Nation's commitment to its veterans)

Mr. DOMENICI. 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 New Mexico [Mr. DOMENICI], for Mr. DOLE and Mr. SIMPSON, proposes an amendment numbered 1147.

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

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

The amendment is as follows:

At the appropriate place insert the following new section:

SEC. . CONSIDERATION OF THE INDEPENDENT BUDGET FOR VETERANS AFFAIRS, FISCAL YEAR 1996.

(a) FINDINGS.—Congress finds as follows:

(1) Whereas over 26,000,000 veterans are eligible for veterans health care;

(2) Whereas the Veterans Health Administration of the Department of Veterans Affairs operates the largest Federal medical care delivery system in the United States, providing for the medical care needs of our Nation's veterans;

(3) Whereas the veterans' service organizations have provided a plan, known as the Independent Budget for Veterans Affairs, to reform the Veterans' health care delivery system to adapt it to the modern health care environment and improve its ability to meet the health care needs of veterans in a cost-effective manner;

(4) Whereas current budget proposals assume a change in the definition of service-connected veterans;

(5) Whereas proposals contained within the Independent Budget may provide improved service to veterans;

(6) Whereas current budget proposals may not have fully considered the measures proposed by the veterans' service organizations in the Independent Budget

(b) SENSE OF CONGRESS.—It is the Sense of Congress: the reforms and proposals contained within the Independent Budget for Veterans Affairs, Fiscal Year 1996 should be given careful consideration in an effort to ensure the nation's commitment to its veterans.

Mr. DOLE. Mr. President, I rise this afternoon to offer a Sense-of-the-Senate amendment regarding the Nations 26 million veterans.

Over the past few days, some have argued that the budget resolution before us is mean-spirited in its treatment of veterans—that it does not take into consideration the real needs of those who served and sacrificed on behalf of our country. Well, I would like to set the record straight on this matter.

Before the White House or those on the other side of the aisle start attacking Republicans on this issue, they had better take a hard look at the Congressional Budget Office's reestimate of the President's fiscal year 1996 budget request. Over 5 years, the President's own budget gives the Department of Veterans Affairs $339 million less for discretionary medical spending than it would receive under a hard freeze.

However, a coalition of veterans' groups has put together a plan called the Independent Budget for Veterans Affairs: Fiscal Year 1996. The coalition claims that the recommendations set forth in the this document will help to improve the Department of Veterans Affairs' health care system while saving taxpayer dollars. The coalition—Which includes AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and Veterans of Foreign Wars—submitted its plan to Congress and to the Clinton administration earlier this year.

The amendment I offer today simply states that Congress should give this proposal careful consideration. It is a nonpartisan document, crafted by the people who know the system best—the veterans themselves. Let us consider their expertise and rise above partisan accusations as we work to improve the efficiency and quality of service to veterans.

Mr. DOMENICI. Mr. President, this amendment has been cleared on both sides.

I yield back any time I may have on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1147) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, let me state the way I understand things. When the 3½ minutes that I have are used up, all time will have expired on the bill.

I will pose a parliamentary inquiry. When that event occurs and there is no more time, what would the pending business be?

The PRESIDING OFFICER. The pending business is the Boxer amendment No. 1134.

Mr. DOMENICI. I say to the distinguished majority leader, the Boxer amendment has been debated. Many other amendments will be offered that have not been debated. I think I am going to yield back my 2½ minutes. I do not know that anybody wishes to speak, unless the majority leader does.

Mr. EXON. May I inquire at this particular time, if we have a little time left. We have been having various discussions. Has there been an agreement reached on how we are likely to handle a whole series of amendments, especially those not debated, with regard to brief statements from the Senators—30 seconds or a minute? Has there been a determination on that, I ask my colleague?

Mr. DOLE. Mr. President, we have discussed it briefly with the Senator

from New Mexico. I hope there will not be many amendments. We have had 50 hours of debate and a lot of votes. There may be one or two on this side. Is there a specific number on that side?

Mr. EXON. Yes. I will tell you now that we have 31 sure amendments. And, as the Senator knows, other Senators may reserve their rights by appearing and offering their amendments. But there will be 31 amendments filed to be voted on from this side of the aisle.

Mr. DOLE. So we are talking about 5, 6, 7 hours of votes, right, which we will do today. We will save final passage until tomorrow sometime.

Mr. EXON. Of course, that is up to the leader. I certainly say that I have suggested to Senator DASCHLE and to the chairman of the Budget Committee—and maybe it has not reached you—that possibly we can cut down some of those at some time. I hope we can work out something to cut down the time that has to be taken for all those votes.

Mr. DOLE. I am going to ask unanimous consent that after the first vote, all votes be 10 minutes in length.

Mr. BYRD. Will the majority leader yield?

Mr. DOLE. Yes.

Mr. BYRD. Would it be possible to get consent that each vote go for 7½ minutes? I believe that can be done. I have seen it done in here. And possibly we can have a minute or half a minute on a side, so as to have some explanation. By cutting it back to 7½ minutes for the vote, perhaps that will accommodate both sides' concerns.

Mr. EXON. I had made a suggestion along those lines that I think Senator BYRD outlined, and maybe even to speed things up, we can cut the votes to 5 minutes.

Mr. DOLE. They are concerned about doing it in 7½ minutes, unless we remain in our seats. But I think the bottom line is that we are actually going to have to vote on 31 amendments on the other side. If that is the bottom line, and people—ordinarily, you would have a right to have your amendment read. If it is a delaying tactic, we can be here a couple more days. The last time around, I recall that Senator Mitchell advised the Chair that if we insisted on having the amendment read, the ruling of the Chair would be appealed.

So we then decided that when the clerk called up the amendment, they would state the purpose, period, and that is it—you know, economic growth, tax relief, or whatever. That was all the explanation there was. If we start giving everybody 30 seconds, or 1, 2, 3 minutes, we are looking at another 2 or 3 hours, and we will never finish action on this budget resolution. We will be in recess this afternoon for at least 40 minutes, from 4:20 until 5 p.m. I will suggest the absence of a quorum briefly——

Mr. EXON. Mr. President, before that, I will make one statement that I think may be helpful. Certainly, we would enter into a unanimous-consent agreement on this side that the reading of the amendments would not be in order. We are not going to be dilatory about this. We think that for everybody that wants a vote on their amendment—and it has been customary to have that in this body—there would be no reason to do that.

Mr. DOLE. I ask unanimous consent that there not be a requirement that amendments be read.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DOLE. So the clerk can state the purpose if we have the purpose.

Mr. BYRD. If the leader will yield, I am not sure the clerk can state the purpose in a way that we can understand what we are voting on.

Mr. DOLE. The last time we did this, I think we had an agreement that the staff would put ''purpose'' and they would read the purpose, such as tax relief, economic growth, or whatever. At least you had some idea what you were voting on. And it would be agreed upon by the two managers.

Mr. DOMENICI. With your permission, I will talk to the senior Senator from West Virginia. I was accommodating today in what we did for your side, I think 10, 12, maybe even 14 of your amendments. Does anybody have a number of how many were already discussed? Senators took the floor and somewhere between 10 and 12 of those have had anywhere from 2 minutes to 6 minutes which might not have occurred otherwise. So I think we have given a pretty good opportunity——

Mr. EXON. I appreciate the accommodation, and I think there has been accommodation on both sides.

Mr. DOLE. I ask unanimous consent that after the first vote, all other votes be limited to 8 minutes in length.

The PRESIDING OFFICER. Is there objection?

Mr. EXON. Reserving the right to object. The minority leader is here. Are you also going to agree that with an 8-minute vote, there will be an explanation of some type before each vote, or not?

Mr. DOLE. The clerk can state the purpose, to be agreed upon by the two managers.

Mr. EXON. I would like our leader to give you his feelings.

Mr. DOLE. We have had 50 hours. I do not think we need another 50.

Mr. DASCHLE. Mr. President, I hope that we could have just a short description of what the amendment is prior to the time we are called upon to vote. In some cases, Senators in good faith have been waiting for an opportunity to offer their amendments and have been precluded from doing so.

If we can accommodate each author of an amendment with a very short two-sentence explanation, I think it would be in the interest of everybody so that we do not make mistakes on what these votes may be.

