

transition rules for generic products that were ready to go to market based on the old 17-year patent term. When Congress approved the treaty, however, it failed to change U.S. law to allow the Food and Drug Administration (FDA) to certify generic drugs for marketing during the transition period.

Lowering the cost of prescription drugs is particularly important for older consumers. Older Americans spend more than any other group on prescriptions. Over one third of the \$64 billion spent on prescription drugs come from seniors. This correction will result in \$2 billion in savings to all consumers and over \$500 million in savings to older Americans.

We strongly urge you to support the Chafee language in the reconciliation bill allowing consumers faster access to many generic drugs and creating savings for the U.S. budget and for older Americans. Thank you. Sincerely,

ESTHER PETERSON,
Vice Chair.
EDMUND H. WORTHY, JR.,
President and CEO.

UNITED HOMEOWNERS ASSOCIATION,
Washington, DC, October 18, 1995.

Senator DAVID PRYOR,
U.S. Senate, Senate Office Building, Wash-
ington, DC.

DEAR SENATOR PRYOR: During Senate consideration of the reconciliation bill, Senators Chafee and Pryor will offer an amendment which will save Medicaid \$150 million and consumers about \$2 billion. The savings can be realized if a prior oversight by Congress is corrected. The oversight by Congress occurred when the General Agreement on Tariffs and Trade (GATT) implementing legislation was adopted.

GATT extends U.S. patents from 17 to 20 years. It also includes "grandfather" rules for generic products, including drugs, that were ready to go to market based on pre-GATT patent expiration dates. Congress, however, failed to change the law to allow the Food and Drug Administration to apply to grandfather rules to generic drugs.

As a result, consumers will spend almost \$2 billion more for a dozen popular medications, such as Capoten and Zantac, for which 63 million prescriptions were written in 1994.

Senators Chafee and Pryor will offer an amendment to the reconciliation bill to close the GATT loophole.

Congress can save consumers almost \$2 billion, including \$150 million in Medicaid savings (according to the CBO), by allowing the FDA to apply the grandfather rules to generic drugs.

Such a change would, according to U.S. Trade Representative Mickey Kantor, be wholly consistent with the intent of the drafters of the GATT Treaty.

The United Homeowners Association urges you to support the Chafee/Pryor amendment to the reconciliation bill.

Thank you.
Sincerely,

JORDAN CLARK,
President.

NATIONAL COALITION FOR
HOMELESS VETERANS,
Washington, DC, September 27, 1995.

Hon. WILLIAM ROTH,
Senate Finance Committee, Senate Dirksen Of-
fice Building, Washington, DC.

DEAR SENATOR ROTH: On behalf of the more than 200 community-based non-profit programs around the country who provide services for homeless veterans, I am writing to urge you to support the Chafee generic drug amendment to the Medicaid reconciliation bill. The amendment will correct an oversight in the GATT treaty implementing leg-

islation thereby saving consumers \$2 billion, including \$21 million in direct savings for the Department of Veterans Affairs which could be better used to provide support for local programs who assist needy veterans—instead of being spent on high cost pharmaceuticals.

The Food and Drug Administration has determined that it cannot certify generic versions of popular drugs such as Capoten and Zantac for marketing until the GATT-extended patents expire, thereby delaying the availability of lower priced generics. We do not believe that this is what Congress intended when it approved the GATT treaty in 1994. Specific transition rules were included in GATT implementing legislation to allow generic products to be marketed based on pre-GATT patent expiration dates. Congress, however, inadvertently failed to include conforming amendments to the Federal Food, Drug and Cosmetics Act to allow the FDA to certify the generic drugs for marketing.

It is essential to bring generic drugs to the marketplace as soon as possible to meet the medical needs of veterans and to help the Veterans Health Administration save money. Secretary of Veterans Affairs Jesse Brown estimates that failure to pass this amendment could cost the VA's health budget a significant amount of money. In these times of continuing budget cuts, it is vital that the VA be able to target its limited resources where the need is the greatest.

