

then my position regarding funding for ARC may change.

One budget area where I have special concerns is education. As reported out by the committee, the budget reduces mandatory education spending by a considerable amount—and these reductions could affect student loan programs. Although I had previously supported restoring education funding through offsetting spending cuts, I did not support any amendment that attempted to increase education spending through tax increases. This opposition included both the Dodd and Kennedy amendments. These amendments would have restored \$28 billion in education spending over the next 7 years by raising taxes. While the authors argued that the offsetting tax increases would only come from the elimination of certain tax preferences targeted at large corporations, their practical effect would be to instruct the Senate Finance Committee to raise tax revenues by \$28 billion through any means, including the elimination of tax provisions which I support, such as the home mortgage interest deduction. As I have stated previously, while I am willing to establish education spending as a priority, I believe its enhancement should be achieved by reducing spending in other budget areas.

Similar reasoning was behind my vote against the Bradley amendment targeting so-called tax expenditures. The underlying premise of this amendment is that the Federal Government, not the taxpayer, has the first right of refusal to all income. In my judgment, the whole concept of tax expenditures is misguided, since the logical conclusion of the argument is that all income not taxed still belongs to the Government. I believe the real purpose behind the tax expenditure concept is to provide ammunition for those Members who wish to raise taxes. As I have said before, I support reviewing corporate tax loopholes within the context of overall tax reform. However, I do not support targeting these loopholes if their result is to increase spending elsewhere.

One of the more positive signals coming from the budget debate was the re-

jection, across-the-board, of numerous amendments to reduce our defense budget. It is important to note that the bipartisan rejection of these amendments represents the Senate's recognition that investment in our national security is as low as it can possibly go. In my opinion, it is already too low to ensure the continued security of the country and, for that reason, I oppose amendments to reduce it further and supported efforts by Senators THURMOND and MCCAIN to raise defense spending above the President's levels.

One extremely close vote took place on the Baucus sense of the Senate amendment to encourage the use of the highway trust fund to support Amtrak. While the issue of Federal subsidies for interstate passenger rail service is extremely contentious and involved, using the highway trust fund to support Amtrak clearly undermines the integrity of the fund and should be opposed. If Congress chooses to continue its support for Amtrak, it should be done through general revenues and subject to the same review process to which other discretionary spending is subject.

Two substitutes were offered during debate of the budget which I believe merit comment. First, Senator CONRAD offered his substitute to balance the budget over 10 years without assistance of the Social Security surplus. While I applaud Senator CONRAD's commitment to the Social Security system, his budget falls short of the standard established by the Republican budget. Under the guise of balancing the budget, this amendment is old-fashioned tax-and-spend politics.

The Conrad budget raises taxes by \$228 billion over 10 years. We don't have a budget deficit because Americans are under-taxed. We have a deficit because the Federal Government spends too much. Yet the Conrad budget ignores the history of over-spending by concentrating on the revenue side of the ledger. At the same time, discretionary spending under the Conrad substitute will be \$190 billion higher than under the Republican budget while mandatory spending will be allowed to grow at several times the rate of infla-

tion. In other words, the Conrad substitute would allow Government spending to continue to grow unchecked by raising taxes on Americans—just the opposite of the limited Government message sent to Washington by last November's election.

The second substitute was offered by Senator BRADLEY. The Bradley amendment balances the budget over 7 years through a combination of spending freezes and tax increases. It raises taxes by \$197 billion over the next 7 years while reducing discretionary spending by \$25 billion. In other words, while the Bradley amendment reduces Government discretionary spending a little, it raises taxes a whole lot more. And we witnessed with the earlier education amendments, many Senators still find it easier to raise taxes than to cut spending.

Finally, Senator BRADLEY also offered a sense of the Senate amendment expressing support for eliminating tax loopholes and using the money to lower individual tax rates. While I agree with the premise that our current Tax Code is hopelessly complicated and that a major reform of the Code was in order, Senator BRADLEY's amendment would preclude certain deductions which I support. Efforts to target tax benefits at depressed or blighted areas through enterprise zones—or tax free Renaissance Zones recently announced by Governor Engler—would not conform with the Bradley amendment and it jeopardizes the home mortgage interest deduction that homeowners rely upon in order to make the payments on their homes. For those reasons, I opposed it. ●

RECESS UNTIL MONDAY, JUNE 12,
1995

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 12 noon, Monday, June 12, 1995.

Thereupon, the Senate, at 4:34, recessed until Monday, June 12, 1995, at 12 noon.