Mr. DOMENICI. Mr. President, where we are now is there will be 15 minutes on each vote, unless the Senate agrees later on, which I am sure when we get 15 or 20 of these votes in, we will agree.

There will be no reading of the amendment. We have no agreement on any comments on the amendment. So there will be no comments on the amendment. That is the way it is now.

Mr. DOLE. Mr. President, let me say that for the first vote we will add the customary 5 minutes, so there will be 15 plus 5; after that it will be 15 minutes, period. No additional 5 minutes. I do not need consent for that.

AMENDMENT NO. 1134

The PRESIDING OFFICER. The question occurs on agreeing to the amendment No. 1134, offered by the Senator from California.

Mr. DOMENICI. Mr. President, the pending amendment is not germane to the provisions of the budget resolution pursuant to section 305(b)(2) of the Budget Act. I raise a point of order against the pending amendment.

Mr. EXON. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the act for the consideration of the pending amendment.

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 PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

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

The yeas and nays resulted—yeas 46, nays 54, as follows:

[Rollcall Vote No. 187 Leg.]

YEAS—46

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

NAYS—54

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

The PRESIDING OFFICER. On this vote, the yeas are 46, and the nays are

54. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The point of order is sustained, and the motion falls.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I have had a discussion with the distinguished Democratic leader and the managers of the bill. I now ask unanimous consent that votes be limited from here on to 9 minutes, and that the manager have 1 minute to explain the purpose of any amendment that has not been debated.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. This is a very workable agreement, Mr. President. The only way it can work, however, is that we anticipate the order in which these amendments can be brought for a vote. We have that order.

So I encourage all the sponsors of these amendments to give the managers their descriptions so that these descriptions can be read and put in the order in which the amendments will be brought up.

But the managers will have 1 minute to describe the amendment, and that description can be anything the sponsors may suggest they want it to be. But I think it will work out well. And it will allow us to cut back substantially the degree of time.

I urge everyone's cooperation.

Mr. DOLE. Mr. President, I want to make it clear we are talking only about those amendments that will not be debated. Those already debated we will not take another minute on. They have had plenty of time. This will apply to amendments that have not been debated because of the time constraints, and they will be explained briefly by the manager on either side.

Mr. DASCHLE. That is our understanding.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Reserving the right to object, I understand that what is being propounded is that we have 9 minutes to vote, and we have 1 minute to explain it by the manager. If you are going to take 1 minute, why not let the proponent of the amendment take 1 minute? You are going to take a minute anyway.

Mr. DOLE. We are just trying to cut down the time. If we have to stop and recognize everybody up and down—it seems to me you can tell the manager what it says, and they can read it. We will have the vote. We are trying to accommodate Senators, particularly on that side, because you have all the amendments, I understand. If you will just give the manager a one-sentence or two-sentence statement, we are just trying to save time. We thought it might save time.

Mr. DASCHLE. There is another practical concern, if the Senator will yield; that is, that assumes that the sponsor of the amendment is going to be on the floor right at the time the amendment is to be called up. In many cases, we will not be able to guarantee that. So if we are assured that the manager has the description, we will know there will be an explanation.

I hope we can accommodate this process. I think all Senators will have the opportunity to have this amendment at least explained prior to the time we have our vote.

Mr. SARBANES. Reserving the right to object, Mr. President.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I would like to put a question to the two leaders. Some of the amendments have been debated. Will they be called up first, the ones on which there has been debate?

Mr. DOMENICI. The order is going to be worked out between Senators who have amendments and staff, Senator EXON's staff and Senator DOMENICI's. We are starting to put that in some kind of sequence right now.

Was that the question?

Mr. SARBANES. The question was there are some amendments that have been debated, and some amendments that have not been debated. The ones that have not been debated, I take it the managers will make a statement about them. I was wondering whether the ones that have been debated by the sponsors of them could be called up.

Mr. DOLE. No; we have already had debate.

Mr. SARBANES. Not for debate. We have had debate on some amendments. I have an amendment that we had a debate on. I was here to sort of send it to the desk and get a vote on it. We have had debate on that amendment which just recently occurred.

Mr. DOLE. What would be your request?

Mr. SARBANES. That that amendment be up near the top, the front of the list, since we have had the debate recently.

Mr. DOLE. I agree with that.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. Is there objection? The Senator from Montana.

Mr. BAUCUS. Mr. President, reserving the right to object, might I renew the request of Senator HARKIN from Iowa? It seems to me that the managers know the amendments best. They can still be confined to the same length of time, the proponents of the amendment, the same time as the managers. It would be my suggestion that the amendment is called up, and if the author of the amendment is not here, he loses the right to offer the amendment.

I just think a better explanation would be given of what the amendments are if the proponents of the amendment describe them during the 1 minute, then the other side offers their description during that same period. And if the author of the amendment is not here when it is called up, I suggest he lose the opportunity to call up the amendment.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. I think it is fair to say we are trying to find some middle ground. We do not have to do anything. We do not have to let anybody explain them; just say nothing. We already have consent that the amendment cannot be read. So you will not have any debate. We are trying to accommodate everybody by going to the managers. If you have a 1-minute statement, let the manager read it. We are just trying to accommodate everybody at the same time to hopefully save some time.

If Senator EXON, for example, had a statement that Senator DOMENICI disagreed with, then we have to understand the other manager, or whoever, would have the same rights.

Mr. EXON. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I shall not object. It seems that we cannot agree on anything around here. Let me set the stage. We are making a change here under unanimous consent, or attempting to, to change the rules. Now, for good reason, we set a 50-hour limit for debate on the budget resolution and you cannot filibuster.

Now, we have been here through a very difficult process, as we always do go through. I would simply say that I happen to feel in this particular case the majority has come a long way to make some changes which benefit us. The fact is we have far more amendments that can be offered under the rules and it turns out there is not time to have debate.

Now, certainly I feel we should recognize that we have gone through a lot of effort, give and take, trying to work out something that is reasonable. It has been agreed to by the minority leader. It has been agreed to by the majority leader.

I would simply say that any Democratic Senator who has an amendment, if he wants to write out what he wants to say on his amendment, he can give it to me, and I can read it just as well as he or she can without going through the folderol that we are going to find ourselves in, as we always do, to start recognizing people back and forth—where are they? Are they not here?

It would seem to me that we have a reasonable process which people can pick to pieces but can we agree after a lot of effort to come to an understanding that I think should be acceptable to our side?

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to. Who seeks recognition?

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

AMENDMENT NO. 1148

(Purpose: Continue funding for economic development in Appalachian region)

Mr. MCCONNELL. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment by number.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL], for himself, Mr. WARNER, Mr. ROCKEFELLER, Mr. HEFLIN, and Mr. COCHRAN, proposes an amendment numbered 1148:

On page 29, line 10, increase the amount by $100,000,000.

On page 29, line 18, increase the amount by $200,000,000.

On page 30, line 2, increase the amount by $200,000,000.

On page 30, line 3, increase the amount by $100,000,000.

On page 30, line 10, increase the amount by $200,000,000.

On page 30, line 11, increase the amount by $100,000,000.

On page 30, line 18, increase the amount by $100,000,000.

On page 30, line 19, increase the amount by $100,000,000.

On page 31, line 2, increase the amount by $100,000,000.

On page 31, line 3, increase the amount by $100,000,000.

On page 20, line 7, decrease the amount by $100,000,000.

On page 20, line 15, decrease the amount by $200,000,000.

On page 20, line 23, decrease the amount by $200,000,000.

On page 20, line 24, decrease the amount by $100,000,000.

On page 21, line 7, decrease the amount by $200,000,000.

On page 21, line 8, decrease the amount by $100,000,000.

On page 21, line 15, decrease the amount by $100,000,000.

On page 21, line 16, decrease the amount by $100,000,000.

On page 21, line 23, decrease the amount by $100,000,000.

On page 21, line 24, decrease the amount by $100,000,000.

Mr. MCCONNELL. Mr. President, I rise today to offer an amendment that will continue a program that is very important, not only to Kentucky, but also to a great number of other States.

Unlike a lot of other Government programs, this one is targeted to assist those who are in greatest need; and it has had a tremendous, positive impact over the years.