We urge you to support the Chafee amendment which will allow the FDA to use pre-GATT patent expiration dates to determine when generic drugs can be certified for marketing and made available to the Department of Veterans Affairs in a manner consistent with the GATT transition rules. Sincerely,

RICHARD FITZPATRICK,
Executive Director.

PARAQUAD INC.,
St. Louis, MO, September 22, 1995.

Memo to: Members of the Senate Finance
Committee.

Re: Medicaid Bill.

I write on behalf of members of the Paraquad community—many of whom are users of prescription medication—to urge you to support the Chafee amendment.

Senator Chafee is proposing a change to U.S. drug legislation that would accelerate the development of generic drugs that now are kept off the market by the GATT agreement.

We believe Congress never intended for the GATT to block generic drugs from being made available quickly to American consumers.

Accordingly, the Chafee amendment merely restores the original intent of Congress.

For example, a generic substitute for the popular anti-ulcer drug "Zantac" won't be available to American consumers until July 1997—despite the fact that it originally was to be available in December of this year.

Senator Chafee is asking the Finance Committee to make the necessary change as part of the pending Medicaid savings bill. That is because the American taxpayer will have to pay an additional \$150 million for Zantac and other drugs for Medicaid recipients that would be required if the generic substitutes were available.

Many members of the Paraquad community are persons of limited income. Many depend on Medicaid. With cost pressures rising, we join with responsible elected officials like Senator Chafee in urging that where cost savings may be realized at no less of quality, the should be.

Please vote "Yea" for the Chafee amend-
ment.

Thank you.
Sincerely,

MAX STARKLOFF,
President, Paraquad Inc.

CONSUMER PROJECT ON TECHNOLOGY,
Washington, DC, September 27, 1995.

Hon. WILLIAM ROTH,
Finance Committee, U.S. Senate, Washington,
DC.

DEAR SENATOR ROTH: I am writing to express the Consumer Project on Technology's support for the Chafee generic drug amendment to the Medicaid reconciliation bill. This amendment seeks to correct an error by the previous Congress, which extended the patent terms for several widely used drugs. As you know, investment incentives are forward looking, and actions which award post hoc monopolies on pharmaceutical drugs which are already on the market are economically inefficient. This retroactive extension of monopoly marketing rights is costing American consumers billions of dollars, and should be immediately corrected.

The U.S. Congress and the Clinton Administration have already given the pharmaceutical industry extremely favorable treatment in a wide range of areas, such as the complete lack of price controls on drugs, favorable tax treatment, billions of dollars in direct research subsidies from the National Institutes of Health (NIH) and other federal agencies, and the recent decision by NIH to abandon the reasonable pricing clause for drugs invented by government scientists. We hope that on this issue Congress will demonstrate concern for the problems faced by consumers in obtaining health care.

Sincerely,
JAMES P. LOVE,
Director, Consumer Project on Technology.

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

Mr. DORGAN addressed the Chair.
The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, my understanding is that we are proceeding under a 1-hour morning business allotment?

The PRESIDING OFFICER. We are in morning business.

Mr. DORGAN. Is there an hour reserved under my name or the minority leader?

The PRESIDING OFFICER. There is time under the minority leader, 1 hour.

Mr. DORGAN. Mr. President, with the consent of the minority leader, let me yield myself as much time as I may consume under that 1 hour.

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

THE RECONCILIATION PROCESS

Mr. DORGAN. Mr. President, I was interested in the comments by the Senator from Arkansas. He is correct about this and so many other things. It is interesting to me that there are so many special deals going on these days for special interests, especially in the reconciliation bill and, also, in some of these recent appropriations bills.

It makes me think of going into a shopping center. There you see the sign that says, "Food Court." You look around at the food court, and the entire thing is full of all these little places where you get food. Well, we

ought to mark off a little place somewhere here in the Capitol and call it the Favor Court, special interests looking for favors line up here. And by the way, it does not matter how long the line is, you are going to be sure to get them in with this new majority because they happen to agree with virtually all the things special interests want.

This is the Baskin-Robbins of special interest. Do not try one, try all the flavors. This reconciliation bill and the appropriations bills that come to the floor of the Senate now are loaded, loaded with special deals. Do you think it is special deals for mom and pop? No. No, it is not special deals for mom and pop or mom and pop businesses. It is special deals for the biggest special interests, the most powerful special interests, and the wealthiest special interests in this country. And that is a fact.

I want to talk a little today about the reconciliation bill and the plan, where we are headed, where we are going. Last week I read to some colleagues on the floor of the Senate a letter of October 18 from the Congressional Budget Office, from the Director of the CBO, June O'Neill, who wrote to Senator DOMENICI. They proudly brought it to the floor of the Senate and proudly held it up and trumpeted this letter saying, "This letter from the Director of CBO, the Congressional Budget Office, shows that our reconciliation bill will now result in a small budget surplus in the year 2002." That was on October 18. And boy, you know, you almost saw them busting their buttons on their double-breasted blazers here on the floor of the Senate. "We have produced something that will produce a small surplus." October 18.

Now, the next day, October 19, I actually wrote to the CBO and said, "Well, I saw that letter you sent over here. I am wondering if you computed this the way the law requires you to compute it, in other words, if you do not misuse or loot the Social Security trust funds for the operating budget revenue, then what would you have in the year 2002?" Same person, same agency, different letter, one day later says, "Excluding an estimated off-budget surplus of \$108 billion"—and what that means in English is that if you do not use essentially the Social Security trust fund surplus and a couple others—CBO would project an "on-budget deficit of \$98 billion in 2002."

Let me say that again. The next day the agency said, if you do not count the Social Security trust fund, then you have \$98 billion deficit in the year 2002. Same person, different letter.

Now, the next day, the day after, October 20, a third letter. The same agency said they made a mistake in the second letter. They now say that the estimated off-budget surplus of \$115 billion, from the calculation, would result in an on-budget deficit of \$105 billion in 2002.

So here is what we have: Three days, three letters, three different estimates. Presumably the last is the right one, saying that if you misuse the Social Security trust funds in the first letter, you actually get a budget surplus, but if you do not loot the Social Security trust funds you have a \$105 billion budget deficit in the year 2002.

So the next time someone comes to the floor and says, "Boy, haven't we done a good job? We have been patting ourselves so hard on the back we have a wrenched elbow here," just ask about the letter of October 20. Do you have more than a wrenched elbow? Do you have a \$105 billion deficit in the year 2002? The answer is clearly yes.

Now, the reconciliation bill will come to the floor of the Senate, and I intend to offer a couple of amendments. I would like to discuss just briefly what those amendments are.

We have not had the opportunity to address tax legislation on the floor of the Senate this year except in this reconciliation bill, and then only for the members of the Finance Committee, apparently, because, you know, the rules prohibit certain amendments—so I am going to offer an amendment on the issue of so-called runaway plants or the tax break we now give to companies that move their plants overseas.

I want all Members of the Senate to express themselves on it. Should we close the tax break or should we not? If you have a company in this country and you decide on Wednesday, let's shut the doors, let's close this company up in the United States and move it overseas to a tax haven country, make the same product hiring foreign workers and ship the product back to the United States, we save money, guess what? We'll give you a special deal if you do that, if you close your company in the United States and move it overseas, make the same product and ship it back here. We'll give you a tax break. We'll give you a special tax break.

I think we ought to take that tax break out of the Internal Revenue Service Code and be done with it. And I am going to give every Member of this Senate the chance to decide, do they want to end the tax break for people who move their plants outside this country to use foreign labor to ship it back in? I hope Members will think it is not good for this country.