Unlike a lot of other Government programs, this one spends most of its funds making a difference in people's lives—rather than wasting taxpayer dollars on administrative expenses.

The program I am speaking of is the Appalachian Regional Commission, commonly known as ARC.

Before I discuss the substance of my amendment, I would like to commend the authors of this budget resolution, especially the chairman of the Budget Committee, Senator DOMENICI, for making literally thousands of tough but intelligent choices with regard to this Nation's spending priorities.

They have done a superb job, and they have done it with care and compassion and concern for those who will necessarily be impacted by this resolution.

But of course, on an issue as complex and multifaceted as the Federal budget, there are bound to be honest differences of opinion. And it is in that spirit that I am offering my amendment to save the Appalachian Regional Commission from the budget ax.

Let me also point out, however, that this amendment hardly preserves the status quo. I do not think anyone from this side of the aisle would contend that business as usual is going to achieve a balanced budget by the year 2002.

Every Federal program and agency is going to have to adapt, and cut costs, and become more efficient in response to the country's fiscal pressures. Every program and agency will need to do more with less, or face total extinction.

That is what my amendment envisions: An Appalachian Regional Commission of the future that continues to provide excellent services and programs in distressed areas, but with a more targeted approach and, frankly, with less funding.

I should add that the people in my State, and many who work for ARC, are more than willing to make the changes necessary to preserve the agency as a vital and active force in the region. But all of them also believe, as I do, that the mission of the ARC has not yet been completed; and we need to continue to support its positive efforts.

Although ARC has made a dramatic impact in improving the economic opportunities and quality of life for people living in Appalachia, there continues to be a real need for assistance in this region. Poverty, out-migration, and high levels of unemployment are especially prevalent in central Appalachia, which includes some of the poorest counties in the Nation.

In all, the ARC serves parts of 13 States, totaling 399 counties from New York to Mississippi. This is a region that lags behind the Nation in most, if not all, major economic measures. It experiences chronically higher unemployment levels, substantially lower income levels, and perniciously high poverty rates. In eastern Kentucky, for example, the poverty rate stood at 29 percent in 1990—16 percent higher than the national average.

Of the 399 counties served by ARC, 115 of these counties are considered severely distressed.

This means that these counties suffer from unemployment levels and poverty rates that are 150 percent of the national average and receive per capita incomes that are only two-thirds of the national average.

The ARC was designed to address the unique problems of this region which has been afflicted by over a century of exploitation, neglect, geographic barriers, and economic distress. These are not problems born of cyclical economic fluctuations but are the result of years of unremitting underdevelopment, isolation, and out-migration.

That is the bad news. The good news is that ARC has worked hand in hand with each of the 13 States in its jurisdiction to develop flexible and effective programs, tailored to the specific needs of each community or region.

And there is more good news. ARC is unusually lean, as Federal agencies go, with respect to administrative and personnel expenses. Total overhead accounts for less than 4 percent of all expenditures. That is largely achieved through cooperation with the States.

State Governors contribute 50 percent of the administrative costs as well as the full cost of their own regional ARC offices.

In fact, Mr. President, I would urge my colleagues to look to the ARC as a model of efficiency, cost sharing, and State cooperation for other Federal programs.

Some people have said that ARC represents a special windfall for a single area of the country. That is simply not true. The stark reality is that Appalachia receives 14 percent less per capital spending from the Federal Government than the rest of the country, and that includes the amount it receives through ARC. If anything, Appalachia is an underserved area.

The ARC's mission has been to provide the assistance needed to make Appalachian areas economically self-sustaining, rather than to simply hand out government largess.

This is an important distinction.

The ARC is not a traditional poverty program but an economic development program, with a lot of work still ahead of it. If we were to ax the ARC outright, the fact is that much of the investment we have made up to now would have been for naught.

It would be like laying the foundation of a building, putting in the beams and supports, and then deciding to stop before putting on the roof and the walls. Unless the work is seen to completion, much of what has been done to this point will have been in vain.

At the same time, because of the tremendous fiscal pressures we are facing, my amendment would not restore funding for ARC to its current level. Instead, it puts the ARC on a glidepath of reduced spending through the year 2002. The partially restored funding is entirely offset and will fully comply with guidelines established by the Budget Committee to reach a balanced budget by the year 2002.

The way we achieve these goals is quite simple. First, we start with a 35-percent reduction from the current funding level for ARC. There is no question that this is a considerable cut, and it will have an impact on the ARC's ability to fully serve its target areas. But I think it underscores how serious we are about preserving this agency.

From the 35-percent-reduction level in 1996, my amendment will continue

to lower funding levels each year through 2002. Overall, if we use as a baseline a hard freeze at 1995 funding levels for ARC, my amendment would achieve a 47-percent reduction in spending. This amounts to $925 million in savings over 7 years.

Mr. President, I would ask that a table reflecting the savings proposed by my amendment appear in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. MCCONNELL. Mr. President, nobody can charge that this amendment is an attempt to preserve the status quo. Instead, it is an effort to preserve an essential Federal program by making some very tough but necessary choices.

In order to provide the necessary budget offset, I have proposed a reasonable reduction in the regulation and technology account of the Office of Surface Mining. The regulatory arm of OSM has served its statutory purposes well over the years, but the fact is that much of its current activities are now being handled effectively at the State level.

In fact, primary responsibility for regulation in this area has been passed on to 23 of the 26 coal-producing States.

Further, the size of the industry being regulated by OSM has shrunk dramatically over the last decade and a half. While the number of active coal mines has dropped from over 6,000 in 1979 to barely 3,000 in 1993, OSM staff has increased by more than 50 percent. Even since 1983, when the last of the 23 States assumed primary regulatory authority, OSM staff grew by a quarter.

About half of the OSM budget for regulation and technology funds activities that duplicate existing state resources.

So what you have here is a smaller industry—smaller by half—being regulated by 50 percent more bureaucrats. That is the kind of anomaly that our constituents want us to change.

Voters believe that 52 cents on every tax dollar is waste by the Federal Government. If there is any program that suggests this might be true, it is the regulation account at OSM which serves a smaller and smaller industry, and whose activities are being duplicated by more and more States.

Further, I am told that OSM has actually become a burden on State regulatory agencies, making excessive requests for data collection and studies that divert valuable resources from their own regulatory activities.

The proposed reduction in OSM's title V program should come out of the agency's inspection and regulatory activities which duplicate State programs. Adequate funding for State regulatory grants should be maintained, and my amendment is in no way intended to affect such grants.

Mr. President, in these tight budgetary times, a 28-percent reduction in the OSM regulatory budget is entirely reasonable. This cut will actually force OSM to streamline operations and eliminate many duplicative services that are a burden to State regulatory agencies.

I would suggest that the remaining cuts be from other Federal programs that duplicate State regulatory or oversight functions within function 300. If we intend to streamline the Federal Government, we can start with Federal activities that overlap with State agencies and programs. Overall, my amendment would cut three-fourths of 1 percent from this function. This small cut will provide substantial benefit to severely distressed regions of Appalachia.

In drafting this amendment, I have consulted with officials at ARC to help redesign the focus and size of the agency. It is my view that ARC should eliminate those functions that are beyond the central mission of economic development.

We also need to critically assess which areas that are currently under the jurisdiction of ARC no longer need its support, due to the success of ARC's programs.

There are a number of counties that have achieved the goal of economic self-sufficiency and therefore have outgrown the need for ARC funding.

My amendment would enable the ARC to focus its resources on those counties that struggle with the most severe economic hardships.

Let me conclude. If my colleagues believe that eliminating ARC will save money, they are sadly mistaken. The poverty and economic distress of central Appalachia will only deepen, imposing higher costs on other Federal programs. On the other hand, if we keep ARC alive, and help this region to help itself, we will be saving a lot more money in the long run.

Of course, all programs must make every effort to revaluate their mission and eliminate those functions that are no longer needed. I have proposed eliminating certain authorities of the ARC that are no longer needed, and reforming the eligibility criteria to take certain economically stabilized counties off the rolls. These reforms are assumed in the lower spending levels contained in my amendment.

In sum, this is a creative and commonsense way to save one of the few Federal programs that has actually worked: the ARC. Just as important, my proposal is consistent with the goal of balancing the budget which all of us want to achieve. I urge my colleagues to support the amendment.

McCONNELL AMENDMENT—HARDLY KEEPING THE STATUS QUO

[In billions of dollars]

	1996	1997	1998	1999	2000	2001	2002	Total
McConnell Amendment:[1]								
Annual budget authority	.183	.177	.173	.166	.150	.100	.100	1.049
Freeze at 1995 levels:								
Annual budget authority	.282	.282	.282	.282	.282	.282	.282	1.974
Current funding adjusted for inflation:								
Annual budget authority	.291	.301	.312	.323	.334	.....	.....	1.561

[1] The McConnell amendment saves more than $900 million over a 7 year freeze at 1995 ARC funding levels. The McConnell amendment saves more than $500 million over 5 year—inflation adjusted—ARC funding levels.

Mr. FORD. Mr. President, I would like to clarify the RECORD. I believe the distinguished junior Senator from Kentucky may have misspoke earlier with regard to the need for this amendment to address payments made by the Federal Election Commission [FEC] from the Presidential Election Campaign Fund for settlement of alleged sexual harassment claims.

The entire $37,500 payment referred to by the Senator was disallowed by the FEC as a qualified campaign expense and the FEC required repayment of all Federal matching funds used to pay this expense. As my colleague knows, the courts have held that the FEC may only require repayment of disallowed campaign expenses to the extent Federal funds were used.

In this instance, the FEC determined that of the $37,500 in disallowed campaign expenses, $9,675 were paid with Federal matching funds. Consequently, the campaign repaid the Presidential Election Campaign Fund that amount.

Therefore, no taxpayer funds were used to pay this settlement.

But I agree that taxpayer funds should not be used for this purpose and I support the amendment.

Mr. WARNER. Mr. President, I rise today in support of the McConnell amendment to ensure that the essential services provided by the Appalachian Regional Commission are continued for some of this Nation's most destitute areas.

At a time when we are correctly terminating or scaling back outdated Federal programs, I believe the Appalachian Regional Commission is the type of Federal initiative we should be encouraging. It is important to recognize that the ARC uses its limited Federal dollars to leverage additional State and local funds. This successful partnership enables communities in Virginia to have tailored programs which help them respond to a variety of grassroots needs.

In the Commonwealth of Virginia, 21 counties rely heavily on the assistance they receive from the Appalachian Regional Commission. Income levels for this region of Virginia further indicate that, on average, my constituents who reside in this region have incomes which are $6,000 below the average per capita income for the rest of the Nation.

In 1960, when the ARC was created, the poverty rate in Virginia's Appalachian region was 24.4. In 1990, the poverty rate statistics of 17.6 show improvement which can be attributed to the effectiveness of the ARC. However, we are still a long way from achieving the U.S. average poverty level of 13.1 and also the regional poverty level of other ARC-member States of 15.2.

With these statistics in mind, I would like to offer some specific points one should keep in mind regarding the effectiveness of ARC programs, its relationship with the Commonwealth of Virginia, and the direct impact that this relationship has on the private sector.

In recent years, a significant portion of ARC funds have been dedicated to local economic development efforts. Were it not for this assistance, the LENOWISCO Planning District and Wise County would not have been able to complete construction of the water and sewage lines to provide utility services to the Wise County Industrial Park at Blackwood. These lines were financed by a $500,000 grant from the ARC and a $600,000 grant from the U.S. Economic Development Administration. The construction of these utilities to serve a new industrial park has attracted a major wood products manufacturing facility which has created 175 new jobs for the community.

The Fifth Planning District serving the Alleghany Highlands of Virginia is a prominent example of leveraging other State and local funds and stimulating economic development with partial funding from the ARC. For fiscal year 1995, with $350,000 from the ARC, the Alleghany Regional Commerce Center in Clifton Forge, VA was established. This new industrial center already has a commitment from two industries, providing new employment opportunities for over 220 persons.

The ARC funds for this project have generated an additional $500,000 in State funds, $450,000 from the Virginia Department of Transportation, $145,000 from Alleghany County, and $168,173 from the Alleghany Highlands Economic Development Authority. As a result of a limited Federal commitment, there is almost a 4 to 1 ratio of non-Federal dollars compared to Federal funds.

In many cases, these funds have been the sole source of funding for local planning efforts for appropriate community development. For example, such funds have been used to prepare and update comprehensive plans which are required by Virginia State law to be updated every 5 years in revise zoning, subdivision, and other land use ordinances. In addition, funds are used to prepare labor force studies or marketing plans in guiding industrial development sites.

Mr. President, the mission of the Appalachian Regional Commission is as relevant today as it was when the program was created. This rural region of the Nation remains beset with many geographic obstacles that have kept it isolated from industrial expansion. It is a region that has been attempting to diversify its economy from its dependency on one industry—coal mining—to other stable employment opportunities. It is a program that provides essential services and stimulates the contributions of state and local funds.

I thank Senator MCCONNELL for his leadership on this issue and I urge the amendment's adoption.

AMENDMENT NO. 1148

Mr. ROCKEFELLER. Mr. President, I rise in strong support of this amendment to preserve funding for the Appalachian Regional Commission, and I thank the Senator from Kentucky for offering it. Without his amendment, the budget proposal before us includes a plan to wipe out a very small and valuable agency over the next 5 years. This amendment is the Senate's chance to reject the idea of eliminating the tools dedicated to the economic development and future of 13 Appalachian States, including West Virginia.

Senators listening to this debate may think this is an amendment that only deserves the votes of those of us representing those States. I hope our case will be heard so that won't be the conclusion of our colleagues. The people of every State have a stake in the economic strength of the rest of the country. When floods ravage the Mid-West or the Gulf States; when a major defense installation or space center is located in a State like Texas or Alabama; when payments are made to farmers for crop losses; when billions are spent to shore up S&L institutions in certain States; when special aid is given to cities or to California after its riots or earthquakes; when research labs get special funds in New Mexico or Massachusetts—when any of this support and assistance is extended, it is the country's way of investing in each region and in the futures of Americans everywhere.

The Appalachian Regional Commission is the Nation's effort to help a part of this country overcome tremendous barriers. In many parts of the region, major progress has been achieved. But the ARC's job is not finished, and the agency should not be abolished until it is.

Like so much else in this budget debate, this amendment is about priorities. For me, this represents a choice between two programs that affect the people of West Virginia. It calls for a little less support for the Office of Surface Mining, in order to put more into the ARC.

The key message in this amendment is its call for continuing the ARC's partnership with West Virginia and the Appalachian region to finish the foundation we need for more growth, more jobs, and more hope for our people.

To that end, I accept the idea that the Office of Surface Mining should reduce its bureaucracy and excessive regulatory activity in order to finish ARC's work for families and businesses in Appalachia. This amendment will not add to the deficit or prevent us from reaching a balanced budget in 2002—it will simply redirect funding from certain activities at OSM so that the ARC can continue its mission for the people of Appalachia.

This amendment accepts a fair share of responsibility for deficit reduction. But instead of saying wipe out the ARC, it charts a course of gradual reductions, starting with a 35 percent cut in ARC funding for 1996, with continued reductions through 2002. Overall, it would be a 47 percent cut in ARC funding if the commission were frozen at its 1995 level. This is going to require changes and further streamlining at the ARC, which should be tough but doable. Under the McConnell amendment, ARC is still contributing its fair share to deficit reduction. Without it, one region of the country is asked to suffer more than is fair and to a point that will hurt the region.

As a former Governor, and now as a U.S. Senator from West Virginia, I know—vividly—the value of the ARC and how it improves the lives of many hard-working citizens. Whether the funding is used for new water and sewer systems, physician recruitment, adult literacy programs or the Appalachian corridor highways, it has made the difference in West Virginia, Kentucky, and the other Appalachian States.

The highways are the most visible and best known investments made by the ARC for the people of Appalachia. As of today, over two-thirds of the ARC highway system has been completed. But if the ARC is simply abolished, the job will not be completed. What a waste of money to pull out before a road system is finished.

At this very moment, some of these highways are called highways halfway to nowhere, because they are just that—half built, and only halfway to their destination. The job has to be completed, so these highways become highways the whole way to somewhere. And that somewhere is called jobs and prosperity that will benefit the rest of the country, too.