Second. There are two amendments I will offer on capital gains. I say to the Senator from Arkansas, the capital gains issue is an issue that is very controversial, and I recognize that. Sometimes inflation plays on the value of an asset such that you are now paying, not so much for the increased value of the asset, you are paying taxes on the increase built up. I understand that. I would like to do something to deal with it.

But I am not interested in doing something that substantially improves the well-being of people who already have millions of dollars at this point.

They have done very well. They have done better than almost all other Americans recently.

Take the last 10 years. The rich have gotten much richer. That is fine. I am just saying we do not need to give them a big tax cut now.

Capital gains, shall we do something on capital gains? Yes, I think for small business owners, family farmers, people who invest in stocks and buy something for kids to go to college in assets and sell it. Should we do something on capital gains? Yes. The capital gains proposal in the bill contains a 50-percent exclusion benefit. That is in the bill coming to the Senate floor. That is not surprising. They always provide big benefits to the biggest interests.

So, I will have two alternative proposals. One is, no capital gains tax, no tax at all, zero, no 50 percent exclusion, a zero tax rate on \$250,000 of capital gains income on assets you have held for 10 years during a taxpayer's lifetime, during your lifetime; if you have held the assets for 10 years, \$250,000 in capital gains, you can pass those through with zero tax rate, provided you held it for 10 years. That is a much better capital gains tax proposal for most Americans than the one that will come to the floor. It is twice as generous. But it does not give away the farm to the wealthiest Americans.

Second, if you do not like that, then take the capital gains proposal that is in the bill and say, "All right, let's do that, 50 percent exclusion, but let's limit it to \$1 million of capital gains income during a taxpayer's lifetime." Is \$1 million not enough? Would that not be sufficient, \$1 million of income in capital gains during your lifetime at a preferential tax rate of 50 percent?

Or are you saying, "No, that's not enough. I stand here representing the interests of the little millionaires or the little billionaires" these days. We have billionaires in this country, which is fine, too. Much of that is a sign of success, but we do not have to, at a time when we are up to our neck in debt, decide to give very significant tax cuts to people whose incomes yearly in capital gains is in the millions, tens of million and hundreds of million.

The question is going to be, no capital gains at all, no tax on capital gains up to \$250,000 during your lifetime, or limit the taxpayers to \$1 million of capital gains at the preferential rate during their lifetime?

Those are three of the amendments that I intend to offer on this legislation. I hope that my colleagues will listen and evaluate and come to a judgment that makes some sense. I think all of these make great sense.

Mr. PRYOR. If the Senator from North Dakota will yield just for a moment, I want to compliment him for his statement. I sat through 2 days last week of pretty excruciating—and I see my colleague, Senator CONRAD of North Dakota, here now. We joined in that effort of seeing if we could not return some degree of fairness to the proposal

as sent from the Finance Committee that would be embodied in reconciliation.

I have another idea that I proposed and it failed on a party-line split. I think that the small business owner, the self-employed, should have a greater deduction in trying to buy insurance for himself and his employees.

Simply put, our colleagues on the other side are now trying to bring capital gains for corporations, the biggest corporations in America, from 35 percent down to 28 percent. My amendment was simple. I said, "If you want to give a capital gains tax to corporations, let's go not from 35 to 28 percent, let's go from 35 to 32 percent, still give them a little break but list also in that, not a 30-percent deduction for health insurance premium, but a 50-percent deduction."

I would like to do 100 percent, and I think we should do 100 percent, but the dollars are not there. We could, by shaving this little benefit off the major corporations, give 10 million self-employed individuals a 50-percent tax deduction when they pay for insurance for themselves and their employees.

I think it would be one of the best things that we could do. I think we would find a lot of people agree that it makes sense and certainly it represents fairness.

Mr. DORGAN. I certainly support that. I think it makes a lot of sense. They ought to have 100 percent deduction on health insurance costs. I know the Senator has been working on that. So have I and others. It makes a lot of sense.