Appalachia simply wants to be connected to our national grid of highways. Parts of the region weren't lucky enough to come out as flat land, so the job takes longer and costs more. But it is essential in giving the people and families in this part of the United States of America a shot—a chance to be rewarded for a work ethic and commitment with real economic opportunity and a decent quality of life.

I won't speak for my colleagues from other Appalachian States, but West Virginia was not exactly the winner in the original Interstate Highway System. And Senators here represent many States that were. As a result, areas of my State have suffered, economically and in human terms. Without roads, people are shut off from jobs. That's obvious. But without roads, people also cannot get decent health care. Dropping out of school is easier sometimes than taking a 2-hour bus ride because the roads are not there.

The structure of the ARC makes it more efficient and effective than many other agencies. The ARC is a working, true partnership between Federal, State, and local governments.

This structure expects responsibility from citizens and local leaders, Federal funding is designed to leverage State and local money for any activity. Accordingly to the ARC, throughout its lifetime, it has contributed less than half of the total amount of project funds. Administrative costs have accounted for less than 4 percent of total costs over ARC's lifetime.

Long before it was fashionable, ARC used a from the bottom up approach to addressing local needs, rather than a top down, one-size-fits-all mandate of the type that has become all too familiar to citizens dealing with Federal agencies. It works, too.

I urge everyone in this body to keep a promise made to a region that has been short shrifted. Each region is unique. Solutions have to differ, depending on our circumstances. When it comes to Appalachia, a small agency called the Appalachian Regional Commission should finish its work. Abolishing it overnight will only create more problems and more costs that can be avoided. I urge my colleagues to vote in favor of the McConnell amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. McCONNELL. Mr. President, I ask for a rollcall vote.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 51, nays 49, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—51

Abraham	Dole	Kerrey
Akaka	Exon	Leahy
Biden	Feinstein	Levin
Breaux	Ford	Lieberman
Bryan	Frist	Lott
Burns	Glenn	Lugar
Byrd	Harkin	McConnell
Coats	Hatch	Mikulski
Cochran	Heflin	Moseley-Braun
Coverdell	Helms	Nunn
Craig	Hollings	Pell
Daschle	Hutchison	Pryor
DeWine	Inouye	Reid
Dodd	Johnston	Robb
Rockefeller	Shelby	Stevens
Santorum	Snowe	Thurmond
Sarbanes	Specter	Warner

NAYS—49

Ashcroft	Feingold	Mack
Baucus	Gorton	McCain
Bennett	Graham	Moynihan
Bingaman	Gramm	Murkowski
Bond	Grams	Murray
Boxer	Grassley	Nickles
Bradley	Gregg	Packwood
Brown	Hatfield	Pressler
Bumpers	Inhofe	Roth
Campbell	Jeffords	Simon
Chafee	Kassebaum	Simpson
Cohen	Kempthorne	Smith
Conrad	Kennedy	Thomas
D'Amato	Kerry	Thompson
Domenici	Kohl	Wellstone
Dorgan	Kyl	
Faircloth	Lautenberg	

So the amendment (No. 1148) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 1149

(Purpose: To restore the cuts to Federal Retirement Programs by providing that the Federal Retirement programs will continue to calculate retirement benefits from the average of an employee's high 3 years of service. The restoration of these cuts will be paid for by closing tax loopholes regarding billionaires who renounce their citizenship)

Mr. SARBANES. 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 Maryland [Mr. SARBANES], for himself, Ms. MIKULSKI, Mr. WARNER, Mr. ROBB and Mr. BINGAMAN, proposes an amendment numbered 1149.

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

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

The amendment is as follows:

On page 3, line 10, increase the amount by $47,000,000.

On page 3, line 11, increase the amount by $144,000,000.

On page 3, line 12, increase the amount by $197,000,000.

On page 3, line 13, increase the amount by $257,000,000.

On page 3, line 14, increase the amount by $322,000,000.

On page 3, line 15, increase the amount by $392,000,000.

On page 3, line 16, increase the amount by $412,000,000.

On page 3, line 20, increase the amount by $47,000,000.

On page 3, line 21, increase the amount by $144,000,000.

On page 3, line 22, increase the amount by $197,000,000.

On page 3, line 23, increase the amount by $257,000,000.

On page 3, line 24, increase the amount by $322,000,000.

On page 3, line 25, increase the amount by $392,000,000.

On page 4, line 1, increase the amount by $412,000,000.

On page 4, line 18, increase the amount by $47,000,000.

On page 4, line 19, increase the amount by $144,000,000.

On page 4, line 20, increase the amount by $197,000,000.

On page 4, line 21, increase the amount by $257,000,000.

On page 4, line 22, increase the amount by $322,000,000.

On page 4, line 23, increase the amount by $392,000,000.

On page 4, line 24, increase the amount by $412,000,000.

On page 5, line 4, increase the amount by $47,000,000.

On page 5, line 5, increase the amount by $144,000,000.

On page 5, line 6, increase the amount by $197,000,000.

On page 5, line 7, increase the amount by $257,000,000.

On page 5, line 8, increase the amount by $322,000,000.

On page 5, line 9, increase the amount by $392,000,000.

On page 5, line 10, increase the amount by $412,000,000.

On page 5, line 17, increase the amount by $47,000,000.

On page 5, line 18, increase the amount by $144,000,000.

On page 5, line 19, increase the amount by $197,000,000.

On page 5, line 20, increase the amount by $257,000,000.

On page 5, line 21, increase the amount by $322,000,000.

On page 5, line 22, increase the amount by $392,000,000.

On page 5, line 23, increase the amount by $412,000,000.

On page 6, line 16, increase the amount by $47,000,000.

On page 6, line 17, increase the amount by $144,000,000.

On page 6, line 18, increase the amount by $197,000,000.

On page 6, line 19, increase the amount by $257,000,000.

On page 6, line 20, increase the amount by $322,000,000.

On page 6, line 21, increase the amount by $392,000,000.

On page 6, line 22, increase the amount by $412,000,000.

On page 39, line 24, increase the amount by $47,000,000.

On page 39, line 25, increase the amount by $47,000,000.

On page 40, line 6, increase the amount by $144,000,000.

On page 40, line 7, increase the amount by $144,000,000.

On page 40, line 13, increase the amount by $197,000,000.

On page 40, line 14, increase the amount by $197,000,000.

On page 40, line 20, increase the amount by $257,000,000.

On page 40, line 21, increase the amount by $257,000,000.

On page 41, line 2, increase the amount by $322,000,000.

On page 41, line 3, increase the amount by $322,000,000.

On page 41, line 9, increase the amount by $392,000,000.

On page 41, line 10, increase the amount by $392,000,000.

On page 41, line 16, increase the amount by $412,000,000.

On page 41, line 17, increase the amount by $412,000,000.

On page 63, line 19, decrease the amount by $47,000,000.

On page 63, line 20, decrease the amount by $967,000,000.

On page 63, line 21, decrease the amount by $1,771,000,000.

At the appropriate place in the resolution insert the following:

SEC. . FEDERAL RETIREMENT.

It is the sense of the Senate that—

(a) the assumptions underlying the revenue and functional totals in this resolution assume that the Federal Retirement programs will continue to calculate retirement benefits from the average of an employee's high 3 years of service; and (b) the restoration of Federal Retirement benefits will be restored by closing the tax loophole which allows billionaires to escape taxes by renouncing their citizenship.

Mr. WARNER. Mr. President, I would like to speak for a few minutes regarding the Sarbanes amendment, of which I am an original cosponsor. This amendment eliminates the provision in the budget resolution which changes the basis for calculating retirement benefits for Federal employees from the average of an employee's highest 3 years to the average of the highest 5 years.

The Government cannot change the rules in the middle of the game for these loyal public servants who are relying on and planning for retirement using longstanding practices. Government personnel, civilian or military, active or retirees, should not be singled out to bear the burden of balancing the budget.

While I am a strong advocate of balancing the budget, I do not believe that a disproportionate share of the budget cuts should fall on Federal employees. I strongly agree with the mandate which American people delivered in the 1994 elections. I am committed to working to cut spending and reduce big government, while striving to see that benefits to the truly needy are not unfairly affected.

We cannot and must not allow those who have given years of service to the Federal Government to be uncertain about their retirement decisions and their future financial well-being.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. DOMENICI. 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 PRESIDING OFFICER. The question is on agreeing to the amendment No. 1149 offered by the Senator from Maryland [Mr. SARBANES]. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 50, nays 50, as follows:

[Rollcall Vote No. 189 Leg.]

YEAS—50

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

NAYS—50

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

So the amendment (No. 1149) was rejected.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 1150

(Purpose: Deficit neutral amendment that would prohibit including revenues in the budget resolution based on oil and gas leasing within the Arctic National Wildlife Refuge)

Mr. ROTH. 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 Delaware [Mr. ROTH] proposes an amendment numbered 1150.

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

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

The amendment is as follows:

On page 3, line 10 increase the amount by $200,000,000.

On page 3, line 11 increase the amount by $200,000,000.

On page 3, line 12 increase the amount by $300,000,000.

On page 3, line 13 increase the amount by $300,000,000.

On page 3, line 14 increase the amount by $400,000,000.

On page 3, line 15 increase the amount by $400,000,000.

On page 3, line 16 increase the amount by $500,000,000.

On page 3, line 20 decrease the amount by $200,000,000.

On page 3, line 21 decrease the amount by $200,000,000.

On page 3, line 22 decrease the amount by $300,000,000.

On page 3, line 23 increase the amount by $300,000,000.

On page 3, line 24 increase the amount by $400,000,000.

On page 3, line 25 increase the amount by $400,000,000.

On page 4, line 1 increase the amount by $500,000,000.

On page 4, line 18 increase the amount by $200,000,000.

On page 4, line 19 increase the amount by $200,000,000.

On page 4, line 20 increase the amount by $300,000,000.

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

On page 4, line 22 increase the amount by $400,000,000.

On page 4, line 23 increase the amount by $400,000,000.

On page 4, line 24 increase the amount by $500,000,000.

On page 5, line 4 decrease the amount by $200,000,000.

On page 5, line 5 decrease the amount by $200,000,000.

On page 5, line 6 decrease the amount by $300,000,000.

On page 5, line 7 increase the amount by $300,000,000.

On page 5, line 8 increase the amount by $400,000,000.

On page 5, line 9 increase the amount by $400,000,000.

On page 5, line 10 decrease the amount by $500,000,000.

On page 5, line 19 increase the amount by $1,400,000,000.

On page 5, line 22 increase the amount by $900,000,000.

On page 6, line 5 increase the amount by $1,400,000,000.

On page 6, line 8 increase the amount by $900,000,000.

On page 6, line 18 increase the amount by $1,400,000,0000.

On page 6, line 21 increase the amount by $900,000,000.

On page 7, line 5 increase the amount by $1,400,000,000.

On page 7, line 8 increase the amount by $900,000,000.

On page 7, line 15 decrease the amount by $200,000,000.

On page 7, line 16 decrease the amount by $200,000,000.

On page 7, line 17 increase the amount by $1,100,000,000.

On page 7, line 18 decrease the amount by $300,000,000.

On page 7, line 19 decrease the amount by $400,000,000.

On page 7, line 20 increase the amount by $500,000,000.

On page 7, line 21 decrease the amount by $500,000,000.

On page 8, line 1 decrease the amount by $200,000,000.

On page 8, line 2, decrease the amount by $200,000,000.

On page 8, line 3, increase the amount by $1,100,000,000.

On page 8, line 4, decrease the amount by $300,000,000.

On page 8, line 5, decrease the amount by $400,000,000.

On page 8, line 6, increase the amount by $500,000,000.

On page 8, line 7, decrease the amount by $500,000,000.

On page 20, line 15, increase the amount by $1,400,000,000.

On page 20, line 16, increase the amount by $1,400,000,000.

On page 21, line 15, increase the amount by $900,000,000.

On page 21, line 16, increase the amount by $900,000,000.

On page 62, line 14, decrease the amount by $1,400,000,000.

On page 62, line 15, decrease the amount by $2,300,000,000.

Mr. BAUCUS. I rise today in support of the amendment offered by my colleague, Senator ROTH, to protect the Arctic National Wildlife Refuge in Alaska from oil and gas development. The proposed budget resolution assumes that the Committee on Energy

and Natural Resources will reach its budget target by opening up this magnificent wildlife refuge to oil and gas development. By striking $2.3 billion over 7 years from that committee's required reduction in budget outlays, and adding that amount to the reduction required by the Finance Committee, Senator ROTH's amendment would protect the refuge, while preserving the budget resolution's bottom line.

To ensure that this amendment is deficit neutral and therefore does not impair our progress toward a balanced budget, a goal I strongly support, Senator ROTH has suggested that those funds instead be obtained by eliminating the ability of persons to avoid taxes by relinquishing their U.S. citizenship. As a result, this amendment would allow us to continue to protect a national treasure for future generations by closing a tax loophole for wealthy expatriates who choose to give up their American citizenship to avoid paying taxes.

A word about the refuge. It is a truly special place. Located in the northeast corner of Alaska, the Arctic National Wildlife Refuge has been referred to, for good reason, as ''America's Serengeti.'' The refuge supports a spectacular array of wildlife, including polar bears, grizzly bears, wolves, and snow geese. In addition, the porcupine caribou herd, numbering over 150,000 animals, bear their young on the coastal plain and provide an important source of food for the native people that live near the refuge.

Oil and gas development is now prohibited in the refuge, unless authorized by Congress. Senator ROTH's amendment is therefore consistent with current law. However, regardless of whether you believe, as I do, that the coastal plain should be permanently protected as a wilderness area or, as the Budget Committee proposes, that the law should be changed to authorize leasing for oil and gas, the budget process is not the time or the place to settle this important issue. It should be fully and objectively debated, taking into consideration not only the immediate economic return of leasing but the potential loss to future generations of developing this pristine wilderness.

The Roth amendment will remove the budget incentive to develop the refuge while maintaining the deficit reduction totals. I urge my colleagues to support it.

Mr. WELLSTONE. Mr. President, I rise to speak in support of the amendment proposed by the distinguished Senator from Delaware. It is my belief that this amendment would accomplish two very important goals with one simple action, namely, closing an outrageous tax loophole for the super-rich, and preserving one of this continent's most fragile treasures, the Arctic National Wildlife Refuge.

Now as some of my colleagues are no doubt well aware, as long as I have been coming down to this floor to speak, I have been speaking in opposition—strong opposition—to opening up ANWR to oil and gas drilling. My position has not changed one bit, for those of my colleagues who have not heard me address this issue before, I want to take this opportunity to again state the reasons why I am so opposed to drilling.

Mr. President, opening up the Arctic National Wildlife Refuge is not an energy policy, it is a non-energy policy. Even if—and this is a big ''if''—even if the big oil companies were to tap the 3.2 billion barrels of oil the Department of Interior has estimated may lie under ANWR, the United States would be no more energy secure than it is now. The oil reserves under ANWR would compose only a fraction of this country's huge appetite for oil for a short period of time, and at a tremendous, perhaps catastrophic ecological cost. We will be no less dependent on foreign oil, and perhaps more so, now that the Senate has apparently expressed its willingness to see Alaskan oil exported overseas to the highest bidder. We will have gained nothing except the experience of witnessing, once again, the grand exercise of greed.

And at what cost, Mr. President? I will tell you what cost. We will have squandered one of the last remaining, irreplaceable treasures that belong not to us, not to the oil companies, not to this Government, but to our children, and their children and their children's children. The Arctic National Wildlife Refuge is the biological heart of the Arctic; and once it is gone, Mr. President, it is gone forever.

Let us not continue any further down this path of foolishness. I urge my colleagues to vote for their children's sake to accept the Roth amendment.

Mr. LAUTENBERG. Mr. President, I rise today to strongly support the amendment by Senator ROTH to remove language in the budget resolution which might allow drilling in the coastal plain of the Arctic National Wildlife Refuge.

A provision in the budget resolution assumes leasing revenues of $1.4 billion from leasing rights in the coastal plain. It is, in reality, nothing more than a yard sale to special interests of the resources in this critical Arctic wilderness. Additionally, the $1.4 billion revenue estimate is highly speculative, at best. All and all, the provision is misplaced and misguided.