I would like to summarize a couple of points, because the Senator from New Mexico wants to speak and the Senator from North Dakota, Senator CONRAD, does as well.

I want to make a couple of points about the reconciliation bill more generally. I listened with interest for an hour this morning to people who came to the floor and said what this is about is demagoguery. Anyone who comes to the floor and disagrees with them somehow is trying to scare somebody.

Well, this is not about demagoguery, it is about choices. We can, should and will balance the budget. The question is how do you balance the budget? What choices do you make to balance the budget? I will show you the choices this Congress is making. Not pretty choices, in my judgment, but they are making the choices nonetheless.

They are saying we cannot afford Head Start; 50,000 kids in Head Start, all of whom have a name, will be kicked out of the program. All of them have a name and all of them in their hearts hope they get a chance, a better start in life because they come from a home of low income or troubled circumstances. Fifty thousand kids, we cannot afford them. B-2 bombers, we can afford that, 20 more for \$35 billion.

Five hundred million dollars for displaced workers at a time we are saying to displaced workers, "Get a job."

What about the training? We cannot afford that, but we can afford the star wars program.

Let us go down to veterans' health care, \$989 million cut. Congress had to make a decision about two amphibious ships, which to buy, which to build, one \$900 million, the other \$1.3 billion. Do you know what the Congress said? Build them both, the sky's the limit. Let us stuff both pockets with money. So we can afford the two amphibious assault ships the Pentagon did not order, but we have a little trouble with veterans' health care.

Low-income home energy assistance, we cannot afford that, but more money for fighters the Defense Department did not order.

I do not have blimps on here, but they did give \$60 million for blimps. Low-income home energy, that is a fancy way of saying that this is providing some heat for a house on a cold winter night in North Dakota, some low-income person who needs a little help to get some heat in their house, that is what this is about.

These are choices. The other side says this is all scare tactics. It is not scare tactics, it is about the choices we have made.

Let me tell you about another choice. This is a Wall Street Journal piece yesterday: "Tax Analysis Now Shows GOP Package Would Mean Increase for Half the Payers."

Which half? Can anybody guess, with a Republican-controlled Congress, which half of the American taxpayers will be paying more in taxes?

There are only two choices, but can anyone guess which half the majority party would choose to ask to pay more? That is right, the bottom half. Why would that be the case? Because they need to find ways to finance a self-help program for the top half. Actually not the top half, really the top 5, 6, 7 percent.

These are choices. This is not demagoguery. It is choice, and all choices come down to an impact on people.

I want to read to you a couple of letters. These happen to come from some young Indian children who I talked with the other day. I visited these children. They are at a boarding school. They come from dysfunctional backgrounds, backgrounds of significant poverty and trouble. I want to read to you what some of these kids say, because they are the victims of bad choices.

Here is a 14-year-old. They were asked, "If I had one wish for my family": "I wish my grandmother would be alive so I don't have to live in a foster home anymore."

Wishing for a grandmother.

A 13-year-old: "If I had one wish for my family, I wish we were all a family again."

"If I had one wish for my family," this 12-year-old says, "for my mother and brother to be happy together. He lives in Oregon someplace and I haven't seen my father since birth."

A 14-year-old says, "My wish for my family would be for my mother and my father and for my brother and sisters to be together on Christmas Day."

And a 13-year-old says, "My wish is for my real father to quit drinking and my grandmother, too." Think about what people wish for—amphibious ships, bombers, star wars—and then a 13-year-old wishes that her mother, brother, father, and sister could be together on Christmas Day. That is something most of us take for granted.

A lot of people in this country live in a fair amount of poverty and trouble. We ought not turn our backs on them. We ought to make the right choices for them.

Last week, I told of a woman who met me at the Minot Airport about a week or two ago. She asked to speak to me and took me to one side. She was in her late seventies. Her chin began to quiver and her eyes teared up as she spoke in a low voice, because others were around, and she said her husband has been in a nursing home for 3 years. They had a small farm that they lived on for half a century. She sold most of the farm to pay for the nursing home care. She wants to continue to try to live in the house. This woman is in her late seventies. She had tears in her eyes because she is worried she may not be able to stay in her home because her husband is in a nursing home.