The issue of whether to drill in the coastal plain in the Arctic Refuge deserves full, open and deliberative debate. This is an embarrassing backdoor attempt to allow development of our last remaining wilderness. We should not consider a decision of major importance to be made under the time restrictions required by the budget resolution—we should pursue this discussion through separate legislation. That's the responsible thing to do.

Including this discussion in the context of the budget resolution denigrates the natural values of the coastal plain which, unlike barrels of oil on the open market, cannot be quantified. The budget resolution concerns itself primarily with identifying revenues and directing spending. It is not the place to develop Federal policy on land use or natural resources. The ecological values of the coastal plain, many of which are intangible, will lose out when compared to the CBO scoring of potential revenues of barrels of oil.

Mr. President, I oppose the budget committee proposal because it continues, and even strengthens, the existing misplaced energy priorities that have yet to reduce our need for foreign oil. The language in the resolution emphasizes environmentally destructive energy development when what we need to do is develop cleaner, nonpetroleum-based fuels and seek important energy conservation opportunities.

If we allow drilling in the coastal plain, we are destroying what the Fish and Wildlife Service calls the biological heart of the only complete Arctic ecosystem protected in North America. We will be destroying that resource for a one in five chance of finding any economically recoverable oil in the coastal plain. And, even worse, we will destroy that biological heart in an effort to recover what many experts suggest will be only 200 days worth of oil for the Nation.

In addition, Mr. President, we cannot be sure that the revenues the committee assumes from the leasing are real. First, the leasing revenues are speculative in light of what has been bid on other highly prospective leases near the Arctic Refuge. The State of Alaska's most recent onshore lease sale located west of the Refuge brought in an average of $48.41 per acre, and leases immediately offshore the refuge in the Beaufort Sea only gained an average of $33–$153 per acre, versus the estimated $1,533 per acre the committee assumes would be paid if the entire coastal plain were leased.

Second, the Federal treasury may take in as little as ten percent of all leasing revenues, not a split of 50 percent as it appears that the Budget Committee currently assumes. The State of Alaska can be expected to sue to get 90 percent of the leasing revenues, as it does currently for other leases on Federal lands in Alaska.

Mr. President, after the *Exxon Valdez* spill, I visited the tragic spill site, the industrial complex at Prudhoe Bay, and the coastal plain of the Arctic Refuge. What I saw was the best of nature and the failings of humanity. I saw the best of nature in the Arctic Refuge, an area that the renowned biologist George Shaller calls ''unique and irreplaceable, not just on a national basis, but also on an international basis.'' He notes, ''most remote ecosystem, both inside and outside reserves, are rapidly being modified. The refuge has remained a rare exception. The refuge was established not for economic value, but as a statement of our nation's vision.''

Beauty, wilderness, pristine—these words simply fail to capture what I saw and what is at stake if we allow oil and gas drilling to proceed. The infrastructure alone will severely impact the ecosystem. The oil rigs, roads, pipelines, airstrips, production facilities, seismic testing and air and water pollution associated with the development will have dramatic negative impacts on the fragile coastal plain ecosystem.

We also threaten the food and culture of one of the most traditional subsistence peoples in the world, the Gwich'in indians who depend on the healthy and undisturbed porcupine caribou herd which gives birth and raises its young in the coastal plain.

Unfortunately, in seeing the spill in Prince William Sound, I saw how empty promises and humanity's carelessness despoiled a rich ecosystem. Dead wildlife, oil-coated beaches, fishing towns and villages of native Alaskans turned upside down with the destruction. Today, seabird, seal, sea otter, and herring populations still have not recovered, and the social disruption still is felt by the villagers. Most natural resources injured by the spill still show little or no sign of recovery, according to the Exxon Valdez Trustee Council.

If we drill in the refuge, we threaten the unique wilderness system. And if we destroy the wilderness values in the Arctic Refuge, we also threaten an undisturbed ecosystem with its polar bears, snow geese and international porcupine caribou.

The very nature of the budget process will denigrate the values of the coastal plain which the public and previous Congresses have sought to protect. The debate will not be about whether wildlife and wilderness are worth more than the chance of finding oil—the debate will hinge on what scores for budget deficit purposes. How do you score polar bears, musk oxen and caribou? How do you measure the loss of an intact, undisturbed ecosystem to science? How will the Budget Committee account for the wilderness values which will be gone forever?

For all these reasons, Mr. President, I strongly object to the provision assuming leasing revenues from the coastal plain in the budget resolution. I strongly urge my colleagues to vote in favor of the Roth amendment.

Mr. LEAHY. Mr. President, this Congress should not have a yard sale to balance the budget.

A yard sale is an opportunity to clean house, to clear out things that have outgrown their usefulness, and to get rid of junk you don't need. The Alaska National Wildlife Refuge is not junk. It should not be drilled for oil to balance the budget.

The refuge is one of a kind—in fact, it's the last of its kind. The Alaska National Wildlife Refuge is the only place we have left that resembles the kind of land that gave birth to our Nation centuries ago.

I wonder how many people realize that outside this chamber, 500 years ago, the first Americans could hunt bison and elk in the open forests on the banks of the Potomac. I wonder how many people remember that outside this building passenger pigeons used to roost in American chestnut trees, sometimes in flocks of thousands.

Today the bison and elk are gone, the passenger pigeon is extinct, and the American chestnut has been wiped out in this region by an exotic disease. The first Americans wouldn't recognize this place.

Now we turn to a remote corner of our country, the last expanse of true wildness left, and Congress is saying ''we need that too—to balance the budget.'' On behalf of the children, I object.

Drilling for oil in the Alaska Wildlife Refuge has been a controversial issue for almost ten years. This is not a reason to sneak it into the budget resolution. This is an issue for the light of day, not for legislative tricks.

Drilling for oil in Alaska is not even going to be a major contribution to our deficit—the leasing revenues are only one-fifth of one percent of the budget gap.

Finally, Alaska, the State that gets more Federal dollars per person than any other State in the Union, will get at least 50 percent of the revenues, and the State wants to take 90 percent according to previous arrangements.

The Alaska National Wildlife Refuge is American treasure that does not belong to us—it is the heritage of our country. Just like the bald eagle, the grand canyon, and a good trout stream—ANWR exists for our enjoyment today and for the enjoyment of generations to come. It should not be laced with roads and drilled for oil.

I urge support of this bipartisan amendment.

Mrs. MURRAY. Mr. President, I am in strong support of the Roth amendment.

We cannot sacrifice the incomparable wilderness of the Arctic National Wildlife Refuge to support our bad spending habits. This refuge is one of the only remaining complete and undisturbed arctic ecosystems in the world. It is home to an abundance of wildlife, including grizzly and polar bears, muskoxen, wolves, and a host of migratory bird species. It is also home to the magnificent porcupine caribou herd, whose 160,000 members rely on this coastal plain for their calving grounds.

ANWR also provides essential habitat for people. The Gwich'in people have inhabited this arctic ecosystem for more than 20,000 years. They are dependent upon the caribou herd for their food source, clothing supply and culture.

Mr. President, this body could, today, begin a process that will signal the beginning of the end for many of the people and wildlife of ANWR. With this budget resolution, the doors will be opened wide for oil development in the Refuge. Oil development will likely disrupt the porcupine caribou and force them to change their calving grounds and migratory routes. This, in turn, will affect other wildlife and impact the lifestyle and culture of the Gwich'in people.

Proponents of development claim that only 13,000 acres of the Refuge will be impacted. While this may be true, that development will take place in the biological heart of ANWR and have a devastating impact on the wilderness values of the area. In this biological heart, developers will create a major industrial complex. They will build hundreds of miles of roads and pipelines, erect housing for thousands of workers, and construct two sea ports and one airport. These developments will lead to mining of enormous amounts of gravel, will require diversion of streams and will result in pollution of fragile tundra.

In addition to harming this precious piece of our heritage, I am skeptical about the revenue assumptions made in the budget resolution. The resolution assumes an intake of $1.4 billion from ANWR oil leases. This assumption is based on a split between the Federal Government and the State of Alaska of 60/40. While the Federal Government may push for this division, the state of Alaska has historically received 90 percent of the money from Arctic leases. It is likely that Alaska would file lawsuits to ensure that 10/90 split continues.

Leasing ANWR will not result in a balanced budget. Leasing ANWR will result in an imbalanced ecosystem in one of our greatest wilderness areas. I urge this body to protect the Refuge for future generations of Americans. Support the Roth amendment.

Mrs. BOXER. Mr. President, I rise in strong support of the Roth-Lautenberg amendment. This is a deficit neutral amendment that will correct a misguided policy assumption in the current budget resolution.

Mr. President, the 1996 budget resolution assumes 2.3 billion dollars in revenue over 7 years from leases to oil companies for oil exploration and development in the Arctic National Wildlife Refuge. It assumes the opening up of a unique wildlife refuge for the sake of oil development.

Mr. President, the 1980 passage of the Alaska National Interest Lands Conservation Act opened up 95 percent of Alaskan lands with high or favorable oil and gas potential to exploration and development.

That same act did NOT allow oil and gas exploration in an area of the coastal plain designated ''section 1002'' because of its uniqueness as a natural resource.

This ''Section 1002'' of the Arctic coastal plain is precisely the land area that the budget resolution assumes will be leased to oil companies for oil exploration activities.

Mr. President, in other words, the budget resolution assumes that exploration will occur in an area where in current law, it is explicitly illegal to do so.

What would the consequences be of opening up the Arctic plain to development?

I would like to quote to you from a passage written by Peter Matthiessen in his forward to the Natural Resources Defense Council report Tracking Arctic Oil:

> Today the oil companies have set their sights on the last undeveloped lands to the eastward, pressuring Congress for permission to exploit the 125 mile-long coastal plain of the Arctic National Wildlife Refuge, the very last protected stretch of our arctic coastline, where polar bears still hunt over the ice and come ashore, where a mighty herd of 180,000 caribou, with its attendant wolves, migrates each year from Canada to give birth to its young. . . . The danger posed by destructive and inefficient drilling in the Arctic with irremediable loss to wilderness and wildlife, is not an Alaskan problem. It is a national problem, a world problem.

Mr. President, the first step toward victory for those hungry oil companies occurred last week in the Senate, with the passage of a bill that would lift the ban on the export of Alaska North Slope Oil.

The lifting of the ban goes against all the principles on which Congress based its controversial and expensive decision to construct the Trans-Alaska Pipeline.

Today, we face step two: a budget resolution that assumes 2.3 billion dollars in revenue from oil exploration and development leases along the pristine coastal plane of the Arctic National Wildlife Refuge.

Republicans in the budget committee say that they are ''only leasing 8 percent of the 19 million acres of the Arctic Wildlife Refuge'', and that ''The development of the Arctic National Wildlife Refuge would only affect 13,000 acres''.

Those 13,000 acres are on the last pristine arctic coastal plain—and are part of the original wildlife range established by President Eisenhower in 1960. Those 13,000 acres are in an area that the House of Representatives has twice voted to designate as wilderness in order to give it permanent protection from any development.

The fact is, Mr. President, that what we are talking about here is turning the only remaining protected stretch of our arctic coastline into an immense industrial desert.

Mr. President, leadership is about finding long term solutions to problems—not temporary solutions.

The proposal to open the Alaska National Wildlife Refuge demonstrates lack of long term vision and a lack of leadership—I firmly believe this is not where the citizens of this Nation want to go.

The PRESIDING OFFICER. The question now occurs on agreeing to the amendment offered by the Senator from Delaware.

Mr. DOMENICI. Mr. President, the Roth amendment would reduce the instructions to the Energy Committee by $2.3 billion over 7 years and offset that reduction by increasing revenues $2.3 billion over the same period of time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. DOMENICI. The Senator assumes this would be ANWR. I add that to my explanation.

Mr. President, I move to table the amendment and 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 PRESIDING OFFICER. The question is on agreeing to the motion to table.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 56, nays 44, as follows:

[Rollcall Vote No. 190 Leg.]

YEAS—56

Abraham	Ford	Lugar
Akaka	Frist	Mack
Ashcroft	Gorton	McCain
Bennett	Gramm	McConnell
Bond	Grams	Murkowski
Breaux	Grassley	Nickles
Brown	Gregg	Packwood
Burns	Hatch	Pressler
Campbell	Hatfield	Santorum
Coats	Heflin	Shelby
Cochran	Helms	Simpson
Conrad	Hollings	Smith
Coverdell	Hutchison	Specter
Craig	Inhofe	Stevens
D'Amato	Inouye	Thomas
DeWine	Johnston	Thompson
Dole	Kempthorne	Thurmond
Domenici	Kyl	Warner
Faircloth	Lott	

NAYS—44

Baucus	Feinstein	Moseley-Braun
Biden	Glenn	Moynihan
Bingaman	Graham	Murray
Boxer	Harkin	Nunn
Bradley	Jeffords	Pell
Bryan	Kassebaum	Pryor
Bumpers	Kennedy	Reid
Byrd	Kerrey	Robb
Chafee	Kerry	Rockefeller
Cohen	Kohl	Roth
Daschle	Lautenberg	Sarbanes
Dodd	Leahy	Simon
Dorgan	Levin	Snowe
Exon	Lieberman	Wellstone
Feingold	Mikulski	

So the motion to lay on the table the amendment (No. 1150) was agreed to.

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

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

The motion to lay on the table was agreed to.

ARCTIC OIL RESERVE

Mr. MURKOWSKI. Mr. President, I am glad to see that amendment offered by the Senator from Delaware to strike a major source of new Federal revenues from the budget resolution was rejected by my colleagues. This source of new revenue is $2.3 billion from competitive bonus bids from leasing the oil and gas resources of an area in the northeast part of my State. This is an issue that is important to my State and to our Nation. This vote to keep those funds in the budget resolution is a clear indication that my colleagues would like to see the revenues from the leasing of this area considered in context of the budget deficit reduction effort.

Together with the other members of the Alaska delegation I opposed this amendment. The amendment was also opposed by the Inupiat Eskimo people who live on the North Slope; by the local government for this region, the North Slope Borough; by the Eskimo-owned Arctic Slope Regional Corp.; by the State of Alaska; by our Governor Tony Knowles, and by an overwhelming majority of Alaskans.

Mr. President, I want to review the history and the potentially huge benefits that opening the coastal plain to oil and gas leasing can provide to the Nation.

In the 1980 Alaska National Interest Lands Conservation Act Congress withdrew more than 19 million acres in northeast Alaska, 8 million acres were designated wilderness and another 11 million acres nonwilderness refuge lands. However, under section 1002 of that act Congress set aside about 1.5 million acres to study for oil potential. The purpose of the study was to evaluate the oil and gas values and the fish and wildlife values of this area.

In April 1987 the Department of the Interior released the legislative environmental impact statement and coastal plain report to the Congress.

This led to the recommendation of the Secretary of the Interior to open the 1002 area to oil and gas leasing. Let me quote from the report:

> The 1002 area is the Nation's best single opportunity to increase significantly domestic oil production. It is rated by geologists as the most outstanding petroleum exploration target in the onshore United States. Data from nearby wells in the Prudhoe Bay area and in the Canadian Beaufort Sea and Mackenzie Delta, combined with promising seismic data gathered on the 1002 area, indicate extensions of producing trends and other geologic conditions exceptionally favorable for discovery of one or more supergiant fields (larger than 500 million barrels).
>
> There is a 19-percent chance that economically recoverable oil occurs in the 1002 area. The average of all estimates of conditional economically recoverable oil resources (the ''mean'') is 3.2 billion barrels. Based on this estimate, 1002 area production by the year 2005 could provide 4 percent of total U.S. demand; provide 8 percent of U.S. production (about 660,000 barrels/day); and reduce imports by nearly 9 percent. This production could provide net national economic benefits of $79.4 billion, including Federal revenues of $38.0 billion.

The report continues:

> Discovery of 9.2 billion barrels of oil could yield production of more than 1.5 million barrels per day. Estimates of net national economic benefits based on 9.2 billion barrels of oil production, and other economic assumptions, are as high as $325 billion.

On April 8, 1991, the Department of the Interior issued a formal update of the recoverable petroleum reserves 1987 study and report. The major finding from the update was that the probability of economic success of finding commercial oil in the 1002 area was increased from 19 percent to 46 percent.