These are real problems faced by people who are not the caricature of what we hear about welfare. Sometimes the debate rises above the caricature, but sometimes not. The caricature is some slothful indolent, overweight, lazy, shiftless, no-good bum sitting in a La-Z-Boy, legs up, watching a 32-inch television, watching Oprah and Montel, drinking two quarts of beer and munching on nachos, refusing to go to work.

Well, here is welfare, really: Two-thirds of welfare recipients are children under 16 years of age.

Do you know where the need is in this country? It is 75-year-olds or 80-year-olds who are no longer working and who wonder whether they are going to have enough money to keep their home or pay the nursing home for their spouse. That is where the low-income problems are in this country.

These choices that are made time after time in this Chamber by the majority party, regrettably, have been choices that say to those people: We are sorry. What you have is something we call "tough luck." The majority's response to that is "tough luck."

But to the other bigger interests, the response has always been to try to see if we can give you benefits. Do you want a capital gains tax cut, 75 percent of which goes to people with \$100,000 or more income? Do you want to build more bombers? How about some F-15's or F-16's? What about amphibious ships?

Those choices are not the right choices for this country. We can, should, and will balance the budget,

but we have to make the right choices to do that. I regret to say that this reconciliation bill that comes to the floor of the Senate is filled with special interest deals—the flavor of the month for all of the special interests. Regrettably, it does not make the right choices.

I would like to leave you with one question that I think we need to answer during the next hour or so. It is interesting to me that the analysis of the House bill provides that the \$270 billion cut in Medicare extends the solvency of the Medicare Program for the same length of time that the \$89 billion cut in Medicare does. Question: Why would that be the case? Answer: Because at least part of the money is used to provide a tax cut. That is a simple answer—the only answer.

The Senate does it differently. They cut Medicare \$270 billion and then use the money twice in a lockbox, and they do exactly to Medicare what they do to Social Security—that is, misuse the trust funds so they can use the money twice. Double-entry bookkeeping is one where you can use the money twice. That is for not only restoring solvency of the Social Security trust fund, but for triggering a device that says you have reached a balanced budget and, therefore, you can proceed with a tax cut.

I will finish with this observation, which is the one I started with. I have three letters in my hand, one dated October 18, one dated October 19, one is October 20, all written by the same person, signed by the same person, all addressed to me. In the October 18 letter it says this reconciliation bill reaches a slight budget surplus in the year 2002. The next letter says that if you do not take the Social Security trust funds, if you are prevented from using Social Security trust funds as revenue for operating budget deficits, then the CBO would project an on-budget deficit of \$98 billion in 2002. The next day, in the October 20 letter, it said we were wrong about that as well. Actually, the budget deficit in 2002 would be \$105 billion.

Mr. President, this, I think, describes what is happening with the reconciliation bill. I hope that we will have a significant debate in the coming days about these issues. It is not fear mongering. It is not trying to scare anybody. It is talking about priorities. What are the priorities for this country? What advances this country's interests? What moves us ahead? Who should pay and who benefits? Those are questions all of us should ask in the coming days.

Mr. President, I yield the floor.

Mr. BINGAMAN addressed the Chair. The PRESIDING OFFICER (Mr. CRAIG). The Senator from New Mexico.

EDUCATION IS A PRIORITY

Mr. BINGAMAN. Mr. President, I appreciate the excellent comments by the Senator from North Dakota. I want to speak about one portion of the prior-

ities that he discussed there with his chart. I want to talk about education—and education is a priority for this country—and what is reflected in the budget that is about to be passed here in the Senate and, in the next few weeks, sent to the President.

This week, the Senate is getting ready to take up a reconciliation bill which contains a \$10.8 billion cut in financial support for Federal student loans. I share my colleagues' distress that at the moment tuition costs are rising, the Senate is asking to save billions of dollars on the system that helps students and their families pay their tuition.

If such a change in the student loan program was the only cut being made in education, obviously, we would be concerned. And if there were no other way to balance the Federal budget, we would be concerned and perhaps be able to see our way clear. But neither is the case. Cuts in student loans are, unfortunately, the tip of an education-cutting iceberg. The debate on the reconciliation bill will be in the spotlight on these cuts in higher education. The Labor-HHS appropriations bill cuts billions more in elementary and secondary education.

Mr. President, I am concerned at the magnitude of the cuts. I am concerned at the erosion of the bipartisan commitment that we have had to support education here in the Congress. Most of all, I am concerned with the abandonment of a clear vision and a sense of urgency regarding the need to raise the performance of our educational system.

The magnitude of these cuts, Mr. President, is enormous. Let me show a chart here that indicates some of the problems as I see it. This chart shows the last 7 years—1996 being the seventh year, so it is the last 6 years, I guess, of support for education. It is easy to see from this chart that, in each year, from fiscal year 1990 to fiscal year 1995, there has been some increase in funds for education voted by the Congress. That was, in some years, not as much of an increase as I would have liked and, in some cases, it was not as much of an increase as an increase in inflation, but there was some increase. I should make clear, this is not a chart that shows increases in growth; this is a chart that shows absolute increases and absolute cuts.

In 1996, according to the budget resolution which we are about ready to have a final vote on, there is a proposal for a \$3.7 billion cut in the educational funds. This reverses a bipartisan agreement over the last three administrations that improving education is a top priority in this country. That priority has been expressed each year in annual increases in total educational funding that varied from \$2.6 billion in 1991 to \$0.6 billion in 1993. Compare this to the House proposal to cut \$3.7 in fiscal year 1996. We are making a very dramatic reversal in our priorities this year for the first time in many years.

Twelve years ago, the Reagan administration appointed a blue ribbon group called the National Commission on Excellence in Education. In 1983, they issued a report, which many of us have heard about now for over a decade, called "A Nation At Risk."

That commission concluded in that report in 1983:

*** the educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a Nation and a people. What was unimaginable a generation ago has begun to occur—others are matching and surpassing our educational attainments.

If an unfriendly foreign power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war. As it stands, we have allowed this to happen to ourselves. *** We have dismantled essential support programs which helped make [prior] gains possible. We have, in effect, been committing an act of unthinking unilateral educational disarmament.

That report "A Nation at Risk," called on the public to rally to deal with the situation. It challenges Americans to undertake a long-term effort to achieve excellence in education and the public did respond. States raised their high school graduation requirements. Today, States require more years of study in the basic subjects of the curriculum that were recommended by that commission—subjects of English and mathematics and science and social studies and computer science.

In 1982, the year before the "A Nation at Risk" study came out, only 13 percent of all high school students graduated with 4 years of English, 3 years of math, 3 years of science, and 3 years of social studies. Those are the amounts recommended in that report.

By 1987, that percentage had gone from 13 percent up to 29 percent. By 1990 it was at 40 percent. In 1992 when this administration took office, it was 47 percent.

At the same time, student achievement—this is not just the number of courses taken, but this is actual achievement—as measured by the National Assessment of Educational Progress made only modest improvements.

These achievements resulted from a broadly based bipartisan effort involving educators, public policymakers and the public itself focusing on how to achieve excellence. These efforts received an additional boost in 1989 when President Bush invited State Governors to an education summit in Charlottesville. In fact, then-Governor Clinton was one of those who attended that Charlottesville summit.

The purpose of that summit was to focus on a list of specific national education goals for the country. The goals were to be measurable and to be attainable by the year 2000.

The Bush administration developed an America 2000 strategy, lending the authority and the bully pulpit of national leadership to a program to focus schools on how to improve performance